

RENK



CAPITAL MARKETS DAY 2024

Munich

September 10, 2024

Disclaimer

This presentation has been prepared for information and background purposes only and should not be treated as investment advice or recommendation. It does not constitute or form part of, and should not be construed as, an offer of, a solicitation of an offer to buy, or an invitation to subscribe for, underwrite or otherwise acquire, any securities of RENK Group AG (the “Company”, and together with its subsidiaries, the “Group”), nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or with any other contract, commitment or investment decision whatsoever. This presentation may not, at any time, be reproduced, distributed or published (in whole or in part) without prior written consent of the Company. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the laws of any state of the United States, and may not be offered, sold or otherwise transferred in the United States absent registration or pursuant to an available exemption from registration under the Securities Act.

Certain financial data included in this presentation consists of non-IFRS financial measures. These non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS financial measures included herein. Past events or performances should not be taken as a guarantee or indication of future events or performance. Financial information presented in parentheses denotes the negative of such number presented. Any assumptions, views or opinions (including statements, projections, forecasts or other forward-looking statements) contained in this presentation represent the assumptions, views or opinions of the Company as of the date indicated and are subject to change without notice. All information not separately sourced is from Company data and estimates.

To the extent available and unless denoted otherwise, the industry and market data contained in this presentation has been derived from Company estimates as well as official or third-party sources. Market and market share data has been derived from Company estimates as well as official or third-party sources. Market and market share data are based on company internal estimates derived from continuous analysis and aggregation of local management feedback on market share and ongoing market development. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry and market data, if not labelled otherwise, contained in this presentation are derived from the Company's internal research and estimates based on the knowledge and experience of its management in the markets in which it operates. The Company believes that such research and estimates are reasonable and reliable, but their underlying methodology and assumptions have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this presentation. Information contained in this presentation related to past performance is not an indication of future performance. The information in this presentation is not intended to predict actual results, and no assurances are given with respect thereto.

The information contained in this presentation has not been independently verified, and no representation or warranty, express or implied, is made by the Company nor its affiliates, advisers, connected persons or any other person as to the fairness, accuracy, completeness or correctness of the information contained herein, and no reliance should be placed on it. Neither the Company nor its affiliates, advisers, connected persons, and/or any third-party provider of industry and market data referred to in this presentation or any other person accepts any liability for any loss howsoever arising (in negligence or otherwise), directly or indirectly, from this presentation or its contents or otherwise arising in connection with this presentation. This shall not, however, restrict or exclude or limit any duty or liability to a person under any applicable law or regulation of any jurisdiction which may not lawfully be disclaimed (including in relation to fraudulent misrepresentation).

This presentation includes “forward-looking statements”. These statements contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect” or words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including cost savings and productivity improvement plans) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the market environment in which the Company will operate in the future. These forward-looking statements speak only as of the date of this presentation. Each of the Company, the relevant subsidiaries and their respective agents, employees and advisers, expressly disclaims any obligation or undertaking to update any forward-looking statements contained herein. You are urged to consider these factors carefully in evaluating the forward-looking statements in this presentation and not to place undue reliance on such statements. The Company assumes no liability whatsoever to update these forward-looking statements or to adjust them to future events or developments.

The information contained in this presentation is provided as of the date of this presentation and is subject to change without notice.

AGENDA

08:00

Arrival

08:30 **Strategy**

Susanne Wiegand
CEO, RENK Group AG

09:15 **Financials**

Christian Schulz
CFO, RENK Group AG
Anja Mänz-Siebje
Designated CFO, RENK Group AG

10:00

Break

10:30 **Operations**

Dr. Alexander Sagel
COO, RENK Group AG

**Production/
Supply chain**

Dr. Emmerich Schiller
MD Production and Supply Chain,
RENK GmbH

11:15 **Q&A
Session**

Executive board

12:00

Lunch break

12:45 **Guest
speech**

LTG Ben Hodges
Former 3-star commanding General
US Army Europe

13:30 **Presentation
KNDS**

Florian Hohenwarter
COO KNDS Deutschland

14:00

Product demonstration

16:30

End of CMD

CONTENT

Strategy

Susanne Wiegand
Chief Executive Officer, RENK Group AG

Page 5

Financials

Christian Schulz
Chief Financial Officer, RENK Group AG

Page 24

Anja Mänz-Siebje
Designated Chief Financial Officer, RENK Group AG

Operations

Dr. Alexander Sagel
Chief Operating Officer, RENK Group AG

Page 40

Production/ Supply chain

Dr. Emmerich Schiller
MD Production and Supply Chain, RENK GmbH

Page 56



Susanne Wiegand

Chief Executive Officer
RENK Group AG



Empowering security



Becoming the global #1 in all mission-critical drive technologies for defense and energy transition



Enabling a sustainable future





In light of recent events, RENK recognizes its obligation as the #1 provider of mission-critical drive systems

Not exhaustive Country flag represent user nations 🌐 Broad range of user nations 🇺🇦 Currently in use in Ukraine



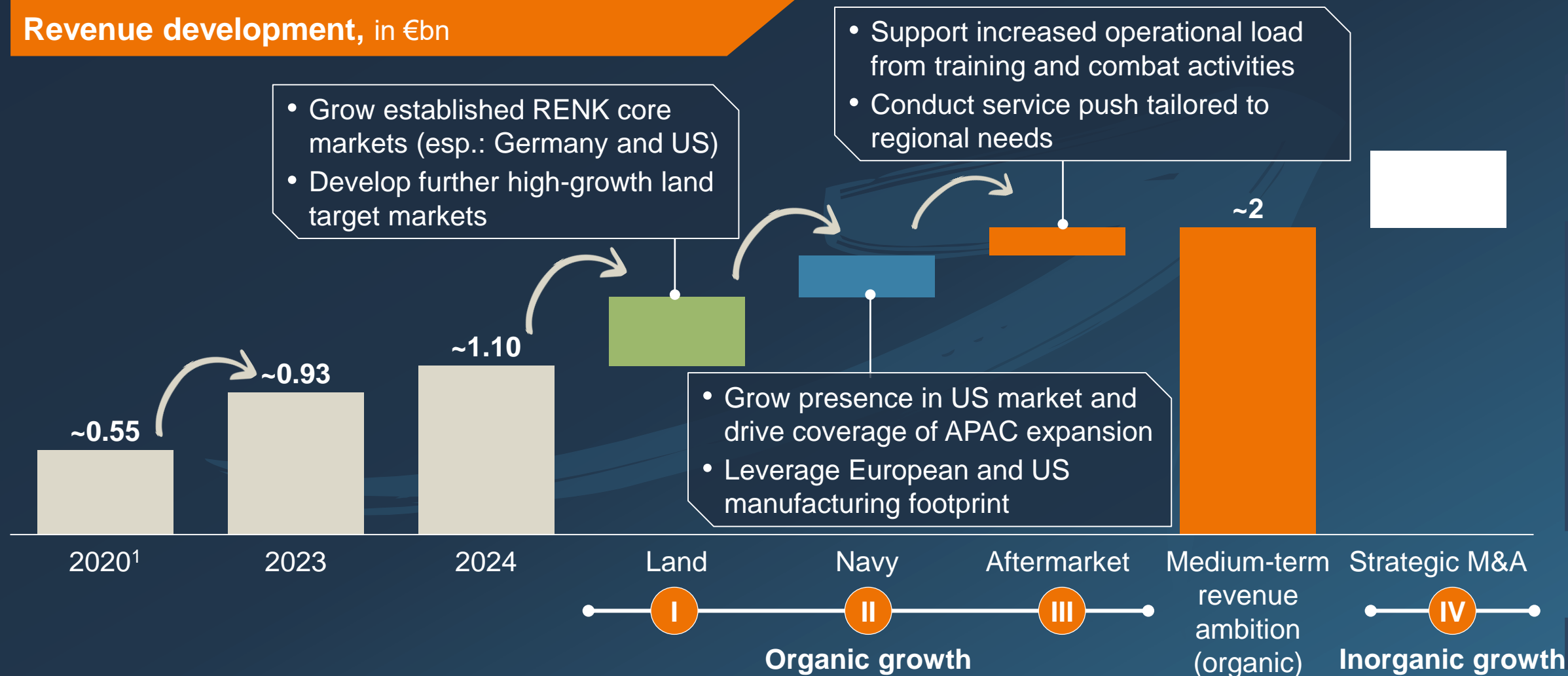
... while continuing to build up foundational layers to drive shareholder value

	High-growth markets	Focused on high growth addressable defense markets globally	~13%	Addressable market CAGR 2022-27 ¹
	Global leadership	Innovation and technology-led global leadership positions in high-demand applications	#1	Leader ¹ for mission-critical transmissions
	Locked-in business model	Platform-agnostic and sole-source incumbency positions across a diversified customer base	>180k	Units installed base worldwide
	High visibility	Significant total order backlog securing future growth	~€4.7bn	Total order backlog ² as of Jun-24
	Well-invested platform	Ready to deliver multi-decade growth leveraging >€400m Capex investment from 2010-23	~3%	Capex share of revenue medium-term
	Strong financial profile	Highly profitable and cash generative with high resilience and attractive long-term outlook	€175-190m	2024 expected adj. EBIT ³

1. Relating to focus Defense activities; 2. Total order backlog comprised of Fixed Order Backlog, Frame Order Backlog, and Soft Order Backlog; 3. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature

RENK has potential to nearly double its revenue to reach €2bn organically in medium-term with further growth through strategic M&A

Revenue development, in €bn



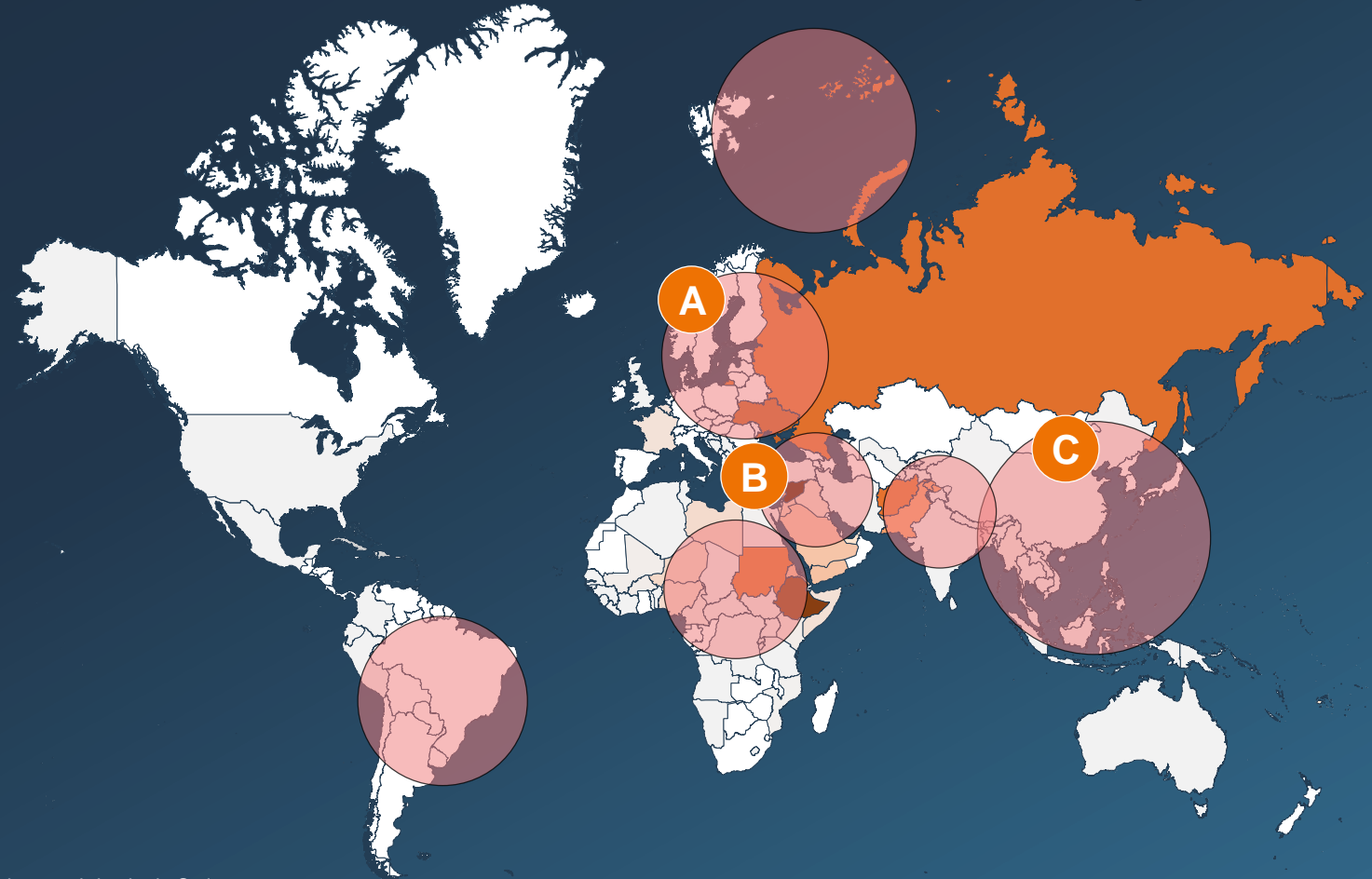
1. As if former RENK Group

I-III: Geopolitical tensions are driving the need for higher defense spending

The past years witnessed a growing threat environment

Increase in active battle intensity¹
Tension areas

- A** **Invasion of Ukraine** after a period of cautious relations between NATO and Russia
- B** Attacks on **Israel** and the **Houthi Red Sea crisis** with first direct escalation between Israel and Iran
- C** Rising **tensions in Indo-pacific region**



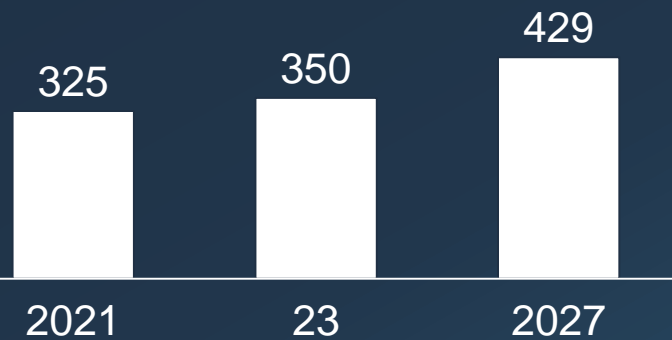
1. Increase of conflict deaths 2014-23 vs 1994-2003 indexed to maximum increase of 263 thousand deaths in Syria

Source: Uppsala Conflict Data Program (Davies, Shawn, Garoun Engström, Therese Pettersson & Magnus Öberg (2024). Organized violence 1989-2023, and the prevalence of organized crime groups.)

