

RENK



TRUSTED PARTNER.

Investor & Analyst Presentation

November 2024



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01

Introduction

Experienced management team with strong track record



Susanne Wiegand
Chief Executive Officer



Anja Mänz-Siebje
Chief Financial Officer



Dr. Alexander Sagel
Chief Operating Officer



Empowering security



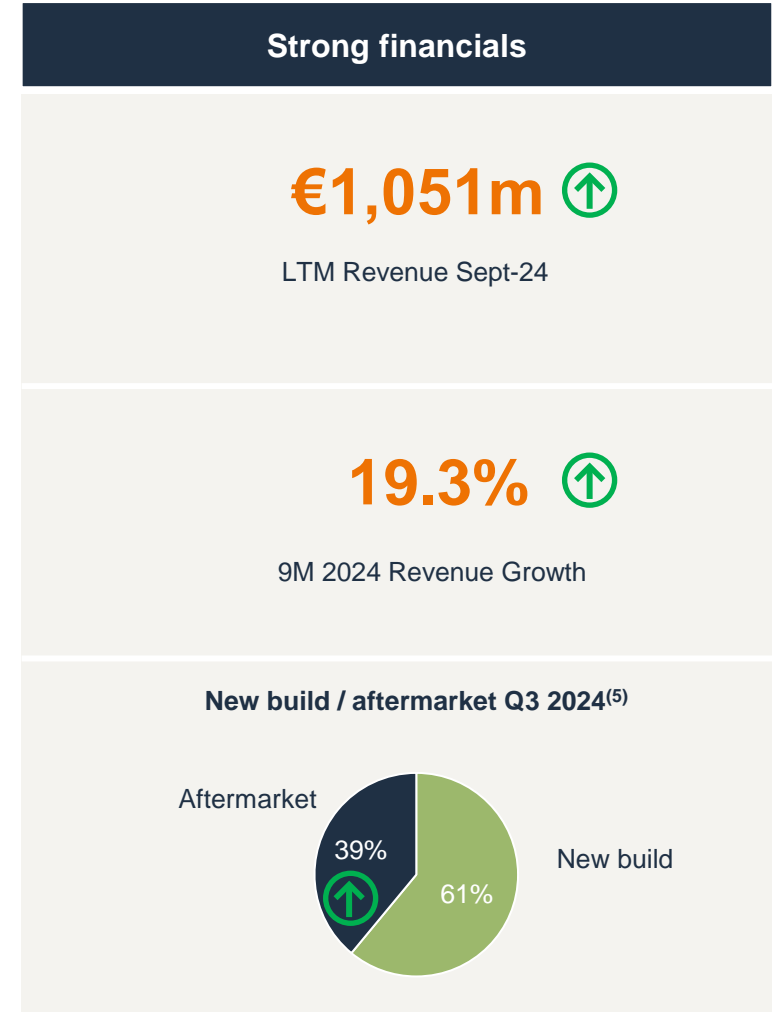
Becoming the global #1 in all mission-critical drive technologies for defense and energy transition



Enabling a sustainable future



Leading provider of drive technologies with high aftermarket share

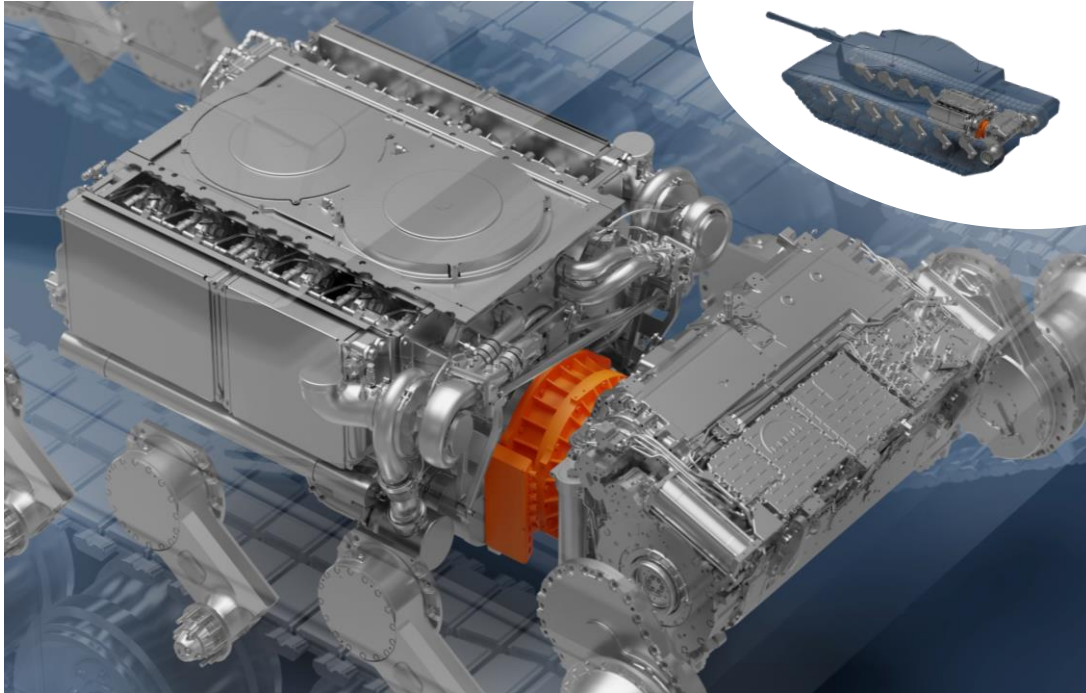


Sources: Company information, Renaissance Strategic Advisors, Roland Berger where indicated above

Cutting-edge, hard-to-replicate and complex technologies

High power in compact shape

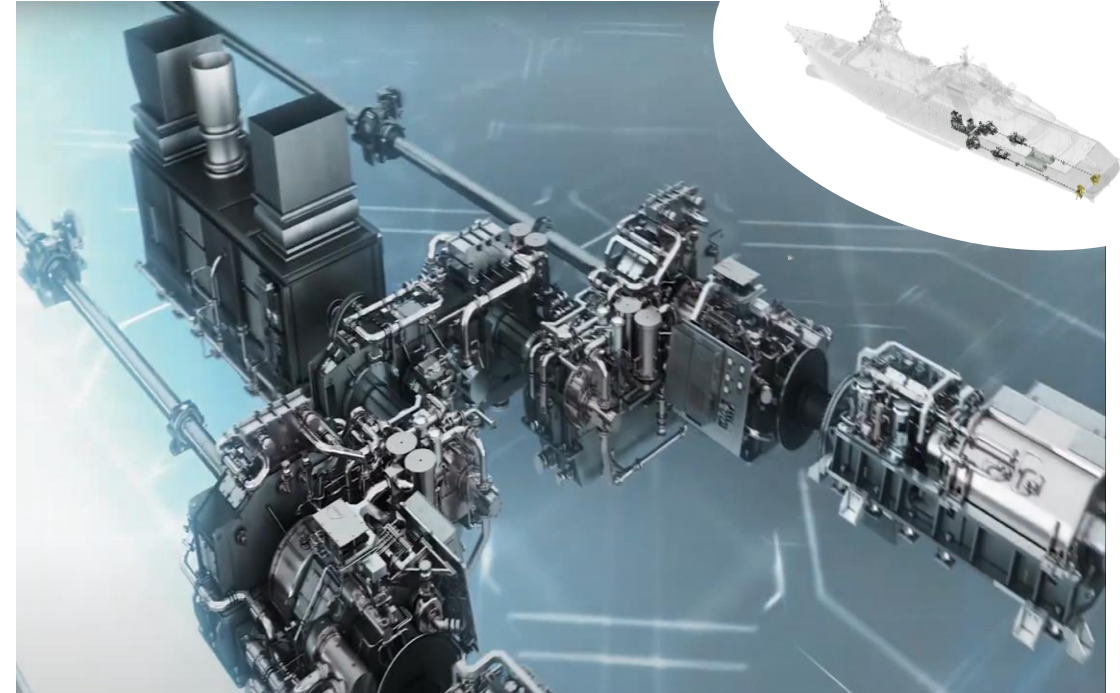
Mobility system for tracked military vehicles



