RENK

CAPITAL MARKETS DAY 2024

Munich

September 10, 2024

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AGENDA

08:00		*Arrival*
08:30	Strategy	**Susanne Wiegand** CEO, RENK Group AG
09:15	Financials	**Christian Schulz** CFO, RENK Group AG **Anja Mänz-Siebje** Designated CFO, RENK Group AG
10:00		*Break*
10:30	Operations	**Dr. Alexander Sagel** COO, RENK Group AG
	Production/ Supply chain	**Dr. Emmerich Schiller** MD Production and Supply Chain, RENK GmbH
11:15	Q&A Session	**Executive board**
12:00		*Lunch break*
12:45	Guest speech	**LTG Ben Hodges** Former 3-star commanding General US Army Europe
13:30	Presentation KNDS	**Florian Hohenwarter** COO KNDS Deutschland
14:00		*Product demonstration*
16:30		*End of CMD*

CONTENT

Susanne Wiegand

Chief Executive Officer
RENK Group AG


Defense super cycle
Empowering security
Becoming the global #1 in all mission-critical drive technologies for defense and energy transition
Enabling a sustainable future
Energy transition


48
Y 607 232

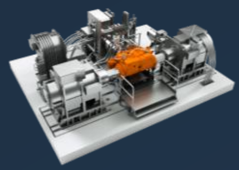
In light of recent events, RENK recognizes its obligation as the #1 provider of mission-critical drive systems

Vehicle Transmissions

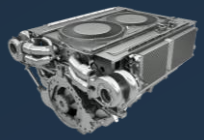
Vehicle Suspensions

Final drives

Test Systems

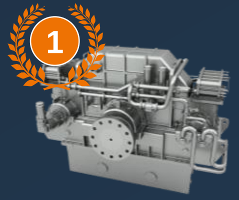


Engines

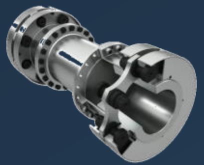


Clutches

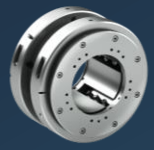
Naval Gearboxes



Couplings

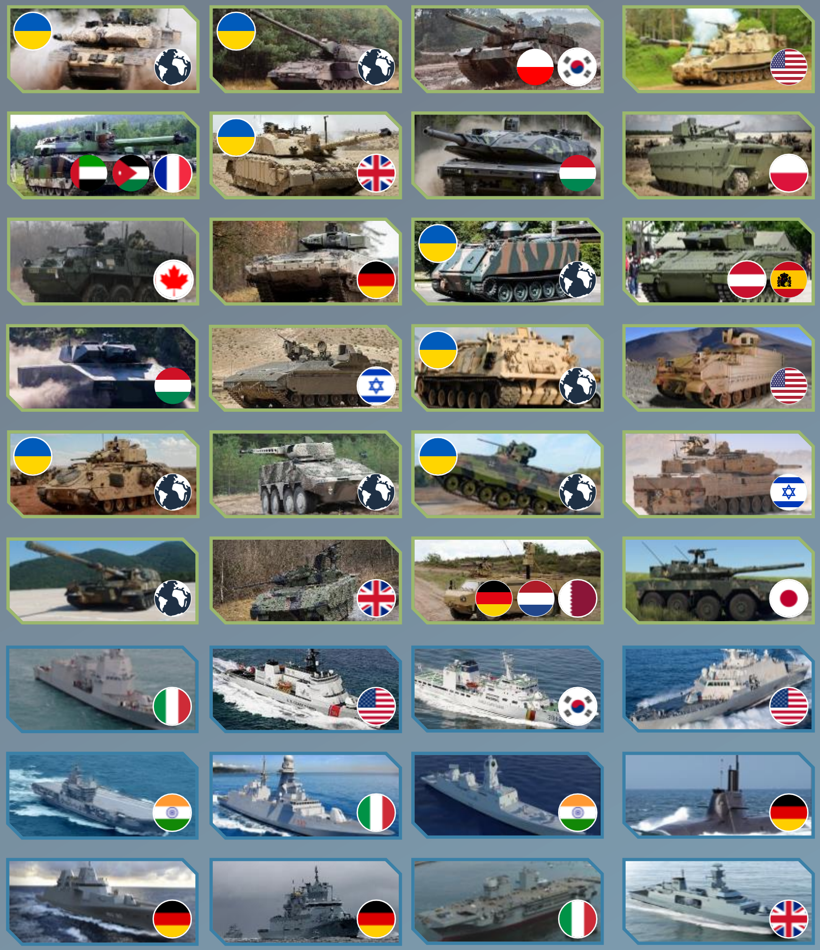


Bearings



Not exhaustive Country flag represent user nations · Broad range of user nations · Currently in use in Ukraine

KNDS
BAE SYSTEMS
HYUNDAI Rotem
U.S. ARMY
Mantak
Patria
Hanwha
RHEINMETALL
GENERAL DYNAMICS
NATO
PGZ
IVECO
THALES
FFG
Singapore Technologies
AVADI
Bundeswehr
N·V·L NVL GROUP
STM
babcock
thyssenkrupp
Huntington Ingalls Industries
ISRAEL SHIPYARDS Ltd
AUSTAL
KOCKUMS SAAB
LOCKHEED MARTIN
GRSE
FINCANTIERI
DAMEN

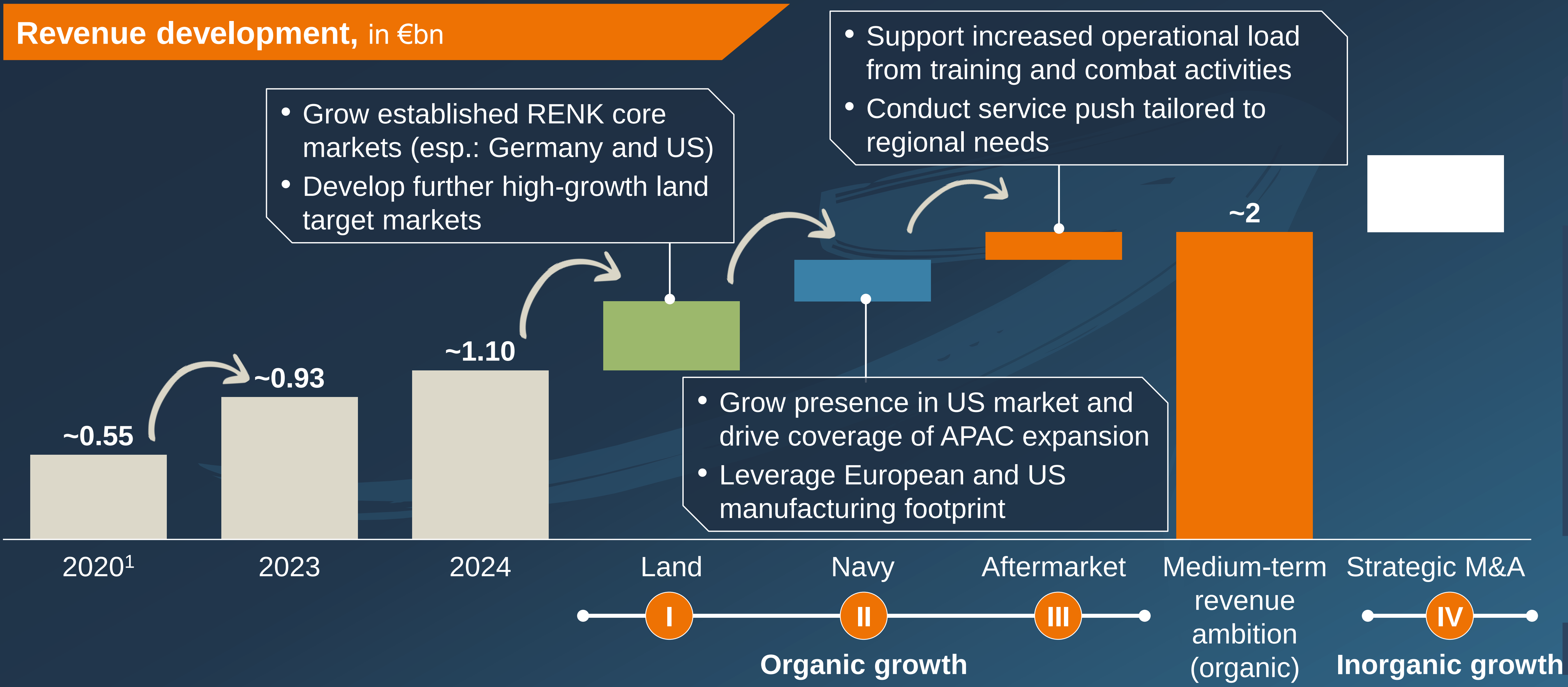


… while continuing to build up foundational layers to drive shareholder value

High-growth markets	Focused on high growth addressable defense markets globally	~13%	Addressable market CAGR 2022-27[1]
Global leadership	Innovation and technology-led global leadership positions in high-demand applications	#1	Leader[1] for mission-critical transmissions
Locked-in business model	Platform-agnostic and sole-source incumbency positions across a diversified customer base	>180k	Units installed base worldwide
High visibility	Significant total order backlog securing future growth	~€4.7bn	Total order backlog[2] as of Jun-24
Well-invested platform	Ready to deliver multi-decade growth leveraging >€400m Capex investment from 2010-23	~3%	Capex share of revenue medium-term
Strong financial profile	Highly profitable and cash generative with high resilience and attractive long-term outlook	€175-190m	2024 expected adj. EBIT[3]

1. Relating to focus Defense activities; 2. Total order backlog comprised of Fixed Order Backlog, Frame Order Backlog, and Soft Order Backlog; 3. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature

RENK has potential to nearly double its revenue to reach €2bn organically in medium-term with further growth through strategic M&A



1. As if former RENK Group

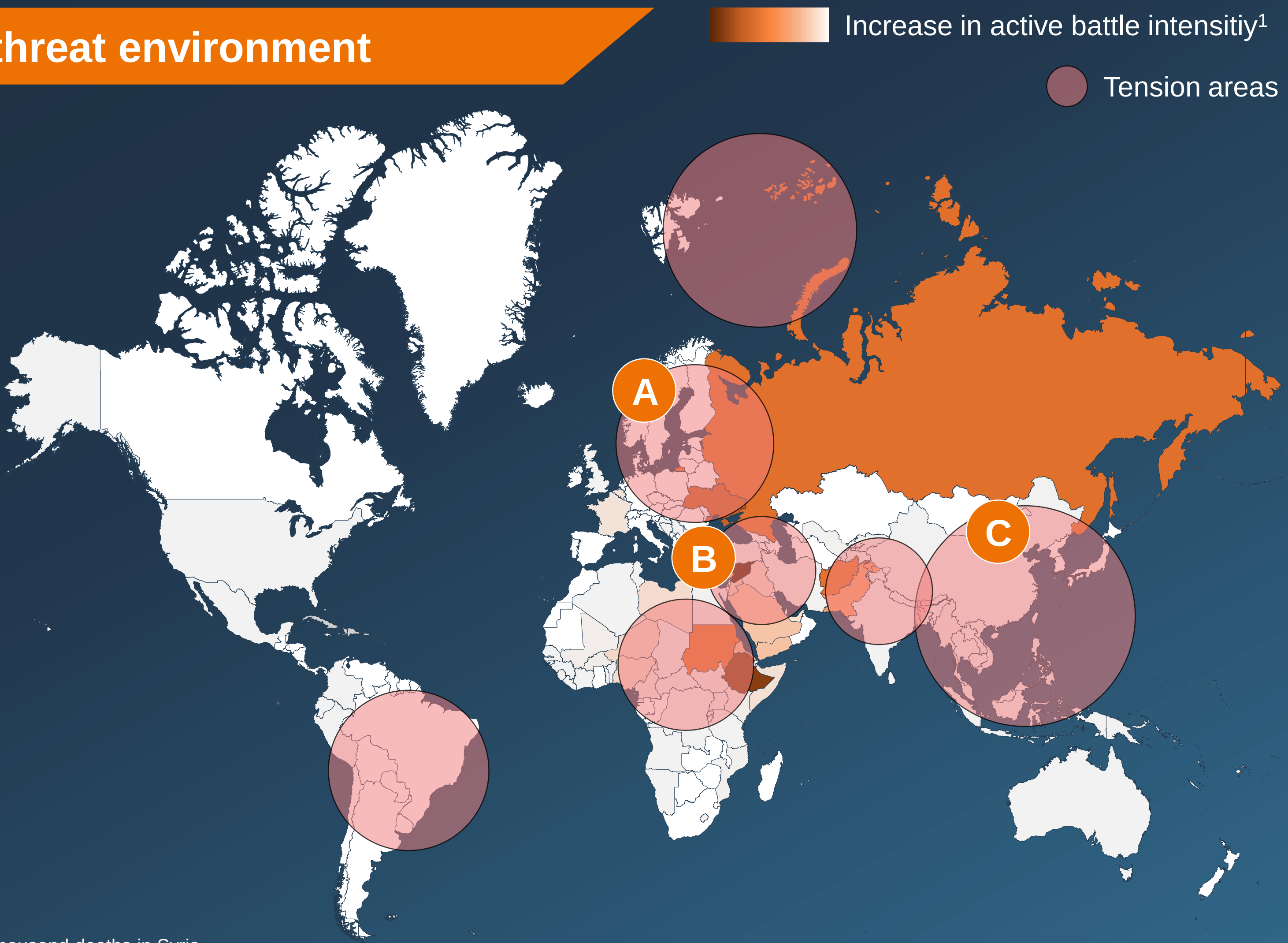
I-III: Geopolitical tensions are driving the need for higher defense spending

The past years witnessed a growing threat environment

A **Invasion of Ukraine** after a period of cautious relations between NATO and Russia

B Attacks on **Israel** and the **Houthi Red Sea crisis** with first direct escalation between Israel and Iran

C Rising **tensions in Indo-pacific region**



1. Increase of conflict deaths 2014-23 vs 1994-2003 indexed to maximum increase of 263 thousand deaths in Syria

Source: Uppsala Conflict Data Program (Davies, Shawn, Garoun Engström, Therese Pettersson & Magnus Öberg (2024). Organized violence 1989-2023, and the prevalence of organized crime groups.)