I-III: As a result, defense budgets grow significantly across geographies with a cumulated increase of >€500bn

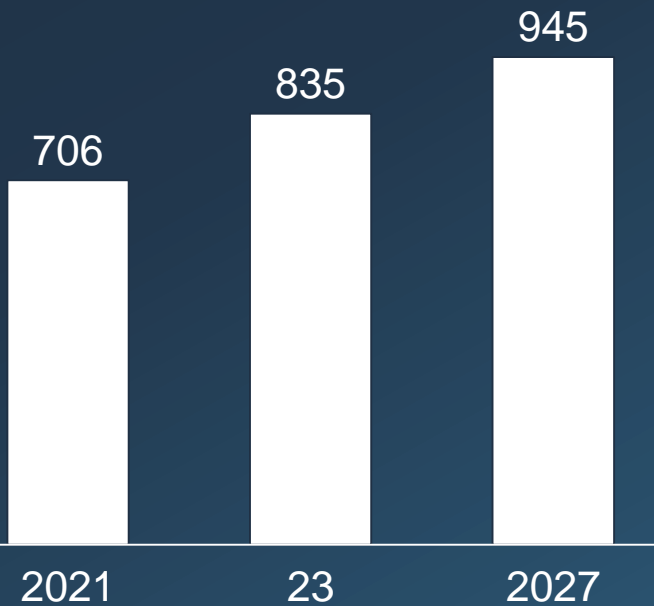
Europe¹, in €bn

+€104bn
growth from 2021-27



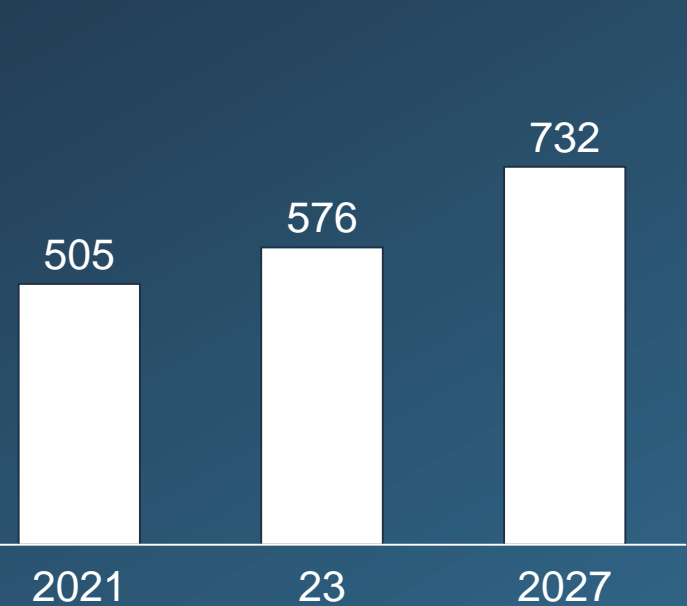
US and Canada, in €bn

+€239bn
growth from 2021-27



Accessible RoW², in €bn

+€227bn
growth from 2021-27



1. Excluding embargoed nations Russia, Belarus; 2. Excluding Afghanistan, Iran, Libya, Syria, Yemen, China, Myanmar, Venezuela, CAR, DRC, Zimbabwe

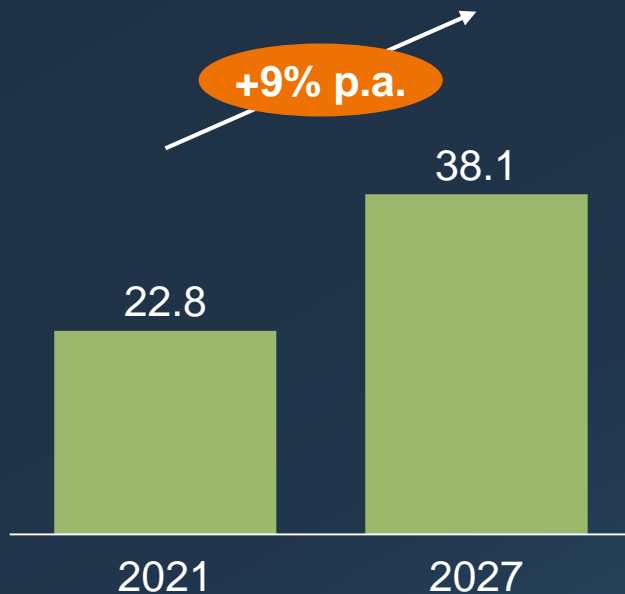
Source: RS Advisors proprietary database, SIPRI, US DoD publications, IM WEO database (Oct-22), RS Advisors analysis

I: Land defense will continue to regain importance across all key regions ...

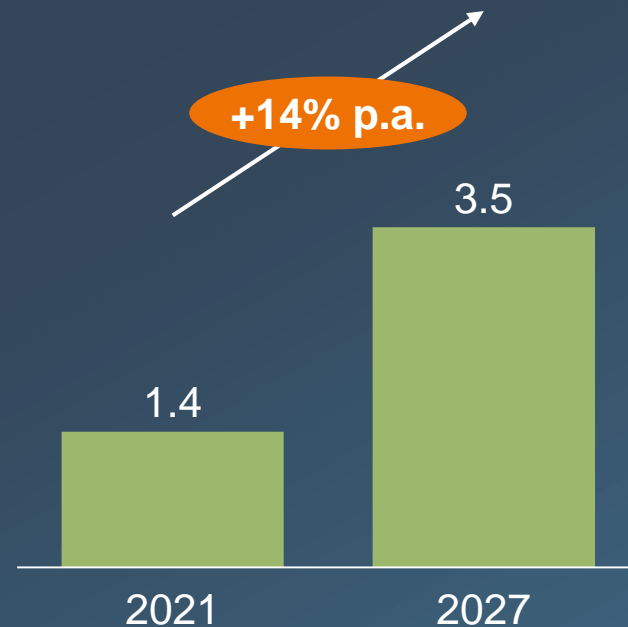
Land market size, 2021-27 in €bn

Key takeaways

Total land defense market¹



Addressable market²



- > **Ukraine invasion** driving **aging fleet replacement** in Europe and **backfilling** of donated vehicles in North America
- > RENK's short-term **addressable market outpacing overall market** growth by ~5 pp annually
- > RENK today already has a **high share of its** market
- > RENK equipment used in **70+ armies** globally

1. Excluding embargoed nations (Afghanistan, Belarus, China, CAR, DRC, Iran, Libya, Myanmar, Russia, Syria, Venezuela, Yemen, Zimbabwe); 2. Excluding programs awarded to competitors and programs outside RENK's core competencies

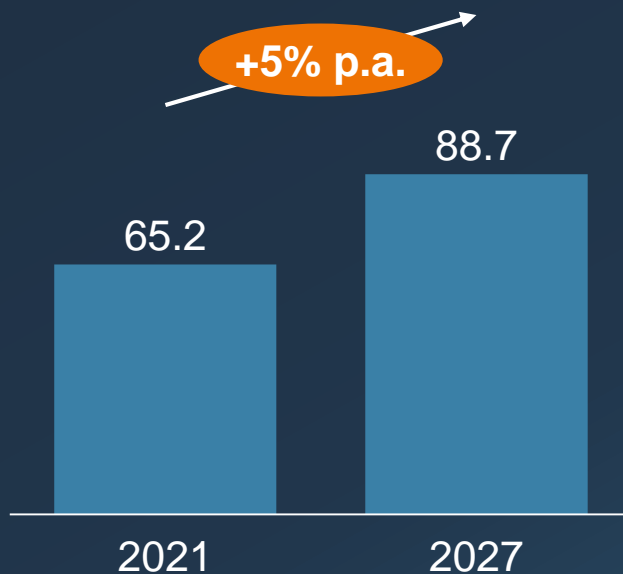
Source: RS Advisors proprietary database, RS Advisors analysis

II: ... with Naval applications especially in the APAC region experiencing strong growth as well

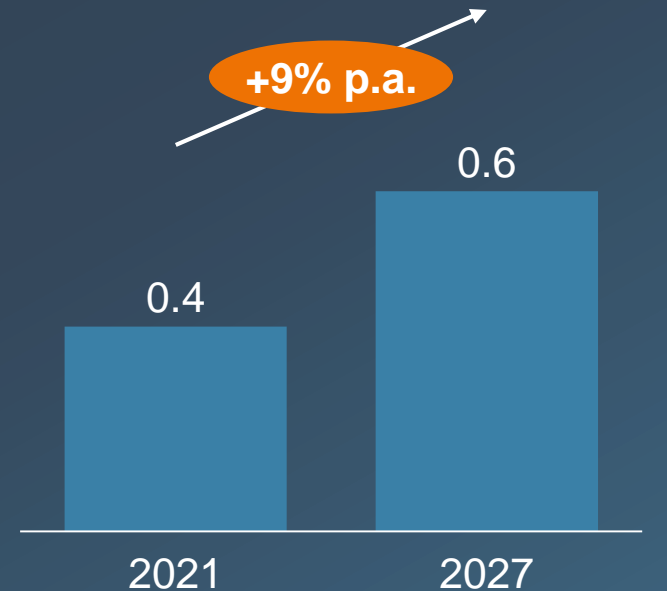
Naval market size, 2021-27 in €bn

Key takeaways

Total naval defense market¹



Addressable market²



- > **Renewed importance of maritime domain** driving both large surface and subsurface combatants
- > RENK's short-term **addressable market outpacing overall market** growth by ~4 pp annually
- > RENK today already **captures a large share of its current addressable** market
- > RENK equipment used in **40+ navies** globally

1. Excluding embargoed nations (Afghanistan, Belarus, China, CAR, DRC, Iran, Libya, Myanmar, Russia, Syria, Venezuela, Yemen, Zimbabwe); 2. Excluding programs awarded to competitors and programs outside RENK's core competencies

Source: RS Advisors proprietary database, RS Advisors analysis

I-III: The market growth in NATO Europe is not temporary – it is structural and for the long-term

Spending gap since cold war

Gap to 2%

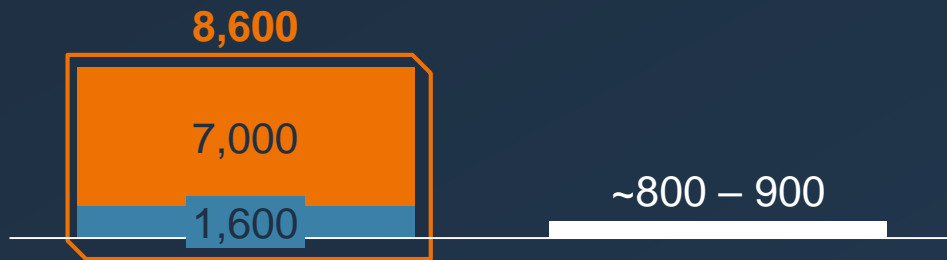


Gap to cold war (3.7%)

■ Gap to 2% ■ Gap to Cold war equivalent (3.7%)

Spend needed to compensate historic underinvestment

Total defense budget for NATO Europe, \$bn

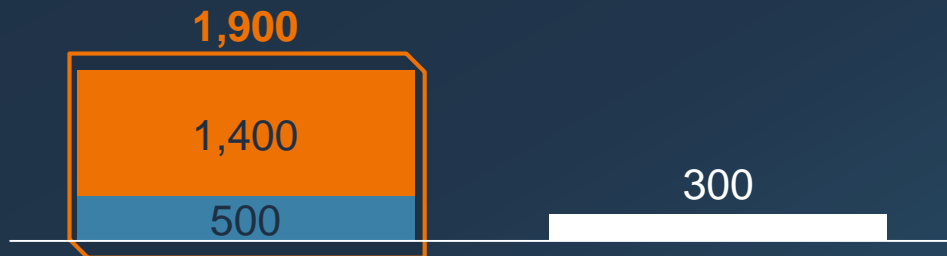


>\$700bn



>\$7,700bn

Thereof equipment spend, \$bn



>\$200bn



>\$1,600bn

Spend gap
1990-2023

Announced added
spend 2022-28

I-II: Low spend has impacted equipment availability of the German armed forces long-term

Equipment 1989/90

Equipment today³

Army¹,

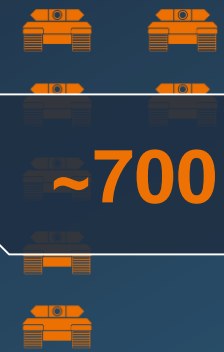
(1 icon ≙
100 tracked
vehicles)



Heer



↓ 85%
Tracked
vehicles



Navy²,

(1 icon ≙
5 vessels)



Marine



↓ 65%
vessels



1. Relevant types of IFV, MBT, and Howitzers reduced from 4,948 in 1989/90 to 687 in 2016/17; 2. Relevant types of Destroyers, Frigates, Corvettes, Minesweepers, and Submarines reduced from 36 in 1989/90 to 17 in 2016/17; 3. Numbers reflect last request regarding information counts in German Bundestag from 2017

I-II: We have a strong foundation in core European and North American markets, which we leverage to drive growth in target markets globally

■ Naval vessels
 ■ Land platforms
 ● Production site

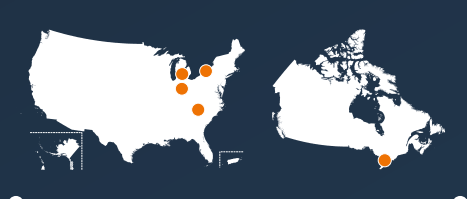
European Powerhouses



US & Canada



Growth Target Markets



 Leopard 2	 PzH2000	 Boxer
 Fennek	 Puma	 Leclerc
 Marder	 Ajax	 M777
 Challenger 2	 F125-class Frigate	 Type 212A Submarine
 F126-class Frigate	 F123-class Frigate	 Flottendienstboot
 F124-class Frigate	 Tide-class Replenishment Ship	 Inspiration-class Type 31 Frigate

 M88	 M270 MLRS
 PIM	 AMPV
 Bradley	 M113
 FMTV	 LAV 6.0
 Stryker	 Freedom-class Littoral Combat Ship
 Offshore Patrol Cutter	 Legend-class Nat. Security Cutter

 K9	 KTO Rosomak	 K2	 Borsuk
 Namer	 Merkava	 Lynx	 Hawkei
 Type 16	 Pizarro/Ulan	 Panther	 Arjun
 Thaon di Revel OPV	 Trieste landing Helicopter Dock	 Bergamini-class Frigate	 Vulcano logistics Support Ship
 Samarth-class OPV	 Nilgiri-class Frigate	 Deepak Fleet Solid Support Ship	 Vishwast OPV
 Vikrant Aircraft Carrier	 Tae Pyung Yang OPV	 Incheon-class Frigate	 Holland OPV
 Ver Huitfeldt-class Frigate	 HDP-2200 OPV	 Tamandare-class Frigate	 MEKO Frigates

I: RENK is well positioned in the current MBT platform generation and set for the next while working on closing gaps

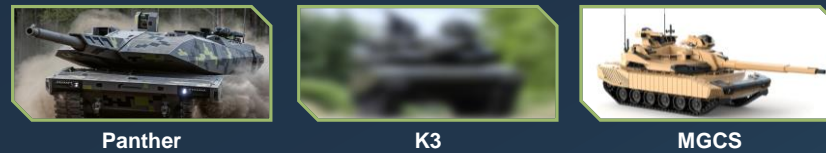
Not exhaustive

RENK is serving most large MBT platforms

Core supplier to most current models



Well positioned for next generation



Legacy platforms up for re-powering



Repowering opportunities in legacy platforms

M1 Abrams

- Localized production in US footprint
- Potential for both transmission and suspension upgrades

Active units

>5,000

Challenger 2

- Existing suspension integration
- Ongoing discussions for Challenger 3 powerpack

Active units

>300

Ariete

- Cooperation with Italian partner
- 80 active units subject to midlife repowering

Active units

>115

III: Recent increase of equipment usage is driving up maintenance requirements compared to previous 20 years


Significantly increased use in operations and exercises ...

... increasing service need



- > Increased pace of exercises by NATO and individual countries
- > More time in active operations with high wear and tear
- > Ongoing discussions to increase reserve inventories across customers
- > RENK with sufficient operational capacity to serve increased demand

IV: We are looking into M&A options centered on defense with an approach tailored to respective regional peculiarities

	North America	Europe	APAC
Status-quo	Largest & mature market with small to large players	Already consolidated on land side	Established national champions and emerging markets
M&A approach	Active approach as focus region	Opportunistic	Focus on opportunities for localization and capability building
			

We have developed from a small noncore subsidiary of VW Group to a strong, global defense company

From ...



To ...