Driving Steering Braking ≤ 70 tons⁽¹⁾

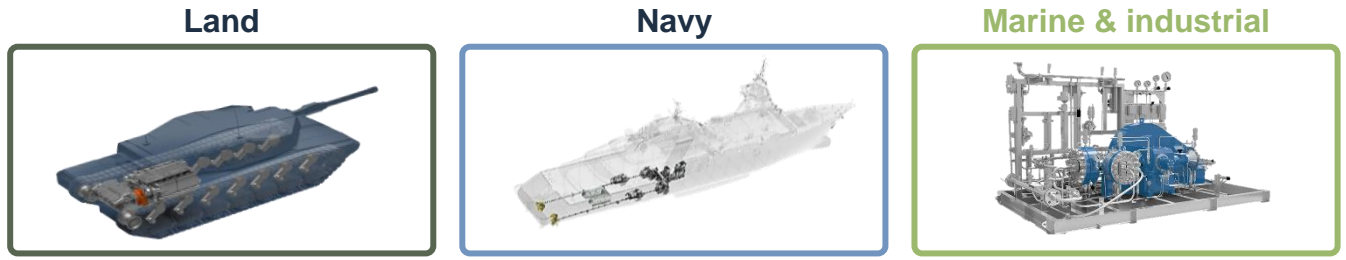
Ultra low vibration and noise

Naval propulsion system



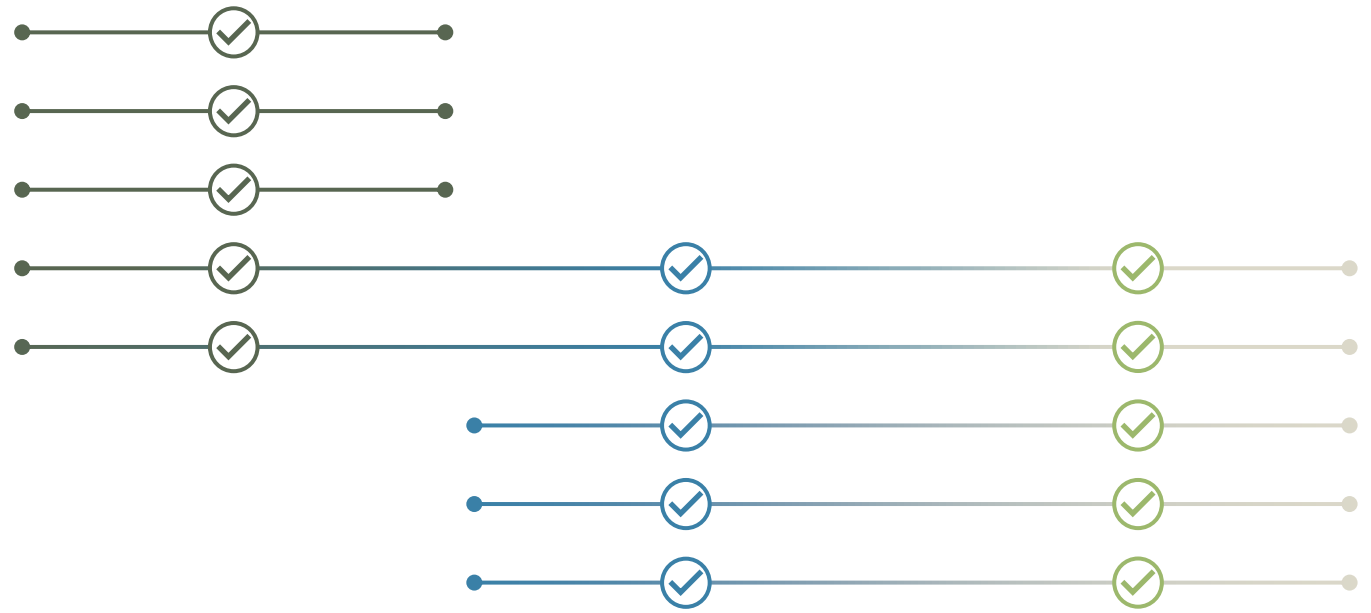
$< 2-3 \mu\text{m}$ precision⁽²⁾

Technology-leading portfolio of drive solutions



Segments⁽²⁾

VMS	Transmissions
	Engines
	Suspensions
	Test systems
M&I	Electric drives
	Gear units
SB	Couplings
	Slide bearings



#1 Transmissions for tracked military vehicles⁽³⁾

#1 Gearboxes for large naval surface combatants⁽⁴⁾

#2 Turbo-gear solutions for industrial applications⁽⁵⁾

#1 Slide E-bearings⁽⁶⁾

Sources: Company information, Renaissance Strategic Advisors, Roland Berger where indicated above

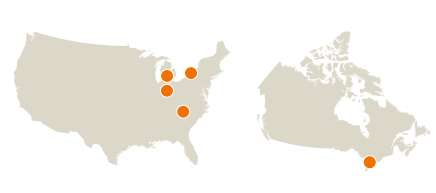
Strong foundation in core European and North American markets

European Powerhouses



 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


US & Canada



 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

Growth Target Markets

Naval vessels
 Land platforms
 ● Production site




 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

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



#1

Vehicle Transmissions



#1

Vehicle Suspensions



Final drives



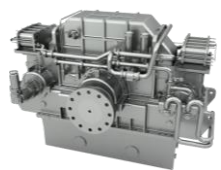
Test Systems



Engines



Clutches



#1

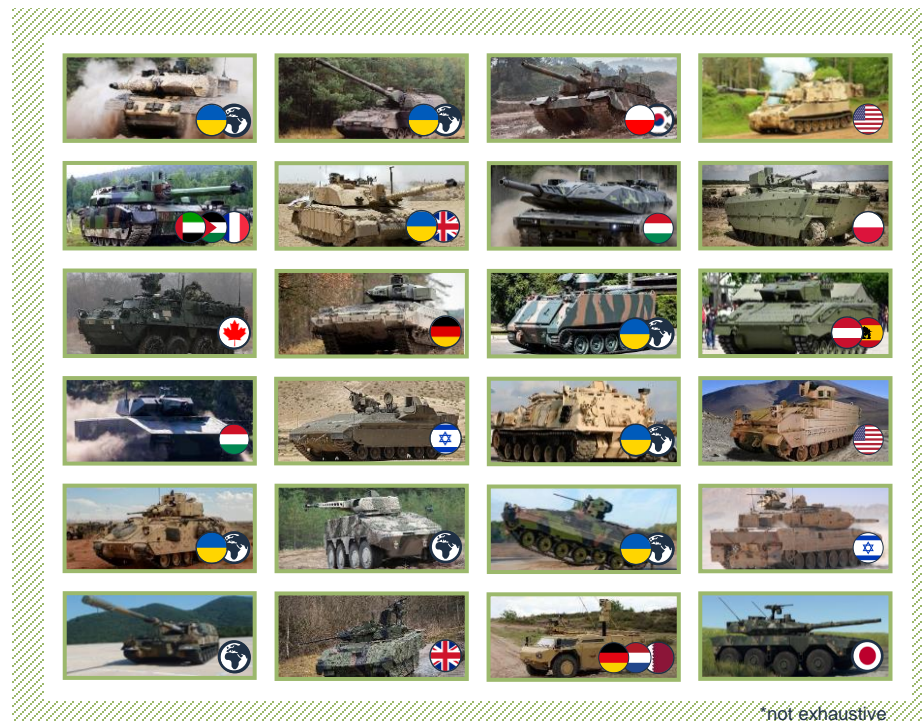
Naval Gearboxes



Couplings



Bearings



*not exhaustive



*not exhaustive

- Country flag represents user nations
- Broad range of user nations
- Currently in use in Ukraine

KNDS

HYUNDAI
Rotem



Patria

BAE SYSTEMS

IVECO

N·V·L
NVL GROUP



**GENERAL
DYNAMICS**



THALES



FFG



babcock

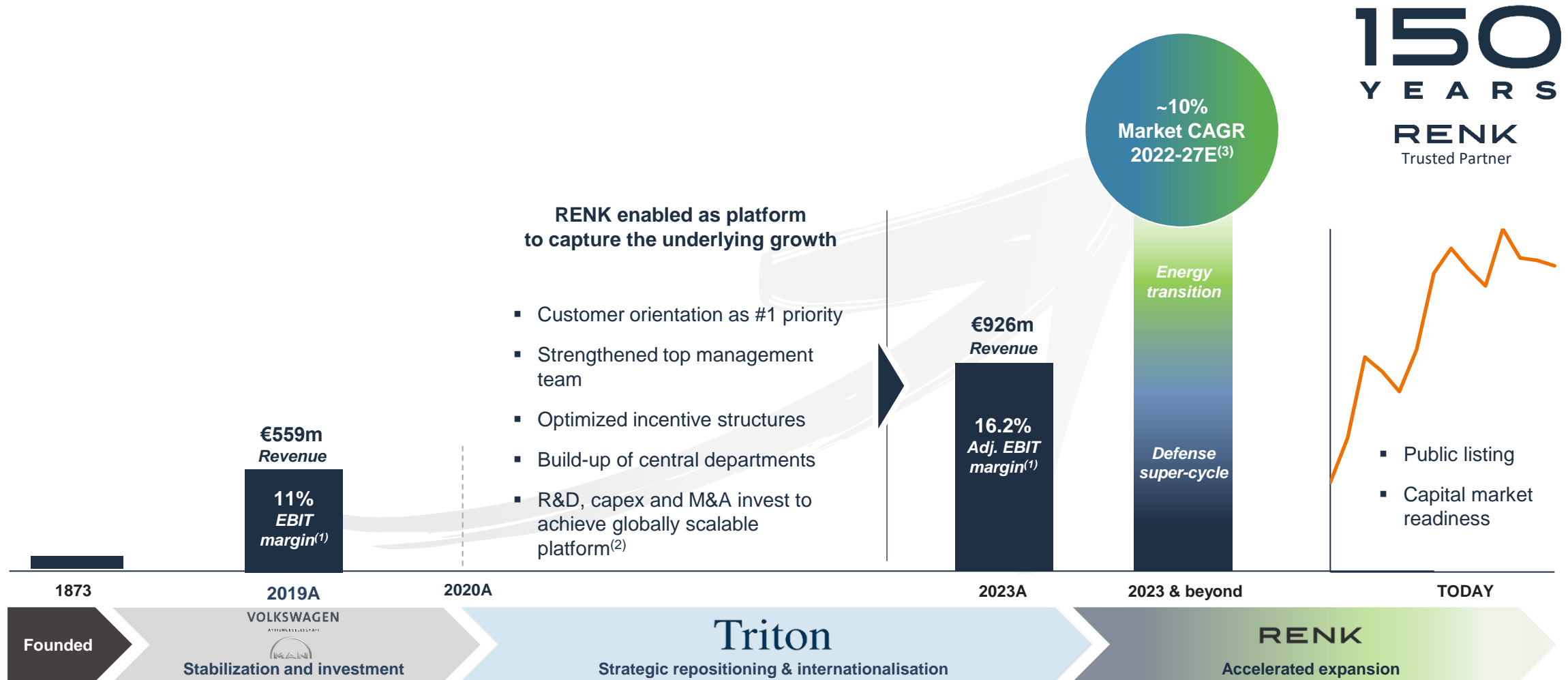


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Successful transformation of RENK into a global growth platform

