



H1 2024 results: RENK Group AG continues successful business development with record figures – more precisely defined financial guidance at upper end of the forecast range

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H1 2024 results: RENK Group AG continues successful business development with record figures – more precisely defined financial guidance at upper end of the forecast range

- H1 revenue increase to € 510 million (H1 2023: € 410 million) – growth of 24.4% driven by defense and aftermarket-related business
- Adjusted H1 EBIT grows by 9.4% to € 69 million (H1 2023: € 63 million)
- Strongest second quarter in the company's history with record figures for revenue (growth of 26.1% to € 273 million) and order intake (more than doubled to € 419 million)
- Total order backlog increased by 10.1% to € 4.7 billion compared to the same time the previous year (Q2 2023: € 4.2 billion)
- Annual guidance for 2024 specified: approx. ~ € 1.1 billion revenue (was € 1.0 - 1.1 billion), ~ € 175 - 190 million adjusted EBIT (was ~ € 160 - 190 million)
- Mid-term target increased to ~ 15% annual revenue growth and approx. ~ € 300 million adjusted EBIT

Augsburg, August 13, 2024 – RENK Group AG, a leading provider of drive solutions for the military and civilian sectors, has continued its successful business development with record figures in the first half-year period of 2024. On account of the favorable business performance, the Group has raised its financial guidance for the year overall in terms of revenue and adjusted EBIT to the upper end of the previous forecast span. "The supercycle and 'Zeitenwende' are clearly reflected in our key figures. RENK delivered the best second quarter in its history and thus an extremely strong first half-year period of 2024. All three segments contributed to this success" said Susanne Wiegand, CEO of RENK Group AG.

The second quarter of 2024 has seen revenue growth accelerating over the strong first quarter 2024 and reached an all-time high: Revenue increased in the second quarter to € 273 million (Q2 2023: € 216 million), up by 26.1% over the same period in the previous year. Overall for the first half-year period the increase was 24.4% to € 510 million (H1 2023: € 410 million).

Adjusted EBIT grew by 9.4% to € 69 million in the first half-year period (H1 2023: € 63 million) – despite a one-off basis effect of € 9 million in the second quarter of 2023 and an increase in R&D expenses of € 3 million in the second quarter of 2024. Excluding these effects, adjusted EBIT increased by 24.3% in the second quarter of 2024.

The high demand for product solutions in the military sector translated into a particularly strong rise in order intake, which at € 419 million had more than doubled in the second quarter of 2024 (Q2 2023: € 187 million), setting a new all-time high. In the first half-year period overall, despite two large order wins of the previous year the figure of € 628 million approached the previous-year level (H1 2023: € 645 million). Fixed order backlog increased in the second quarter by another € 203 million to € 1.9 billion. This results in a total order backlog of € 4.7 billion.

Growth dynamic in all business segments – driven by strong defense and aftermarket-related business

The Vehicle Mobility Solutions segment achieved record figures for revenue and order intake in the second quarter of 2024. Revenue increased by 19.8% to € 160 million (Q1 2023: € 134 million). In fact, at 20.8% growth for the first half-year period overall was somewhat higher. The increase in revenue also underscores the success of the vigorously progressed measures to scale and progress production at the Augsburg site.

The segment's excellent growth perspectives are underlined by the strong increase in order intake to € 332 million in the second quarter of 2024 (Q2 2023: € 102 million). Half of this figure was accounted for by a large-order win in the U.S. with a total volume of € 166 million. Book-to-bill ratio, i.e. the ratio of order intake to revenue, was correspondingly high in the second quarter of

2024 in the Vehicle Mobility Solution segment, coming in at 2.1x.

For the entire first half-year period, adjusted EBIT was € 46 million (H1 2023: € 54 million). In the second quarter of 2024, adjusted EBIT amounted to € 26 million (Q2 2023: € 37 million). This was due to the aforementioned one-off basis effect in the previous-year quarter and higher R&D expenses. In addition, the implementation of measures to scale and further progress production at the Muskegon site in the USA was started in the current fiscal year with the goal of further increasing profitability.