RENK

Small part of Volkswagen Group under MAN ownership with no growth ambition

✓ **Strong, independent**, public company and part of SDAX with ambition to grow

Relatively unknown member of German “Mittelstand” without a clear profile

✓ **Recognized and leading German defense company** aiming for the MDAX

“Mittelstand” typical management and leadership team

✓ Recognized and **industry-experienced management** with (M)DAX track record

Loosely connected **set of legal entities**, with **inconsistent organizational structure**

✓ **One globally integrated firm**, with **capital markets ready** central backbone

Departments being **strongly focused on own silos**

✓ A culture of **entrepreneurship and shared accountability**

Nevertheless, there is significant untouched potential for the next years to further improve our performance and realize our growth ambitions



Finance

- Enhance **value creation focus** in our **financial steering model**
- Implement structural measures for **NWC optimization**



Operations

- Bring **RENK America to the next level** and turn it into a unique US stronghold
- Tackle opportunities in future areas like **electrification and digital business** model
- Improve RENK's **internal IT systems**



Production and Supply Chain

- Further **increase output and efficiency at VMS Augsburg** to accelerate growth
- **Roll out RENK's Production System** to all RENK manufacturing sites
- Further **strengthen RENK global footprint** across markets



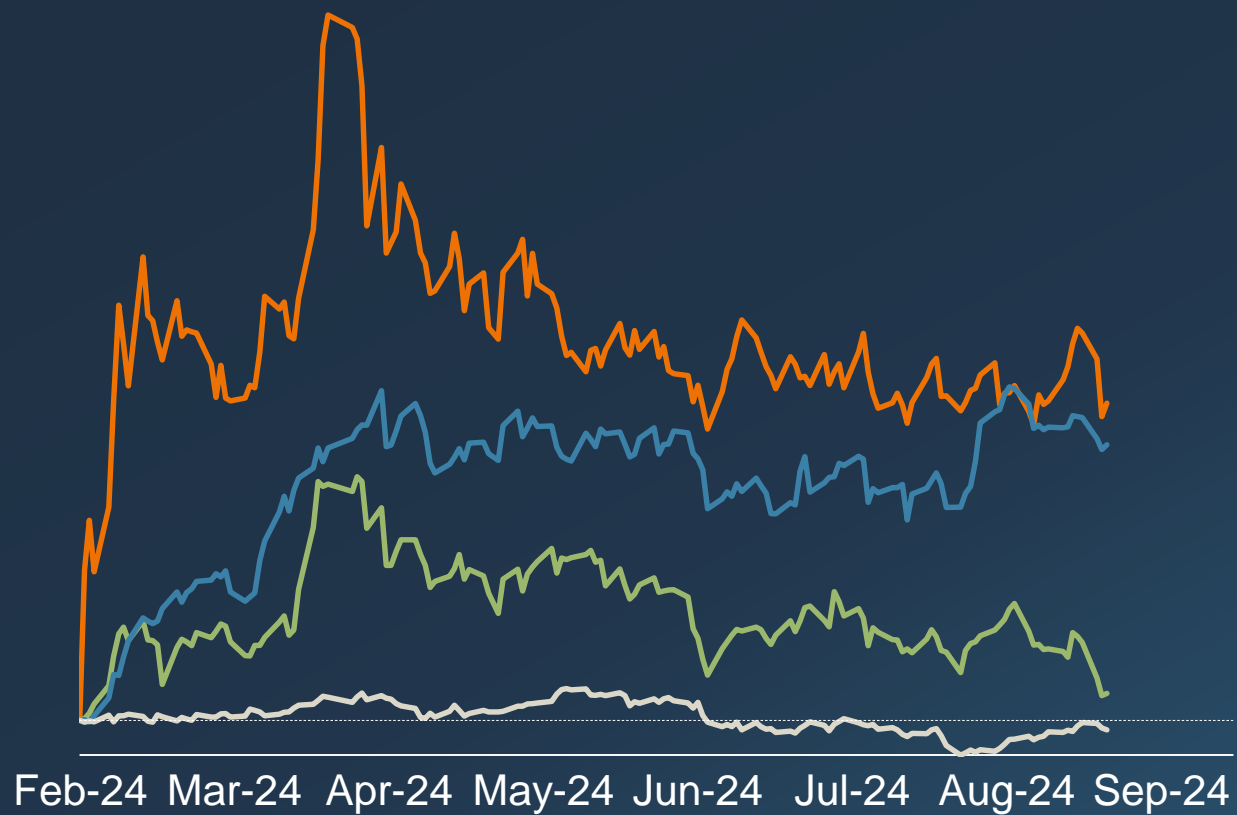
Christian Schulz
Chief Financial Officer
RENK Group AG



Anja Mänz-Siebje
Designated
Chief Financial Officer
RENK Group AG

RENK's stock has outperformed the market and our key peers since the listing

Stock performance, % change since RENK listing



Key facts

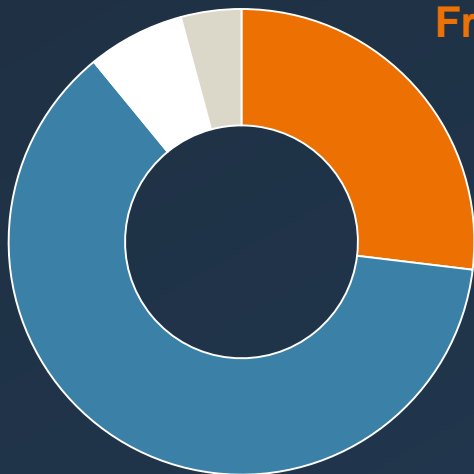
- ✓ Strong and diverse shareholder base with KNDS as strategic investor
- ✓ Entered SDAX shortly after listing
- ✓ Delivered on promised 2023 financial guidance
- ✓ Maintained momentum with strong financial performance in H1-24
- ✓ Strengthened balance sheet through strong cash generation

We have a strong and diversified investor base with increasing free float and balanced geographical coverage

Shareholder structure at listing

Shareholder structure today

KNDS 7%
Mgmt HoldCo 4%

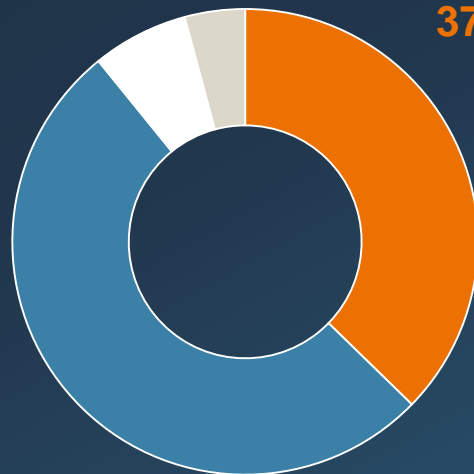


Triton
62%

Free float
27%

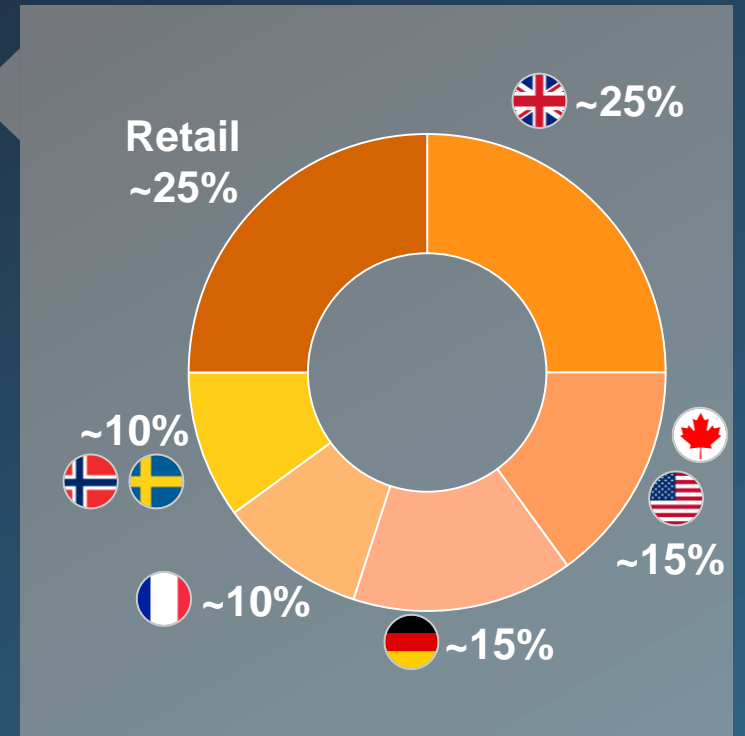
+10 pp
free float

KNDS 7%
Mgmt HoldCo 4%



Triton
52%

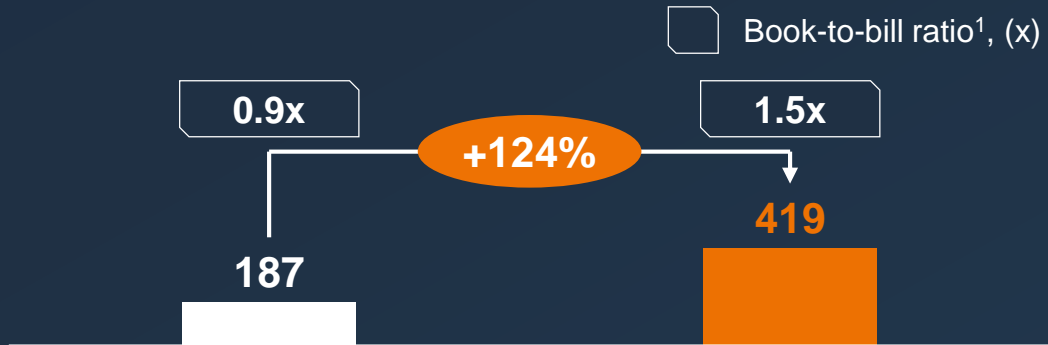
Free float
37%



Record breaking Q2-24 results with substantial year-on-year growth ...

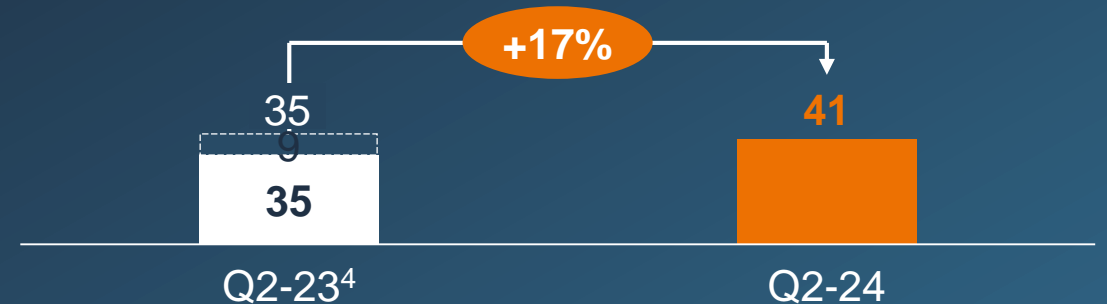
Order intake, in €m

Revenue, in €m



Total order backlog², in €bn

Adj. EBIT³, in €m



1. Book-to-bill ratio defined as order intake/revenue; 2. Total order backlog comprised of fixed order backlog, frame order backlog, and soft order backlog; Fixed order backlog represents with respect to binding customer contracts and purchase orders concluded and/or received the portion of the associated transaction price for which the amount of revenue has not yet been recognized in accordance with IFRS; Frame order backlog includes signed frame contracts or prolongation character of linked frame contracts with fixed annual volumes or volume estimates based on customer information or historical call-offs over the entire contract duration, booked for the period of the frame contract term; Soft order backlog includes estimated volumes of sole source projects and successor business until 2028 based on public information and customer information, booked for the period Jul-24 to Jun-28; 3. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature; 4. Adj. EBIT in Q2-2023 without €9m one-time earnings impact of the release of a warranty provision

... provided support to narrow 2024 guidance towards upper end

	2023	Initial guidance	Narrowed guidance
Revenue	<p>€926m </p>	<p>€1,000 – 1,100m</p>	<p>~€1,100m</p>
Adj. EBIT ¹	<p>16.2% (€150m) </p>	<p>~€160 – 190m</p>	<p>~€175 – 190m</p>

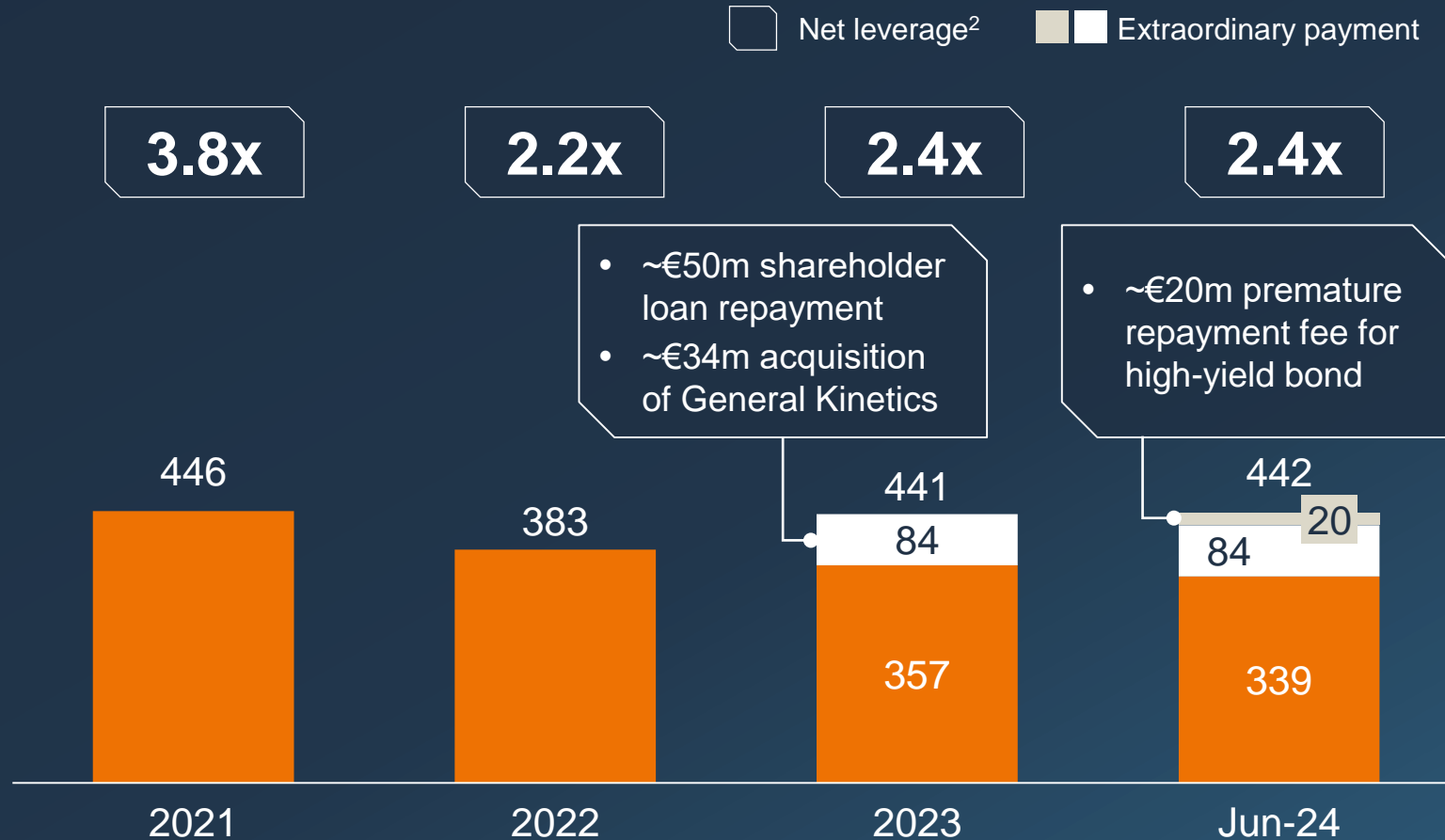
 FY-23 guidance achieved

1. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue

Our cash generation strengthened our balance sheet and allowed us to maintain our leverage despite significant onetime payouts

Net debt¹ development, in €m

Ratings



S&P Global

BB positive outlook
 upgraded twice from B to B+ (November 14, 2023) and from B+ to BB (July 25, 2024)



MOODY'S

Ba3 positive outlook
 upgraded from Ba1 to Ba3 (February 23, 2024)

1. Net debt is defined as the sum of bank debt (previous year: senior secured notes) and lease liabilities less cash and cash equivalents based on the carrying amounts in the IFRS financial statements; 2. Net Debt/LTM adj. EBITDA

Source: S&P Global, company website

Through past investments in a downturn market, we are now in a prime position to capture the current defense super cycle ...