I-III: As a result, defense budgets grow significantly across geographies with a cumulated increase of >€500bn

Europe[1], in €bn

+€104bn

growth from 2021-27

US and Canada, in €bn

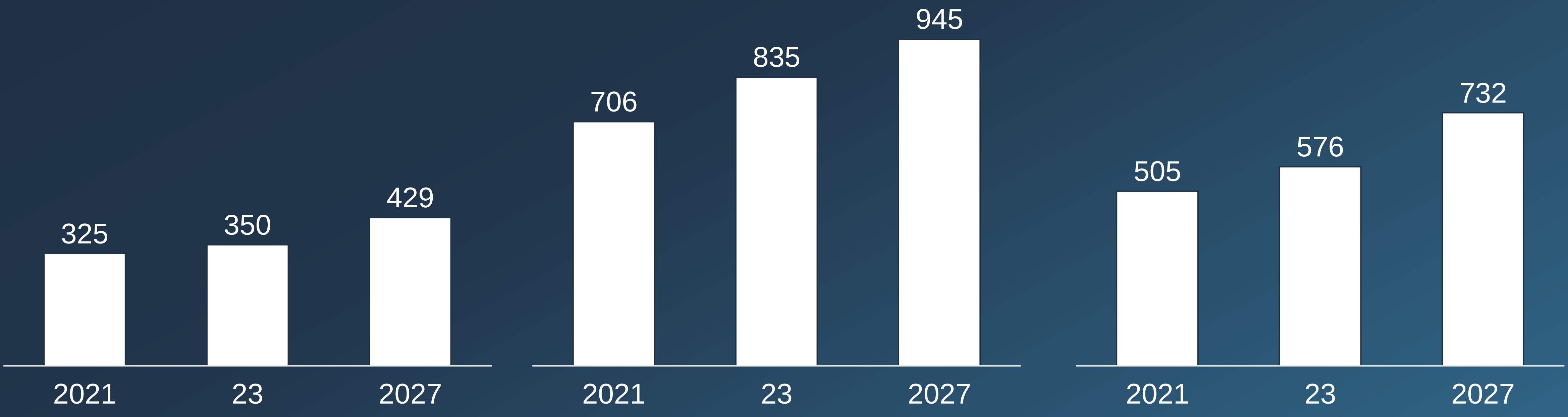
+€239bn

growth from 2021-27

Accessible RoW[2], in €bn

+€227bn

growth from 2021-27



1. Excluding embargoed nations Russia, Belarus; 2. Excluding Afghanistan, Iran, Libya, Syria, Yemen, China, Myanmar, Venezuela, CAR, DRC, Zimbabwe

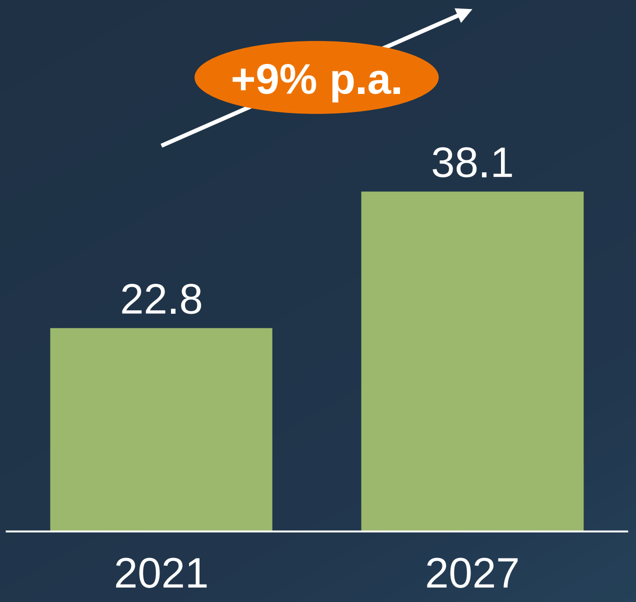
Source: RS Advisors proprietary database, SIPRI, US DoD publications, IM WEO database (Oct-22), RS Advisors analysis

I: Land defense will continue to regain importance across all key regions …

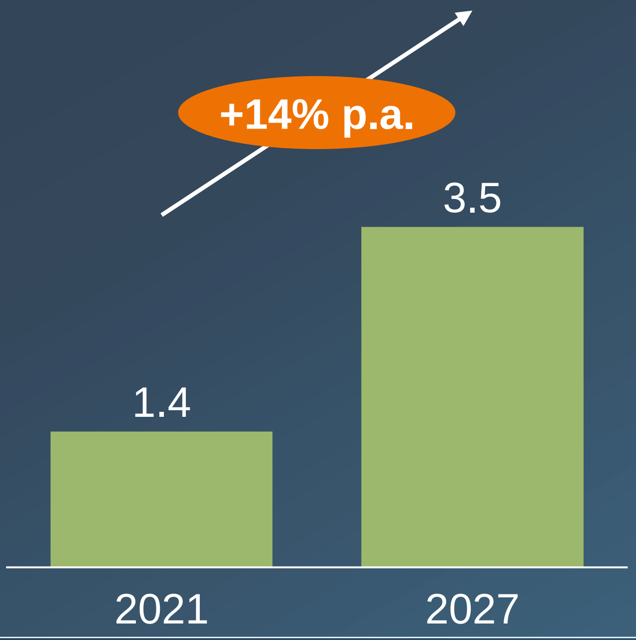
Land market size, 2021-27 in €bn

Key takeaways

Total land defense market[1]



Addressable market[2]



- **Ukraine invasion** driving **aging fleet replacement** in Europe and **backfilling** of donated vehicles in North America
- RENK's short-term **addressable market outpacing overall market** growth by ~5 pp annually
- RENK today already has **a high share of its** market
- RENK equipment used in **70+ armies** globally

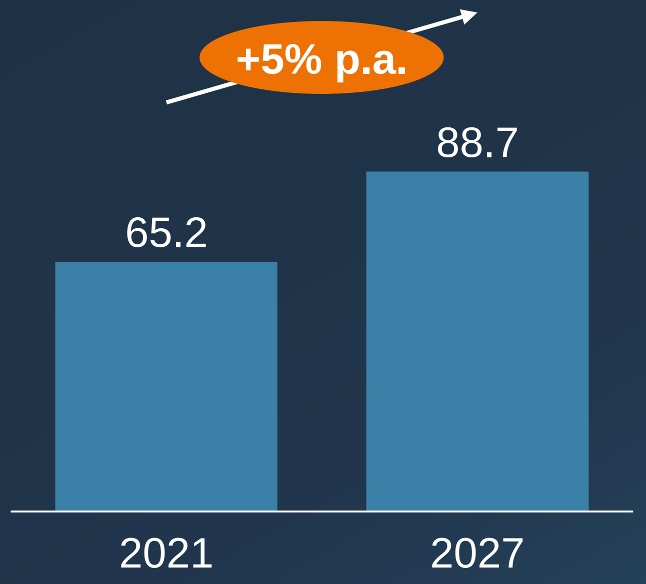
1. Excluding embargoed nations (Afghanistan, Belarus, China, CAR, DRC, Iran, Libya, Myanmar, Russia, Syria, Venezuela, Yemen, Zimbabwe); 2. Excluding programs awarded to competitors and programs outside RENK's core competencies

Source: RS Advisors proprietary database, RS Advisors analysis

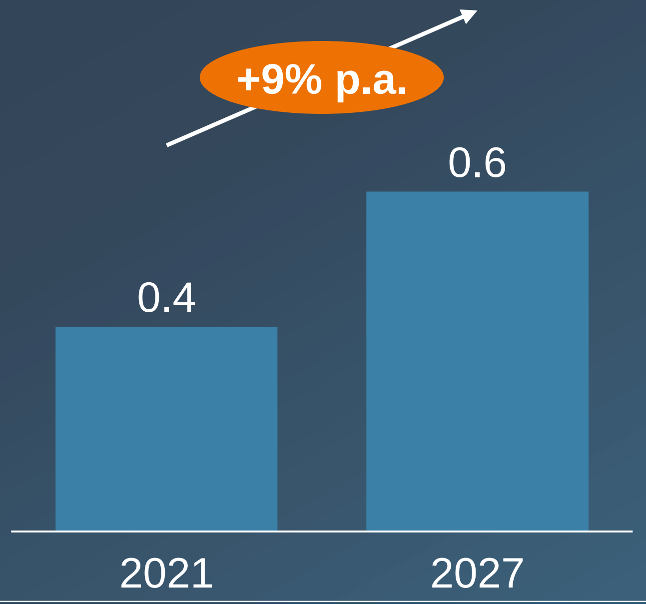
II: … with Naval applications especially in the APAC region experiencing strong growth as well

Naval market size, 2021-27 in €bn

Total naval defense market[1]



Addressable market[2]



Key takeaways

- **Renewed importance of maritime domain** driving both large surface and subsurface combatants
- RENK's short-term **addressable market outpacing overall market** growth by ~4 pp annually
- RENK today already **captures a large share of its current addressable** market
- RENK equipment used in **40+ navies** globally

1. Excluding embargoed nations (Afghanistan, Belarus, China, CAR, DRC, Iran, Libya, Myanmar, Russia, Syria, Venezuela, Yemen, Zimbabwe); 2. Excluding programs awarded to competitors and programs outside RENK's core competencies

Source: RS Advisors proprietary database, RS Advisors analysis

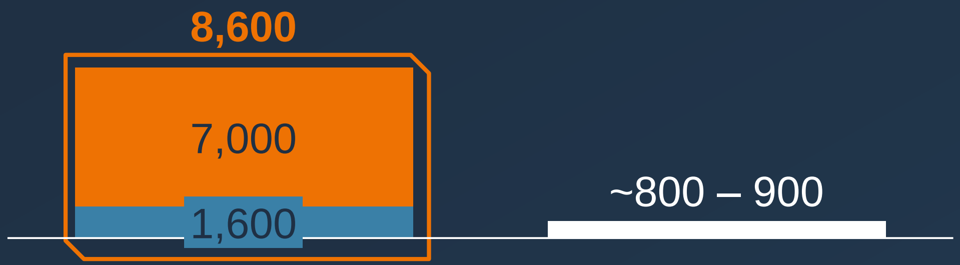
I-III: The market growth in NATO Europe is not temporary – it is structural and for the long-term

Spending gap since cold war | **Gap to 2%** | **Gap to cold war (3.7%)**

Gap to 2% | Gap to Cold war equivalent (3.7%)

Spend needed to compensate historic underinvestment

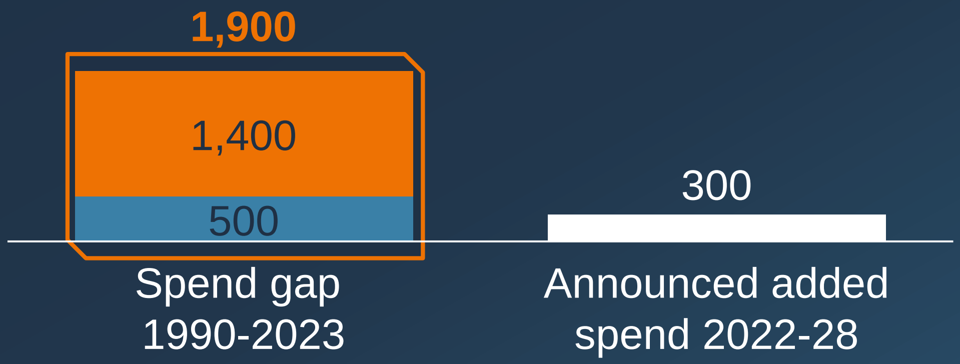
Total defense budget for NATO Europe, $bn



>$700bn

>$7,700bn

Thereof equipment spend, $bn



>$200bn

>$1,600bn

Source: German Bundestag Information Request for selected large equipment counts

I-II: Low spend has impacted equipment availability of the German armed forces long-term

