Results 9M 2024: The RENK Group AG continues to demonstrate positive growth – Revenue up 19% in first nine months- Annual forecast confirmed

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Results 9M 2024: The RENK Group AG continues to demonstrate positive growth – Revenue up 19% in first nine months – Annual forecast confirmed

- Consolidated sales revenue increases in 9M 2024 by 19.3% to € 778 million (9M 2023: € 653 million)
- Increase in adjusted EBIT for 9M 2024 to € 112 million (9M 2023: € 104 million)
- Vehicle Mobility Solutions (VMS) segment the strongest driver in terms of sales revenue and earnings
- Management Board confirms the Group's updated financial targets for the full year 2024

Augsburg, November 13, 2024 – RENK Group AG, a leading provider of drive solutions for the military and civil sectors, successfully continued on its path of growth in the first nine months of 2024, as it increased its sales revenue by 19.3% to € 778 million (9M 2023: € 653 million). In the third quarter of 2024, RENK Group AG generated sales revenue of € 268 million, which corresponds to an increase of 10.5% compared to the same quarter of the previous year (Q3 2023: € 243 million). The ongoing upward trend due to the current defense supercycle is mainly driven by the strong Vehicle Mobility Solutions (VMS) segment and the favourable developments in the aftermarket sector.

The Group's adjusted EBIT in the first nine months of 2024 was € 112 million, 8.1% higher than the previous year's figure (9M 2023: € 104 million). In the third quarter of 2024, the RENK Group AG achieved adjusted consolidated EBIT of € 43 million, which was also moderately above the previous year's figure (Q3 2023: € 41 million). The adjusted EBIT margin therefore amounted to 14.4% in the nine-month period (9M 2023: 15.9%) and 16.2% in the third quarter (Q3 2023: 16.9%).

Order intake remained at a high level in the first nine months of the current fiscal year and the total order backlog reached a new record value of € 4.8 billion as of the end of September 2024 (Q3 2023: € 4.6 billion). The book-to-bill ratio for the first nine months of 2024 was 1.1x.

"With the third quarter, we have further strengthened our position in a growing market and set the course for a strong annual result. Our long-standing and trusting customer relationships as well as the trust in the quality of our offered solutions are paying off," says Susanne Wiegand, CEO of RENK Group AG.

VMS: Record growth thanks to strong defense segment

The VMS segment demonstrated the most robust growth of all three segments with sales revenue of € 464 million (9M 2023: € 360 million) on a nine-month basis, corresponding to an increase of 28.7%. In the third quarter of 2024 alone, the segment's sales revenue grew by 45.2% compared to the same quarter in the previous year. Accordingly, sales revenue increased from € 117 million to € 169 million in the third quarter. Here was a notable demand for military mobility solutions, supported by extensive aftermarket activities.

Adjusted EBIT increased moderately by 6.2% to € 77 million in the first nine months (9M 2023: € 72 million). In the third quarter, there was a significant improvement of 66.9%, with an increase from € 19 million to €31 million. The adjusted EBIT margin for the first nine months of 2024 amounted to 16.6% (9M 2023: 20.1%). For the third quarter of 2024, the segment improved the adjusted EBIT margin by 2.4 percentage points to 18.3% (Q3 2023: 15.9%). This is primarily due to the implementation of efficiency improvements at the Augsburg plant.

The order intake remained at a high level both for the first nine months of 2024 at € 548 million (9M 2023: € 611 million) and for the third quarter at € 138 million (Q3 2023: € 175 million).

The book-to-bill ratio for the VMS segment was 1.2x for the first nine months of 2024.

Marine & Industry (M&I): Stable development, good long-term demand

The M&I segment performed positively in the first nine months of the current fiscal year and increased sales revenue during this period by 9.3% to € 232 million (9M 2023: € 212 million). In the marine sector in particular, the RENK Group continues to see positive prospects and is benefiting from the increasing demand.