1. Capex defined as payments to acquire property, plant and equipment, and intangible assets

... as our portfolio, capabilities, assets, and people are ready for growth with about €380m of M&A and more than €400m of Capex investments



under VW ownership

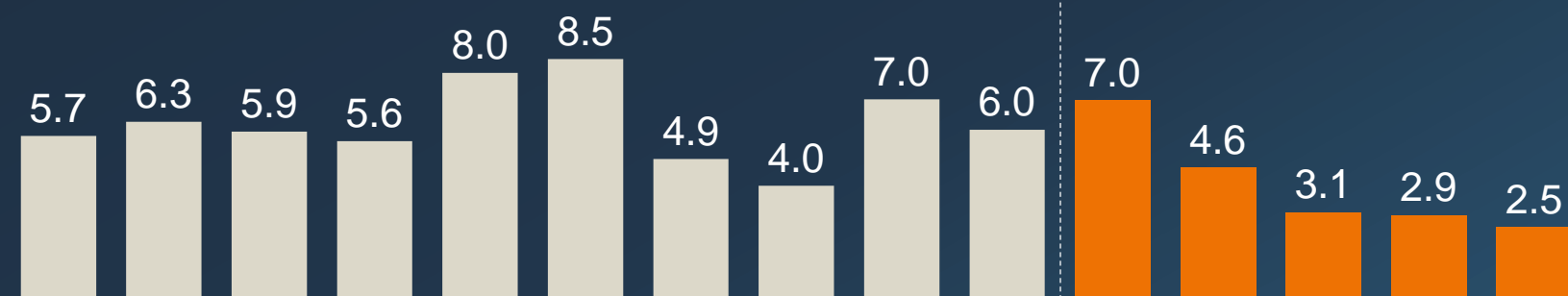
RENK stand-alone

M&A activities
selected
acquisitions



~€380m
M&A investment

Capex² % of
revenue
excluding M&A



>€400m
Capex investment

Total
headcount,
in k³



>100%
Headcount increase

1. Purchase of Magnet Motor and L3 Harris Propulsion in 2021; 2. Capex defined as payments to acquire property, plant and equipment, and intangible assets; 3. 2010-19 includes direct and indirect core headcount (consolidated RENK Group), 2020 to H1-24 includes core headcount, temporary headcount, interns, etc. (consolidated RENK Group including unconsolidated entities)

We will enhance our focus on value creation through refinement of our financial steering model



Shift to **absolute adj. EBIT**

Focus on
value-accretive growth
across all segments



ROCE as new performance indicator

Focus on
capital efficiency to make
best use of resources

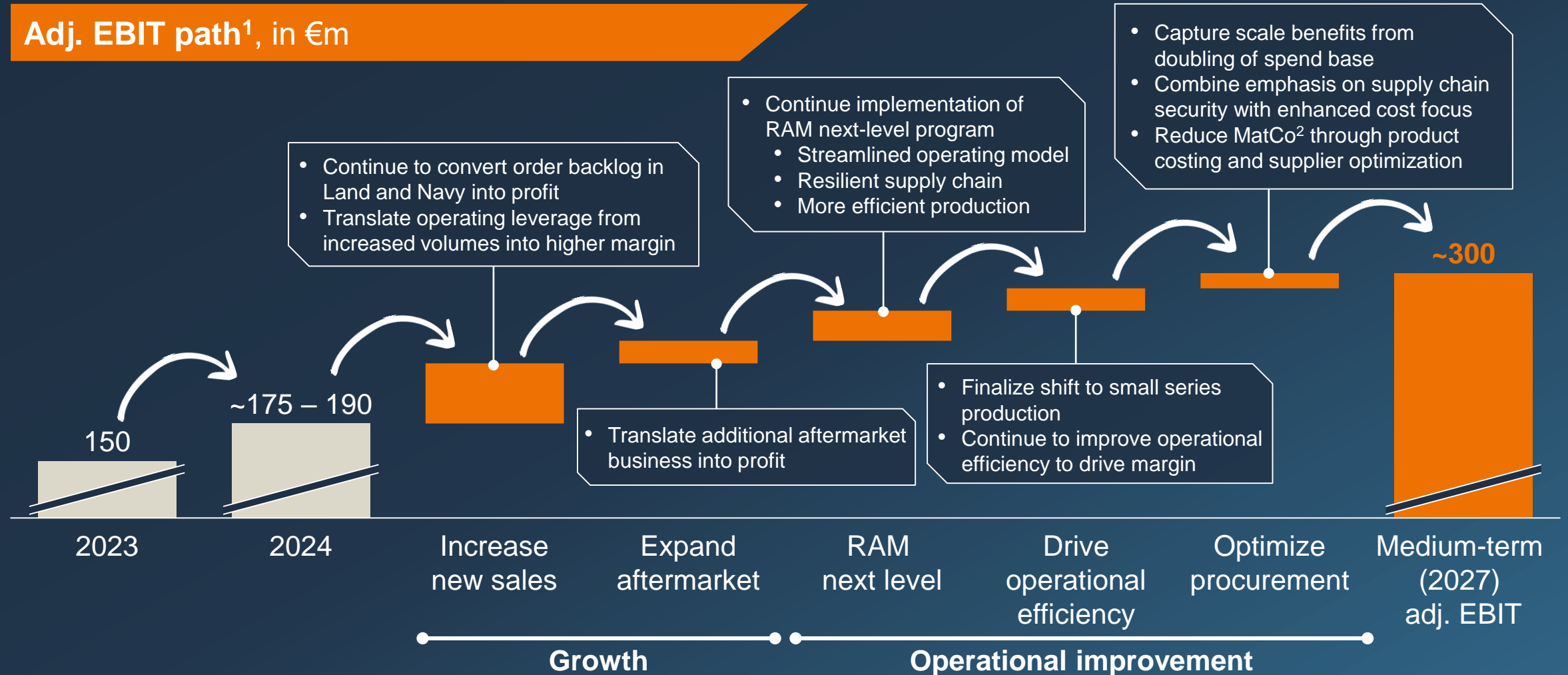


New **Cash Conversion Rate** definition

Focus on
cash generation

We will drive further EBIT and margin expansion through continuous growth, operating leverage, and operational improvements

Adj. EBIT path¹, in €m

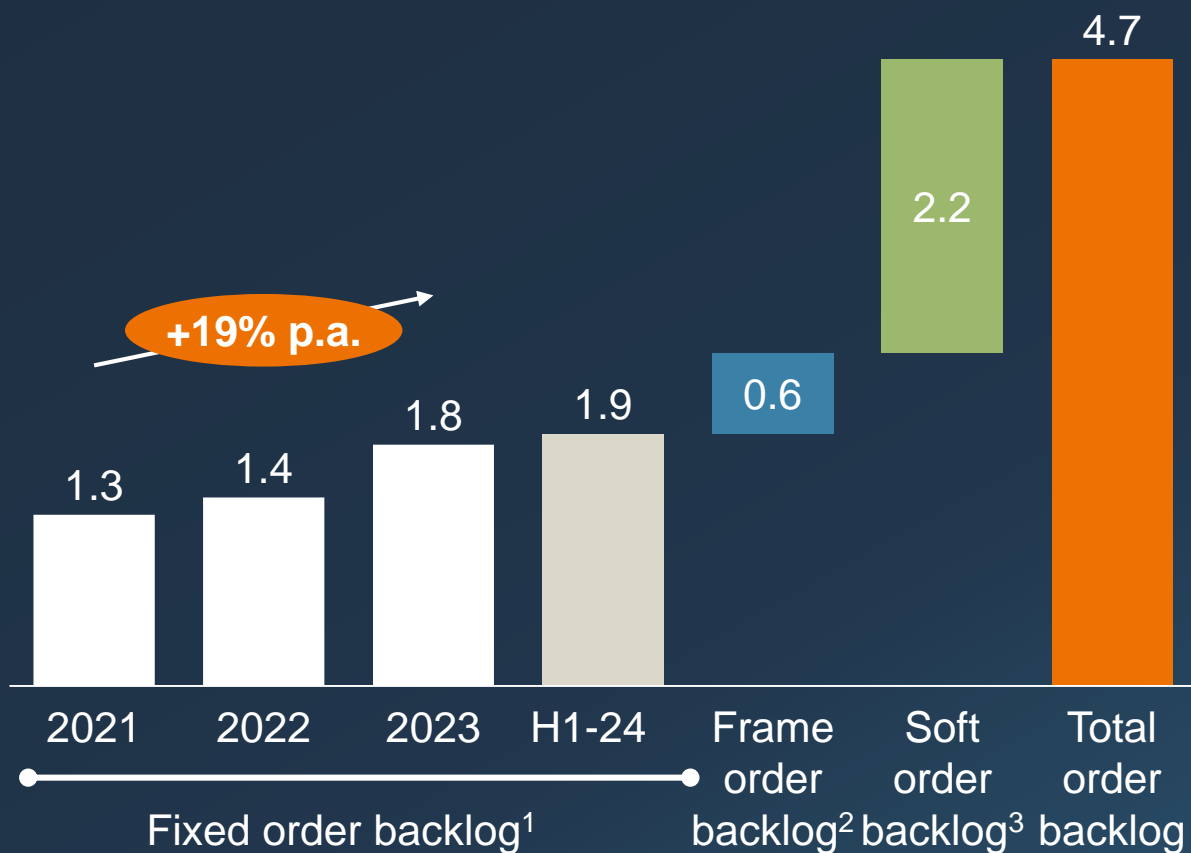


1. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature;

2. Material costs

Our constantly increasing order backlog will serve as the basis for our growth in new sales and expanding aftermarket

Order backlog, in €bn



Selected key orders

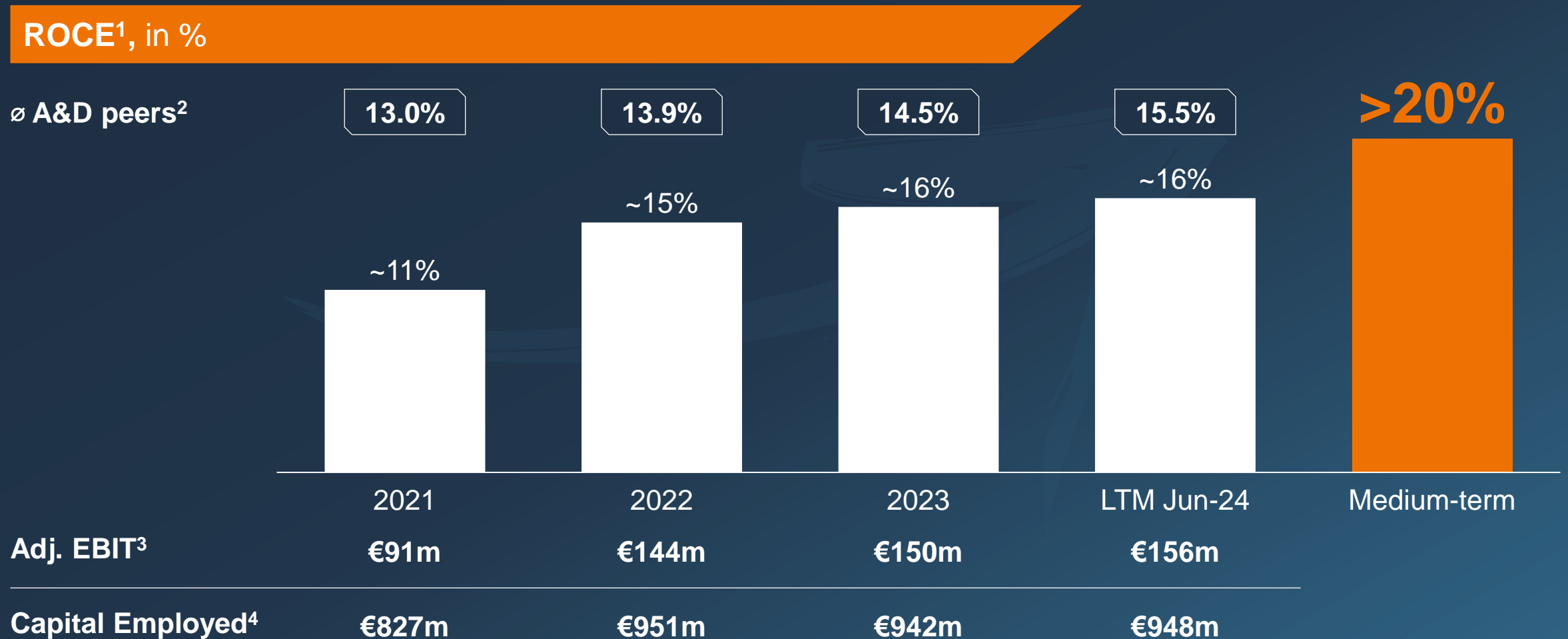
Not exhaustive

Fixed Frame Soft

		THOR III and IV Bradley, PIM, AMPV	~€600m	 
		Transmission K2 MBT	~€300m	 
		Engine M60 Taiwan MBT	~€200m	
		Transmission and Suspension Puma	~€200m	 
		Naval gearbox F126	~€40m	 

1. Fixed order backlog represents with respect to binding customer contracts and purchase orders concluded and/or received the portion of the associated transaction price for which the amount of revenue has not yet been recognized in accordance with IFRS, 2. Frame order backlog includes signed frame contracts with fixed annual volumes or volume estimates based on customer information or historical call offs over the entire contract duration, booked for the period of the frame contract term, 3. Soft order backlog includes estimated volumes of sole source projects and successor business until 2028 based on public information and customer information, booked for the period Jul-24 to Jun-28

We have integrated a ROCE-based value creation focus into our financial steering model to optimize the use of available capital



1. ROCE is defined as adj. EBIT in relation to the average capital employed for the fiscal year; 2. Average in 2021 – LTM 2024 from Leonardo, Rheinmetall, SAAB; 3. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature; 4. Capital employed comprises average property, plant and equipment, intangible assets and net working capital of the fiscal year

We will also update our cash conversion definition to more accurately reflect our ability to generate cash in relation to our capital structure

Cash conversion definition

Current definition

=

$$\frac{\text{Adj. EBITDA}^1 - \text{Capex}^2}{\text{Adj. EBITDA}^1}$$

Cash conversion, in %

85

85

83

Updated definition

=

$$\frac{\text{Free cash flow}^3}{\text{Adj. net income}^4}$$

- Negative change in NWC mainly driven by inventory buildup

- Continued buildup of inventory
- Increase in interest payments due to SSFA⁵ interests and prepayment penalties of corporate bond refinancing