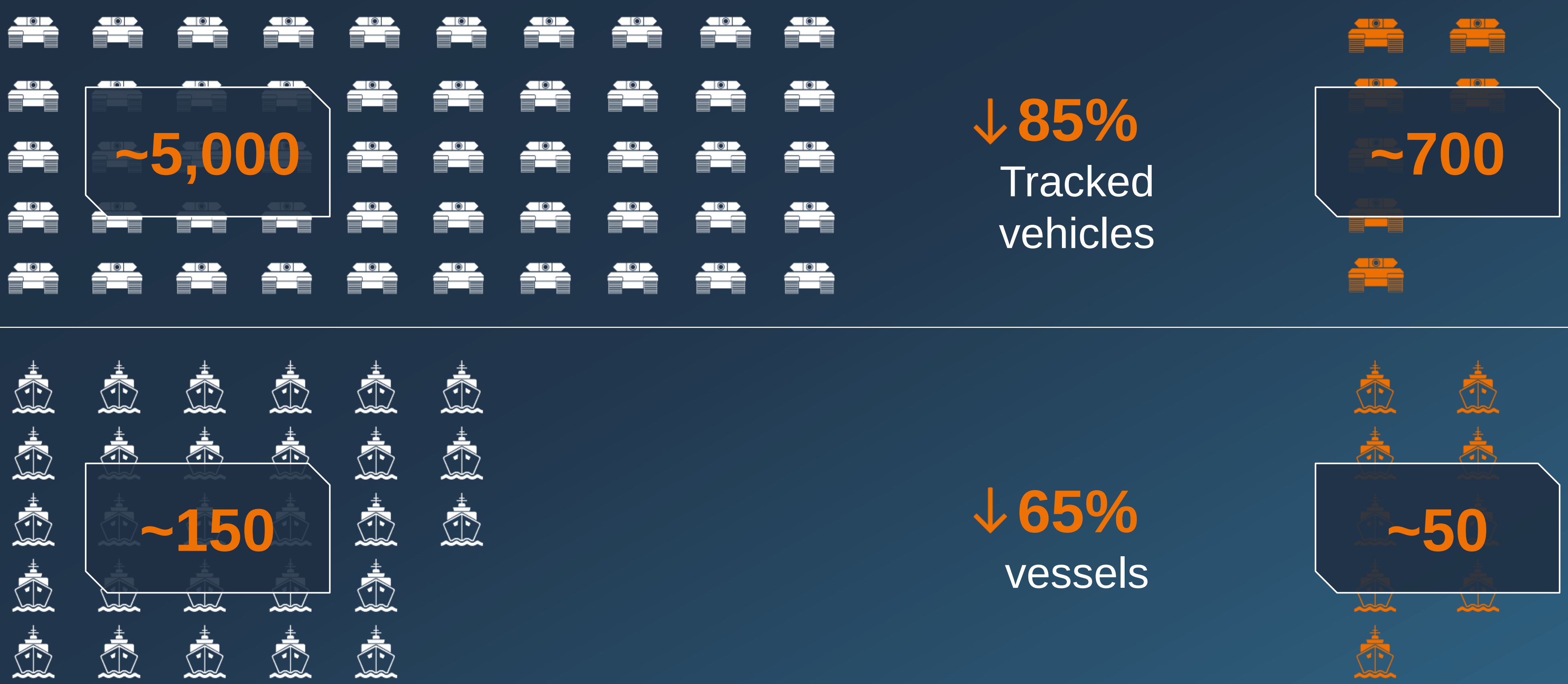
Equipment 1989/90 | **Equipment today[3]**

Army[1],
(1 icon ≙ 100 tracked vehicles)

Heer

Navy[2],
(1 icon ≙ 5 vessels)

Marine



1. Relevant types of IFV, MBT, and Howitzers reduced from 4,948 in 1989/90 to 687 in 2016/17; 2. Relevant types of Destroyers, Frigates, Corvettes, Minesweepers, and Submarines reduced from 36 in 1989/90 to 17 in 2016/17; 3. Numbers reflect last request regarding information counts in German Bundestag from 2017

Source: German Bundestag Information Request for selected large equipment counts; German Navy information

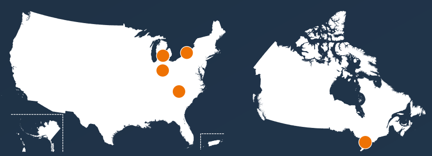
I-II: We have a strong foundation in core European and North American markets, which we leverage to drive growth in target markets globally

Naval vessels | Land platforms | Production site

European Powerhouses

- Leopard 2
- PzH2000
- Boxer
- Fennek
- Puma
- Leclerc
- Marder
- Ajax
- M777
- Challenger 2
- F125-class Frigate
- Type 212A Submarine
- F126-class Frigate
- F123-class Frigate
- Flottendienstboot
- F124-class Frigate
- Tide-class Replenishment Ship
- Inspiration-class Type 31 Frigate

US & Canada



- M88
- M270 MLRS
- PIM
- AMPV
- Bradley
- M113
- FMTV
- LAV 6.0
- Stryker
- Freedom-class Littoral Combat Ship
- Offshore Patrol Cutter
- Legend-class Nat. Security Cutter

Growth Target Markets

- K9
- KTO Rosomak
- K2
- Borsuk
- Namer
- Merkava
- Lynx
- Hawkei
- Type 16
- Pizarro/Ulan
- Panther
- Arjun
- Thaon di Revel OPV
- Trieste landing Helicopter Dock
- Bergamini-class Frigate
- Vulcano logistics Support Ship
- Samarth-class OPV
- Nilgiri-class Frigate
- Deepak Fleet Solid Support Ship
- Vishwast OPV
- Vikrant Aircraft Carrier
- Tae Pyung Yang OPV
- Incheon-class Frigate
- Holland OPV
- Ver Huitfeldt-class Frigate
- HDP-2200 OPV
- Tamandare-class Frigate
- MEKO Frigates

I: RENK is well positioned in the current MBT platform generation and set for the next while working on closing gaps

Not exhaustive

RENK is serving most large MBT platforms

Core supplier to most current models


Leopard 2


K2


Leclerc


Merkava


Arjun

Well **positioned for next generation**


Panther


K3


MGCS

Legacy platforms up for re-powering

1

M1 Abrams

2

Challenger 2

3

Ariete

Repowering opportunities in legacy platforms

1

M1 Abrams

- Localized production in US footprint
- Potential for both transmission and suspension upgrades

Active units

>5,000

2

Challenger 2

- Existing suspension integration
- Ongoing discussions for Challenger 3 powerpack

Active units

>300

3

Ariete

- Cooperation with Italian partner
- 80 active units subject to midlife repowering

Active units

>115

III: Recent increase of equipment usage is driving up maintenance requirements compared to previous 20 years

Significantly increased use in operations and exercises …

… increasing service need

- **Increased pace of exercises** by NATO and individual countries
- **More time in active operations** with high wear and tear
- Ongoing discussions to **increase reserve inventories** across customers
- **RENK with sufficient operational capacity to serve** increased demand

III: We have an unrivalled and further growing installed base as a strong basis for our aftermarket business

Installed base in 2022 vs. future

IV: We are looking into M&A options centered on defense with an approach tailored to respective regional peculiarities

	North America	Europe	APAC
Status-quo	Largest & mature market with small to large players	Already consolidated on land side	Established national champions and emerging markets
M&A approach	Active approach as focus region	Opportunistic	Focus on opportunities for localization and capability building

RENK

We have developed from a small noncore subsidiary of VW Group to a strong, global defense company

From …	To …
Small part of Volkswagen Group under MAN ownership with no growth ambition	✓ **Strong, independent,** public company and part of SDAX with ambition to grow
Relatively unknown member of German "Mittelstand" without a clear profile	✓ **Recognized and leading German defense company** aiming for the MDAX
"Mittelstand" typical management and leadership team	✓ Recognized and **industry-experienced management** with (M)DAX track record
Loosely connected **set of legal entities,** with **inconsistent organizational structure**	✓ **One globally integrated firm**, with **capital markets ready** central backbone
Departments being **strongly focused on own silos**	✓ A culture of **entrepreneurship and shared accountability**

Nevertheless, there is significant untouched potential for the next years to further improve our performance and realize our growth ambitions

Finance

- Enhance **value creation focus** in our **financial steering model**
- Implement structural measures for **NWC optimization**

Operations

- Bring **RENK America to the next level** and turn it into a unique US stronghold
- Tackle opportunities in future areas like **electrification and digital business** model
- Improve RENK's **internal IT systems**

Production and Supply Chain

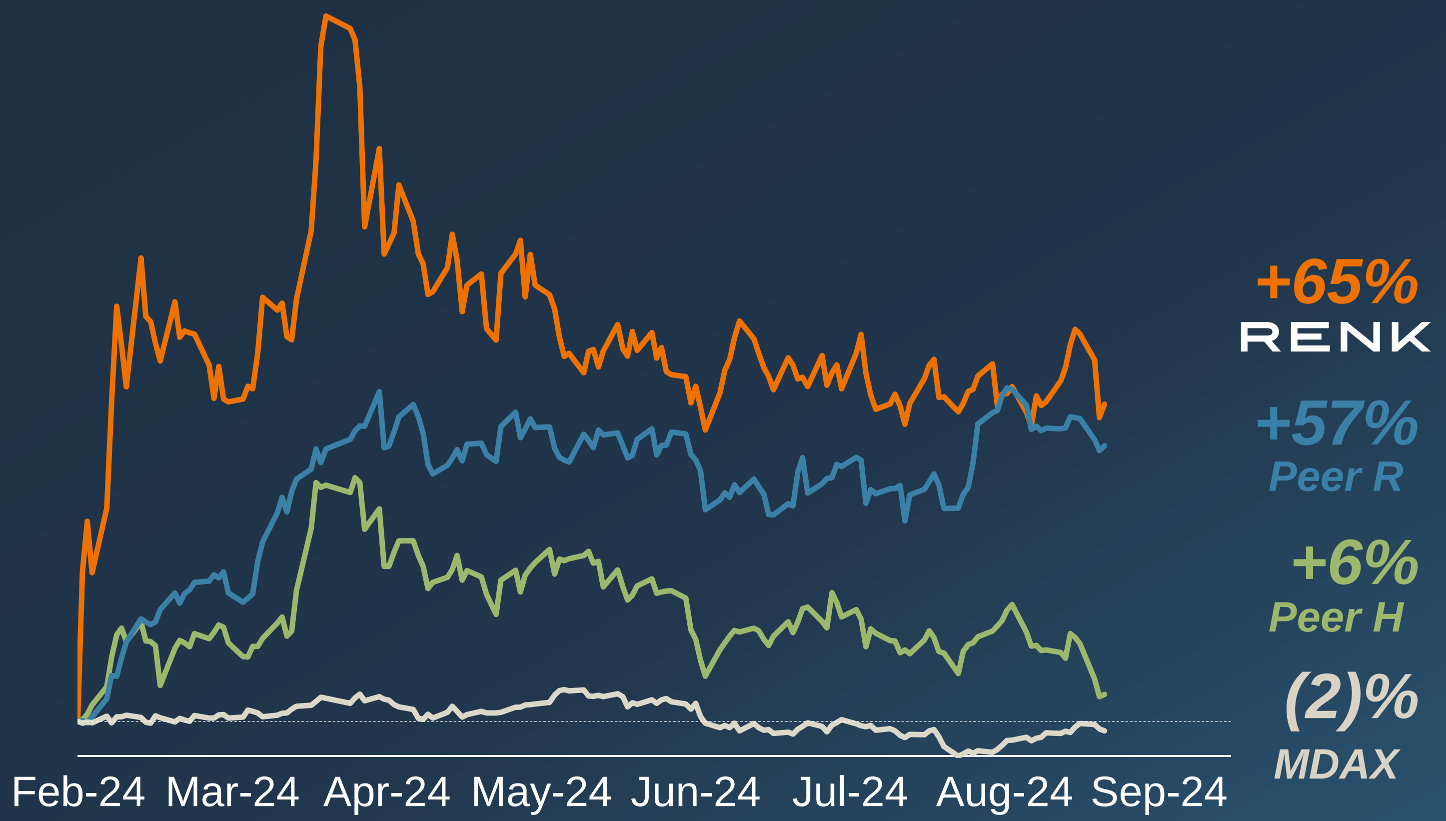
- Further **increase output and efficiency at VMS Augsburg** to accelerate growth
- **Roll out RENK's Production System** to all RENK manufacturing sites
- Further **strengthen RENK global footprint** across markets