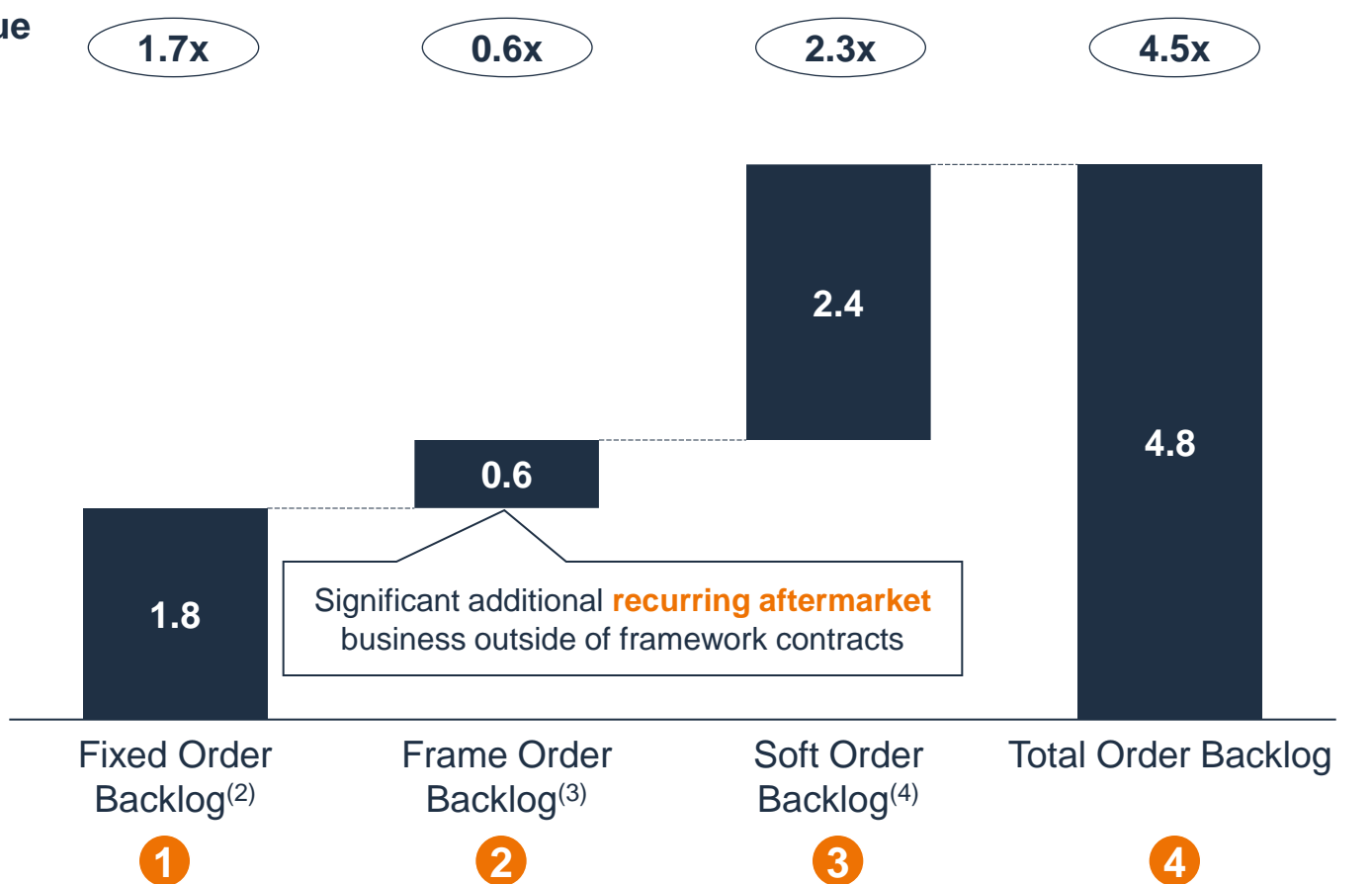


Sources: Company information, Renaissance Strategic Advisors, Roland Berger where indicated above.

Total order backlog at >4x annual revenues – strong market demand beyond total order backlog

Total order backlog (Sep-24), €bn

LTM revenue coverage⁽¹⁾



Commentary

- 1 **Fixed order backlog:** Increased by €34m vs. Dec-2023. Order pipeline remains encouraging
- 2 **Frame order backlog:** Stable at €0.6bn, mainly comprising aftermarket business
- 3 **Soft order backlog:** Highly visible sole source projects and successor business until September 2028 – increase driven by firming up of future business
- 4 **Total order backlog** of ~€4.8bn and ~4.5x revenue coverage as of Sep-24

We see a large volume of profitable business opportunities for the coming years, beyond the projects that we have included in our soft and total order backlog.

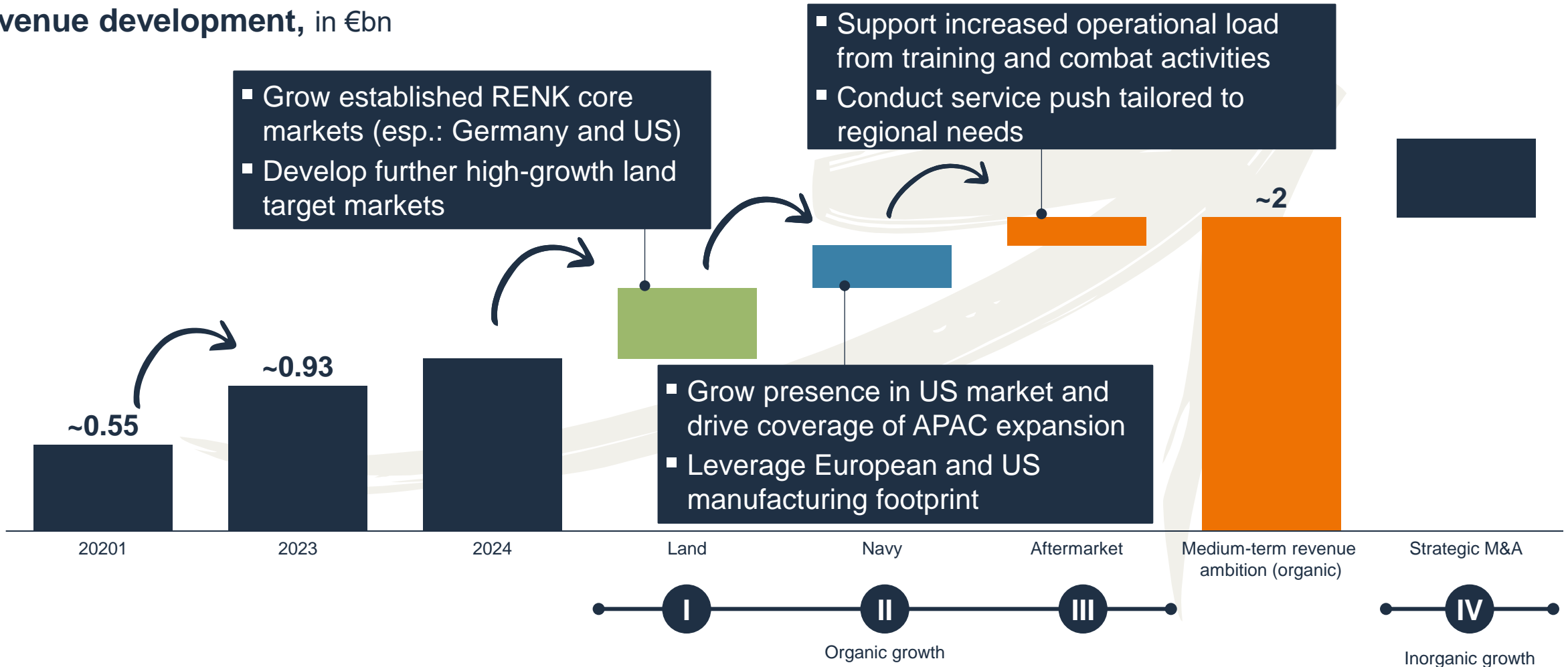
Intake of large orders should pick up in Q4 2024 already.