85

28

-29

2022

2023

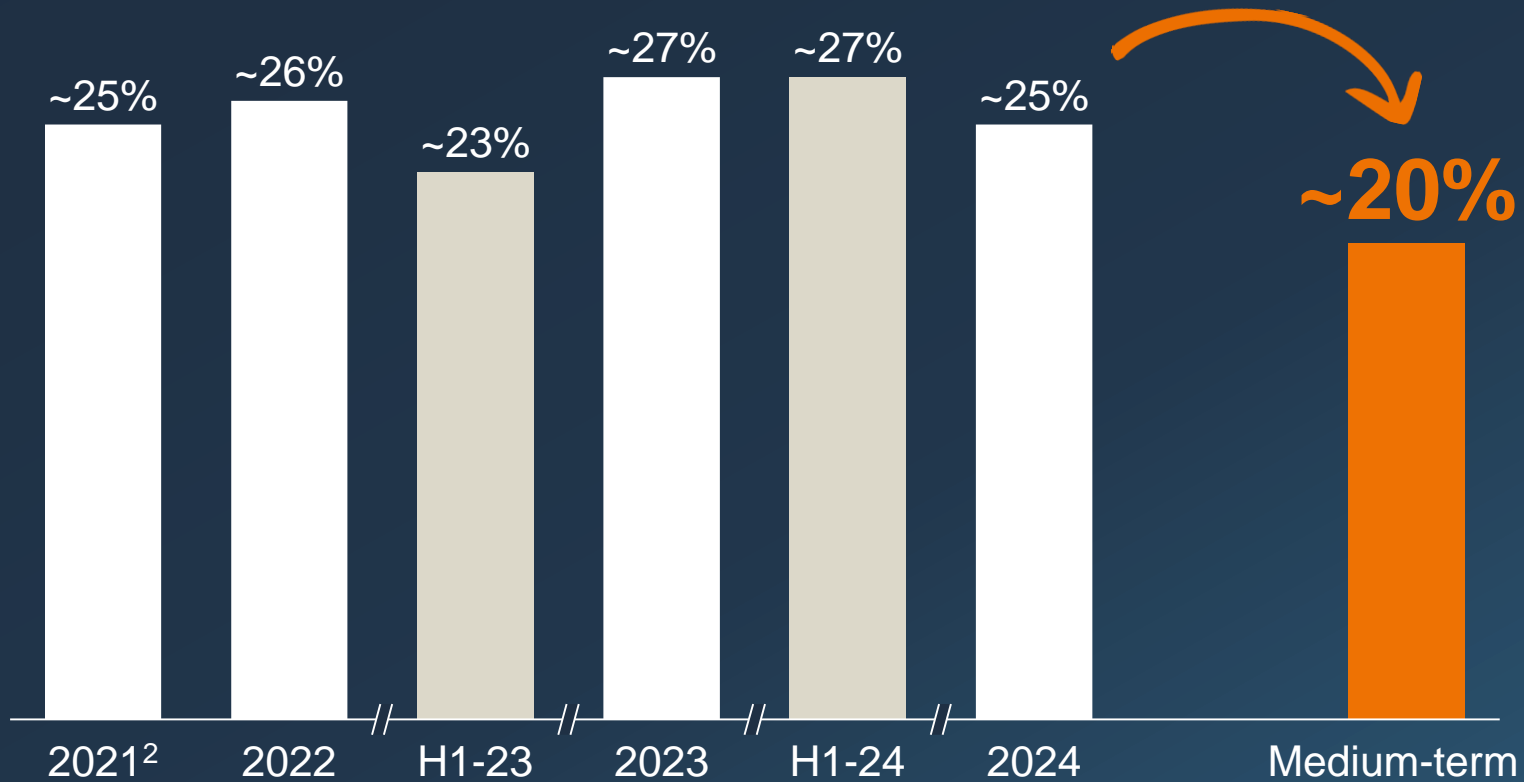
LTM Jun-24

1. Adj. EBITDA is defined as operating profit before depreciation, amortization, and impairment losses on intangible assets and property, plant and equipment, and adjusted for certain items which management considers to be exceptional or nonrecurring in nature; 2. Capex defined as payments to acquire property, plant and equipment, and intangible assets; 3. Free cash flow is calculated by adding depreciation and amortization, interest paid, income taxes and capital expenditures to EBIT. Free cash flow is reduced by any increase in net working capital and increased by any decrease in net working capital. Other reconciliation items includes changes in provision, other receivables and liabilities, insofar as these are not attributable to the net working capital, as well as other cash and non-cash effects with minor individual relevance; 4. Adj. net income defined as profit after tax before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and loan interest, and adjusted for certain items which management considers to be exceptional or nonrecurring in nature; 5. Super Senior Facilities Agreement

To improve cash conversion, we will enhance capital efficiency through reduced inventory and target-oriented cash management

NWC¹ development, as % of revenue

Key levers



NWC stable despite significant **top-line growth**



Initiation of **structured program** for **legal entity-based NWC management**



Focus on target-oriented cash management with bottom-up forecast and monthly tracking



Start of initiative to **optimize procurement and purchasing spend**

1. Includes change in inventories, trade receivables, and contract assets, and changes in trade payables and contract liabilities; 2. Calculation of 2021 NWC as share of revenue based on 2021 revenue of €698m plus revenue of €110m that would have been taken into account if the acquisition of RENK America and Magnet Motor had closed on January 1, 2021

Based on our allocation framework, we will make the best use of our available capital along 4 future areas



**Investment
in core
Technology &
Operations**

**ROCE-optimized
investments**



**Dividend
payout
~40 – 50%¹**

**Shareholder
return**



**Strategic
focus
Defense
& US**

**Value-accretive
M&A**

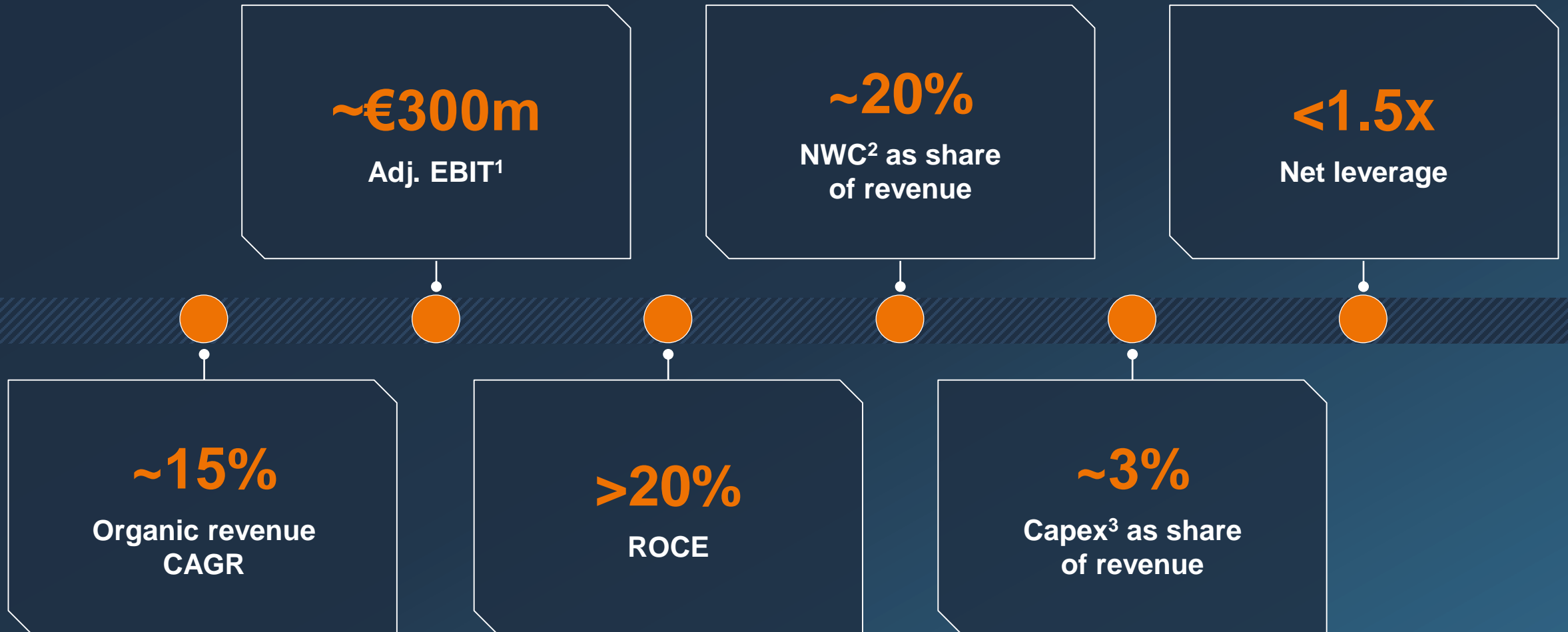


**De-
leveraging
<1.5x over
time²**

**Balance sheet
strength**

1. Based on adj. net income; 2. Net leverage defined as net debt/adj. EBITDA

Medium-term highlight figures to keep in mind and to track our performance against



1. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue; 2. Includes inventories, receivables, contract assets, trade payables, and contract liabilities; 3. Capex defined as payments to acquire property, plant and equipment, and intangible assets

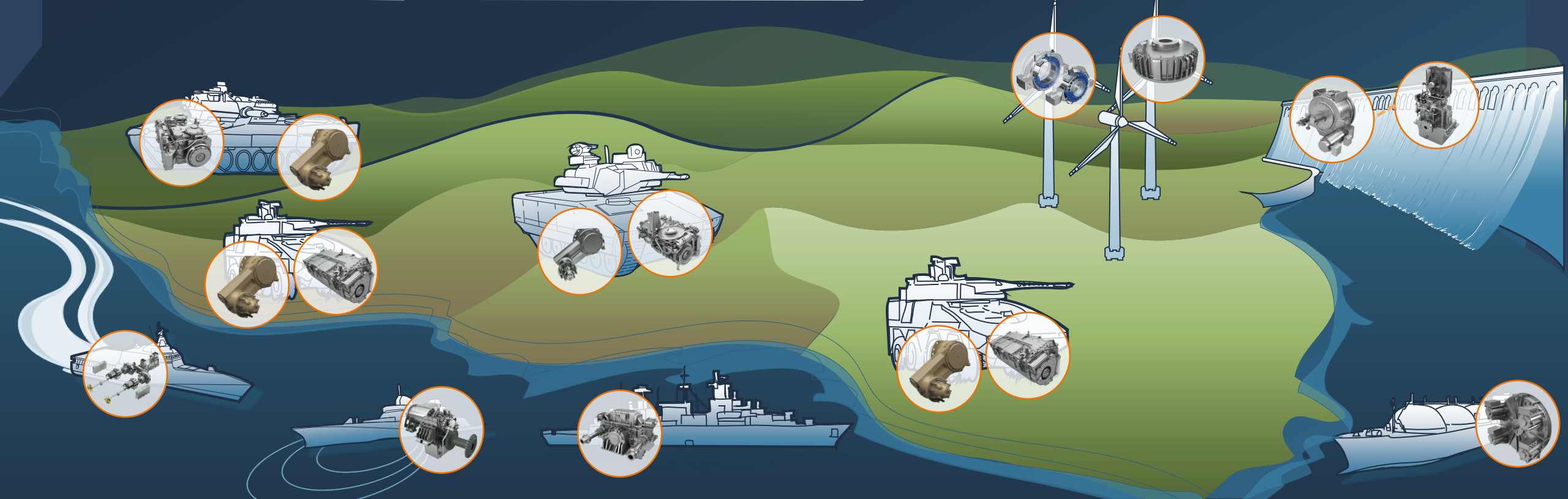


Dr. Alexander Sagel

Chief Operating Officer
RENK Group AG

Just to recap: 3 main megatrends driving future business development of RENK

Megatrends:



RENK 2.0 setting the pace for the next years by doing our homework to capture the market potential

€>2,000m

**Revenue
ambition**

I Leverage **market potential of defense super cycle** (land/navy)

Strive **towards world-class operational excellence** through RENK Production System including IT

~20%

**Adj. EBIT
margin ambition**

Convert top-line growth

Drive **high-margin segments** (e.g., aftersales)

Disciplined cost management with profitability criteria

II Restore **RAM profitability**

#1

**In Market and
Technology**

III Focus **R&D on 4 key technology** fields

Drive **M&A for growth, product portfolio, and technology**

II: We implemented a structured program to increase operational performance and efficiency level of RAM in 3 main areas



**READY
TO
SERVE**



Supply chain

Not exhaustive

- ✓ Deployed comprehensive **parts availability strategies** and enabled dramatic production scale-up
- ✓ Active parts management and tracking in **win rooms**

Increased
output ability

Operating model

- ✓ Clear operational responsibility and P&L accountability through **dedicated business units**
- ✓ Shared company goals via new **North Star vision** with ambitious growth targets

Enhanced
transparency

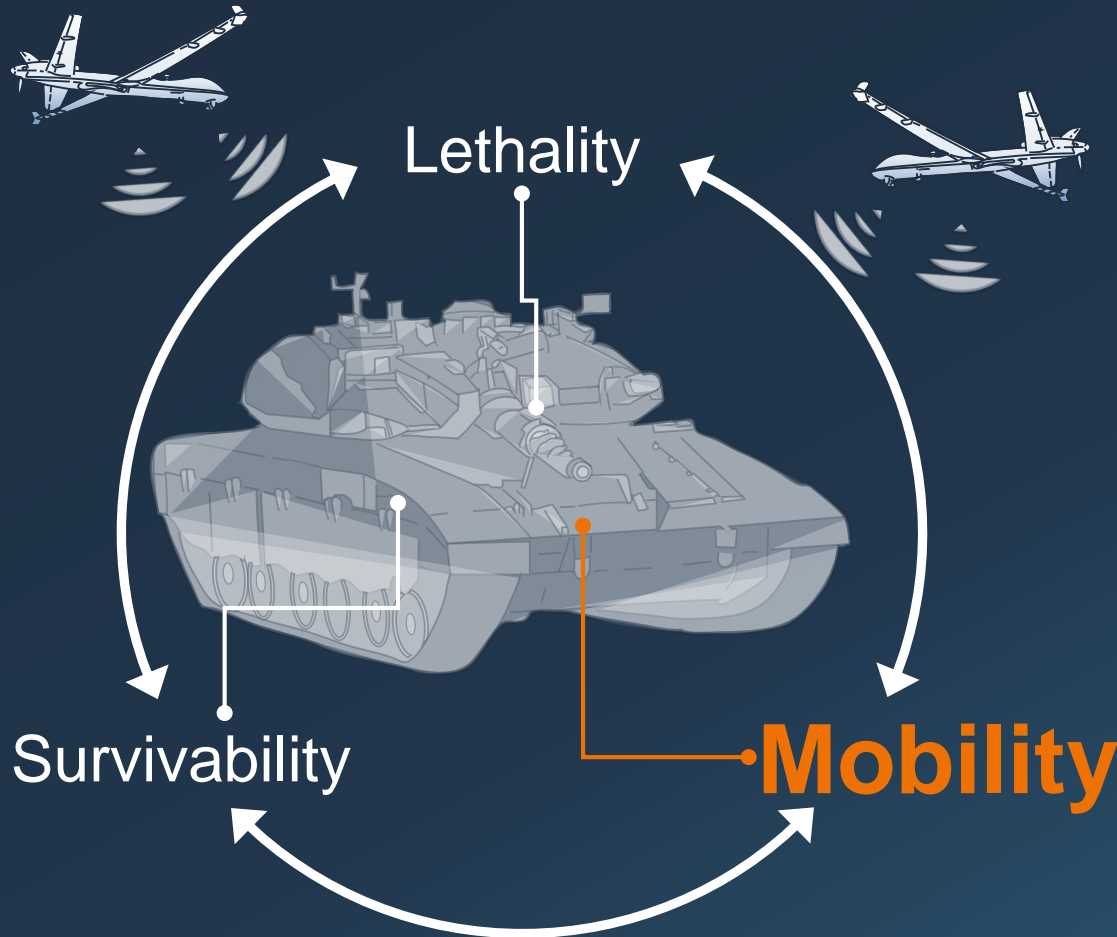
Material cost

- ✓ Created and **syndicated cost models** to set aspirational targets
- ✓ **Integrated global and local team collaboration** for cost excellence and supplier strategies

Reduced
material costs

III: Our technology is centered around improving the mobility of military forces, which will have an even higher importance in the future

Reliable and proven drivetrain technology critical for combat power



Increasing **availability of information** makes battlefield of the future transparent (“Gläsernes Gefechtsfeld”)



If the enemy knows where you are at all times, you **need to be constantly on the move**



Importance of **mobility to combat power will grow** significantly in the future

III: Our transmissions are highly complex, high-tech systems and ruggedized for the most demanding battlefield use

Precision and quality is key ...

... which is where RENK excels



~70%

Use of space – Luxury watches

vs.



