



**Order intake down year-on-year**  
**Sales revenue approximately level with previous year**  
**Operating profit down significantly on previous year**

Augsburg,  
August 12, 2019  
No. 8/2019

RENK Group		
€ million	H1 2019	H1 2018
Order intake	238	288
Sales revenue	215	218
Order backlog <sup>1)</sup>	862	774
Headcount (no.) <sup>1)</sup>	2,505	2,319
Operating profit	4	17
Operating return on sales (%)	1.6	7.6

1) As of June 30, 2019, as against December 31, 2018

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**Acquisition of the Horstman Group**

RENK successfully completed the acquisition of the Horstman Group on April 16, 2019. Horstman is one of the world's leading suppliers of mobility solutions for armored wheeled and tracked vehicles with sites in the UK, the US and Canada, and is therefore allocated to RENK's Vehicle Transmissions business. With Horstman's product portfolio of hydraulic and hydropneumatic suspension systems, RENK is continuing the strategic expansion of Vehicle Transmissions business and also enhancing its global presence. The US and UK Horstman companies were included in RENK's consolidated figures for the first time as of June 30, 2019.

**Order intake down year-on-year**

The RENK Group's order intake fell to € 238 million in the first six months of fiscal year 2019 (previous year: € 288 million). This was mainly on account of a major Vehicle Transmissions order from the Far East included in the figures for the previous year. Special Gear Units maintained its prior-year level. Order intake for Slide Bearings was up slightly year-on-year in the period from January to June 2019, while the figure for Standard Gear Units was down slightly.

**Sales revenue almost on par with previous year**

Sales revenue almost matched the previous year's level at € 215 million (€ 218 million). While growth was reported in Vehicle Transmissions, sales revenue for Special Gear Units declined significantly. Standard Gear Units and Slide Bearings were able to repeat and slightly improve on the previous year's figures respectively.

**Order backlog**

RENK has an order backlog of € 862 million as of June 30, 2019 (December 31, 2018: € 774 million).

**Operating profit down significantly on previous year**

Owing to the substantial decline in Special Gear Units on account of delays in deliveries and other negative factors, the RENK Group's operating profit for the first half of 2019 was € 4 million after € 17 million in the previous year. The operating return on sales therefore

dropped from 7.6% in the previous year to 1.6% in the current year.

### **Increased headcount**

The RENK Group employed 2,505 people as of June 30, 2019 (December 31, 2018: 2,319). It also had 70 subcontracted employees (December 31, 2018: 66).

### **Research and development**

At € 7 million, spending on internally financed research and development projects was stable year-on-year in the first six months of 2019 (€ 7 million).

### **Capital expenditure**

RENK invested a total of € 13 million in intangible assets and property, plant and equipment as of June 30, 2019 (previous year: € 5 million). Capital expenditure again focused on the Augsburg site. There were also the expenses for the acquisition of the Horstman Group.

### **Outlook**

RENK is essentially standing by its previous forecasts for 2019 as a whole, on condition that the sales revenue planned for the second half of the year, in Special Gear Units and Vehicle Transmissions in particular, can be achieved without further negative effects. Order intake and sales revenue are set to rise slightly, thanks in part to the acquisition of Horstman. The operating profit will thus be able to match the previous year's level. The operating return on sales will decline but remain in the double digits.

**RENK Group – At a glance**

€ million	H1 2019	H1 2018	Change in %
<b>Order intake</b>	238	288	-17.3
<b>Sales revenue</b>	215	218	-1.7
<b>Order backlog<sup>1)</sup></b>	862	774	+11.4
<b>Headcount<sup>1)</sup></b>	2,505	2,319	+8.0

  

€ million	H1 2019	H1 2018	Change in € million
<b>Operating profit</b>	4	17	-13
<b>Profit before taxes</b>	4	19	-15
<b>Profit after tax</b>	3	13	-10
<b>Earnings per share in €</b>	0.39	1.91	–
<b>Operating return on sales in %</b>	1.6	7.6	–
<b>Capital expenditures<sup>2)</sup></b>	13	5	+8
<b>Depreciation and amortization on noncurrent assets</b>	10	9	+1
<b>Internally financed R&amp;D expenditures</b>	7	7	-1
<b>Cash flows from operating activities</b>	-4	-17	+13
<b>Cash flows from investing activities</b>	-55	-5	-50
<b>Net cash flow</b>	-59	-23	-36
<b>Cash and cash equivalents<sup>1)</sup></b>	100	186	-86
<b>Total equity<sup>1)</sup></b>	432	450	-18

1) As of June 30, 2019, as against December 31, 2018

2) For property, plant and equipment and intangible assets

**RENK Aktiengesellschaft****The Executive Board**