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⁾

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



Industrial footprint strategically located close to customers

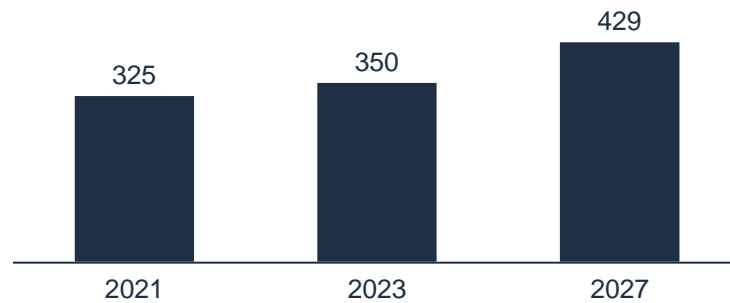


Note: MRO = Maintenance, repair and overhaul
Source: Company information

Defense budgets grow significantly with a cumulated increase of >€500bn

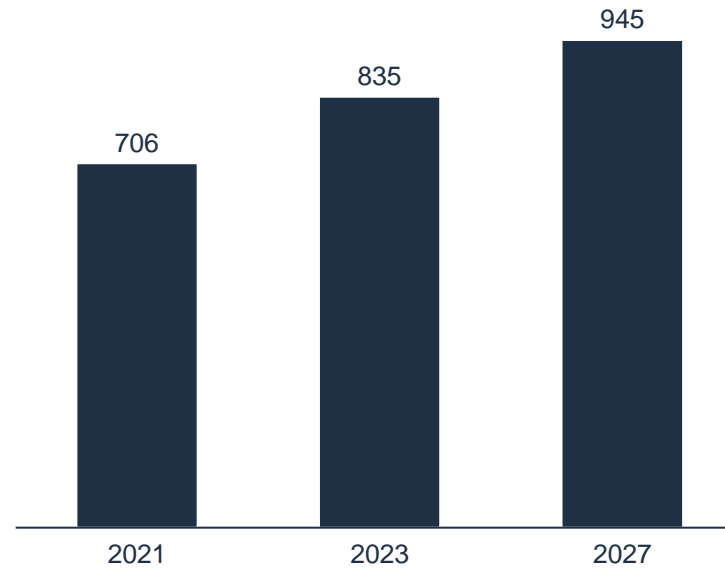
Europe⁽¹⁾, in €bn

+€104bn
growth from 2021-27



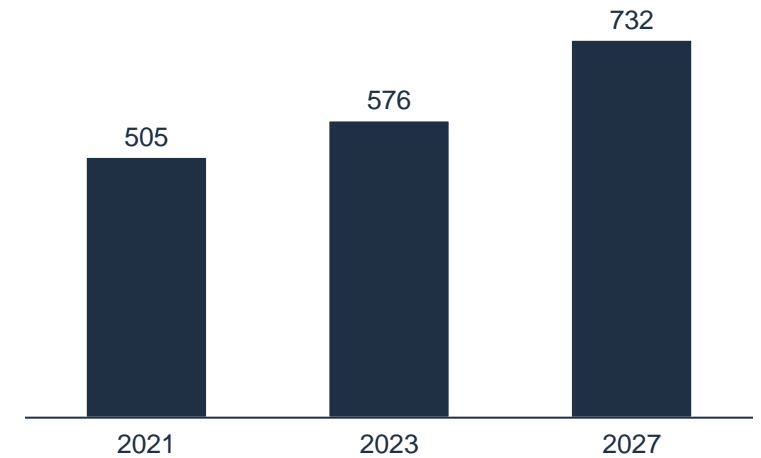
US and Canada, in €bn

+€239bn
growth from 2021-27



Accessible RoW⁽²⁾, in €bn

+€227bn
growth from 2021-27



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

Vehicle Mobility Solutions key highlights

Key highlights



Transmissions for tracked military vehicles⁽¹⁾

Strategy for growth

A



Technology leadership with extensive portfolio of mission-critical drive technologies for military vehicles

€528m

Revenue 2023A

B



Capitalize on international footprint: with global installed base of 180k+ tracked and wheeled military vehicles

20%


Adj. EBIT⁽²⁾ margin 2023A

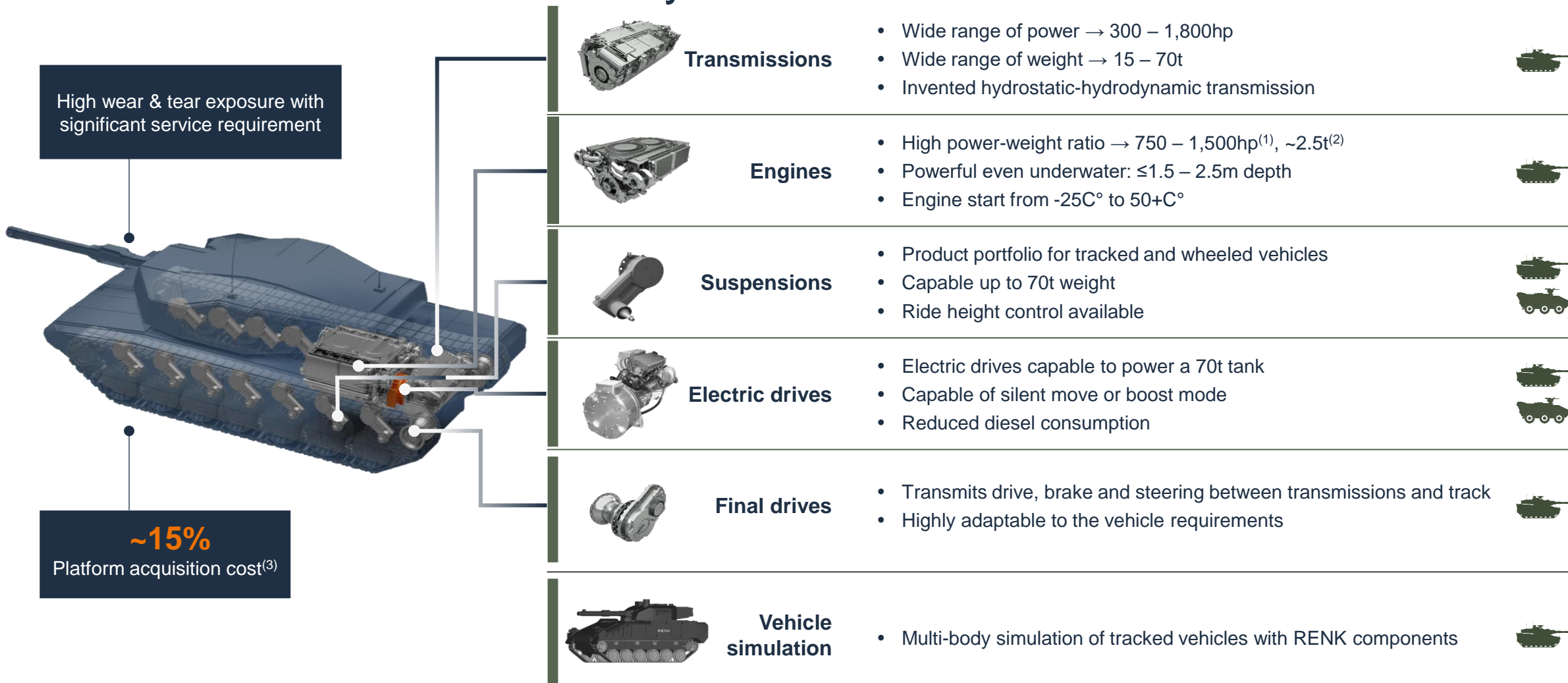
C



Capture high-margin, recurring revenues throughout multi-decade product lifecycle

Extensive portfolio of complex and critical sub-systems & components for tracked and wheeled military vehicles

 Tracked vehicles  Wheeled vehicles



~15%
Platform acquisition cost⁽³⁾

Source: Company information
Note: HP = horse power; t = metric tones

Mission-critical drive technologies for Marine & Industry

Defense

Civil

Defense super-cycle

Less than $3\mu\text{m}$
variation⁽¹⁾
Design and manufacturing precision



Navy

Energy efficiency



Commercial marine



Extrusion⁽²⁾



Oil & Gas

Energy transition



Hydrogen



CCUS



Heat pumps

Source: Company information
Note: CCUS = carbon capture, utilization and storage

Marine & Industry key highlights

Key highlights



Globally in gearboxes for navy⁽¹⁾



Globally in high-speed gear solutions for industrial applications⁽²⁾

€296m Revenue 2023A

10% Adj. EBIT⁽³⁾ margin 2023A

Strategy for growth



Increase our **technology leadership** for navy and energy transition applications



Capitalize on international footprint: sales & service network and diversified blue chip customer base



Capture high-margin and **recurring life-cycle revenues** with increased aftermarket penetration and digital solutions

