Fiscal year 2023: RENK Group AG continues profitable growth trajectory

March 27, 2024

RENK Group AG / Key word(s): Annual Results/Annual Results
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27.03.2024 / 07:30 CET/CEST

Fiscal year 2023: RENK Group AG continues profitable growth trajectory

- Further revenue growth: 926 million euros
  (2022: 849 million euros)
- Record for order intake: approaching 1.3 billion euros
  (2022: 987 million euros)
- Total order backlog at record high (4.6 billion euros)
- Adjusted EBIT: 150 million euros (2022: 144 million euros)
- Sustained strong growth forecast for 2024
  (1.0 - 1.1 billion euros revenue, 16 - 18% adjusted EBIT margin)
- Defense sector delivers strong growth momentum

Augsburg, March 27, 2024 – RENK Group AG, a leading manufacturer of drive solutions for the military and civilian sectors, has again grown profitably in fiscal year 2023. Revenue increased year-on-year by 9.0% to 926 million euros (2022: 849 million euros). Across all company segments and regions, order intake in 2023 reached an all-time high approaching 1.3 billion euros (2022: 987 million euros). Total order backlog reached a record high of 4.6 billion euros. Adjusted EBIT of RENK Group AG rose to 150 million euros (2022: 144 million euros). On this basis, payment of a € 0.30 per share dividend for fiscal 2023 will be proposed to the general meeting on June 26, 2024.

"The strong order intake and revenue growth of our segments over the past fiscal year reflect the high demand for our products and technological solutions", explained Susanne Wiegand, CEO of RENK Group AG. "The worldwide high need for a return to high-level equipping of armed forces is a boost for us and will remain a growth driver going forward."

Growth in all business units

The Vehicle Mobility Solutions segment closed the fiscal year with further revenue growth (2023: 528 million euros, + 8.8% compared to previous year) and an adjusted EBIT of 106 million euros (2022: 113 million euros). Order intake rose to 798 million euros (+ 32.7% compared to previous year), driven primarily by growth in North America.

Posting growth numbers for order intake, revenue and profitability, the Marine & Industry segment also achieved further growth. Order intake developed positively with a value totaling 368 million euros
(+ 28.5% compared to previous year), due particularly to strong customer demand in the Navy sector. Compared to the previous year's figures, revenue was 7.3% up at 296 million euros, driven mainly by growth in the Industry sector across both new and aftersales business. Adjusted EBIT increased 37.5% to 28 million euros (2022: 21 million euros).

The Slide Bearings segment also continued to develop positively. Order intake grew 12.8% to 121 million euros (2022: 107 million euros). Definitive in this respect were orders for marine horizontal bearings and special client applications. Revenue increased to 111 million euros (+ 22.0% compared to previous year), particularly in e-bearings, marine horizontal bearings and aftersales business. Adjusted EBIT increased to 17 million euros (2022: 13 million euros).

Key decisions for further growth in 2024

For fiscal year 2024, RENK Group AG is expecting growth to continue and is confirming its financial forecast. The company anticipates revenues of 1.0 - 1.1 billion euros and an adjusted EBIT margin of 16 - 18%. The medium-term targets (~ 10% organic revenue growth and 19 - 20% margin) also remain unchanged. "In a challenging 2023 we met our targets and for 2024 we again see ourselves well on course for continuing our profitable growth", asserts Christian Schulz, CFO of RENK Group AG.

In the first quarter further measures were implemented to realize market potentials that will emerge in the course of this fiscal year, particularly in the defense sector. The successful stock exchange listing of RENK Group AG on February 7, 2024 laid the groundwork for further international growth. Following the successfully concluded refinancing, on February 23, 2024 rating agency Moody's uprated RENK GmbH to Ba3 (from B1) and upgraded the outlook to positive (from stable). Consequently, the company's financing is on solid footing on the equity as well as on the debt side.

On February 1, 2024, Dr Emmerich Schiller joined the management board of RENK GmbH and assumed responsibility for production and supply chain management. His primary focus will be on upscaling from small-scale to high-volume production, elevating it to the next level. To continue growing successfully, moreover, the Executive Board of RENK Group AG is in process of being enlarged. With effect from April 1, 2024,
Dr Alexander Sagel will be part of Susanne Wiegand's team alongside Christian Schulz. He will assume responsibility for the operational management of the Vehicle Mobility Solutions, Marine & Industry and Slide Bearings segments. The Operations and Technology functions will also report to him.

"Over recent months we have established preconditions that will sustainably strengthen our growth going forward. Furthermore, in the coming months we are going to further extend our technology leadership with innovative products and solutions", says Susanne Wiegand.

Group key metrics, 2023 (in € millions) at a glance

RENK Group AG	2022	2023	%-Change
Order intake	987	1277	+29.4
Revenue	849	926	+9.0
Adjusted EBIT	144	150	+3.9

Segment key metrics, 2023 (in € millions) at a glance

Vehicle Mobility Solutions	2022	2023	%-Change
Order intake	602	798	+32.7
Revenue	486	528	+8.8
Adjusted EBIT	113	106	-6.2

Marine & Industry	2022	2023	%-Change
Order intake	287	368	+28.5
Revenue	276	296	+7.3
Adjusted EBIT	21	28	+37.5

Slide Bearings	2022	2023	%-Change
Order intake	107	121	+12.8
Revenue	91	111	+22.0
Adjusted EBIT	13	17	+29.5

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 EUR 926 million.

For further information, please visit www.renk.com

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Listed:	Regulated Market in Frankfurt (Prime Standard); Regulated Unofficial Market in Berlin, Dusseldorf, Hamburg, Hanover, Munich, Stuttgart, Tradegate Exchange
EQS News ID:	1867967