In the Marine & Industry segment, development of order intake, revenue and adjusted EBIT continued positively in the second quarter of 2024 – with record figures for revenue and adjusted EBIT. Driven by strong order intake in marine business in both years prior, revenue increased very significantly by 52.5% to € 83 million (Q2 2023: € 55 million). In the first six months, revenue increased by 42.3% compared to the previous year. The positive product mix contributed to a considerable improvement in the adjusted EBIT to € 11 million (Q2 2023: € 1 million). For the entire first half-year period, the adjusted EBIT ran to € 16 million (H1 2023: -€ 3 million). Despite the failure of usually volatile large-order wins to materialize, quarter-over-quarter order intake was up 4.0% to € 59 million (Q2 2023: € 57 million). In the first half-year period overall, order intake was € 157 million (H1 2023: € 152 million).

Development in the Slide Bearings segment in the first half-year period of 2024 was marked by considerable revenue growth and a significant improvement in adjusted EBIT. Revenue and adjusted EBIT reached an all-time high in the second quarter of 2024. Revenue in the second quarter of 2024 was € 32 million, a 12.3% increase over the same period in the previous year (Q2 2023: € 29 million). The increase over the first six months was 11.4%. The adjusted EBIT improved particularly on account of the considerably higher proportional contribution of aftermarket-related business, which increased to € 6 million in the second quarter (Q2 2023: € 4 million) respectively € 11 million for the half-year period (H1 2023: € 8 million). Order intake increased by 8.8% in the first half of the year, which primarily reflects the high demand for bearings for power generation and aftermarket growth.

Outlook: Guidance narrowed to upper end of the range

Due to the consistently positive development of all segments, RENK Group AG is specifying its finance forecast for the current fiscal year in terms of revenue and adjusted EBIT to the upper end of the previous forecast span. For fiscal year 2024 the Group now forecasts revenue tallying approx. ~ € 1.1 billion (was € 1.0 - 1.1 billion). Adjusted EBIT is expected to be between ~ € 175 and 190 million and therefore situated in the top half of the current forecast span of ~ € 160 - 190 million. "The strong order intake has a tangibly positive effect on our revenue and financial result", remarked Christian Schulz, CFO of RENK Group AG. "This favorable development and the good visibility of our business model enable us to adjust our forecast midway through the year." On this basis, RENK Group AG will increase its med-term forecast to ~ 15% annual revenue growth and ~ € 300 million adjusted EBIT in a next step.

Group key metrics (in € million) at a glance

RENK Group AG	H1 2023	H1 2024	Change (in %)	Q2 2023	Q2 2024	Change (in %)
Order intake	645	628	-2.7	187	419	+124.1
Revenue	410	510	+24.4	216	273	+26.1
Adjusted EBIT	63	69	+9.4	44	41	-6.3

Segment key metrics (in € million) at a glance

Vehicle Mobility Solutions	H1 2023	H1 2024	Change (in %)	Q2 2023	Q2 2024	Change (in %)
Order intake	436	410	-5.8	102	332	+224.6
Revenue	244	295	+20.8	134	160	+19.8
Adjusted EBIT	54	46	-14.7	37	26	-28.6

Marine & Industry	H1 2023	H1 2024	Change (in %)	Q2 2023	Q2 2024	Change (in %)
Order intake	152	157	+3.4	57	59	+4.0
Revenue	114	162	+42.3	55	83	+52.5
Adjusted EBIT	-3	16	>200	1	11	>200

Slide Bearings	H1 2023	H1 2024	Change (in %)	Q2 2023	Q2 2024	Change (in %)
Order intake	64	70	+8.8	33	31	-3.7
Revenue	55	61	+11.4	29	32	+12.3
Adjusted EBIT	8	11	+41.3	4	6	+40.1

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About RENK Group AG

Headquartered in Augsburg, Germany, RENK Group AG is a globally leading manufacturer of mission-critical propulsion solutions across diverse military and civil end markets. Our product portfolio includes gear units, transmissions, power-packs, hybrid propulsion systems, suspension systems, slide bearings, couplings & clutches and test systems. With this broad product portfolio RENK Group AG serves in particular customers in industries for military vehicles, naval, civil marine, and industrial applications

focused on energy. In the fiscal year 2023, RENK Group AG generated revenue of EUR 926 million. RENK Group AG is listed on the Frankfurt Stock Exchange since February 7, 2024 and is a member of the SDAX since May 9, 2024.

For more information visit: www.renk.com

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