Mission-critical solutions enabling energy efficiency and electrification

Defense

Civil

Defense super-cycle + energy efficiency / transition

Navy

Commercial marine + Industry

Energy



Navy



Wind



Commercial marine



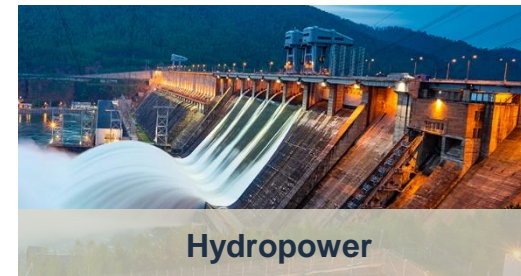
Oil & Gas



CCUS



Steel



Hydropower



Hydrogen

Note: CCUS = Carbon capture, utilization and storage
Source: Company information

Slide Bearing solutions key highlights

Key highlights



Slide E-bearings⁽¹⁾

Strategy for growth

A



Sustain **market leadership** for **E-bearings** and further execute on strong technology leadership position and broad product offering

€111m Revenue 2023A

B



Sustain **attractive niche in naval applications** such as thrust bearings and propulsion motor bearings

16% Adj. EBIT⁽²⁾ margin 2023A

C



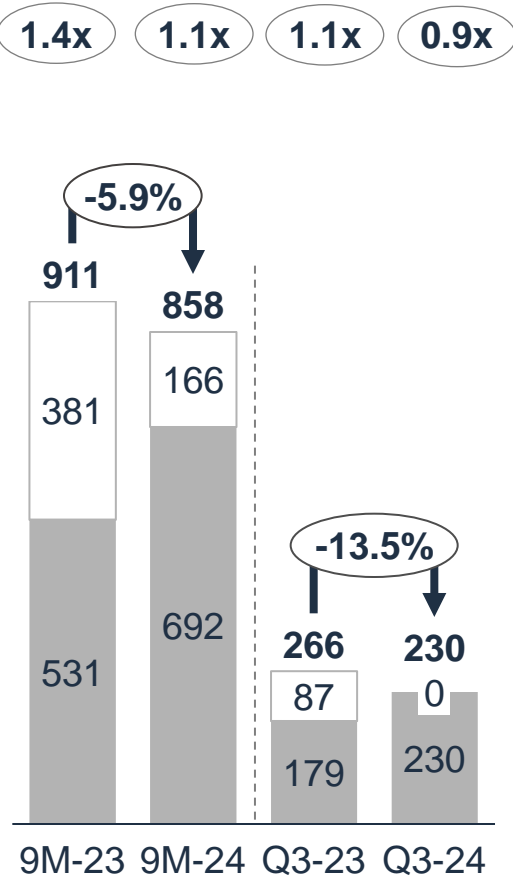
Capitalize on **switching from industrial roller-bearings** to slide bearings in Offshore Wind application

02

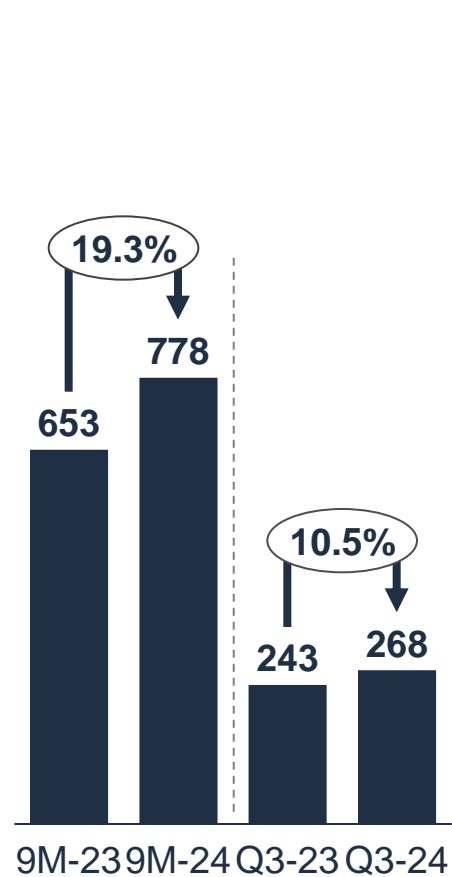
Financial overview

Strong revenue growth driven by the VMS segment and aftermarket

Order intake, €m



Revenue, €m



Fixed order backlog⁽²⁾, €m



Commentary (Q3)

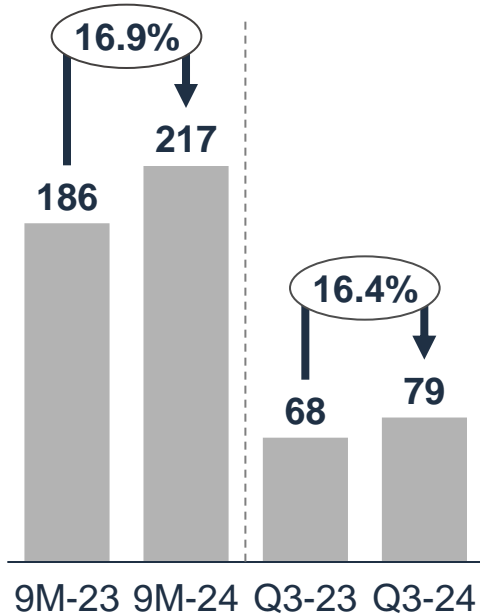
- Q3 order intake at a healthy level despite absence of large order wins in the quarter
- Book-to-bill at 1.1x in 9M 2024
- Q4-to-date order intake and order pipeline for Q4 encouraging
- Significant revenue growth of 10.5% YoY, driven by strong growth in the VMS segment, thanks to growing aftermarket and new equipment revenues
- Slight increase of fixed order backlog vs. Q4 2023 due to order wins and conversion of frame orders

○ YoY growth ○ Book-to-bill ratio⁽¹⁾
 □ Large order(s)

Solid adj. EBIT, further improvement expected in Q4

Adj. gross profit⁽¹⁾, €m

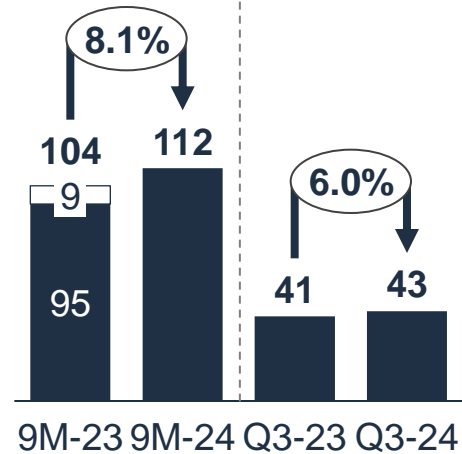
28.5% 27.9% 28.1% 29.6%



Adj. EBIT⁽²⁾, €m

15.9% 14.4% 16.9% 16.2%

14.6%



Net debt⁽³⁾, €m

2.4x 2.4x



Commentary (Q3)

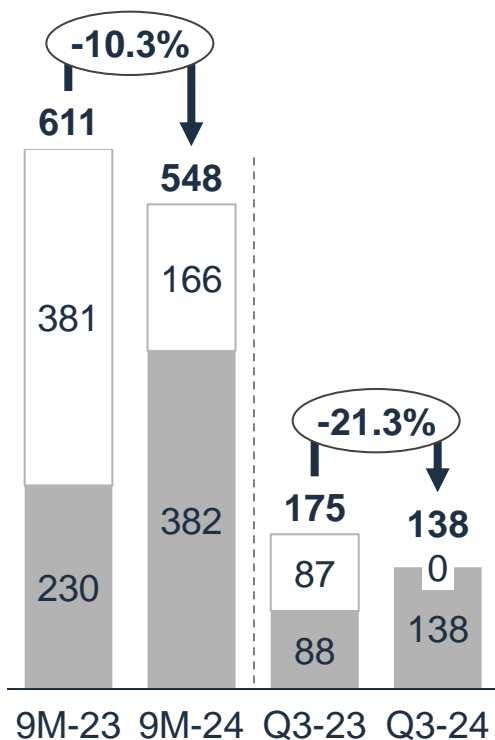
- Translation of strong revenue growth into considerable increase in adj. gross profit:
 - Solid volume growth, higher operating leverage and successful efficiency improvements especially in Augsburg
 - Mix (Navy, aftermarket) improvement
- Considerably higher adj. EBIT in Q3 (+6% YoY) excluding effects from R&D increase (€1.7m YoY increase in Q3, €7.6m YoY increase in 9M)
- Leverage ratio stable compared to Q4 2023 despite dividend payment in Q3 and refinancing-related cash outflows in Q2
- Free Cash Flow positive in Q3 despite QinetiQ-transaction related cash outflow

○ YoY growth ● Adj. gross profit margin
 ● Adj. EBIT margin ○ Net debt / LTM Adj. EBITDA⁽⁴⁾
 ○ Adj. EBIT margin without one-time warranty provision

