



RENK remains successful on track in 2017

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RENK Group

In €million	2017 six months	2016 six months
Order intake	221	316
Sales revenue	224	227
Order backlog ¹⁾	788	799
Headcount ¹⁾	2,186	2,205
Operating profit	30	33
Operating return on sales (in %)	13.3	14.6

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1) As of June 30, 2017, as against December 31, 2016

Significant decline in order intake in line with expectations

In the first six months of fiscal year 2017, RENK generated an order intake of €221 million (previous year: €316 million). As expected, the previous year's high figures for marine gear units and vehicle transmissions were not repeated. Standard Gear Units business increased its order intake in the first half of 2017, while Slide Bearings business remained around the same level as in the previous year.

Sales revenue at previous year's level

The RENK Group's sales revenue amounted to €224 million in the first half of 2017, just below the comparative figure from 2016 (€227 million). The increases in sales revenue in Special Gear Units business did not entirely compensate for the declines in Vehicle Transmissions and Standard Gear Units business. Special Bearings business generated revenue at the previous year's level.

Order backlog

In line with the development in order intake and sales revenue, RENK posted an order backlog of €788 million as of June 30, 2017 (December 31, 2016: €799 million).

Slight decline in operating profit

RENK generated an operating profit of €30 million in the first half of 2017 as against €33 million in the first half of 2016. The operating return on sales therefore fell from 14.6% in the previous year to 13.3% in 2017.

Headcount virtually constant

The RENK Group employed 2,186 people as of June 30, 2017 (December 31, 2016: 2,205). It also had 59 subcontracted employees (December 31, 2016: 44).

RENK AG is a world-renowned producer of high-quality special gear units for tracked vehicles, plant engineering and shipbuilding, as well as components for drive technology and test systems. The company is the global market leader in automatic transmissions for heavy tracked vehicles, gear units for naval ships, and horizontal slide bearings.

RENK is majority-owned by MAN SE, Munich. The MAN Group is one of the leading European industrial enterprises in the field of transport-related engineering.

Research and development

Expenditures on internally financed research and development projects rose to €8 million in the first six months of 2017, after €5 million in the same period of the previous year.

Capital expenditures

By June 30, 2017, RENK had invested a total of €5 million (previous year: €7 million) in intangible assets and property, plant and equipment. The focus here was on continuing the investments in plant optimization at the Augsburg site.

Outlook

For 2017 as a whole, RENK anticipates an order intake that is slightly lower than the previous year's figure. By contrast, sales revenue is expected to reach the previous year's level again. However, continuing price pressure and a changed product mix in sales revenue will result in an operating profit for 2017 that is lower than the 2016 level. The operating return on sales will be in double digits again in 2017.

RENK Group – At a glance

In €million	2017 six months	2016 six months	Change in %
Order intake	221	316	-30.1
Sales revenue	224	227	-1.1
Order backlog ¹⁾	788	799	-1.3
Headcount ¹⁾	2,186	2,205	-0.9

In €million	2017 six months	2016 six months	Change in € million
Operating profit	30	33	-3
Profit before tax	31	32	-1
Profit after tax	21	22	-1
Earnings per share in €	3.13	3.20	–
Operating return on sales in %	13.3	14.6	–
Capital expenditures ²⁾	5	7	
Depreciation and amortization on noncurrent assets	9	10	-1
Internally financed R&D expenditures	8	5	3
Cash flows from operating activities	16	39	–
Cash flows from investing activities	-5	-8	3
Net cash flow	11	31	-20
Cash and cash equivalents ¹⁾	210	214	-4
Equity ¹⁾	398	390	+8

1) As of June 30, 2017, as against December 31, 2016

2) For property, plant and equipment and intangible assets

RENK Aktiengesellschaft

The Executive Board