RENK

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Augsburg, November 29, 2023. RENK Group, a leading global manufacturer of mission-critical drive technologies, continued its growth path in the first nine months of 2023. While total order intake was up about 24 percent compared to the first nine months of 2022, revenue increased by about 10 percent to EUR 653 million, and adjusted EBIT grew by 6 percent to EUR 104 million, achieving an adjusted EBIT margin of about 16 percent.

The positive topline development was driven by a strong performance across all three business segments: Vehicle Mobility Solutions, Marine & Industry and Slide Bearings. In particular, Marine & Industry recorded a notable improvement across key business metrics and grew revenue by about 9 percent compared to the first nine months of 2022, while order intake increased by 18 percent, driven especially by Navy orders. Vehicle Mobility Solutions recorded revenue growth of about 7 percent compared to the first nine months of 2022, while at the same time achieving a substantial increase in order intake, especially driven by growth in North America. The Slide Bearings segment continued its growth trajectory achieving substantial revenue growth of about 25 percent compared to the first nine months of 2022.

RENK Group’s fixed order backlog grew considerably by over 19 percent in the first nine months of the year to approximately EUR 1.7 billion. Driven by significant project momentum across all segments and regions, order intake increased by about 24 percent in the first nine months 2023, compared to the first nine months in 2022 (increasing the book-to-bill ratio to 1.4x revenue).

“The fact that we have such a successful development and a sustainable and significant set of further orders due to be delivered in the coming months, underscores the relevance of and demand for our products in both the defense and civil domain”, said CEO Susanne Wiegand on the occasion of the quarterly financials release. “We are very pleased with the very strong performance of our three business segments and particularly the performance of our Marine & Industry business in the past quarter”, added CFO Christian Schulz.

Strong cash flow and rating upgrade

Supported by its profitable growth, RENK Group demonstrated a continuously strong operating cash flow and strengthened its equity through a contribution in kind by its owner Triton, underlining its shareholders commitment to ensure that RENK has a solid capital structure as basis for future growth. As a result of its solid financials, S&P Global has upgraded RENK GmbH to 'B+’ on improved credit metrics and confirmed the “Positive” outlook.

Disclaimer

This release contains forward-looking statements. These statements are based on the current views, expectations, assumptions, and information of the management of RENK Group AG (the “Company”). Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Various factors could cause actual future results, performance, or events to differ materially from those described in these statements, and neither the Company nor any other person accepts any responsibility for the accuracy of the opinions expressed in this release or the underlying assumptions. The Company does not assume any obligations to update any forward-looking statements. Moreover, it should be noted that all forward-looking statements only speak as of the date of this release and that the Company assumes no obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

The Company expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this release, whether as a result of new information, future developments or otherwise.

Footnotes

[1] Adjusted EBIT is defined as operating profit before the effects from purchase price allocations and adjusted for certain items which management considers to be exceptional or non-recurring in nature. Adjusted EBIT Margin is defined as Adjusted EBIT, as applicable, divided by 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.

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