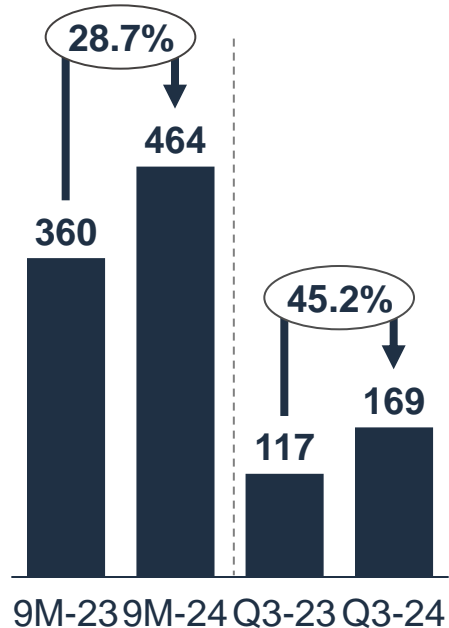
VMS: Accelerated revenue growth, aftermarket share increased further

Segment financials, €m

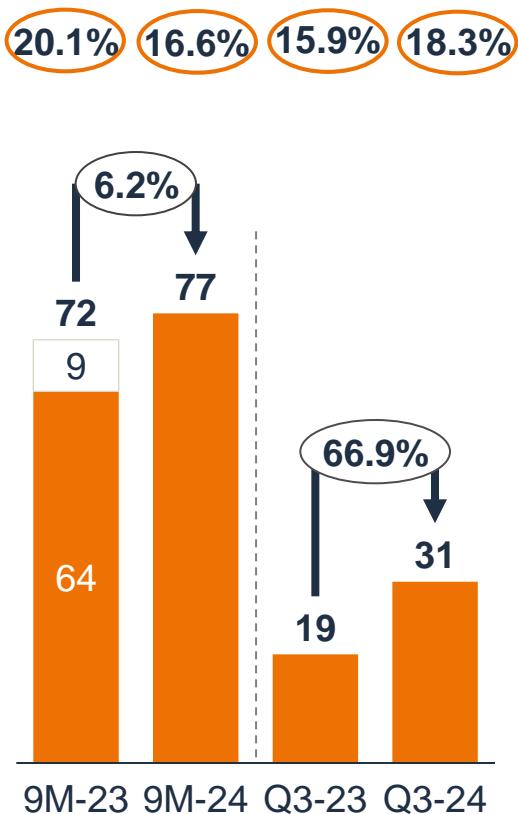
Order intake



Revenue



Adj. EBIT⁽¹⁾



Commentary (Q3)

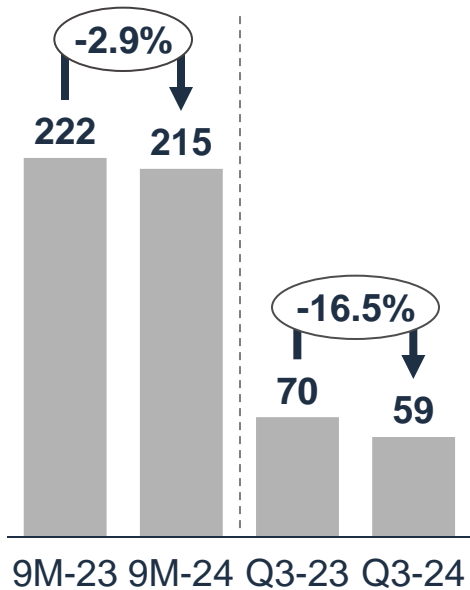
- Strong base order level in Q3 2024, total order intake impacted by lower amount of large order wins during the quarter (€87m US/Thor order in Q3 2023)
- Significant Q3 revenue growth of 45.2% YoY due to operational improvement and higher output and above-proportional aftermarket growth
- Margins improved significantly on operating leverage and operational improvement
- Measures to take the operating model of RENK America to translate into higher profitability in coming quarters
- Adj. EBIT comparison in Q3 impacted by higher R&D expenses (€1.3m YoY increase in Q3 2024)

- YoY growth
- Adj. EBIT margin without one-time warranty provision
- Large order(s)

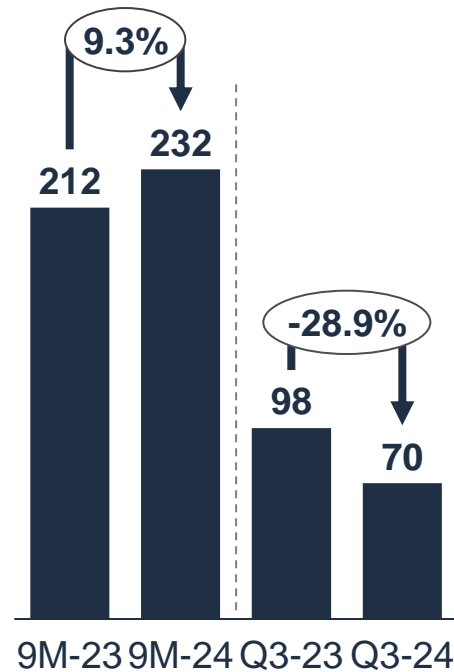
M&I: Activity and margin levels remain high with improved mix

Segment financials, €m

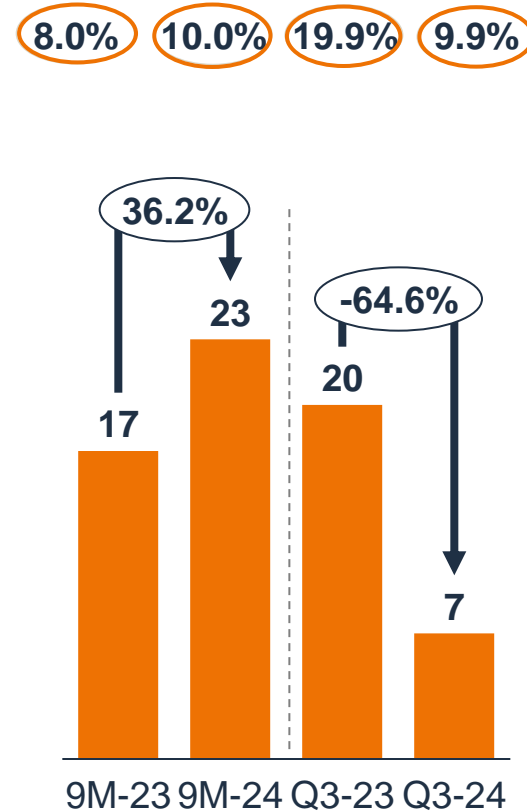
Order intake



Revenue



Adj. EBIT⁽¹⁾



Commentary (Q3)

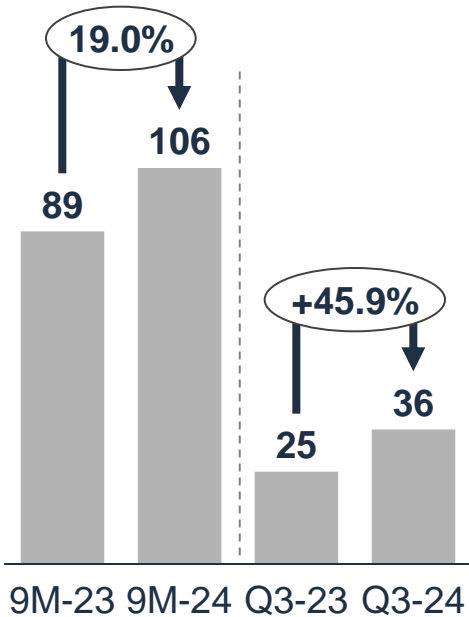
- Q3 revenue level remains high, albeit significantly below the very high prior year Q3
- 9M revenue growth rate indicates healthy growth trajectory
- Share of (higher-margin) military and aftermarket business increased notably
- Q3 adj. EBIT margin remained at a good level close to 10% and puts us on track to reach our FY targets

○ YoY growth ○ Adj. EBIT margin

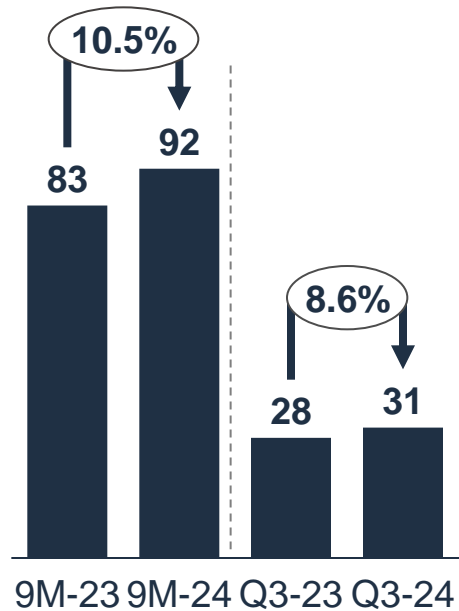
Slide Bearings: On a sustainable growth path

