RENK

RENK Group AG starts into the new fiscal year with strong revenue growth – guidance confirmed

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Q1 2024 results: RENK Group AG starts into the new fiscal year with strong revenue growth – guidance confirmed

- Strong revenue growth driven by defense and aftermarket-related business: € 238 million (Q1 2023: € 194 million)
- Order intake at € 208 million (Q1 2023: € 458 million), USD 100 million contract awarded by the US Army in April
- Total order backlog remaining at high level: € 4.7 billion (Q4 2023: € 4.6 billion)
- Adjusted EBIT: € 28 million (Q1 2023: € 19 million)
- Guidance for 2024 confirmed (€ 1.0 - 1.1 billion revenue, € 160 million - € 190 million adjusted EBIT, 16 - 18% adjusted EBIT margin)

Augsburg, May 15, 2024 – RENK Group AG, a leading provider of drive solutions for the military and civilian sectors, had a successful start to fiscal year 2024. Compared to the same period in the previous year, first-quarter revenue increased 22.5% to € 238 million (Q1 2023: € 194 million). Order intake tallied € 208 million (Q1 2023: € 458 million) and with adjustment for the two large order wins in the previous year's first quarter it remains strong in the year over year comparison. At the end of March, total order backlog figured at € 4.7 billion (Q4 2023: € 4.6 billion). Adjusted EBIT grew 45.6% to € 28 million (Q1 2023: € 19 million). The sustained high demand for product solutions geared to the military sector as well as aftermarket-related business were definitive for the positive business development of RENK Group AG in the first quarter.

"The geopolitical situation is tense and has become more so over recent months", commented Susanne Wiegand, CEO of RENK Group AG. "The demand for RENK technologies to help safeguard and strengthen the defense capabilities of Germany and its allies remains high."

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

The Vehicle Mobility Solutions segment posted 22.0% revenue growth (Q1 2023: € 110 million). Factoring into this growth is the continuous expansion of the Augsburg plant's production level over the first three months of the current fiscal year. The measures aimed at scaling and further developing production in Augsburg introduced in recent years are taking effect. Adjusted EBIT increased to € 20 million (+15.3% compared to Q1 2023). Order intake was € 79 million, figuring down vis-à-vis the previous year's high (Q1 2023: € 334 million). Two large-order wins had contributed to the outstanding figure for the 2023 first-quarter posting.

Order intake, revenue and adjusted EBIT of the Marine & Industry segment experienced positive development in the first quarter of 2024. Order intake improved strongly back in fiscal 2023, triggering acceleration in revenue growth through the following first quarter. Revenue increased to € 79 million (+32.9% compared to Q1 2023). Order intake continued to grow at a high level, up 3.1% compared to the previous year (Q1 2023: € 95 million). Adjusted EBIT increased to € 5 million (Q1 2023:€ -4 million). The figures evidence continuation of the positive performance dynamic that commenced in the second half of the previous year.

In the Slide Bearings segment too, order intake, revenue and adjusted EBIT were further increased. This development resulted primarily from the growth in aftermarket-related business and an elevated demand for e-bearings and plain bearings for marine applications. Order intake was up 21.5% year over year (Q1 2023: € 32 million). Revenue grew to € 29 million (+10.5% compared to Q1 2023). Adjusted EBIT increased 42.9% year over year (Q1 2023: € 3 million).

Outlook: Guidance for fiscal year 2024 confirmed

The forecast for the current fiscal year is confirmed. RENK Group AG continues to anticipate revenue of € 1.0 - 1.1 billion and an adjusted EBIT margin of 16 - 18%. This translates to an adjusted EBIT of € 160 million - € 190 million. "In the first quarter we have generated strong revenue growth and accomplished operational improvements, particularly at the Augsburg facility", states Christian Schulz, CFO of RENK Group AG. The order prospects for the coming months remain strong across all regions. As recently as April of this year, the company announced that the US Army had placed a large order worth in the region of USD 100 million for HMPT transmissions.

In the course of an extraordinary index adjustment announced by the German Stock Exchange on May 06, 2024, with effect from May 09, 2024 RENK Group AG is included in the SDAX selection index. "We are delighted to have reached this important milestone a mere three months on from our stock exchange listing", asserts Susanne Wiegand.

To strengthen growth in the second quarter moreover, further measures aimed at scaling up production in Augsburg to industrial series level will be center-stage. In addition, as announced, the company will further expand its presence in India.

Group key metrics, Q1 2024 (in € millions) at a glance

RENK Group AG	Q1 2023	Q1 2024	Change (in %)
Order intake	458	208	-54.5
Revenue	194	238	+22.5
Adjusted EBIT	19	28	+45.6

Segment key metrics, Q1 2024 (in € millions) at a glance

Vehicle Mobility Solutions	Q1 2023	Q1 2024	Change (in %)
Order intake	334	79	-76.4
Revenue	110	134	+22.0
Adjusted EBIT	17	20	+15.3

Marine & Industry	Q1 2023	Q1 2024	Change (in %)
Order intake	95	98	+3.1
Revenue	59	79	+32.9
Adjusted EBIT	-4	5	+230.5

Slide Bearings	Q1 2023	Q1 2024	Change (in %)
Order intake	32	39	+21.5
Revenue	26	29	+10.5
Adjusted EBIT	3	5	+42.9

About RENK Group AG

Headquartered in Augsburg, Germany, RENK Group AG is a globally leading manufacturer of mission-critical drive 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 € 926 million.

For more information visit: www.renk.com

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