>95%

Use of space – Achieved through decades of engineering excellence

III: Our cutting-edge, hard-to-replicate, and complex technologies are unmatched in the market

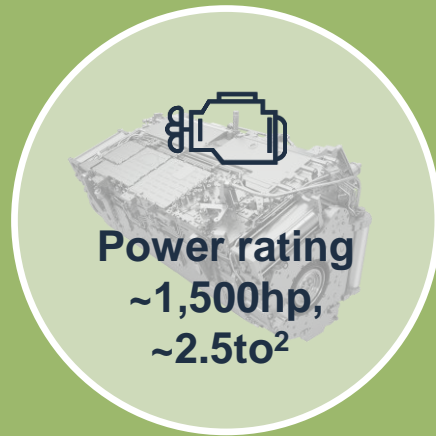
RENK

Our brand stands for reliability and performance

Vehicle Mobility Solutions

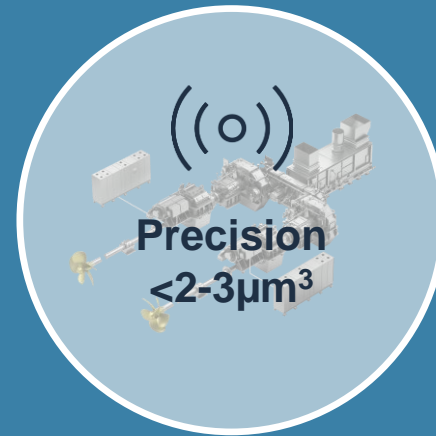


Maximum
manoeuvrability



High power-to-
weight ratio

Marine & Industry



Ultralow vibration and
noise



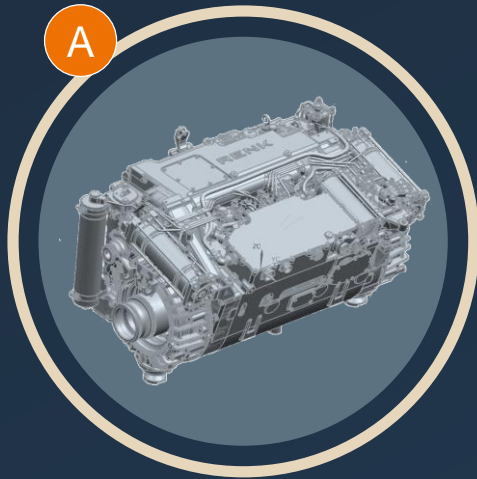
Minimum energy
losses

1. Hybrid mobility system with capability to drive, steer, and brake up to 70 tons vehicle class weight; 2. Refers to metric tons; 3. Permissible limit of variation in product manufacturing; 4. Power Take Out efficiency referring to yield of electrical energy compared to input mechanical energy when used as generator with industry typical efficiency closer to ~70%

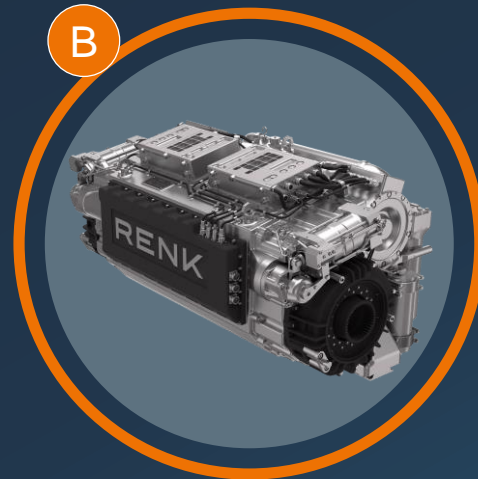
III: We will expand our technology core and focus on three future areas: electrification/hybridization, digitalization as well as system engineering

Enabling technology (core¹)

New technologies expanding the core



**Core
technology**



**Electrification/
hybridization**



Digitalization²



**System
engineering**

1. Including technology and cost optimization processes and design, product performance improvements; 2. Including X-by-Wire and Autonomous Driving

III-A: Expansion of our transmission portfolio for vehicles in lighter weight classes, especially tracked vehicles <20t and UGVs

Key facts

Market attractiveness

>€350m

Full market potential after 2030 due to ongoing technological development and UGV adoption

Market potential

UGVs (esp. tracked)

Wingmen for MBTs, IFVs, and APCs

Platform potential

- LuWa

RENK's market-leading value proposition



Advanced X-by-Wire/remote-controlled steering and autonomous navigation capabilities



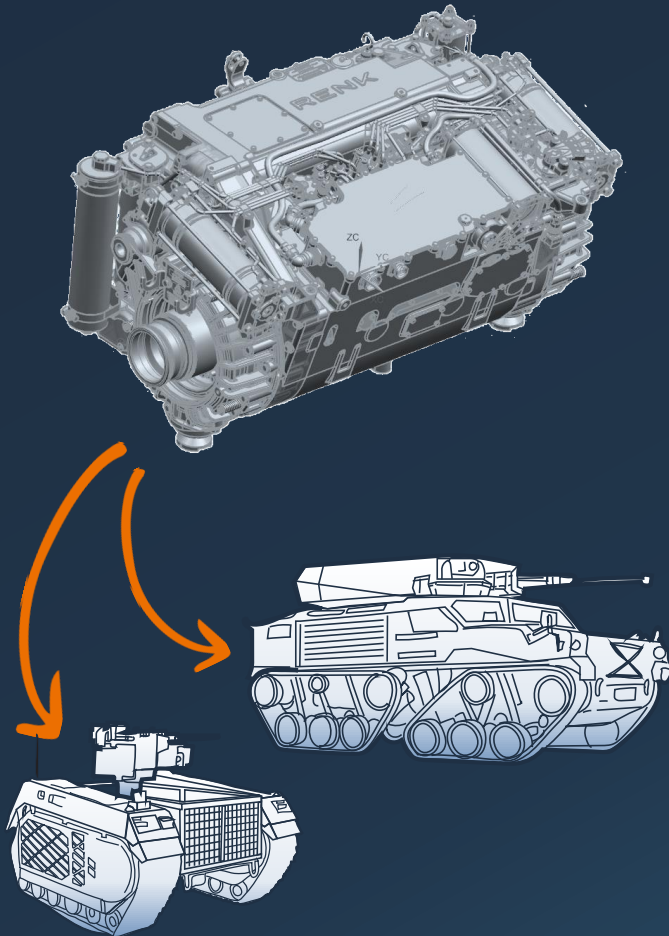
Downsized and lightweight transmissions



Electrification/hybridization in-house competence with **Magnet-Motor**



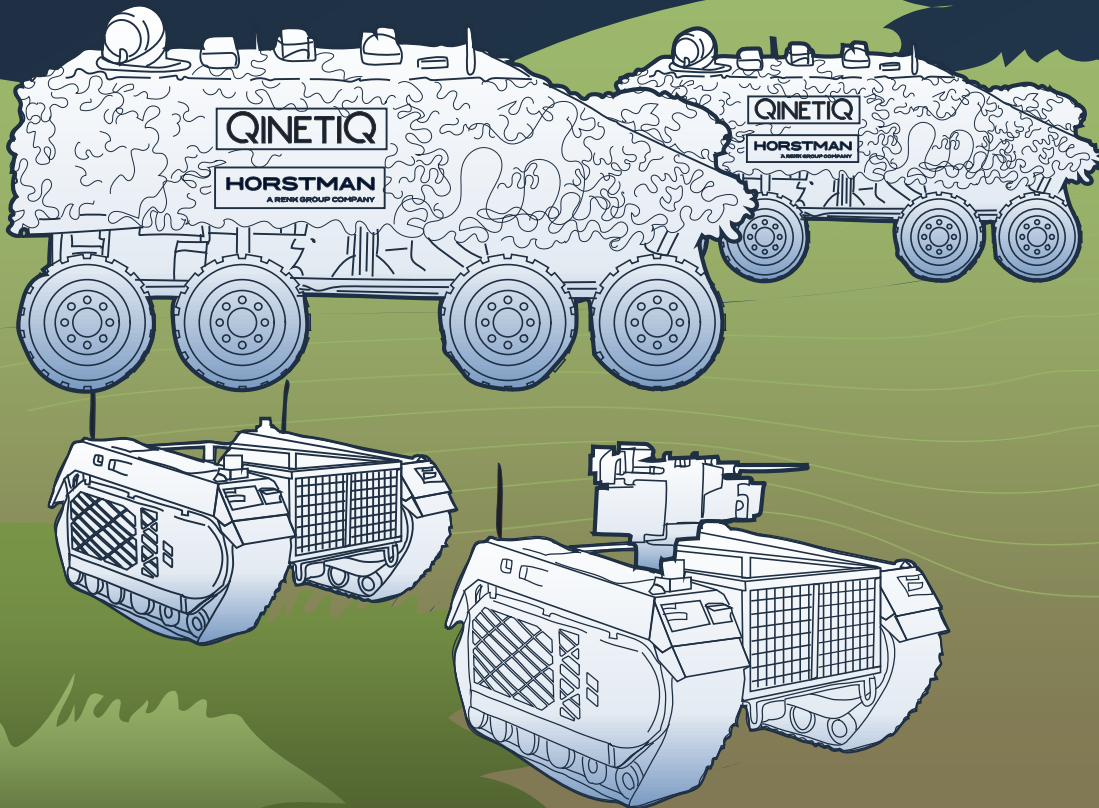
Potential **use-case for digitalization**



III-A: We are complementing our internal R&D efforts, as well as our customer-funded R&D projects, with technological partnerships

QINETIQ & RENK

MoU signed: QinetiQ is our Advanced Mobility Technology Partner



A

Advanced steering and navigation systems

B

Scalable and electrified drivetrain solutions

III-B: We have developed a new transmission with hybrid capabilities for MBTs and other heavy tracked vehicle platforms of the future

Key facts

Market attractiveness

>€1.0bn

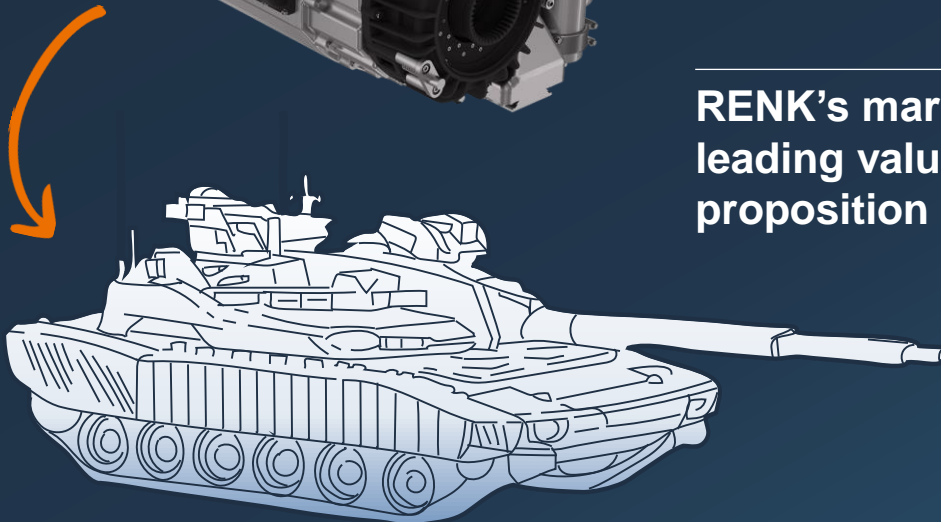
Market potential

Repowering

- Leopard 2
- Ariete
- Leclerc
- Merkava IV
- Challenger 3
- K1/K2
- M1E3 Abrams

New platforms

- Panther (KF51)
- K3
- MGCS



Future MGCS platform concept

RENK's market-leading value proposition

- ✓ Mild hybrid drive function with **precise electrical steering and electric power for advanced manoeuvrability (~300kW power)**
- ✓ Drive-by-wire with digital interface and **autonomous enhanced data-based mobility features**
- ✓ Hybrid transmission enabled **without need to change vehicle to high-voltage grid** (enabling repowering)

III-B: We are developing an advanced electric propulsion technology securing order potential for future surface and underwater combatants

Key facts

Market attractiveness

>€350m

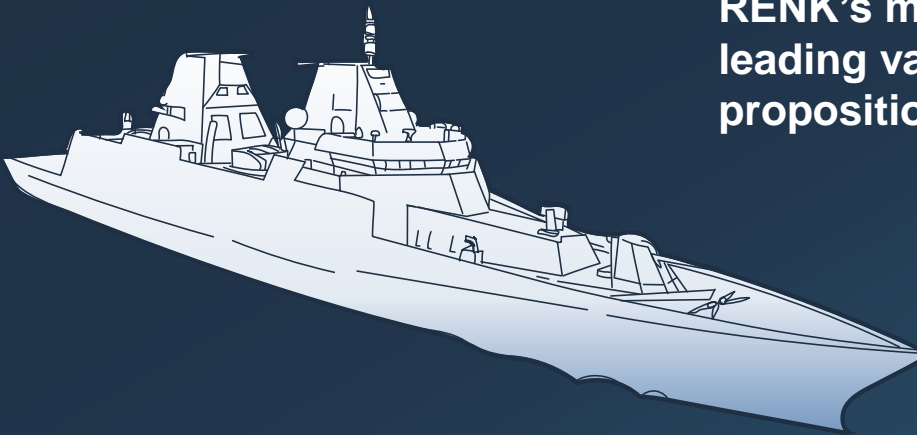
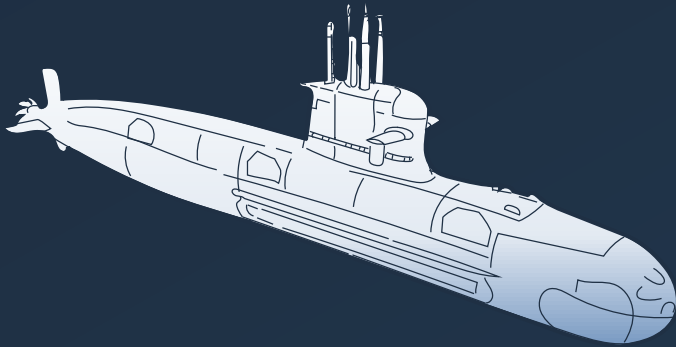
Market potential

Vessel types supported

- Submarines
- Mine warfare systems
- Frigates

RENK's market-leading value proposition

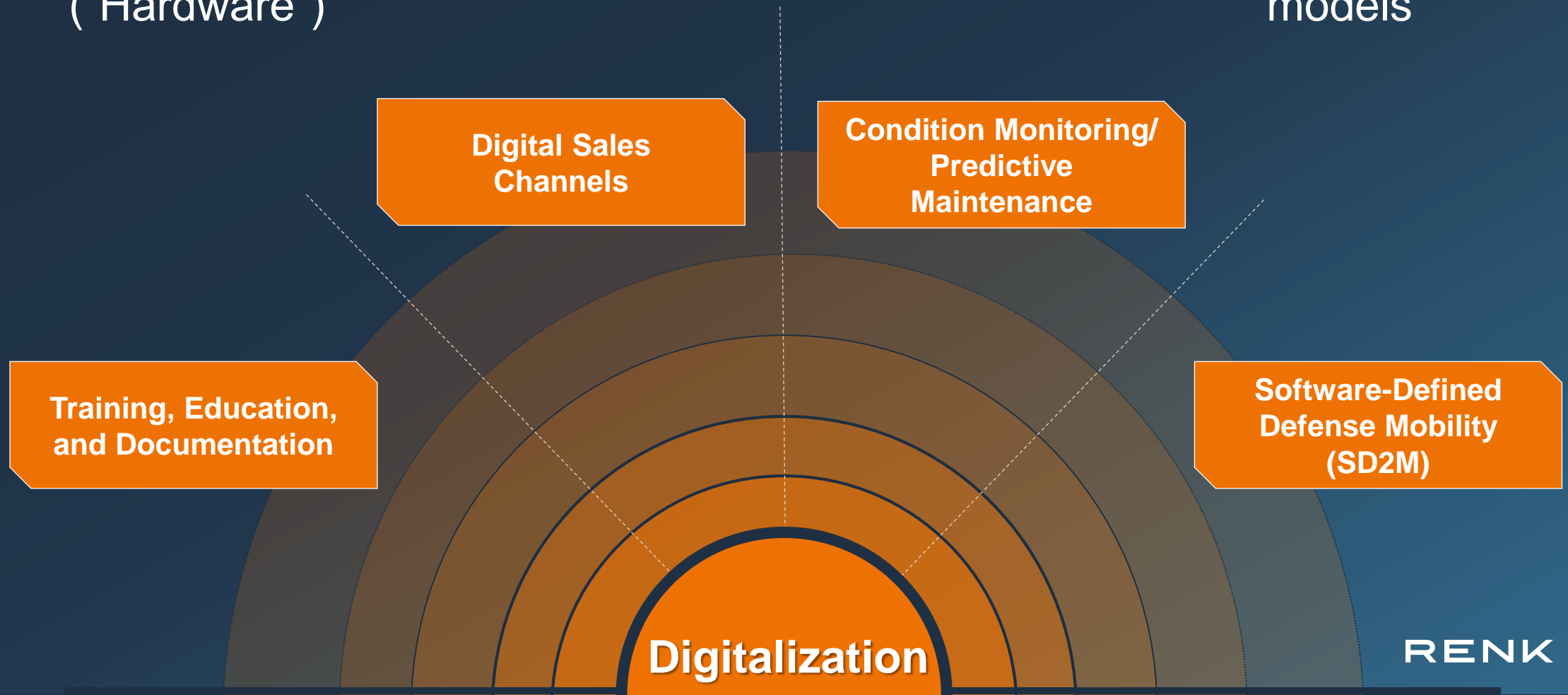
- ✓ Designed for **ultralow acoustic signatures**
- ✓ Advanced materials to achieve **low magnetic signatures**
- ✓ **Space-optimized compact design** for tight compartments
- ✓ Sophisticated **electronic control** with easy **integration into future** electric naval **platforms**