Segment financials, €m

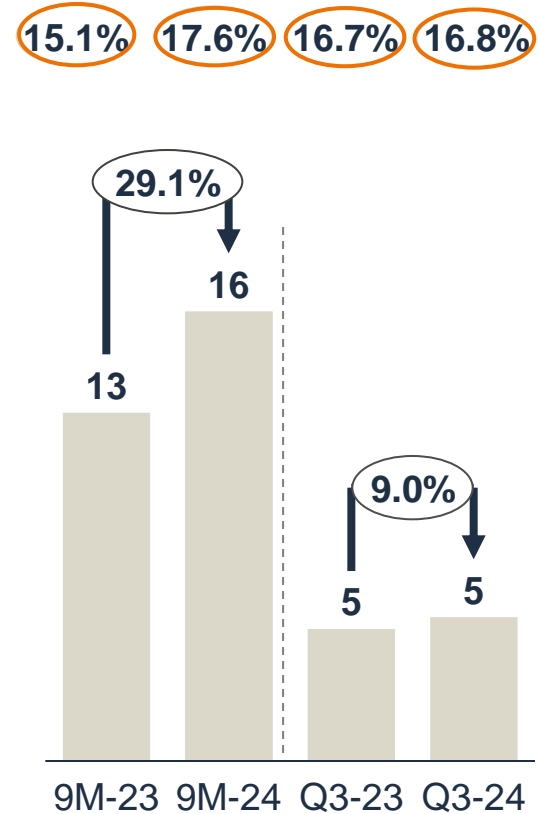
Order intake



Revenue



Adj. EBIT⁽¹⁾



Commentary (Q3)

- Order intake with strong growth and book-to-bill at 1.2x
- Revenue growth following the sustainable growth path of high-single digit (%) to low double-digit (%) growth as seen in previous quarters
- Strong demand for e-bearings (electrification trend) as well as for bearings for maritime applications
- Profitability remains at a high level with a slight improvement YoY due to improved new equipment margins as well as a higher share of aftermarket business

○ YoY growth ○ Adj. EBIT margin

Adjustments mainly related to PPA, refinancing costs and RAMup

For the period, €m

	9M-23	9M-24	Q3-23	Q3-24	
Operating profit	57.0	58.3	25.1	22.7	
PPA depreciation and amortization as well as income / losses from PPA asset disposals	1 35.1	33.1	11.7	10.9	
Operating profit before PPA depreciation and amortization as well as income / losses from PPA asset disposals	92.1	91.4	36.9	33.6	
Capital Markets Readiness Costs	1.6	1.6	2 1.3	0.0	
M&A activity related costs	2.0	1.0	0.9	0.5	
Inflation compensation premium	2.5	-	1.0	-	
Severance Provision	1.3	0.6	0.0	0.6	
Other adjustments	4.3	17.8	0.8	8.7	3
Adj. EBIT	104.0	112.4	40.9	43.4	
Depreciation, amortization and impairment losses (excluding PPA depreciation and amortization)	23.2	23.9	8.0	8.2	
Adj. EBITDA	127.2	136.2	49.0	51.6	

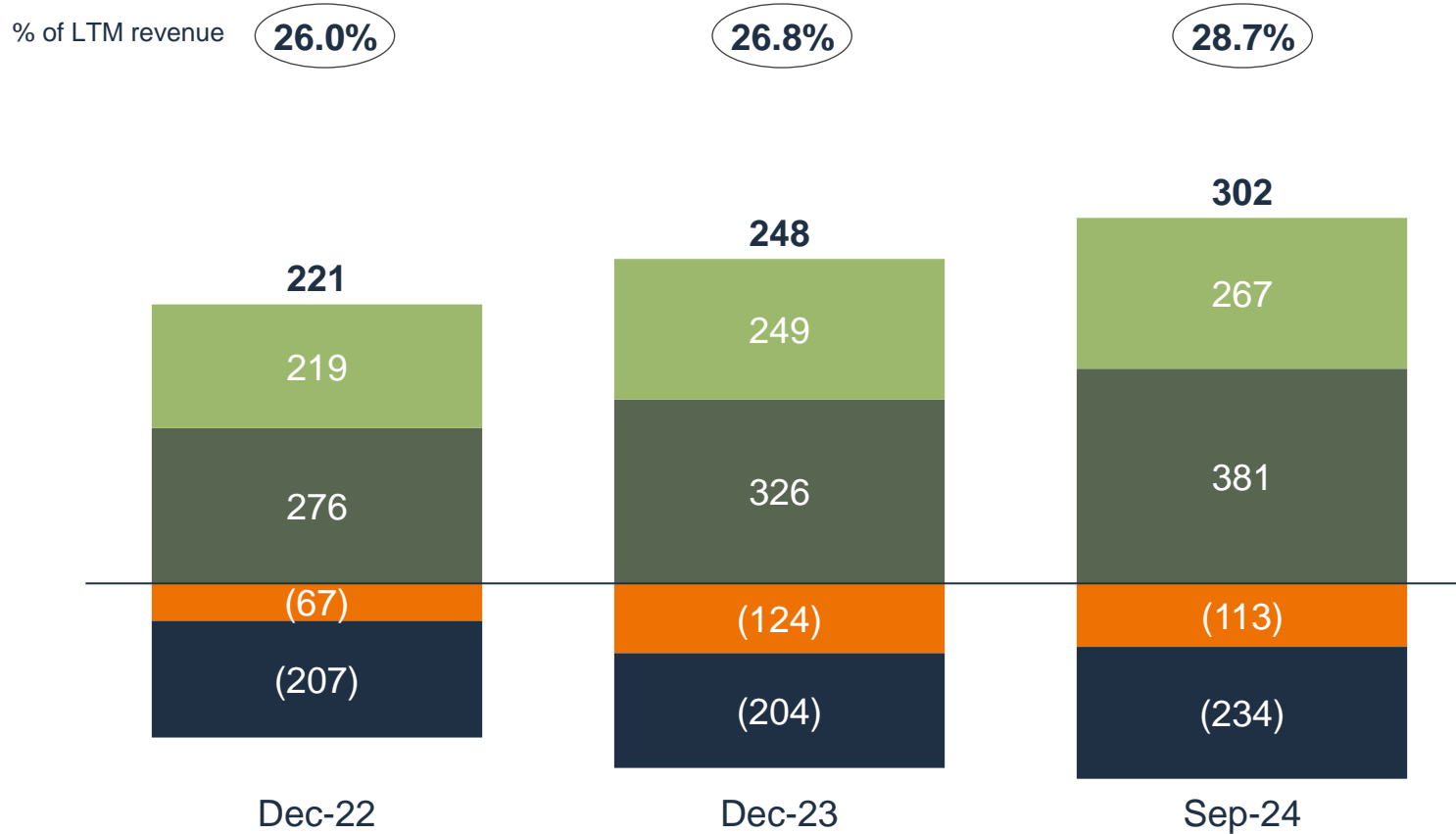
Commentary

- Adjustments are mainly attributable to effects of purchase price allocation, which mainly relate to depreciation and amortization of revalued non-current assets
- Cost incurred in the context of achieving capital market readiness as listing on Frankfurt Stock Exchange was completed during Q1 2024
- Other adjustments mainly include RAMup, a program to enhance the operating model of RENK America, consultancy and advisory expenses as well as costs related to refinancing

NWC ratio expected to decline in the mid-term

Net working capital, €m

■ Customer receivables⁽¹⁾
■ Inventories
■ Trade payables
 ■ Prepayments received⁽²⁾



Commentary

- NWC as a percentage of sales increased by 190bps
 - Customer receivables and inventories increased considerably reflecting underlying business growth and project ramp-up
 - Prepayments increased, but did not fully compensate the increase of inventories
 - Advance payments expected to support cash performance in Q4 2024
 - Reduction of NWC ratio targeted until year-end (~25%) and in the mid-term (~20%)

Slightly positive cash flow in Q3 despite one-off capex

Key cash flow items, €m

	9M-23	9M-24	Q3-23	Q3-24
Adj. EBITDA ⁽¹⁾	127.2	136.2	49.0	51.6
Adjustments ⁽²⁾	(11.8)	(21.0)	(4.1)	(9.8)
Income taxes paid	(22.3) ¹	(18.4)	(6.3)	(8.6)
Change in net working capital ⁽³⁾	(27.9)	(53.3)	(51.7)	(22.1) ²
Capex ⁽⁴⁾	(14.8)	(25.6)	(5.0)	(12.8) ³
Other ⁽⁵⁾	(29.5)	20.1	(11.3)	13.6
Unlevered free cash flow	20.8	38.1	(29.4)	12.0
Interest received	0.0	1.3	0	0.3
Interest payments	(27.3)	(43.6) ⁵	(13.9)	(9.0) ⁴
Free cash flow	(6.5)	(4.2)	(43.3)	3.3
Acquisitions less cash ⁽⁶⁾	34.3	-	0	-
Change in cash & cash equivalents (post M&A)	27.8	(4.2)	(43.3)	3.3

Commentary

- ¹ Q1 2023 tax payments include an aperiodic real estate tax payment (€2.8m)
- ² Cash outflow for net working capital reflecting higher revenue level
- ³ Capex in Q3 2024 amounted to 3.3% of sales, but well below 3% excluding (one-time) capex for intangible assets acquired from QinietiQ
- ⁴ Interest payments back at normal level after elevated payments in Q2 due to different payment dates between the previously existing bond and the new SSFA significant interest payments in Q2 2024
- ⁵ Including €7.5m prepayment penalties due to the refinancing of the long-term debt (corporate bond) in H1 2024

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
time ⁽²⁾**

**Balance sheet
strength**

We reiterate our guidance (narrowed to the upper end with Q2 results in August)

	2023A	2024 Guidance	Medium-term target
Revenue / growth 	<p>€926m</p>	<p>~€1,100m</p>	<p>~15% CAGR</p>
Adj. EBIT⁽¹⁾ 	<p>€150m</p>	<p>€175m-190m</p>	<p>~€300m</p>

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Management Board: Susanne Wiegand (Chairperson), Dr. Alexander Sagel, Anja Mänz-Siebje

Supervisory Board: Claus von Hermann (Chairperson)

Registration Court: District court of Augsburg, HRB 39189

VAT ID number: DE 363351811



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Thank you for your
interest!