In the first nine months of the current fiscal year, adjusted segment EBIT increased by 36.2% to € 23 million (9M 2023: € 17 million), and in the third quarter of 2024 it was € 7 million (Q3 2023: € 20 million). The adjusted EBIT margin for the first nine months of 2024 was 10.0% (9M 2023: 8.0%), while for the third quarter of 2024 it was 9.9% (Q3 2023: 19.9%). The margin improvement was supported by a more favourable sales revenue mix and higher sales revenue in the high-margin marine and aftermarket activities.

In 9M 2024, order intake decreased slightly from € 222 million in the previous year to € 215 million. Q3 2024 followed a similar pattern, with the order intake standing at € 59 million (Q3 2023: € 70 million).

The M&I segment had a book-to-bill ratio of 0.9x in 9M 2024 and 0.8x in Q3 2024.

Slide Bearings: Solid growth driven by aftermarket business

The Slide Bearings segment generated sales revenue of € 92 million in the first nine months of 2024, which was an increase of 10.5% compared to the same period in the previous year (9M 2023: € 83 million). In the third quarter of 2024, the segment generated sales revenue of € 31 million, which represented an increase of 8.6% year-on-year. The continued expansion of aftermarket business and the strong demand in the industrial sector contributed significantly to the increase in sales revenue.

Adjusted EBIT increased significantly by 29.1% to € 16 million in 9M 2024 (9M 2023: € 13 million) and by 9.0% to € 5 million in the third quarter of 2024 (Q3 2023: € 5 million). The adjusted EBIT margin was 17.6% in the first nine months of 2024, compared to 15.1% in the same period of the previous year. In the third quarter of 2024, the margin remained almost stable at 16.8% compared to the previous year (Q3 2023: 16.7%).

The positive development in the segment is underlined by an increasing order intake. This represents an increase from € 89 million in the previous year to € 106 million for 9M 2024, and to € 36 million for the third quarter (Q3 2024: € 25 million).

The book-to-bill ratio was 1.2x for 9M 2024 and also 1.2x for Q3 2024.

"Our total order backlog continued to grow in the third quarter and the order pipeline for the next quarters is strong. In times of multiple global threats, our products make an important contribution to security in our democratic world," says Susanne Wiegand, CEO of RENK Group AG.

Outlook: RENK confirms updated forecast for the 2024 fiscal year

In light of the robust performance in the third quarter, RENK Group AG confirms its annual forecast with targeted sales revenue of around € 1.1 billion and adjusted EBIT of € 175 to € 190 million. The stable order intake supports the planned growth and enhances the future outlook of the RENK Group.

"We are on a good track to achieve our annual targets," emphasized Anja Mänz-Siebje, CFO of RENK Group AG. "Our consistent business development shows that we are on the right track with our strategy and are strengthening RENK for the future."

Group key metrics (in € million) at a glance

RENK Group AG	9M 2023	9M 2024	Change (in %)	Q3 2023	Q3 2024	Change (in %)
Order intake	911	858	-5.9	266	230	-13.5
Revenue	653	778	+19.3	243	268	+10.5
Adjusted EBIT	104	112	+8.1	41	43	+6.0

Segment key metrics (in € million) at a glance

Vehicle Mobility Solutions	9M 2023	9M 2024	Change (in %)	Q3 2023	Q3 2024	Change (in %)
Order intake	611	548	-10.3	175	138	-21.3
Revenue	360	464	+28.7	117	169	+45.2
Adjusted EBIT	72	77	+6.2	19	31	+66.9

Marine & Industry	9M 2023	9M 2024	Change (in %)	Q3 2023	Q3 2024	Change (in %)
Order intake	222	215	-2.9	70	59	-16.5
Revenue	212	232	+9.3	98	70	-28.9
Adjusted EBIT	17	23	+36.2	20	7	-64.6

Slide Bearings	9M 2023	9M 2024	Change (in %)	Q3 2023	Q3 2024	Change (in %)
Order intake	89	106	+19.0	25	36	+45.9
Revenue	83	92	+10.5	28	31	+8.6
Adjusted EBIT	13	16	+29.1	5	5	+9.0

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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