III-C: Digitalization is an important enabler to secure our current and future business portfolio

1 Support of **Core Business** (“Hardware”)

2 New **Software-based** business models



III-C: Our in-arm dampers use advanced sensors and networks to optimize usable lifetime and performance

Key facts

Market attractiveness

>€500m

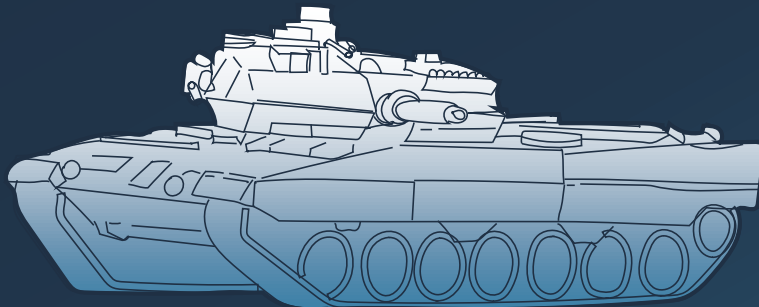
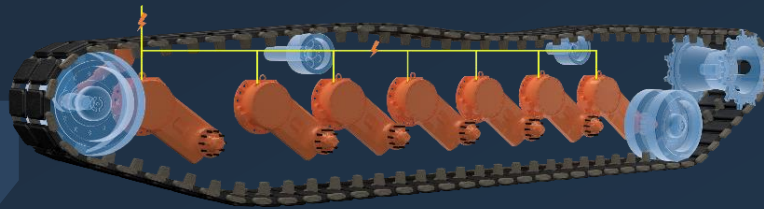
Market potential

Tracked vehicle types supported

- MBTs
- IFVs
- APCs
- SPHs

RENK's market-leading value proposition

- ✓ Advanced **sensor concept detects early signs of fatigue and wear** and enable **preventive maintenance**
- ✓ Optimized drive performance through **adjustable track tension and ride height control** improving cross-terrain capabilities and vehicle speed
- ✓ **Semi-active damper control** reduces fatigue on vehicle and operators enabling extended operations



III-C: Looking to the future – Our digitalization products will have many use cases in the connected battlefield

LAND PLATFORM use case:

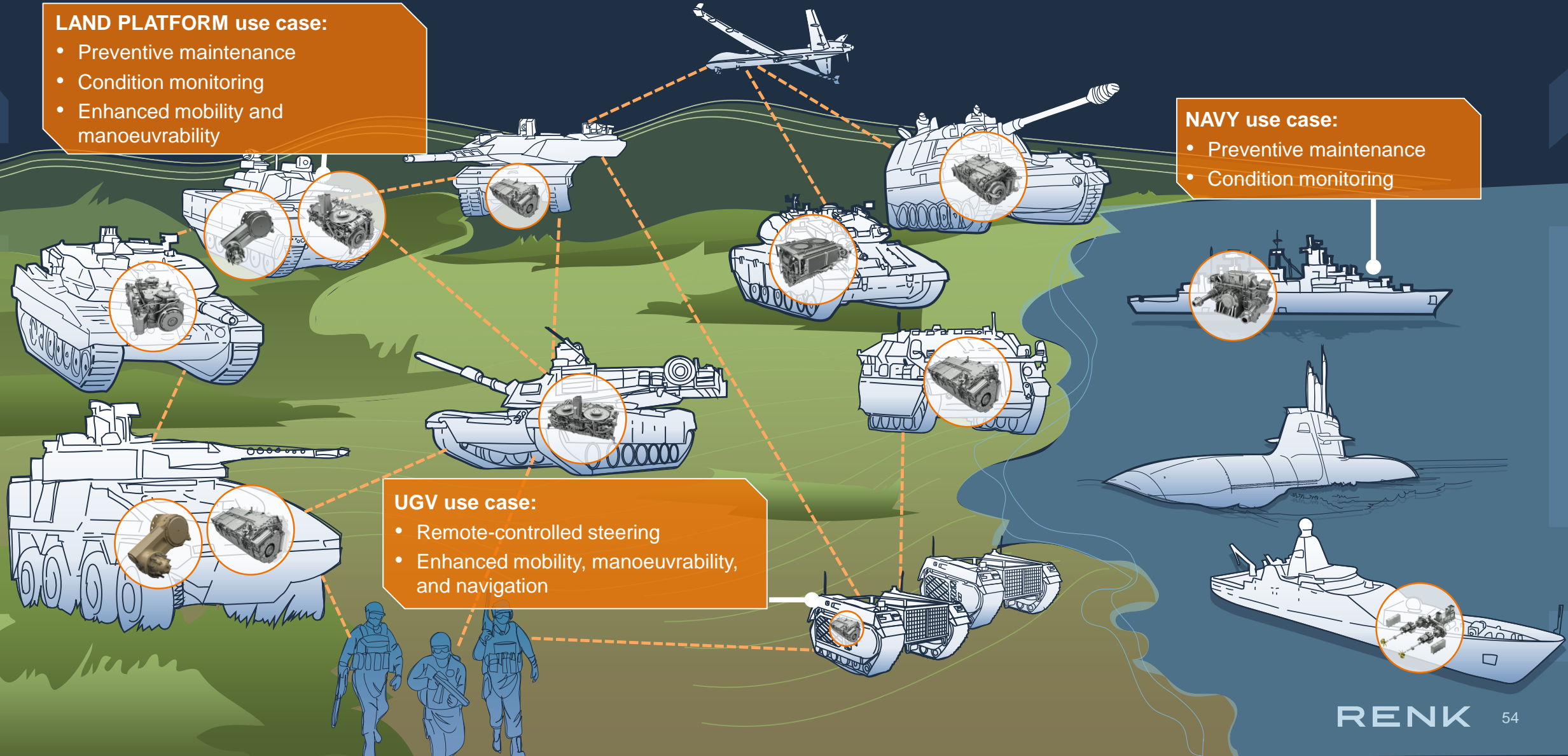
- Preventive maintenance
- Condition monitoring
- Enhanced mobility and manoeuvrability

NAVY use case:

- Preventive maintenance
- Condition monitoring

UGV use case:

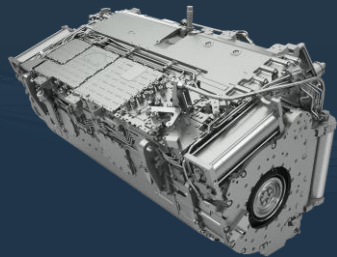
- Remote-controlled steering
- Enhanced mobility, manoeuvrability, and navigation



RENK – a technology-driven company for supporting our customer demands and driving future business development

Technology leader in the super cycle

Unmatched product performance and reliability driving our ability to capture the defense super cycle



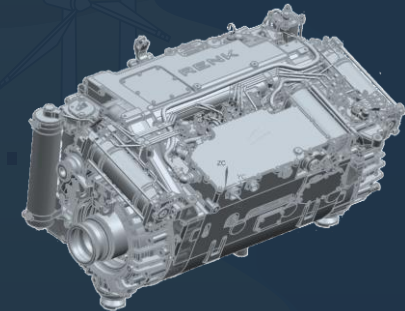
We continuously develop new capabilities

Staying at the forefront of technology transitioning in relevant industry domains



We drive impact with our partners and M&A

Developing cutting edge technology with our partners and targeted acquisitions of specialized players



Dr. Emmerich Schiller

MD Production and Supply Chain
RENK GmbH



We have a global production footprint and are present in all major regions and countries

VMS

M&I

SB

● Production footprint ● Sales, services, and/or R&D



 Muskegon



 Sterling Heights



 Brampton



 Bath



 Saint-Ouen-l'Aumône



 Starnberg



 Augsburg



 Bengaluru



 Rheine



 Winterthur



 Hanover



€5m fund to secure business continuity through enhanced site security measures

We have a global supply chain which we are continuously improving to secure critical material and safeguard our production

Measures



Redundancies for all critical suppliers to **avoid dependencies**



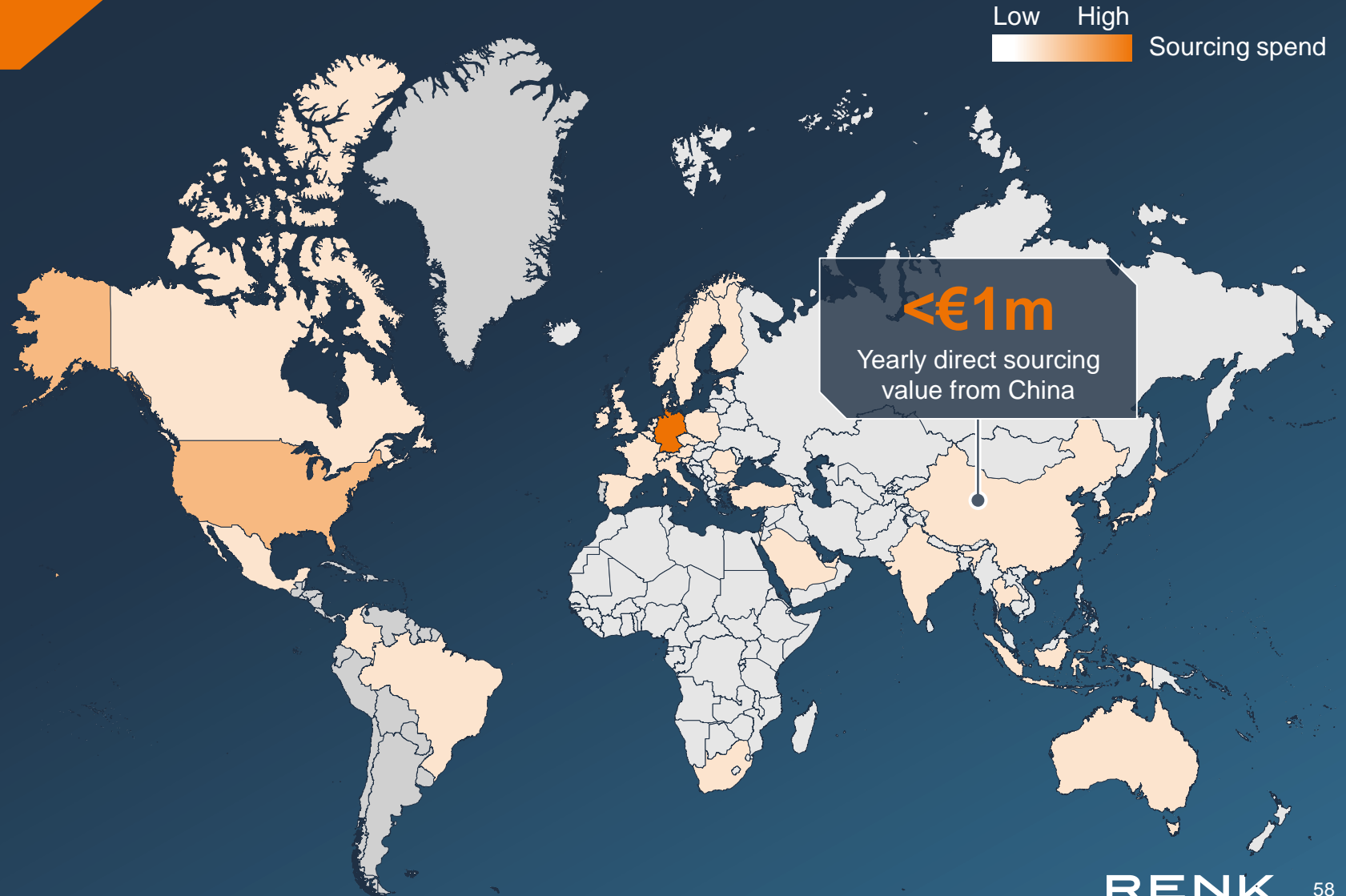
Flexibility to shift production either in-house or to external suppliers



Regional balanced and hedged supplier base



Capability to **insource production** key parts

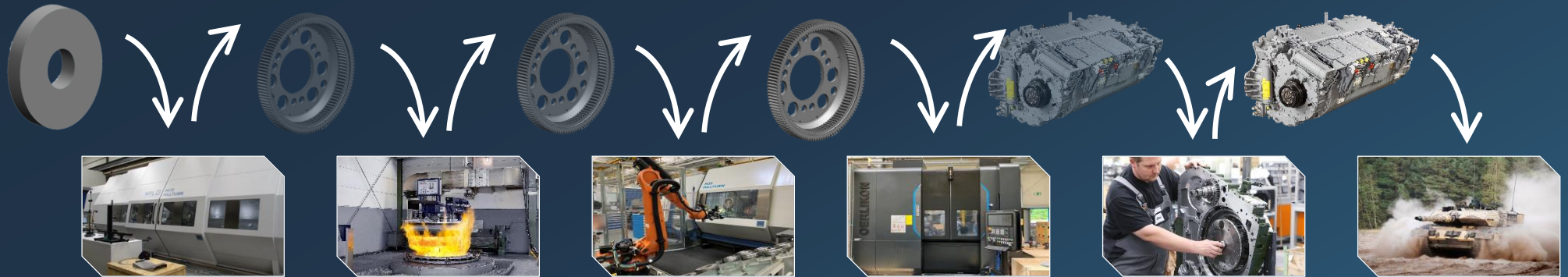


Manufacturing excellence is in RENK's DNA with deep coverage and significant value addition along our independent value chain

Covered by RENK



Illustrative



~65%

High level of vertical integration¹

~60%

Share of headcount in manufacturing² Jul-24

1. Calculated by dividing the sum of (i) variable manufacturing costs, (ii) direct labor costs, (iii) fixed indirect material costs, (iv) fixed manufacturing costs, and (v) DB2 by total order-related costs and DB2. Total order-related costs comprise costs of materials, order-related outsourced products/services, variable manufacturing costs, indirect labor costs, fixed indirect material costs, and fixed manufacturing costs; 2. Production, logistics

We have done our homework: After solving last year's challenges in Augsburg, we are ready for future growth

From...

To ...

