RENK Aktiengesellschaft

Augsburg, August 6, 2018
No. 4/2018

Order intake up, sales revenue almost at previous year’s level, operating profit under pressure

<table>
<thead>
<tr>
<th>RENK Group</th>
<th>H1 2018</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>288</td>
<td>221</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>218</td>
<td>224</td>
</tr>
<tr>
<td>Order backlog1)</td>
<td>816</td>
<td>748</td>
</tr>
<tr>
<td>Headcount (no.)1)</td>
<td>2,250</td>
<td>2,235</td>
</tr>
<tr>
<td>Operating profit</td>
<td>17</td>
<td>30</td>
</tr>
<tr>
<td>Operating return on sales (%)</td>
<td>7.6</td>
<td>13.3</td>
</tr>
</tbody>
</table>

1) As of June 30, 2018, as against December 31, 2017

Order intake up significantly
RENK increased its order intake to € 288 million in the first six months of fiscal year 2018 (previous year: € 221 million). This was thanks largely to a major Vehicle Transmissions order from the Far East. Special Gear Units also received more orders than in the previous year. By contrast, order intake for Slide Bearings and Standard Gear Units did not quite match the 2017 figures.

Sales revenue almost on par with previous year
At € 218 million, the RENK Group’s sales revenue for first half of 2018 almost equaled the previous year’s level (€ 224 million). Vehicle Transmissions and Special Gear Units matched the previous year’s figures, while Slide Bearings and Standard Gear Units were down year-on-year.

Order backlog
In line with the developments in order intake and sales revenue, RENK has an order backlog of € 816 million as of June 30, 2018 (December 31, 2017: € 748 million).

Operating profit under pressure
Owing to the more intensive competitive situation, a less favorable product mix and delays on some projects, the RENK Group’s operating profit declined to € 17 million in the first half of 2018 (€ 30 million). The operating return on sales therefore dropped from 13.3% in the previous year to 7.6% in the current year.

Headcount virtually unchanged
The RENK Group employed 2,250 people as of June 30, 2018 (December 31, 2017: 2,235). It also had 75 subcontracted employees (December 31, 2017: 74).

Research and development
At € 7 million, spending on internally financed research and development projects was down slightly on the previous year’s level of € 8 million in the first six months of 2018.

RENK AG is an internationally renowned manufacturer of high-quality special gear units for tracked vehicles, industrial applications and shipbuilding, and of drive technology and test system components. The company is a world leader in automatic transmissions for heavy tracked vehicles, gear systems 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 companies in the field of transport-related engineering.

For questions:
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www.renk-ag.com
Capital expenditures
RENK invested a total of €5 million in intangible assets and property, plant and equipment as of June 30, 2018 (previous year: €5 million). Capital expenditure focused on ongoing investment at the Augsburg site. In the reporting period, the Swiss subsidiary RENK-MAAG acquired all shares in MAAG Gear Systems, also based in Switzerland.

Outlook
RENK is standing by its previous forecasts for 2018 as a whole, assuming that the anticipated order intake materializes and that it can catch up on the delays in deliveries from the first half of the year. Order intakes should then rise noticeably year-on-year, with revenue increasing slightly as well. The operating profit will thus be able to match the previous year’s level. The operating return on sales will decline, but will remain in the double digits.
RENK Group – At a glance

€ million | H1 2018 | H1 2017 | Change in %
---|---|---|---
Order intake | 288 | 221 | +30.2
Sales revenue | 218 | 224 | -2.6
Order backlog\(^1\) | 816 | 748 | +9.2
Headcount\(^1\) | 2,250 | 2,235 | +0.7

€ million | H1 2018 | H1 2017 | Change in € million
---|---|---|---
Operating profit | 17 | 30 | -13
Profit before taxes | 19 | 31 | -12
Profit after tax | 13 | 21 | -8
Earnings per share in € | 1.91 | 3.13 | –
Operating return on sales in % | 7.6 | 13.3 | –
Capital expenditures\(^2\) | 5 | 5 | –
Depreciation and amortization on noncurrent assets | 9 | 9 | –
Internally financed R&D expenditures | 7 | 8 | -1
Cash flows from operating activities | -17 | 16 | -33
Cash flows from investing activities | -5 | -5 | –
Net cash flow | -23 | 11 | -34
Cash and cash equivalents\(^1\) | 161 | 199 | -38
Total equity\(^1\) | 422 | 422 | –

1) As of June 30, 2018, as against December 31, 2017
2) For property, plant and equipment and intangible assets

RENK Aktiengesellschaft
The Executive Board