



## RENK: Order intake, sales revenue and profit remain high

### RENK Group

| €million                      | 2016  | 2015  |
|-------------------------------|-------|-------|
| Order intake                  | 486   | 483   |
| Sales revenue                 | 496   | 487   |
| Order backlog <sup>1)</sup>   | 799   | 812   |
| Headcount (no.) <sup>1)</sup> | 2,205 | 2,198 |
| Operating profit              | 67    | 68    |
| Operating return on sales (%) | 13.5  | 14.0  |

1) As of December 31

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### Order intake level with previous year

RENK generated an order intake of €486 million in 2016 after €483 million in the previous year. Special Gear Units and Vehicle Transmissions performed better than in the previous year, while Slide Bearings and Standard Gear Units were down year-on-year. In particular, the absence of new orders for wind turbine gear units and the tense situation in the oil and gas industry were keenly felt at the Standard Gear Units site in Rheine.

### Sales revenue of €496 million

At €496 million, the RENK Group's sales revenue in 2016 was €9 million higher than the figure for 2015. All segments except Slide Bearings achieved higher sales revenue in 2016 than in the previous year.

### Order backlog approximately level with previous year

As at the end of 2016 RENK had an order backlog of approximately €800 million. As order intake in 2016 was slightly lower than sales revenue, the order backlog declined from €812 million at the start of the year to €799 million at the end of the year.

### Operating profit again at high level in 2016

Despite a more difficult market situation, RENK generated an operating profit for 2016 almost on par with the previous year's level at €67 million (€68 million). The operating return on sales was therefore 13.5% (previous year: 14.0%).

### Employees

RENK had 2,205 employees as of December 31 (December 31, 2015: 2,198) in addition to 44 subcontracted employees (previous year: 39). A total of 123 trainees passed their training at RENK in 2016 (previous year: 133).

RENK AG is a globally recognized manufacturer of high quality special gear units for tracked vehicles and the plant engineering and shipbuilding industries, and of drive technology and test system components. The company is the world market leader in automatic transmissions for heavy tracked vehicles, gear units for navy ships, and horizontal slide bearings.

RENK is majority owned by MAN SE, Munich. The MAN Group is one of Europe's leading industrial players in transport-related engineering.

### **Research and development**

In 2016, RENK invested €11 million (previous year: €8 million) of its own funds in the development of new products and the enhancement of existing ones. RENK therefore advanced its long-term strategy of gearing its development work towards customers' calls for technologically advanced concepts and integrated service packages.

### **Capital expenditures**

RENK invested a total of €25 million in intangible assets and property, plant and equipment in fiscal year 2016 (previous year: €41 million). As expected, the volume declined again in 2016 after the high investment spending of the preceding years.

### **Distribution**

The Executive Board and the Supervisory Board propose to the Annual General Meeting the distribution of a dividend for fiscal year 2016 of €2.20 per share, as in the previous year. Measured against the closing price of the shares of €101.15 as of December 31, 2016, this corresponds to a dividend yield of 2.2% (previous year: 2.1%). RENK's employees also benefited from the strong result for the year with a special bonus.

### **Outlook**

RENK is forecasting a slight decline in order intake compared to the previous year in fiscal year 2017. Consolidated sales revenue should match the previous year's level in 2017. There will be a clear reduction in operating profit owing to the continuing unfavorable developments on key sales markets and the consistently tense competitive situation. Accordingly, the operating profit will decline but remain in double digits.

## RENK Group – At a glance

| € million                         | 2016  | 2015  | Change (%) |
|-----------------------------------|-------|-------|------------|
| <b>Order intake</b>               | 486   | 483   | +0.5       |
| <b>Sales revenue</b>              | 496   | 487   | +1.8       |
| <b>Order backlog<sup>1)</sup></b> | 799   | 812   | -1.6       |
| <b>Headcount<sup>1)</sup></b>     | 2,205 | 2,198 | +0.3       |

| € million   | 2016 | 2015 | Change in € million |
|---|------|------|---------------------|
| <b>Operating profit</b>                                   | 67   | 68   | -1                  |
| <b>Profit before tax</b>                                  | 65   | 64   | +1                  |
| <b>Profit after tax</b>                                   | 44   | 42   | +2                  |
| <b>Earnings per share in €</b>                            | 6.50 | 6.14 | –                   |
| <b>Operating return on sales in %</b>                     | 13.5 | 14.0 | –                   |
| <b>Capital expenditures<sup>2)</sup></b>                  | 25   | 41   | -16                 |
| <b>Depreciation and amortization on noncurrent assets</b> | 19   | 21   | -2                  |
| <b>Internally financed R&amp;D expenditures</b>           | 11   | 8    | +3                  |
| <b>Cash flows from operating activities</b>               | 57   | 101  | -44                 |
| <b>Cash flows from investing activities</b>               | -25  | -41  | +16                 |
| <b>Net cash flow</b>                                      | 32   | 60   | -28                 |
| <b>Cash and cash equivalents<sup>1)</sup></b>             | 214  | 197  | +17                 |
| <b>Equity<sup>1)</sup></b>                                | 390  | 360  | +30                 |

1) As of December 31, 2016, as against December 31, 2015.

2) For property, plant and equipment and intangible assets

RENK Aktiengesellschaft  
The Executive Board