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RENK

RENK Group AG bolsters leading position in the naval sector with acquisition of David Brown Defence from Stellex Capital Management

- David Brown Defence is a leading UK based supplier for high-performing transmission solutions to long-term UK and international defense programs
- Strong UK home market with access to UK and allied nations naval and land defense programs including Global Combat Ship (GCS)
- Significant synergy potential through the combination of technological and operational know-how as well as optimal capacity utilization and joined go-to-market
- Unique expertise in submarine gearboxes with low noise and vibration levels: technological basis for the next generation of submarine platforms
- Expanding RENK's land defense portfolio to include UK programs such as Challenger 2 and Boxer
- Secured order backlog and strong pipeline of over £700 million up to 2030
- Reinforcing RENK's role as an international market leader in naval propulsion systems and expanding its presence within the Five Eyes countries (USA, UK, Canada, Australia, New Zealand)

London, July 3, 2026 – RENK Group AG, a leading provider of propulsion solutions for the military sector, entered into a binding agreement for the acquisition of David Brown Defence from Stellex Capital Management. David Brown Defence specializes in high-precision gearboxes for the naval and land defense sectors. By acquiring David Brown Defence (DBD), RENK is continuing its consolidation of the international defense-sector transmission market.

"With the acquisition of David Brown Defence, we are continuing our strategy of strengthening our leadership position in the defense sector through targeted M&A activities," states Dr. Alexander Sagel, CEO of RENK Group AG. "David Brown Defence provides us with access to the Five Eyes countries, strengthens our long-term access to high-value naval programs and further expands our aftermarket business. At the same time, we are broadening our existing product portfolio and technical expertise by adding submarine propulsion system technology. As a European partner, we have made a long-term commitment to Huddersfield and the UK defense industry and are delighted to be welcoming the team at David Brown Defence into the RENK family."

David Brown Defence: Over 100 years of defense industry experience

National Armaments Director Rupert Pearce said: "RENK Group's acquisition of David Brown Defence is a strong endorsement of the UK's industrial base and an important investment in a company whose power transmission and gearbox technologies underpin some of our naval and land defense platforms. By bringing together DBD's heritage and expertise with RENK's global scale and engineering capability, this deal will help strengthen our supply-chain resilience, protect skilled jobs, and ensure UK Armed Forces get the capabilities they need."

Based in Huddersfield, UK, David Brown Defence has over 100 years of experience in the development and manufacturing of transmission systems for naval and land-based defense systems. David Brown Defence employs around 530 people and is ideally positioned in the UK, Australian and Canadian naval sectors as a key supplier to some of the countries' most important armaments programs.

Access to key high-value naval programs

With the acquisition of David Brown Defence, RENK is gaining access to high-value naval programs of the next few years, including the GCS with up to 34 ships including Type 26 frigates, Hunter Class frigates and River Class destroyers. David Brown Defence's close involvement in these programs is reflected by its significant order backlog and strong pipeline worth over £700 million for the period from 2026 to 2030. The acquisition will underpin RENK's leading role within the international marine transmission market and tap into a long-term base of orders across the main naval programs in the UK, Canada and Australia. Due to the extended lifecycle of these programs, the transaction also creates sustainable growth opportunities in the aftermarket business. Overall, the acquisition represents a strategically important addition to RENK Group's existing portfolio in the naval sector.

Targeted portfolio growth in three sectors of defense

David Brown Defence's portfolio consists of three segments, each of which will expand specific areas of RENK's existing portfolio. In the marine surface segment, David Brown Defence is a certified supplier for the aforementioned naval programs and has a long-standing track record as a manufacturer of main propulsion transmission systems for naval vessels. In the marine sub-surface segment, RENK will be expanding its existing portfolio to include, for the first time, unique expertise in low-noise and low-vibration propulsion system technology for submarines. This technology is set to play a key role in the next generation of submarine platforms. In the land defense segment, the RENK portfolio of armored vehicles will be expanded to include UK programs, such as Challenger 2 and Boxer. This acquisition marks the next step in RENK's targeted strategy of consolidation. Through joint participation in programs, it will also enable the Group to tap into synergies at operational and technological level.

The transaction is subject to standard regulatory clearances and is expected to complete in Q4 2026. Both parties have agreed not to disclose commercial terms of the transaction. Barclays served as financial advisor and Linklaters as legal advisor to the RENK Group in connection with the transaction.

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About the 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 2025, RENK Group AG generated revenue of approximately EUR 1.4 billion. RENK Group AG has been listed on the Frankfurt Stock Exchange since February 7, 2024, and has been a member of the MDAX since March 24, 2025.

For further information, please visit www.renk.com

About David Brown Defence

David Brown Defence is a UK-based business specialising in high-precision engineered gear systems for both land defense and marine sectors. Headquartered in Huddersfield, the company employs around 530 people and plays a critical role in supporting key defense programs.

About Stellex Capital Management LLC

With offices in New York, London, Pittsburgh, and Detroit, Stellex Capital is a private equity firm with over \$6.9 billion in AUM. Stellex seeks to identify and deploy capital in opportunities that stand to benefit from its operationally focused and hands-on approach to investing. Portfolio companies are supported by Stellex's industry knowledge, operating capabilities, network of senior executives, strategic insights, and access to capital. Sectors of particular focus include aerospace & defence, government services, transportation & logistics, manufacturing, real economy & business services, food processing, and tech-enabled services.

Additional information may be found at www.stellexcapital.com/.

Disclaimer

This Press Release contains forward-looking statements that are based on plans, expectations, estimates and projections of the management of RENK Group as at the date of this Press Release. These plans, expectations, estimates and projections depend on a variety of assumptions and are subject to unforeseeable events, uncertainties, known and unknown risks as well as other factors that may cause actual results or the actual financial situation, development or performance to differ from those expressed or implied in the forward-looking statements. RENK Group does not assume any obligation to update the forward-looking statements or make adjustments to them to reflect events or developments occurring after the date of this Press Release unless obliged by statutory law.