Shortages of critical components and materials disrupting production



Increased supply security for key materials by **broadening supplier base** and **targeted inventory**

~+50%

of production start without missing items

Inefficiencies in sales- & production planning during steep ramp-up



Refocus towards **consistent alignment** between customer orders and production planning

~+15 pp

On time delivery (OTD)

Limited efficiency due to **low-volume manufacturing** production system



Increased efficiency and benefits by **shifting to small series production principles**

~-20%

Hours per transmission (HPT)¹

Testing bottlenecks for transmissions



Increased testing capacities through addition of **new test bench in Augsburg** (in Jan-24) and **improved first pass yield**

+1

New test bench

1. Final assembly, metric for internal efficiency depended on output structure within the year

Note: Numbers are based on 2023 compared to June 2024

We are bringing RENK operations to the next level by focusing on 2 dimensions



Upscale to
series supply

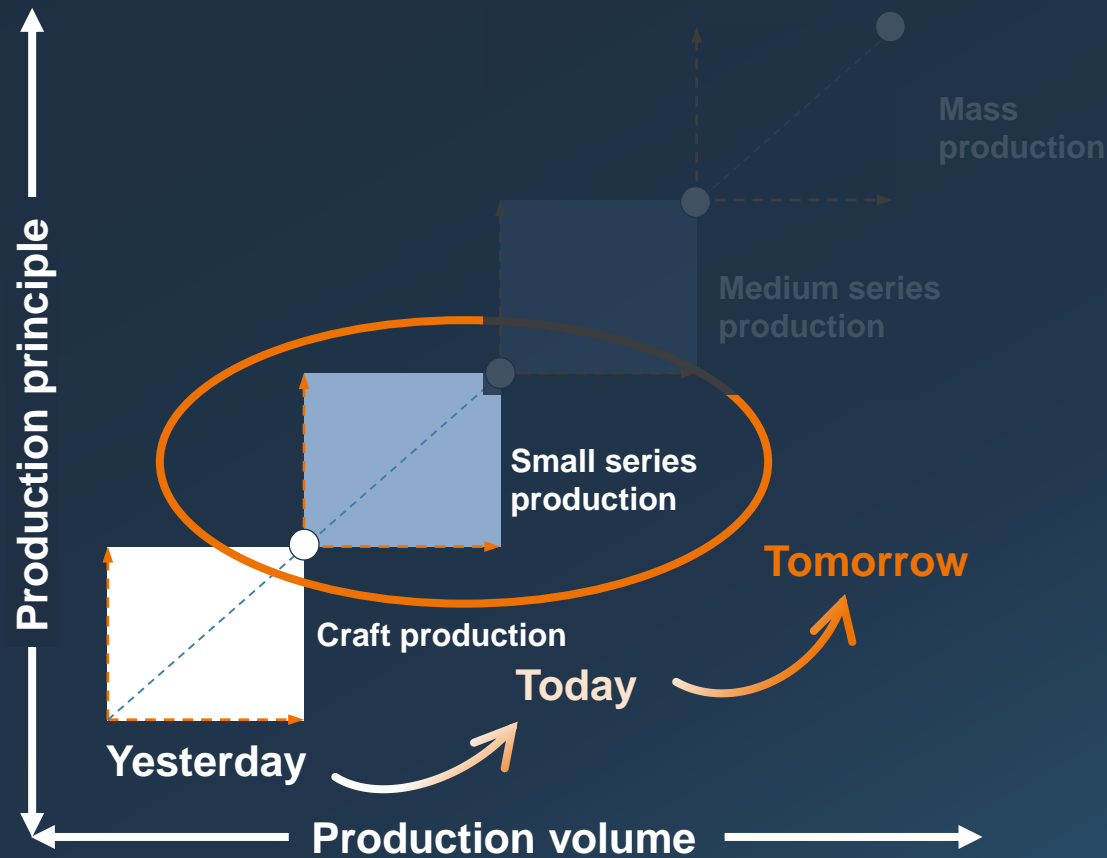


Upscale to
series production

We have a clear plan to further increase production volumes

From boutique to small series production

Fields of action



Production philosophy and steering with flexible assembly cells and frozen sequences (pearl chain)



Focus on basics with streamlined planning, clear responsibilities, and standardization



Implementation of a **Shopfloor Management System**



Consequent implementation of **line back principles**



Continuous improvement through line-walks, quality standards, and tracking



Strong IT Tools with SAP, assembly BoM¹, workflow processes, and real-time production control



...

1. Bill of Materials

We have improved alignment between sales- and production planning

S&OP – Integrated Production Planning Process



Long-term (forecast)

- **Forecast** of transmissions by type
- Long-term **capacity planning** and **adjustments**
- **Framework agreement** for supplier parts

Medium-term (planning)

- **Conversion** forecast into customer orders
- **Program planning** of transmissions for the next quarter
- **Ordering** of supplier parts

Short-term (steering)

- Production of **customer orders**
- **Program steering** on a daily basis
- **Call-off** supplier parts

Selected examples of identified efficiency measures and the effect on the “hours per transmission”

Material kitting in line with assembly sequence



Before

After

~15%



Standardized assembly cell for sub components



Before

After

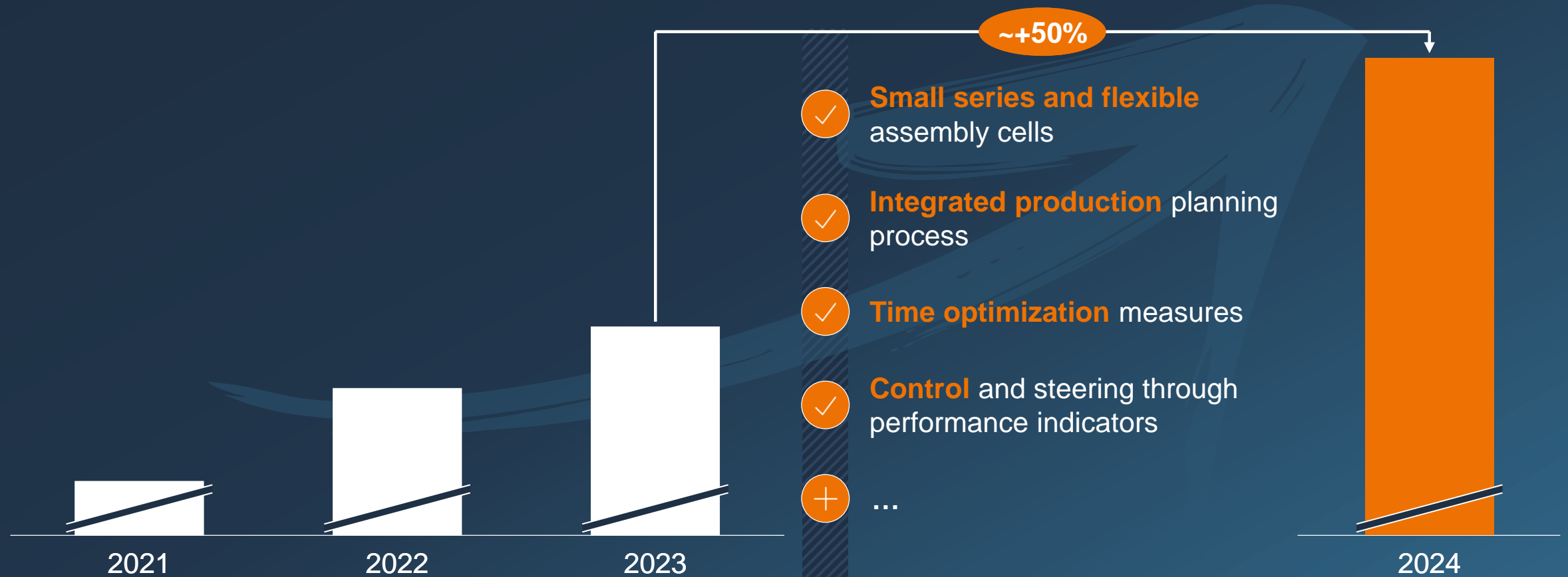
~20%



 Time reduction per transmission

We have increased our output by about 50% with no capex and additional headcount

of new transmissions built at VMS Augsburg p.a.



Five performance indicators underlining our improvements at our new vehicle transmission production

Performance indicators, Ø 2023 vs. target 2024 (new transmissions Augsburg)



+50%

of transmission
output p.a.



-30%

Hours per
transmission¹



+80%

of transmissions
per working day²



+55%

First pass
yield



+75 pp

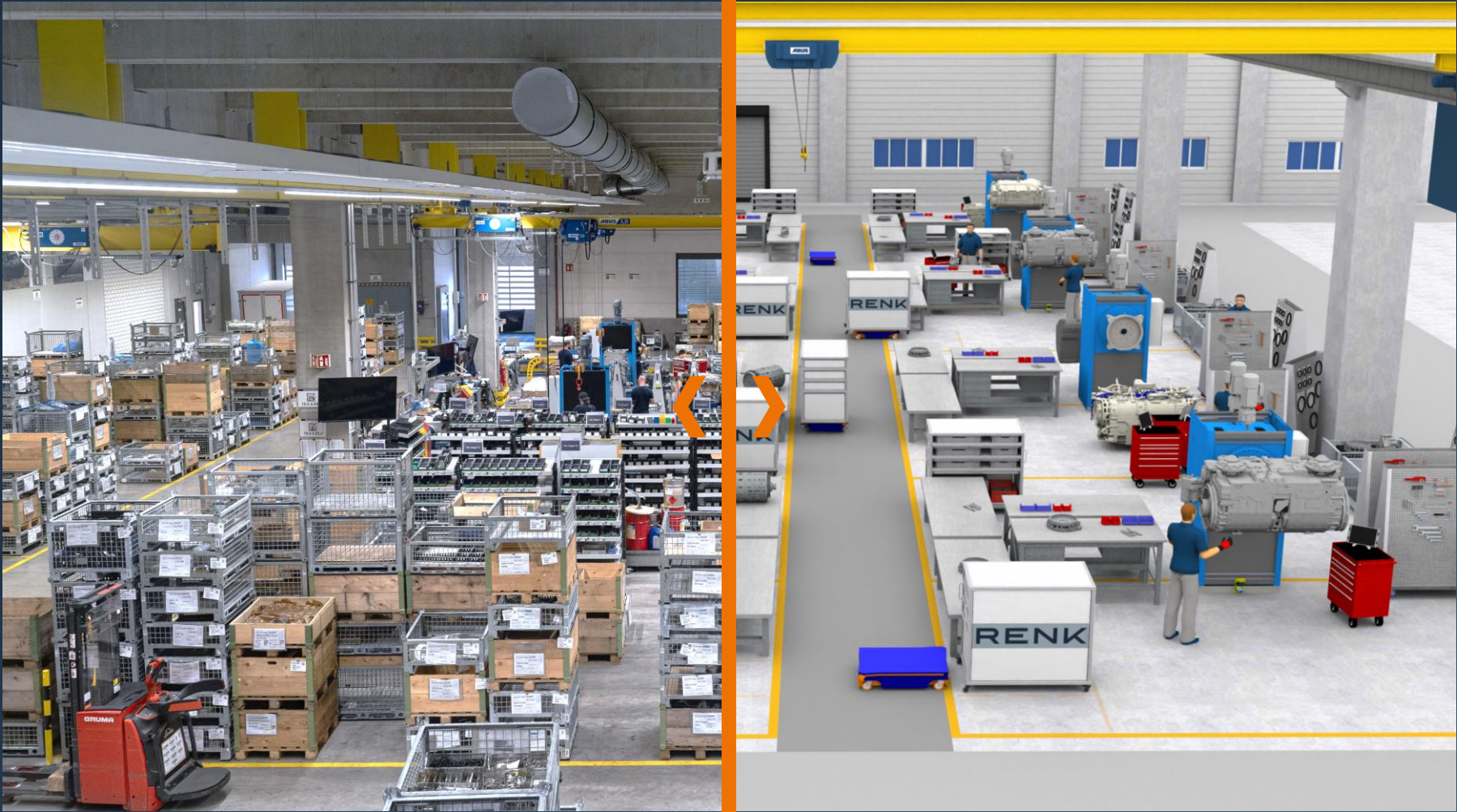
On time delivery

1. Final assembly, metric for internal efficiency depended on output structure within the year; 2. Average 2023 compared to expected average of Nov-24 and Dec-24

Next step: Implementing a small series assembly/logistic concept to further improve efficiency and capacity



Next step: Implementing a small series assembly/logistic concept to further improve efficiency and capacity

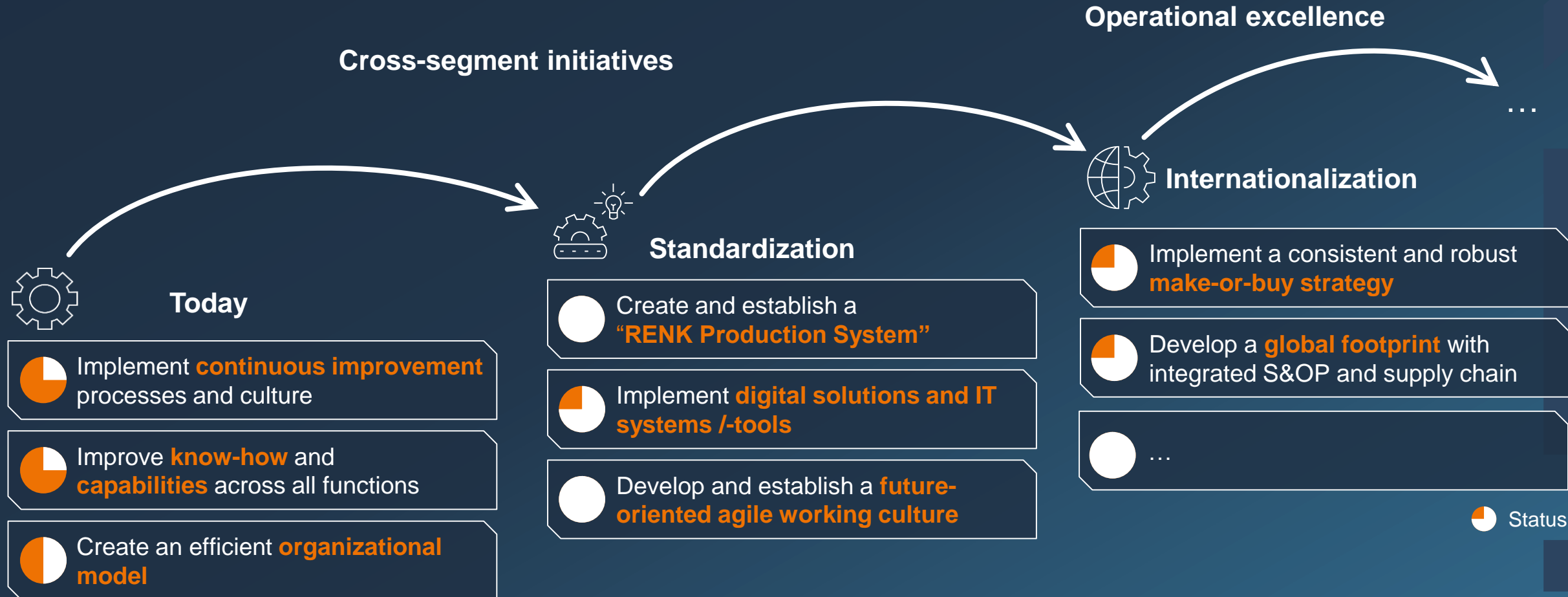


Next step: Implementing a small series assembly/logistic concept to further improve efficiency and capacity



Leveraging our learnings from VMS in Augsburg, we are in the process of rolling out operational excellence to all RENK sites

RENK Production System to set standardization and realize synergies between sites



Closing Remarks

Summary: As easy as 1, 2, and 3

RENK Ambition

€2bn

Revenue

€400m

Adj. EBIT¹

3

~€300m

Adj. EBIT¹

~3%

Capex³ as share of revenue

2

~20%

NWC² as share of revenue

>20%

ROCE

1

#1

In Transmissions⁴

15%

Organic revenue CAGR

1. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue; 2. Includes inventories, receivables, contract assets, trade payables, and contract liabilities; 3. Capex defined as payments to acquire property, plant and equipment, and intangible assets; 4. #1 position for transmissions in tracked military vehicles in our accessible markets