Endnotes (1/3)

p. 5

- (1) 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 October 24 to September 28
- (2) Refers to systems / subsystems, such as transmissions for tracked military vehicles, gearboxes for large naval surface combatants and slide e-bearings, that are critical for the mechanical operation of military vehicles & vessels. Based on being “positioned on 75% of NATO & Allied tracked vehicles” and “RENK provides mission-critical mechanical systems and subsystems at various stages in the lifecycle” (as per Renaissance market study based on 2022)
- (3) Includes any product with RENK’s presence on tracked military vehicles by number of installed base globally (2022A), excluding platforms of Russian and Chinese origin in-service outside of Russia and China and Embargo Countries (as per Renaissance market study)

p. 6

- (1) Hybrid mobility system with capability to drive, steer, and brake up to 70 tons vehicle class weight
- (2) Permissible limit of variation in product manufacturing

p.7

- (1) Based on 2022A revenue split, defense and civil are defined by end market product application
- (2) VMS = Vehicle Mobility Solutions (incl Test systems for military and civil applications); M&I = Marine & Industry; SB = Slide Bearings; The Company applies IFRS 8 Segment Reporting starting in fiscal year 2023 and presents the segment information for three segments (VMS, M&I and Slide Bearings). For comparison purposes, the Company presents segment information for fiscal year 2022 in the segment structure effective from 1. January 2023 in this Analyst Presentation
- (3) Based on 2022A; overall positioning across all tracked categories including main battle tanks (MBT), tracked infantry fighting vehicles (IFV), tracked self-propelled howitzers (SPH), tracked military personnel carriers (APCs) and specialized support vehicles by number of installed base globally (2022A), excluding platforms of Russian and Chinese origin in-service outside of Russia and China and Embargoed Countries, as per Renaissance market study
- (4) Based on overall positioning for gearboxes with a global share of 32% across large naval surface combatants (frigates, destroyers, corvettes and amphibious assault ships), based on 2022A, by number of installed base of gearbox products (excluding slip rings) of large surface combatants globally, excluding platforms of Russian and Chinese origin in-service outside of Russia and China and Embargo Countries, as per Renaissance market study
- (5) Based on 2022A market share of RENK’s total addressable market by value in turbo-gear solutions in industrial application globally, as per Roland Berger market study
- (6) Based on 2022A market share of RENK’s total addressable market by value in standardized slides bearings (E-bearings) globally, as per Roland Berger market study

p. 11

- (1) 2019A EBIT displays EBIT unadjusted based on the as-if consolidated income statement information for the former RENK AG for the twelve-month period ended 31 December 2019; 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 non-recurring in nature. EBIT margin and adj. EBIT margin are defined as EBIT or adj. EBIT, as applicable, divided by revenue. For a detailed breakdown of EBIT adjustments, please refer to the page “Adjustments to operating profit”
- (2) Refers to 2020-2023 cumulative capex and R&D investments as well as acquisition costs related to General Kinetics (signed and closed in 2023) and L3 Magnet-Motor GmbH and the Combat Propulsion Systems from L3Harris. R&D investments refer to business-sponsored (“self-funded”) research and development (R&D) costs expensed as incurred; does not include customer-sponsored R&D costs incurred pursuant to contractual arrangements; capex defined as payments to acquire property, plant and equipment and intangible assets
- (3) Market CAGR of ~10% calculated as a blended rate by weighting 2022-27 CAGRs of total addressable market for defense (12.9% as per Renaissance market study) and civil (4.7% as per Roland Berger market study) with the defense / civil revenue split of around 70% / 30% in 2023A. Global defense addressable market defined as total armored vehicle and naval addressable markets, incl. new build, upgrade and overhaul, as of 2022A, based on RENK product portfolio used in defense applications, excluding platforms of Chinese origin in-service outside of China and Embargo Countries (as per Renaissance market study); global addressable civil market defined as total annual spend in commercial marine & industrial applications (incl. gearboxes, couplings, slide bearings and test systems) including new build and aftermarket comprising service, spare parts and software updates, based on 2022A (as per Roland Berger market study)

p.12

- (1) Defined as total order backlog as of Sept-24 / LTM revenue for the period ended September 30, 2024. Total order backlog comprised of fixed order backlog, frame order backlog and soft order backlog
- (2) 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
- (3) 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. The numbers as of September 30 include a contract with the character of a binding follow-up contract with the amount of €0.3bn

Endnotes (2/3)

p. 13

- (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

p. 16

- (1) Excluding embargoed nations Russia, Belarus
- (2) Excluding Afghanistan, Iran, Libya, Syria, Yemen, China, Myanmar, Venezuela, CAR, DRC, Zimbabwe

p. 17

- (1) Based on 2022A; overall positioning across all tracked categories including main battle tanks (MBT), tracked infantry fighting vehicles (IFV), tracked self-propelled howitzers (SPH), tracked armored personnel carriers (APCs) and specialized support vehicles by number of installed base globally (2022A), excluding platforms of Russian and Chinese origin in-service outside of Russia and China and embargoed countries as per Renaissance market study
- (2) 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 non-recurring in nature. EBIT margin and adj. EBIT margin are defined as EBIT or adj. EBIT, as applicable, divided by revenue.

p. 18

- (1) Engine is in the process of an upgrade to 1,500HP
- (2) Refers to metric tons
- (3) RENK total addressable component value relative to the military vehicle value; calculation refers mainly to tracked vehicles and can differ from vehicle to vehicle

p. 19

- (1) Permissible limit of variation in product manufacturing
- (2) Extrusion is a process used to create objects of a fixed cross-sectional profile by pushing material through a die of the desired cross-section

p. 20

- (1) Based on overall positioning for gearboxes with a global share of 32% across large naval surface combatants (frigates, destroyers, corvettes and amphibious assault ships), as of 2022A, by number of installed base of gearbox products (excluding slip rings) of large surface combatants globally, excluding platforms of Russian and Chinese origin in-service outside of Russia and China and Embargo Countries, as per Renaissance market study
- (2) Based on 2022A market share of RENK's total addressable market by value in high-speed gear solutions in industrial application globally, as per Roland Berger market study
- (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 non-recurring in nature. EBIT margin and adj. EBIT margin are defined as EBIT or adj. EBIT, as applicable, divided by revenue

p. 22

- (1) Refers to 2022A market share of RENK's total addressable market by value in E-bearings globally, as per Roland Berger market study
- (2) 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 non-recurring in nature. EBIT margin and adj. EBIT margin are defined as EBIT or adj. EBIT, as applicable, divided by revenue

p. 24

- (1) Book-to-bill ratio defined as order intake / revenue
- (2) 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

Endnotes (3/3)

p. 25

- (1) Adjusted gross profit is defined as gross profit before PPA depreciation and certain items which management considers to be exceptional or non-recurring in nature. Adj. Gross Profit margin is defined as adjusted gross profit divided by revenue.
- (2) 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 non-recurring in nature. Adj. EBIT margin are defined as adj. EBIT divided by revenue.
- (3) 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
- (4) LTM Adj. EBITDA is defined as operating profit before depreciation, amortization and impairment losses on intangible assets and property, plant and equipment, 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 non-recurring in nature. For a detailed breakdown of EBIT adjustments, please refer to the page "Adjustments to operating profit"

p. 26

- (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 non-recurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue. For a detailed breakdown of EBIT adjustments, please refer to the page "Adjustments to operating profit".

p. 27

- (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 non-recurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue. For a detailed breakdown of EBIT adjustments, please refer to the page "Adjustments to operating profit"

p. 28

- (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 non-recurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue. For a detailed breakdown of EBIT adjustments, please refer to the page "Adjustments to operating profit"

p.30

- (1) Comprises contract assets and trade receivables excluding customer prepayment receivables
- (2) Comprises contract liabilities excluding liabilities from customer prepayment receivables

p.31

- (1) Adj. EBITDA is defined as operating profit before depreciation, amortization and impairment losses on intangible assets and property, plant and equipment, 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 non-recurring in nature
- (2) For a detailed breakdown of EBIT adjustments, please refer to the page "Adjustments to operating profit" (p.13)
- (3) Includes change in inventories, trade receivables and contract assets, and changes in trade payables and contract liabilities
- (4) Capex defined as payments to acquire property, plant and equipment and intangible assets
- (5) Other reconciliation items include changes in provisions, other receivables and liabilities, unless as these are not attributable to the NWC, as well as other cash and non-cash expenses and income of minor importance.
- (6) Previous year's value before final purchase price adjustment

p. 32

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

p. 33

- (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 non-recurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue.