

RENK 2012:

Clear rise in order intake, sales, and operating profit

RENK		
€ million	2012	2011
Order intake	525	456
Sales	476	389
Employees *	2,245	2,013
Operating profit	66	53
Return on sales (ROS) in %	13.8	13.6

* Incl. temporary labor at Dec. 31

Order intake up by 15 percent

Order intake by the RENK Group in 2012 rose from €456 million to €525 million (year-on-year up 15% or €69 million). The steepest hike was shown by the Vehicle Transmissions division, especially thanks to a megacontract from South Korea. Special Gear Units likewise boosted new business, particularly on account of large orders for high-end marine gear units.

In all still slightly above the prior-year volume, new Slide Bearings business toward the end of the period began to show some shrinkage. A shortfall compared with 2011 was reported by the Standard Gear Units division. This was mainly due to the absence of same-scale follow-up orders for wind energy gear units.

Appreciable advance in sales

RENK sales for the period outpaced order intake and surged €87 million or 22% to €476 million. The biggest share in this growth was delivered by Standard Gear Units, especially thanks to revenue from the wind power plant market besides marine gear units as well as couplings for LNG tankers. All the other RENK divisions likewise reported additional sales—led by Special Gear Units and its shipments of complex marine gear units.

Order backlog again taller

The upswing in order intake and sales was also mirrored in order backlog. At €586 million at the start of the period, this climbed to €634 million by the end of the year.

Operating profit improved by 25%

Mounting sales also translated into a much higher operating profit. At €66 million, the increase was 25% over 2011. All four divisions shared in this good performance.

RENK AG enjoys a global reputation as manufacturer of high-grade specialty transmissions for tracked vehicles and gear units for plant engineering and shipbuilding as well as components for propulsion systems and test rigs. The Company is world leader in automatic transmissions for heavy tracked vehicles, gear units for naval vessels, and horizontal slide bearings.

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

Capital expenditures up

RENK raised its capital expenditures in 2012 from €24 million in 2011 to €31 million. Besides the acquisition of Berlin-based ADMOS-Gleitlager Produktions- und Vertriebsgesellschaft mbH, €28 million of the total went toward new plant, equipment, buildings and the like. The Augsburg location with its two divisions, Vehicle Transmissions and Special Gear Units, accounted for the lion's share.

Workforce well over 2,000

At the close of 2012, the RENK Group had a workforce of 2,245 (up from 2,013). The number of employees in Germany totaled 2,069 (up from 1,844); outside of Germany 176 (up from 169). The extra headcount was due, on the one hand, to the inclusion of the ADMOS employees and, on the other, to the favorable order situation, especially at Rheine, and this required corresponding capacity enlargements.

Higher dividend

For fiscal 2012, the Executive and Supervisory Boards will propose to the annual general meeting a dividend increased year-on-year to €2.00 per share (up from €1.80). Employees will also benefit from the year's good performance, RENK AG's nonexempt receiving one month's pay as a one-off bonus.

Outlook

For the RENK Group, we expect order intake over the next two years to once more exceed €500 million. One precondition is the award of a megacontract for vehicle transmissions and sustained high order intake for marine gear units. Sales, too, should again rise above €450 million.

Despite fierce competition, management reckons with once again double-digit ROS in the next two years, even if likely no longer as high as in 2012.

At a glance

RENK Group € million

	2012	2011	Change in %
Order intake	525	456	+15
Sales	476	389	+22
Order backlog *	634	586	+8
Employees *	2,245	2,013	+12
thereof temporary *	78	69	—
			Change in € million
Operating profit	66	53	+13
EBT	65	54	+11
EAT (net income)	45	38	+7
Earnings per share (EpS) in €	6.69	5.58	+1.11
Proposed dividend per share in €	2.00	1.80	+0.20
ROS in %	13.8	13.6	+0.2
ROCE in %	34.6	33.5	+1.1
Capital expenditures	31	24	+7
Amortization and depreciation	14	13	+1
Internally funded R&D expenditures	7	6	+1
Cash earnings	59	51	+8
Cash flow from operating activities	66	40	+26
Cash flow from investing activities	(31)	(24)	-7
Free cash flow	35	16	+19
Net liquid assets *	124	103	+21
Equity *	265	236	+29

*) as of December 31, 2012 vs. 2011

RENK AG The Executive Board

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