Christian Schulz
Chief Financial Officer
RENK Group AG

Anja Mänz-Siebje
Designated
Chief Financial Officer
RENK Group AG

RENK's stock has outperformed the market and our key peers since the listing

Stock performance, % change since RENK listing



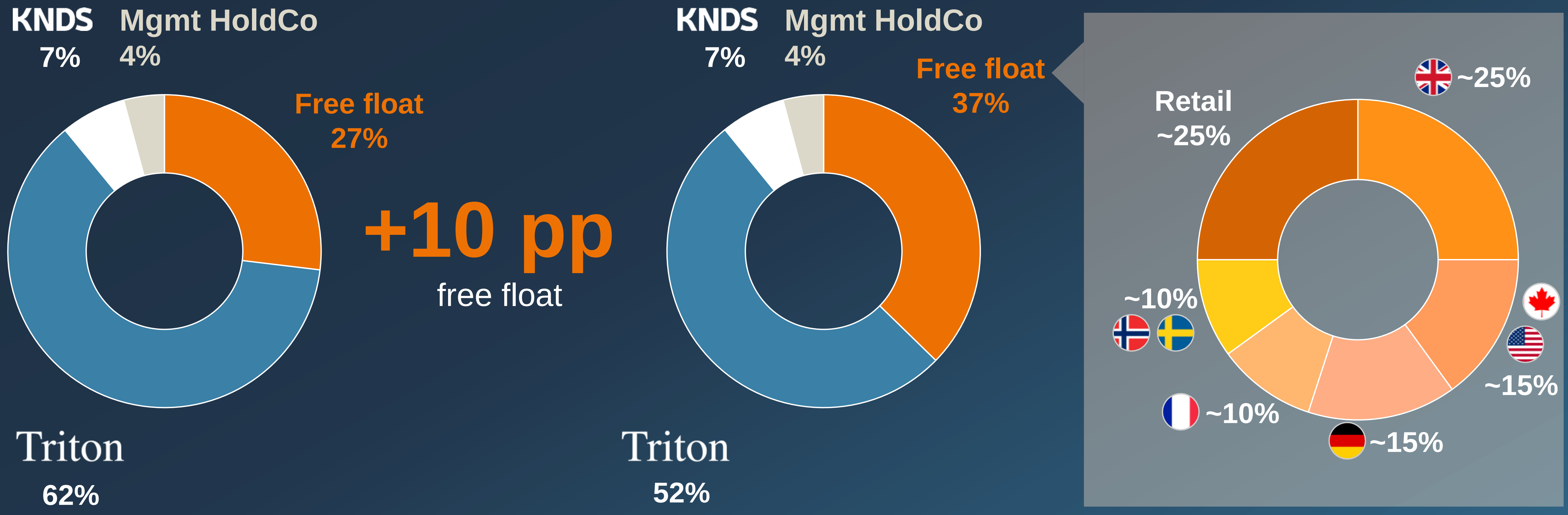
Key facts

- **Strong and diverse shareholder base** with KNDS as strategic investor
- Entered **SDAX shortly after** listing
- **Delivered** on promised **2023 financial guidance**
- **Maintained momentum** with strong financial **performance in H1-24**
- **Strengthened balance sheet** through strong cash generation

Source: Xetra / Last closing price on 4 September 2024 / Indexed to €15 as starting price

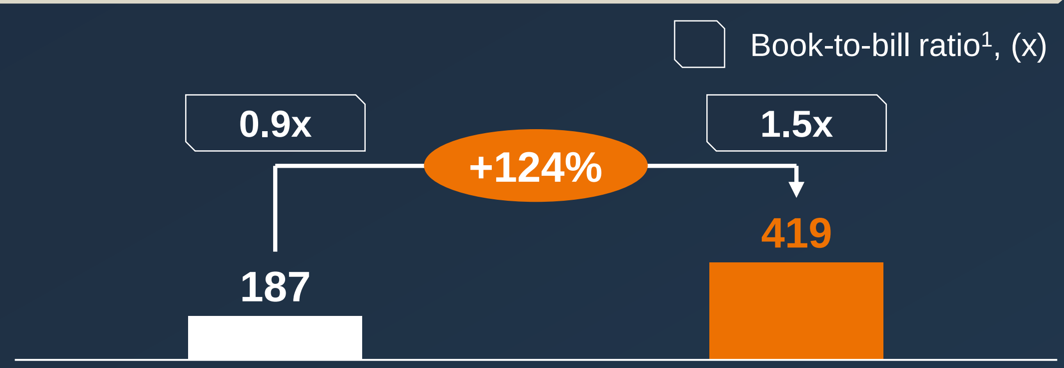
We have a strong and diversified investor base with increasing free float and balanced geographical coverage

Shareholder structure at listing | **Shareholder structure today**



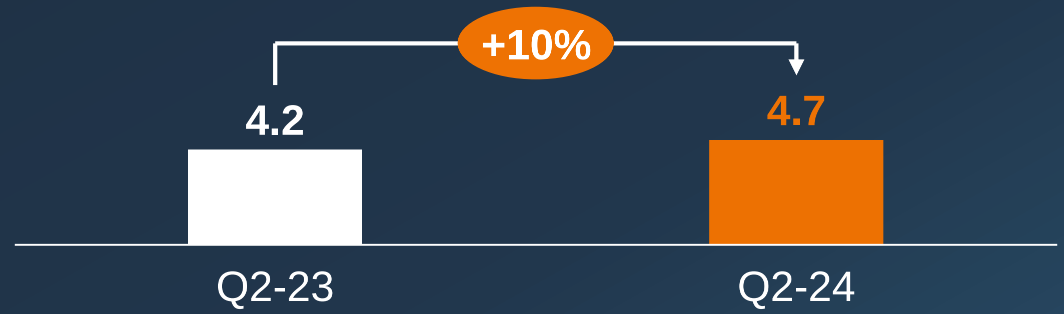
Record breaking Q2-24 results with substantial year-on-year growth …

Order intake, in €m

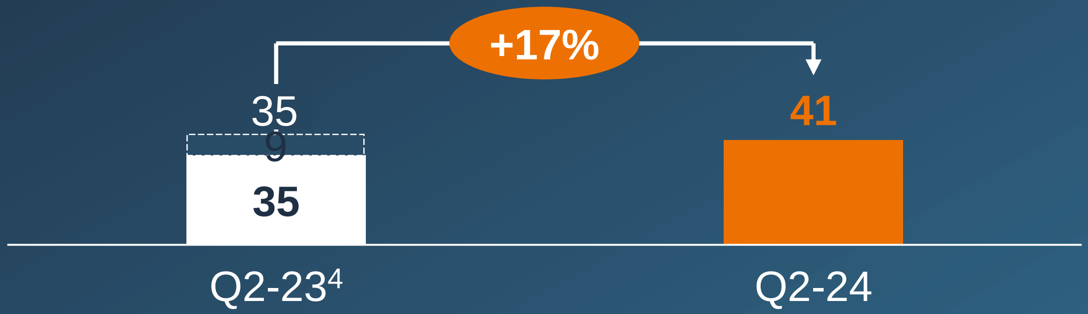


Revenue, in €m

Total order backlog[2], in €bn



Adj. EBIT[3], in €m



1. Book-to-bill ratio defined as order intake/revenue; 2. Total order backlog comprised of fixed order backlog, frame order backlog, and soft order backlog; Fixed order backlog represents with respect to binding customer contracts and purchase orders concluded and/or received the portion of the associated transaction price for which the amount of revenue has not yet been recognized in accordance with IFRS; Frame order backlog includes signed frame contracts or prolongation character of linked frame contracts with fixed annual volumes or volume estimates based on customer information or historical call-offs over the entire contract duration, booked for the period of the frame contract term; Soft order backlog includes estimated volumes of sole source projects and successor business until 2028 based on public information and customer information, booked for the period Jul-24 to Jun-28; 3. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature; 4. Adj. EBIT in Q2-2023 without €9m one-time earnings impact of the release of a warranty provision

… provided support to narrow 2024 guidance towards upper end

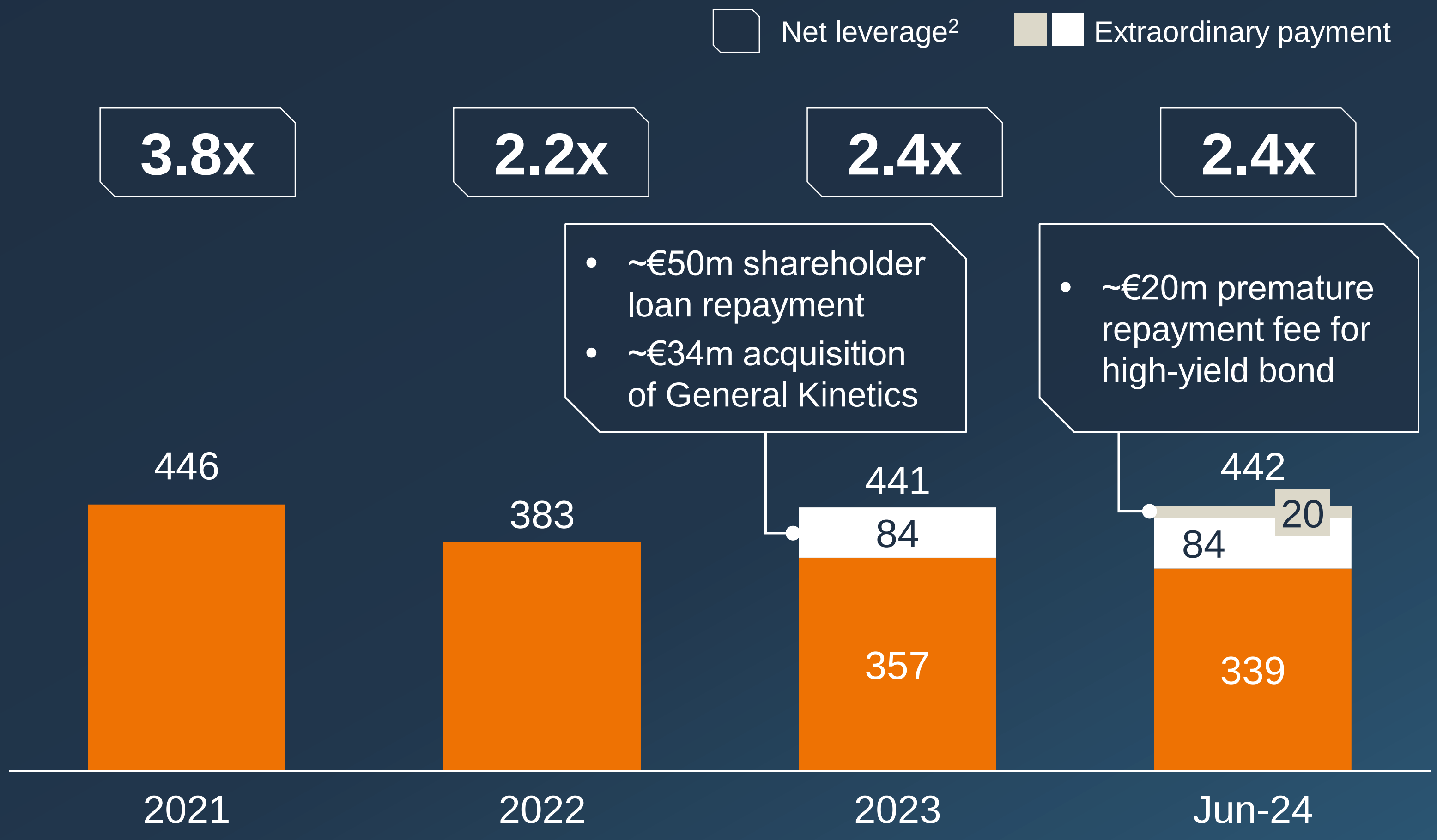
	2023	Initial guidance	Narrowed guidance
Revenue	€926m ✓	€1,000 – 1,100m	~€1,100m
Adj. EBIT[1]	16.2% (€150m) ✓	~€160 – 190m	~€175 – 190m

✓ FY-23 guidance achieved

1. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue

Our cash generation strengthened our balance sheet and allowed us to maintain our leverage despite significant onetime payouts

Net debt[1] development, in €m



Ratings

S&P Global

BB positive outlook
upgraded twice from B to B+ (November 14, 2023) and from B+ to BB (July 25, 2024)

Moody's

Ba3 positive outlook
upgraded from Ba1 to Ba3 (February 23, 2024)

1. Net debt is defined as the sum of bank debt (previous year: senior secured notes) and lease liabilities less cash and cash equivalents based on the carrying amounts in the IFRS financial statements; 2. Net Debt/LTM adj. EBITDA

Source: S&P Global, company website

Through past investments in a downturn market, we are now in a prime position to capture the current defense super cycle …

RENK under VW ownership

RENK as stand-alone entity

Continued Capex[1] & R&D investments

- Continuous **focus on defense**, despite defense market turn down
- **Substantial investments** in assets and technology

Triton *acquires* RENK

Investment in the US

- Major investment in US together with Triton, making **US armed forces largest customer**
- Secured **significant footprint and technology** in biggest and most important defense market

Increased global security threat

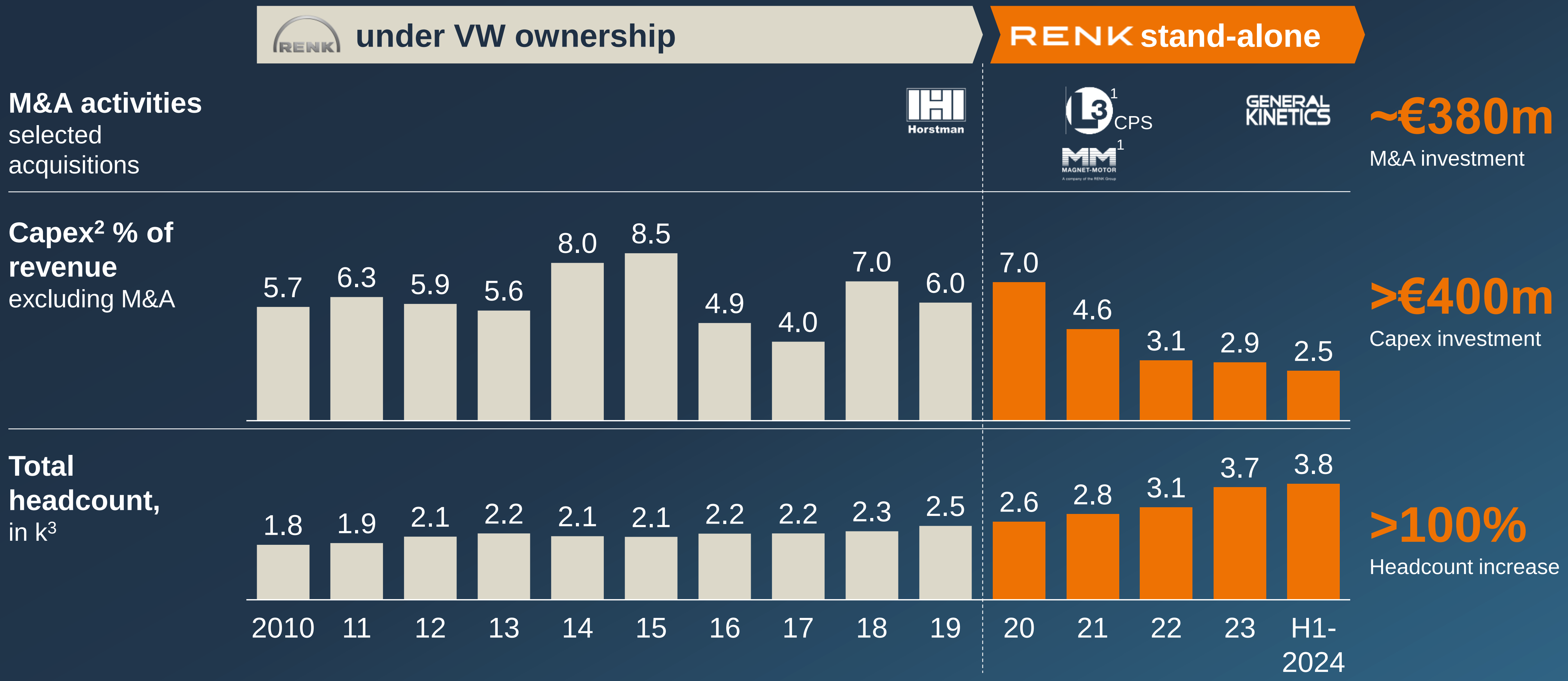
Defense super cycle

- Continued high spend of **US as largest single** defense market
- Start of **new defense super cycle:**
  - Land market in Europe
  - Naval market in APAC

Market	↘	↘	↑ ↑
Capex[1]	High	Medium	Low

1. Capex defined as payments to acquire property, plant and equipment, and intangible assets

... as our portfolio, capabilities, assets, and people are ready for growth with about €380m of M&A and more than €400m of Capex investments



1. Purchase of Magnet Motor and L3 Harris Propulsion in 2021; 2. Capex defined as payments to acquire property, plant and equipment, and intangible assets; 3. 2010-19 includes direct and indirect core headcount (consolidated RENK Group), 2020 to H1-24 includes core headcount, temporary headcount, interns, etc. (consolidated RENK Group including unconsolidated entities)

We will enhance our focus on value creation through refinement of our financial steering model

Shift to absolute adj. EBIT

Focus on
value-accretive growth
across all segments

ROCE as new performance indicator

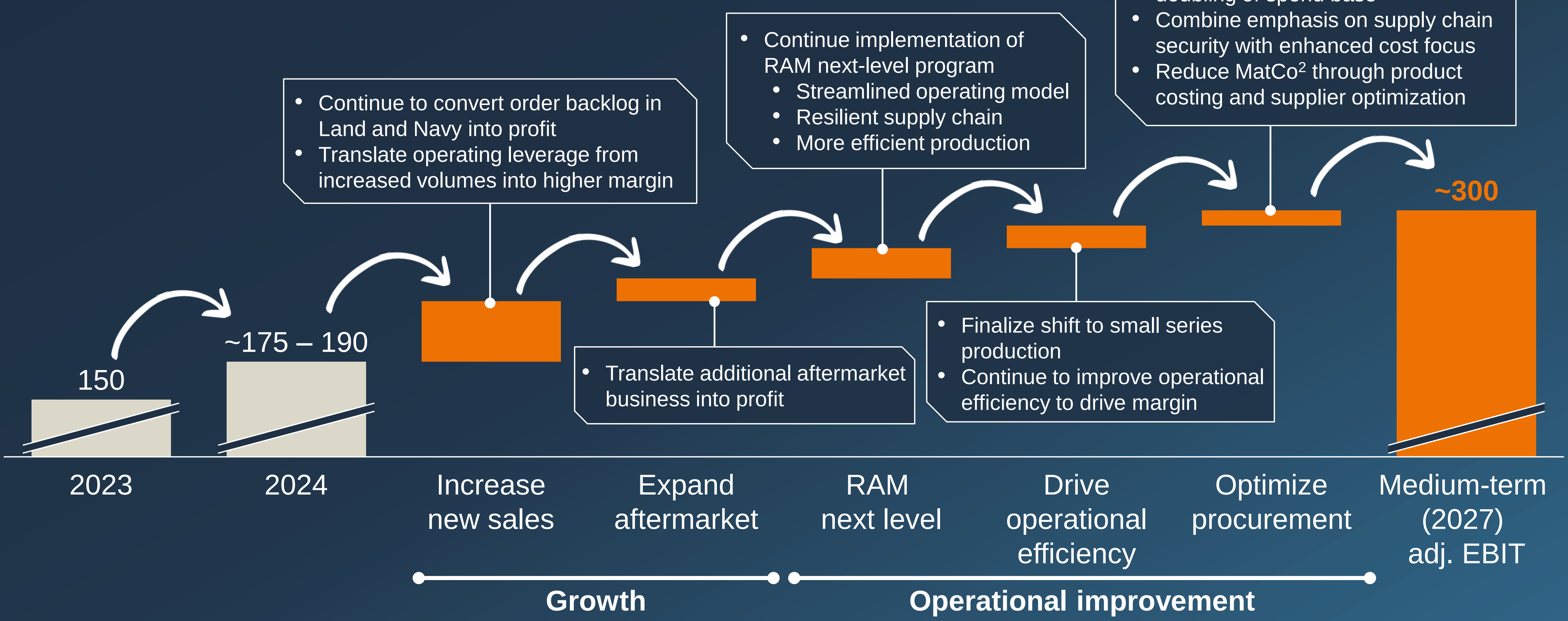
Focus on
capital efficiency to make
best use of resources

New Cash Conversion Rate definition

Focus on
cash generation

We will drive further EBIT and margin expansion through continuous growth, operating leverage, and operational improvements

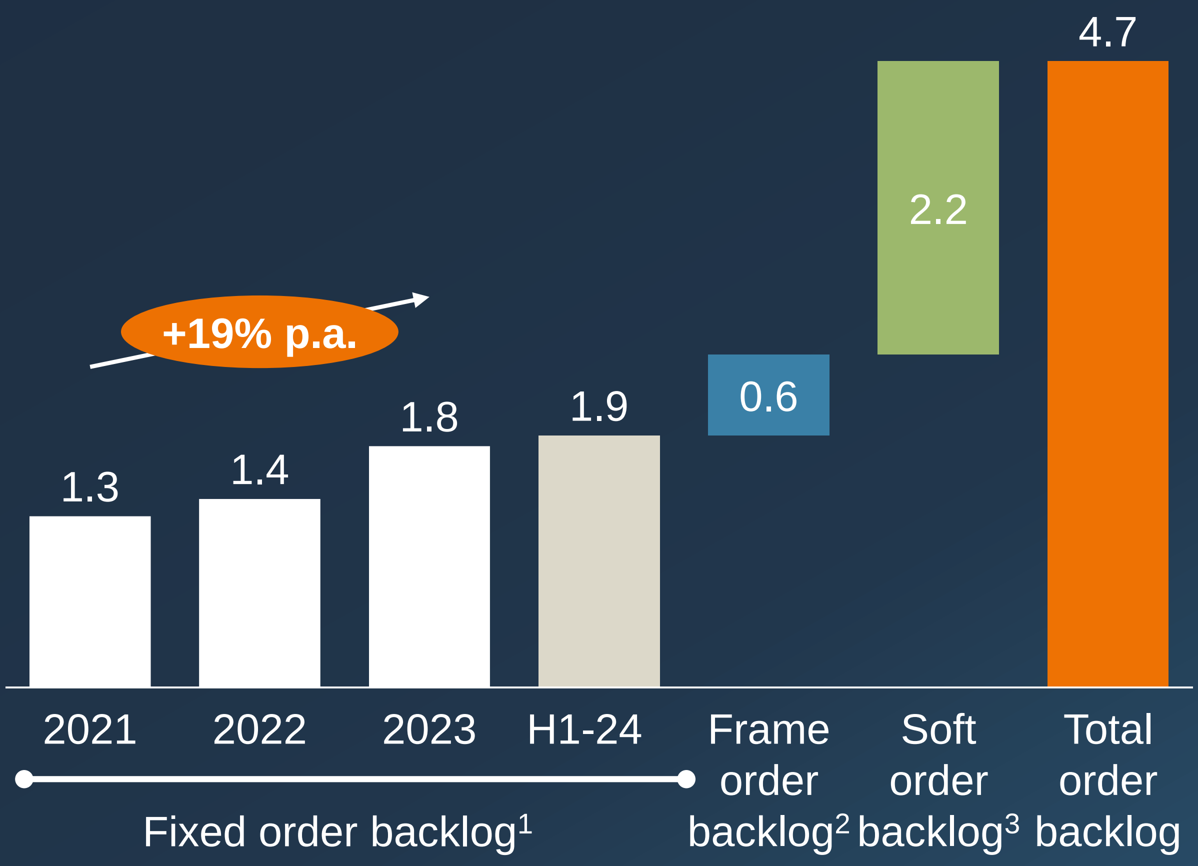
Adj. EBIT path[1], in €m



1. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature;
2. Material costs

Our constantly increasing order backlog will serve as the basis for our growth in new sales and expanding aftermarket

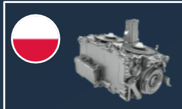
Order backlog, in €bn



Selected key orders

Not exhaustive — Fixed | Frame | Soft

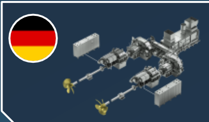
THOR III and IV ~€600m
Bradley, PIM, AMPV
(Fixed, Frame)



Transmission ~€300m
K2 MBT
(Fixed, Soft)

Engine ~€200m
M60 Taiwan MBT
(Fixed)

Transmission and Suspension Puma ~€200m
(Fixed, Soft)

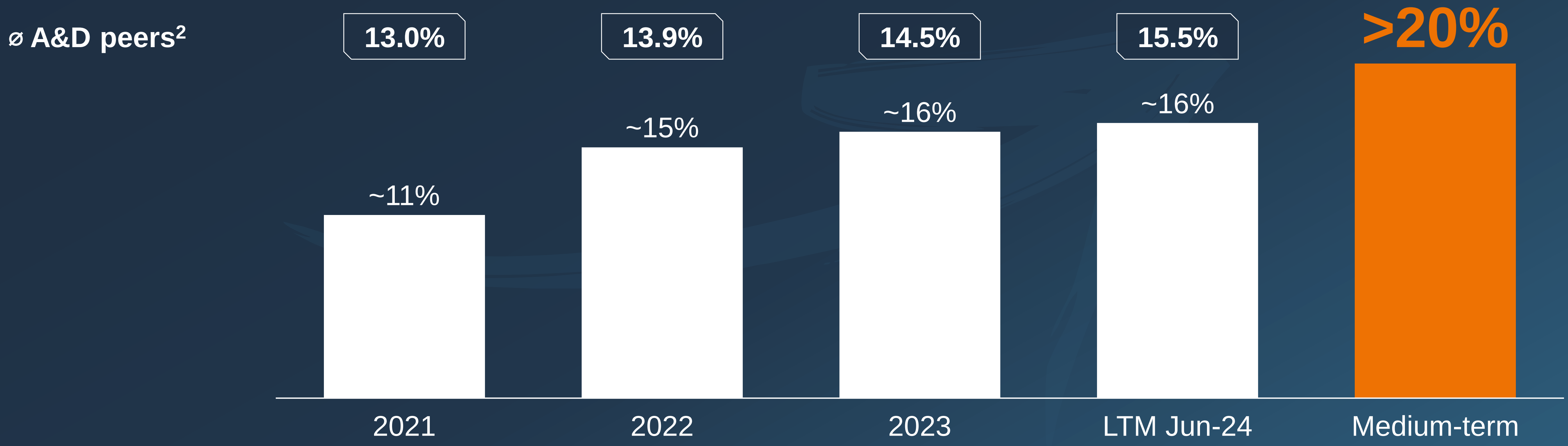


Naval gearbox ~€40m
F126
(Fixed, Soft)

1. Fixed order backlog represents with respect to binding customer contracts and purchase orders concluded and/or received the portion of the associated transaction price for which the amount of revenue has not yet been recognized in accordance with IFRS, 2. Frame order backlog includes signed frame contracts with fixed annual volumes or volume estimates based on customer information or historical call offs over the entire contract duration, booked for the period of the frame contract term, 3. Soft order backlog includes estimated volumes of sole source projects and successor business until 2028 based on public information and customer information, booked for the period Jul-24 to Jun-28

We have integrated a ROCE-based value creation focus into our financial steering model to optimize the use of available capital

ROCE[1], in %



	2021	2022	2023	LTM Jun-24	Medium-term
Adj. EBIT[3]	**€91m**	**€144m**	**€150m**	**€156m**	
Capital Employed[4]	**€827m**	**€951m**	**€942m**	**€948m**	

1. ROCE is defined as adj. EBIT in relation to the average capital employed for the fiscal year; 2. Average in 2021 – LTM 2024 from Leonardo, Rheinmetall, SAAB; 3. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature; 4. Capital employed comprises average property, plant and equipment, intangible assets and net working capital of the fiscal year

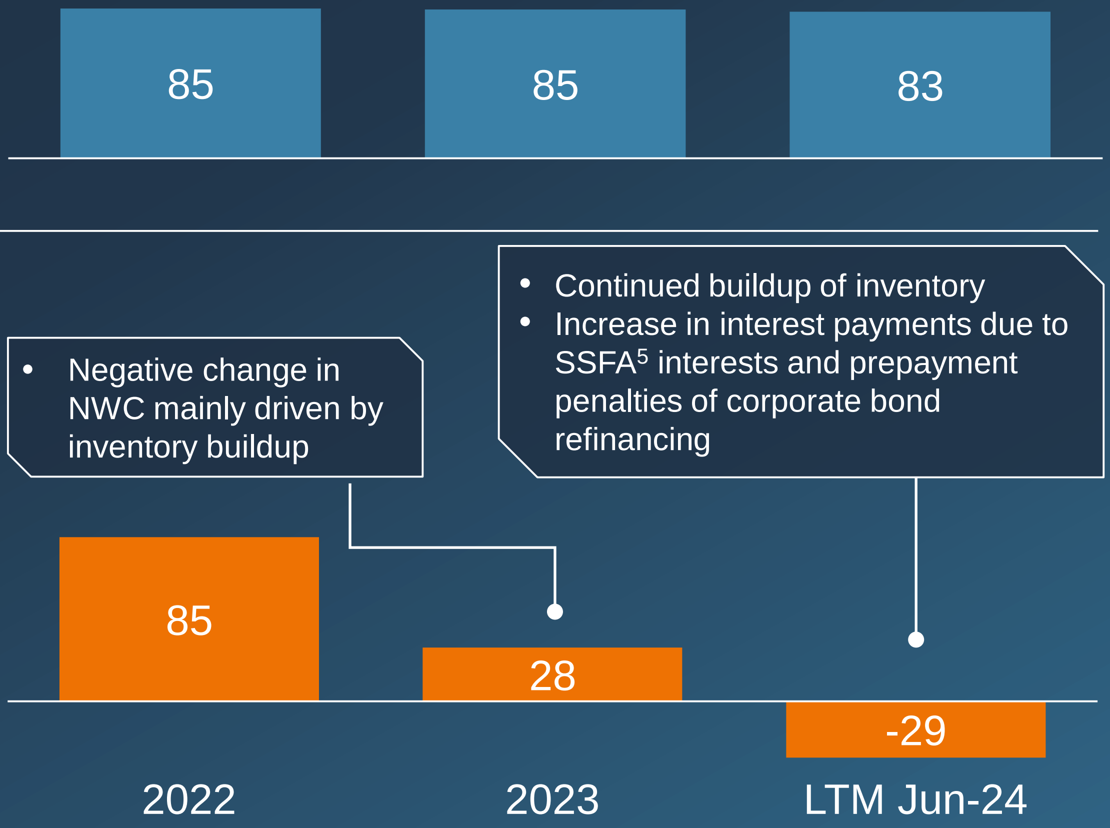
We will also update our cash conversion definition to more accurately reflect our ability to generate cash in relation to our capital structure

Cash conversion definition

Current definition $= \dfrac{\text{Adj. EBITDA}^1 - \text{Capex}^2}{\text{Adj. EBITDA}^1}$

Updated definition $= \dfrac{\text{Free cash flow}^3}{\text{Adj. net income}^4}$

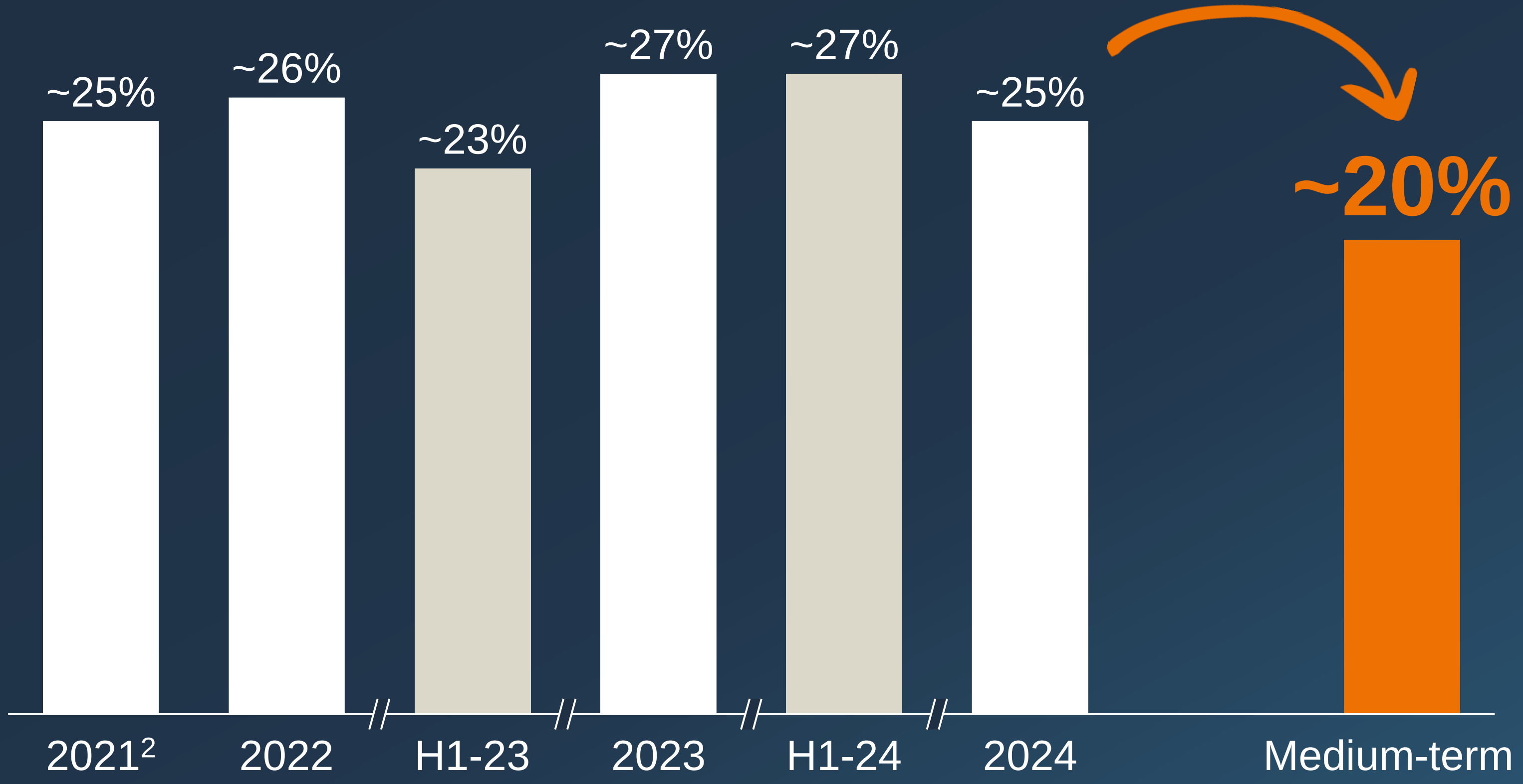
Cash conversion, in %



1. Adj. EBITDA is defined as operating profit before depreciation, amortization, and impairment losses on intangible assets and property, plant and equipment, and adjusted for certain items which management considers to be exceptional or nonrecurring in nature; 2. Capex defined as payments to acquire property, plant and equipment, and intangible assets, 3. Free cash flow is calculated by adding depreciation and amortization, interest paid, income taxes and capital expenditures to EBIT. Free cash flow is reduced by any increase in net working capital and increased by any decrease in net working capital. Other reconciliation items includes changes in provision, other receivables and liabilities, insofar as these are not attributable to the net working capital, as well as other cash and non-cash effects with minor individual relevance 4. Adj. net income defined as profit after tax before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and loan interest, and adjusted for certain items which management considers to be exceptional or nonrecurring in nature; 5. Super Senior Facilities Agreement

To improve cash conversion, we will enhance capital efficiency through reduced inventory and target-oriented cash management

NWC[1] development, as % of revenue



Key levers

- **NWC stable** despite significant **top-line growth**
- Initiation of **structured program** for **legal entity-based NWC management**
- **Focus on target-oriented cash management** with bottom-up forecast and monthly tracking
- Start of initiative to **optimize procurement and purchasing spend**

1. Includes change in inventories, trade receivables, and contract assets, and changes in trade payables and contract liabilities; 2. Calculation of 2021 NWC as share of revenue based on 2021 revenue of €698m plus revenue of €110m that would have been taken into account if the acquisition of RENK America and Magnet Motor had closed on January 1, 2021

Based on our allocation framework, we will make the best use of our available capital along 4 future areas

Investment in core
Technology & Operations

ROCE-optimized investments

Dividend payout
~40 – 50%[1]

Shareholder return

Strategic focus
Defense & US

Value-accretive M&A

De-leveraging
<1.5x over time[2]

Balance sheet strength

1. Based on adj. net income; 2. Net leverage defined as net debt/adj. EBITDA

Medium-term highlight figures to keep in mind and to track our performance against

~€300m
Adj. EBIT[1]

~20%
NWC[2] as share of revenue

<1.5x
Net leverage

~15%
Organic revenue CAGR

>20%
ROCE

~3%
Capex[3] as share of revenue

1. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue; 2. Includes inventories, receivables, contract assets, trade payables, and contract liabilities; 3. Capex defined as payments to acquire property, plant and equipment, and intangible assets

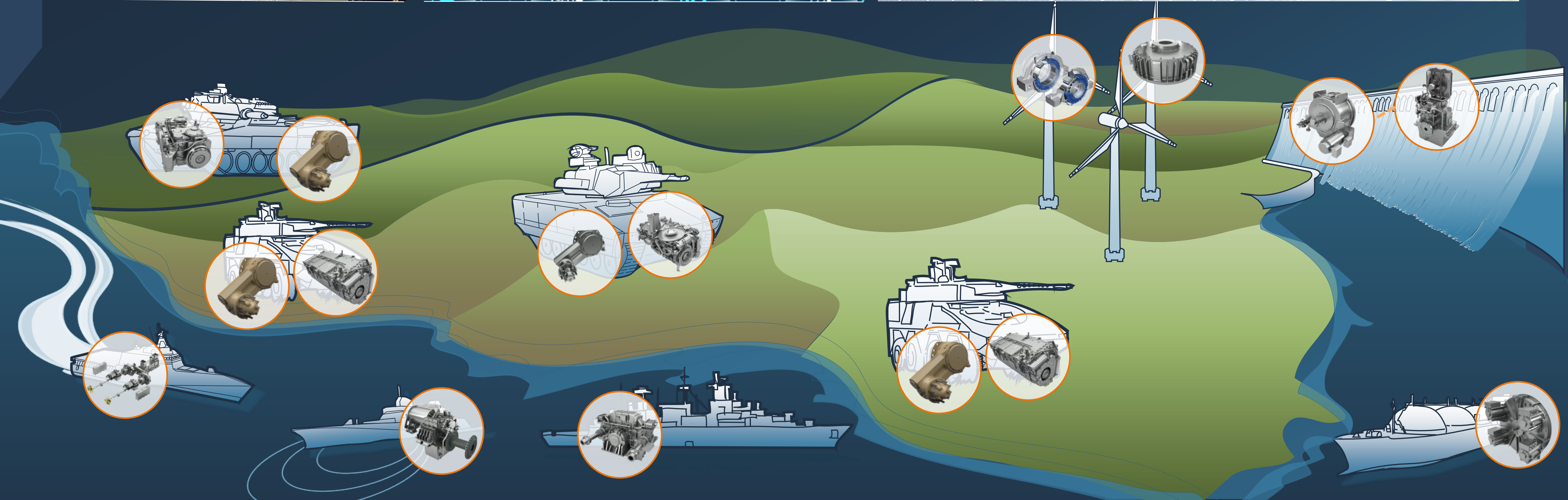
Dr. Alexander Sagel

Chief Operating Officer
RENK Group AG

Just to recap: 3 main megatrends driving future business development of RENK

Megatrends:

Empowering Security | **Digitalization** | **Enabling a sustainable future**



RENK 2.0 setting the pace for the next years by doing our homework to capture the market potential

€>2,000m
Revenue ambition

I Leverage **market potential of defense super cycle** (land/navy)

Strive **towards world-class operational excellence** through RENK Production System including IT

~20%
Adj. EBIT margin ambition

Convert top-line growth

Drive **high-margin segments** (e.g., aftersales)

Disciplined cost manage-ment with profitability criteria

II Restore **RAM profitability**

#1
In Market and Technology

III Focus **R&D on 4 key technology** fields

Drive **M&A for growth, product** portfolio, and **technology**

II: We implemented a structured program to increase operational performance and efficiency level of RAM in 3 main areas

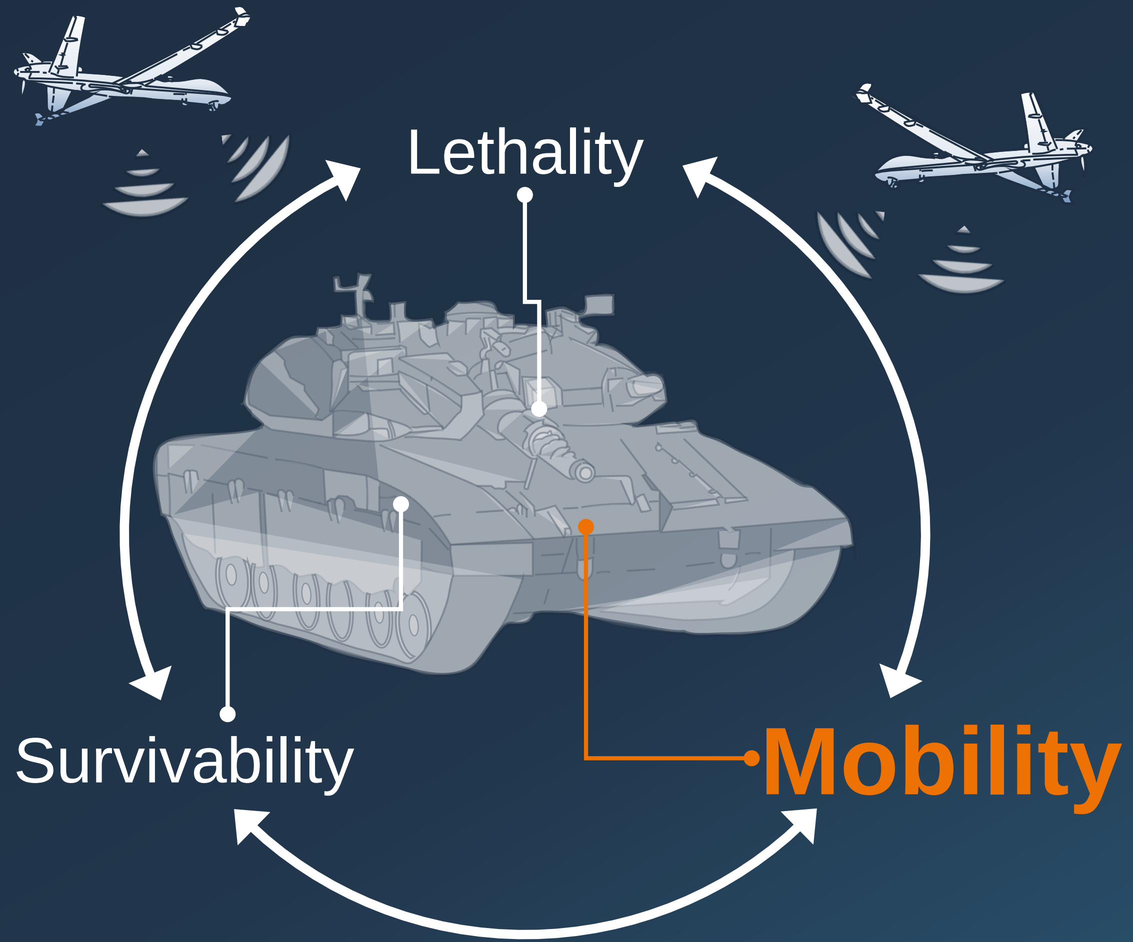
READY TO SERVE

Not exhaustive

Supply chain	Operating model	Material cost
Deployed comprehensive **parts availability strategies** and enabled dramatic production scale-up	Clear operational responsibility and P&L accountability through **dedicated business units**	Created and **syndicated cost models** to set aspirational targets
Active parts management and tracking in **win rooms**	Shared company goals via new **North Star vision** with ambitious growth targets	**Integrated global and local team collaboration** for cost excellence and supplier strategies
Increased **output ability**	Enhanced **transparency**	Reduced **material costs**

III: Our technology is centered around improving the mobility of military forces, which will have an even higher importance in the future

Reliable and proven drivetrain technology critical for combat power



Increasing **availability of information** makes battlefield of the future transparent ("Gläsernes Gefechtsfeld")

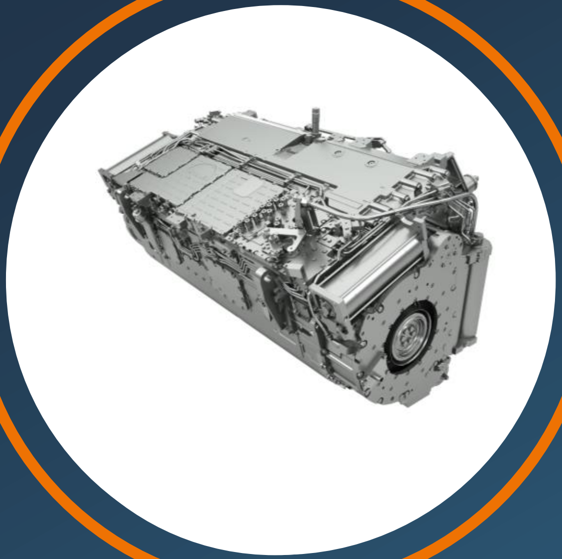
If the enemy knows where you are at all times, you **need to be constantly on the move**

Importance of **mobility to combat power will grow** significantly in the future

III: Our transmissions are highly complex, high-tech systems and ruggedized for the most demanding battlefield use

Precision and quality is key … | **… which is where RENK excels**

vs.



~70%

Use of space – Luxury watches

>95%

Use of space – Achieved through decades of engineering excellence

III: Our cutting-edge, hard-to-replicate, and complex technologies are unmatched in the market

RENK

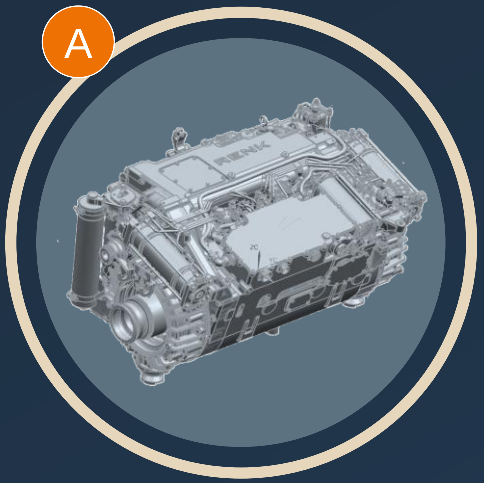
Our brand stands for reliability and performance

Vehicle Mobility Solutions		Marine & Industry	
Driving Steering Braking ~70 tons[1]	Power rating ~1,500hp, ~2.5to[2]	Precision <2-3µm[3]	PTO efficiency >92%[4]
Maximum manoeuvrability	High power-to-weight ratio	Ultralow vibration and noise	Minimum energy losses

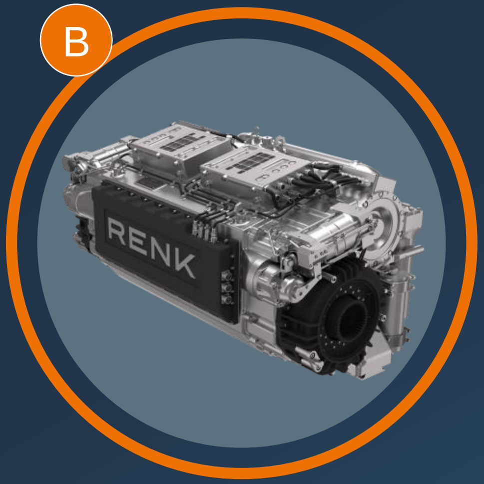
1. Hybrid mobility system with capability to drive, steer, and brake up to 70 tons vehicle class weight; 2. Refers to metric tons; 3. Permissible limit of variation in product manufacturing; 4. Power Take Out efficiency referring to yield of electrical energy compared to input mechanical energy when used as generator with industry typical efficiency closer to ~70%

III: We will expand our technology core and focus on three future areas: electrification/hybridization, digitalization as well as system engineering

Enabling technology (core[1]) | **New technologies expanding the core**



Core technology



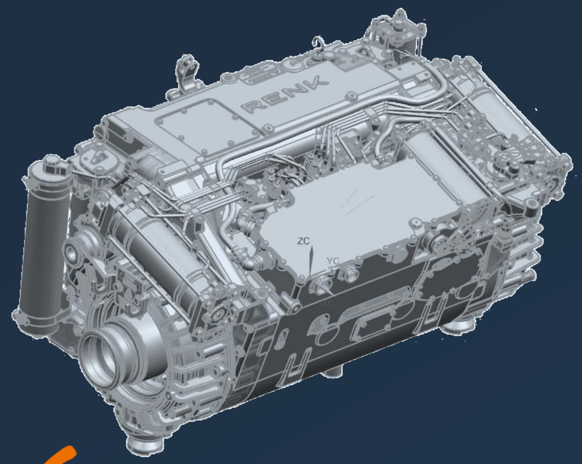
Electrification/ hybridization

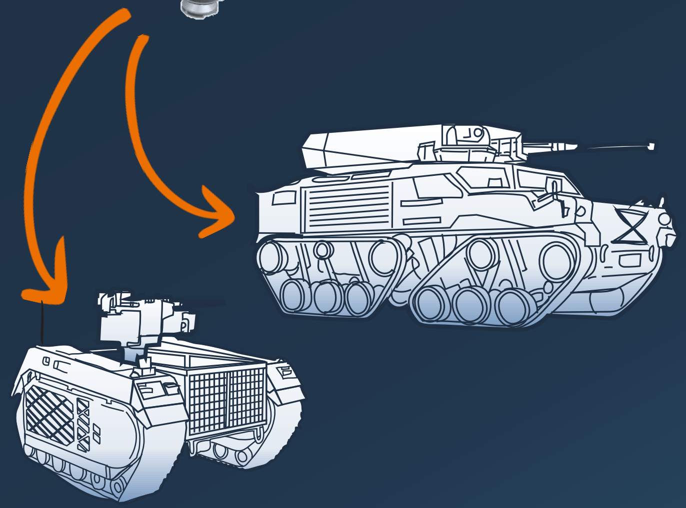
Digitalization[2]

System engineering

1. Including technology and cost optimization processes and design, product performance improvements; 2. Including X-by-Wire and Autonomous Driving

III-A: Expansion of our transmission portfolio for vehicles in lighter weight classes, especially tracked vehicles <20t and UGVs





Key facts

Market attractiveness

>€350m — Full market potential after 2030 due to ongoing technological development and UGV adoption

Market potential	**UGVs (esp. tracked)**	**Wingmen for** MBTs, IFVs, and APCs	**Platform potential** • LuWa

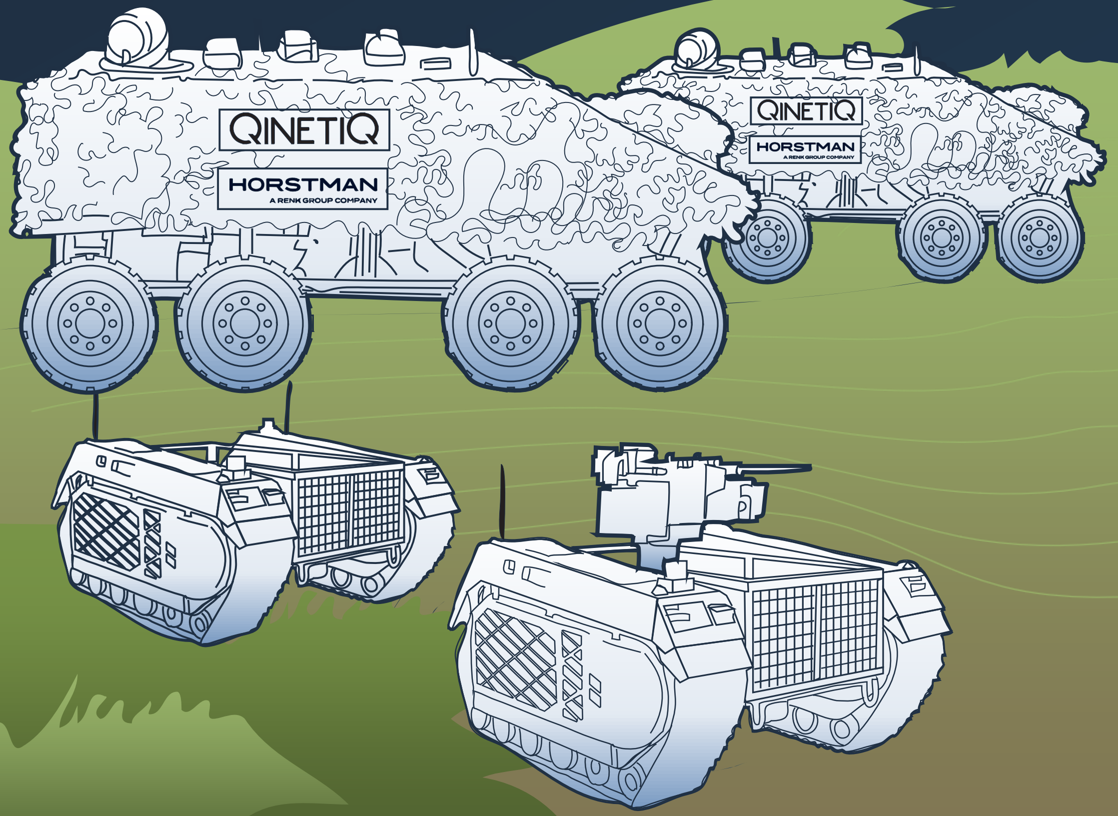
RENK's market-leading value proposition

- **Advanced X-by-Wire/remote-controlled** steering and autonomous navigation capabilities
- **Downsized and lightweight** transmissions
- **Electrification/hybridization in-house** competence with **Magnet-Motor**
- Potential **use-case for digitalization**

III-A: We are complementing our internal R&D efforts, as well as our customer-funded R&D projects, with technological partnerships

QINETIQ & RENK

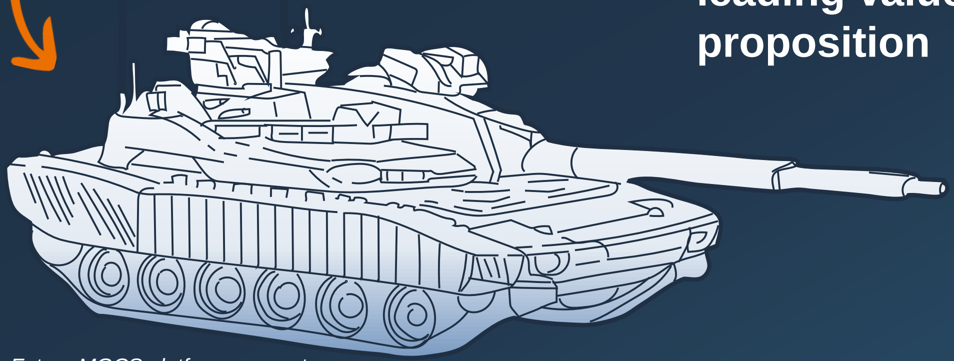
MoU signed: QinetiQ is our Advanced Mobility Technology Partner



A Advanced steering and navigation systems

B Scalable and electrified drivetrain solutions

III-B: We have developed a new transmission with hybrid capabilities for MBTs and other heavy tracked vehicle platforms of the future



Future MGCS platform concept

Key facts

Market attractiveness

>€1.0bn

Market potential

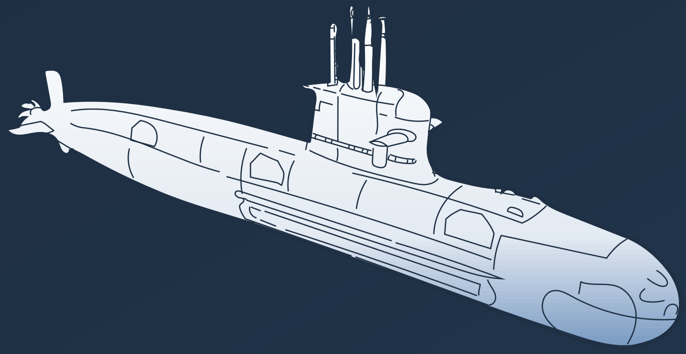
Repowering
- Leopard 2
- Ariete
- Leclerc
- Merkava IV
- Challenger 3
- K1/K2
- M1E3 Abrams

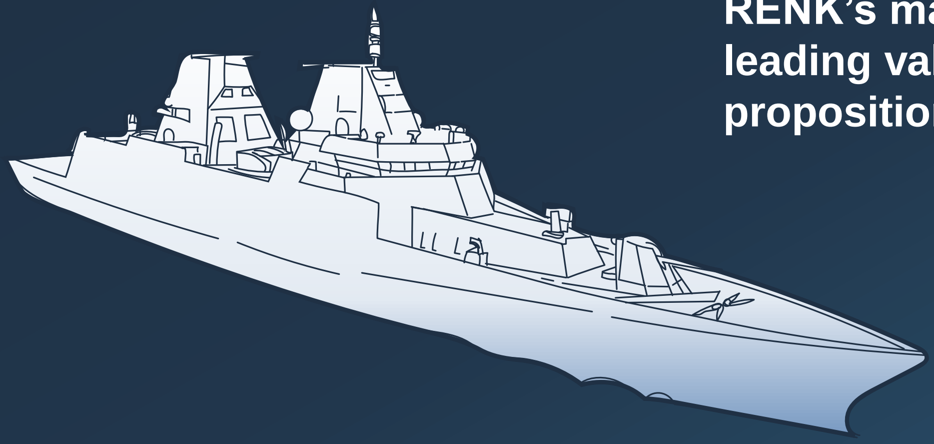
New platforms
- Panther (KF51)
- K3
- MGCS

RENK's market-leading value proposition

- ✓ Mild hybrid drive function with **precise electrical steering and electric power for advanced manoeuvrability (~300kW power)**
- ✓ Drive-by-wire with digital interface and **autonomous enhanced data-based mobility features**
- ✓ Hybrid transmission enabled **without need to change vehicle to high-voltage grid** (enabling repowering)

III-B: We are developing an advanced electric propulsion technology securing order potential for future surface and underwater combatants





Key facts

Market attractiveness

>€350m

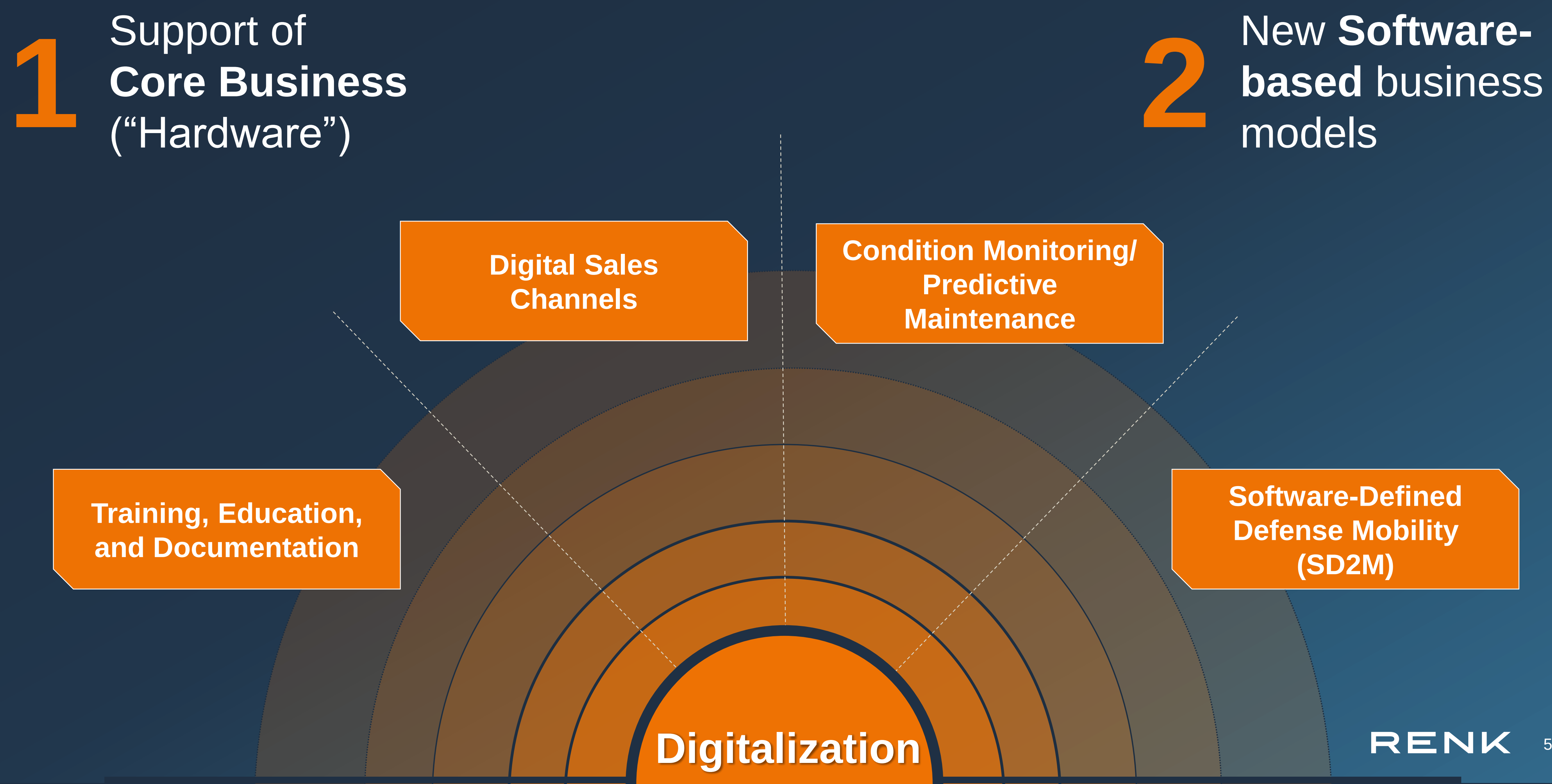
Market potential

Vessel types supported
- Submarines
- Mine warfare systems
- Frigates

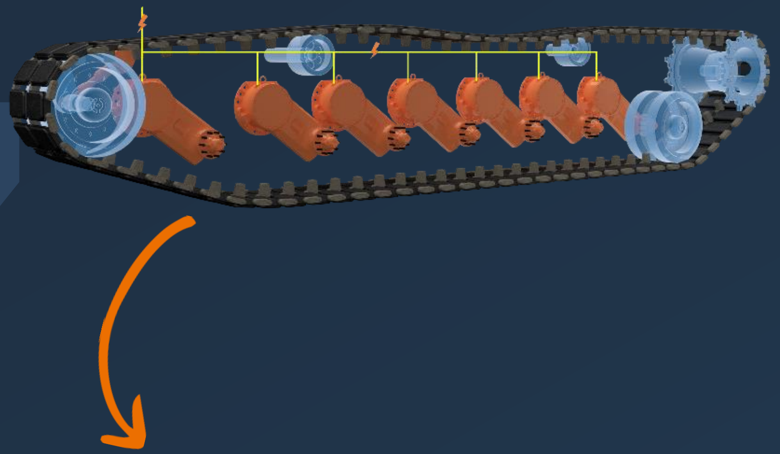
RENK's market-leading value proposition

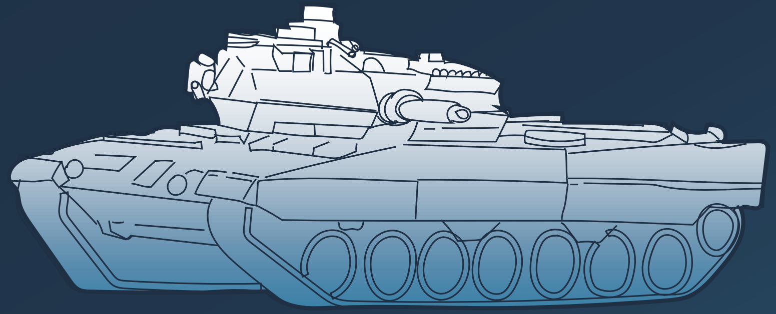
- Designed for **ultralow acoustic signatures**
- Advanced materials to achieve **low magnetic signatures**
- **Space-optimized compact design** for tight compartments
- Sophisticated **electronic control** with easy **integration into future** electric naval **platforms**

III-C: Digitalization is an important enabler to secure our current and future business portfolio



III-C: Our in-arm dampers use advanced sensors and networks to optimize usable lifetime and performance





Key facts

Market attractiveness

>€500m

Market potential

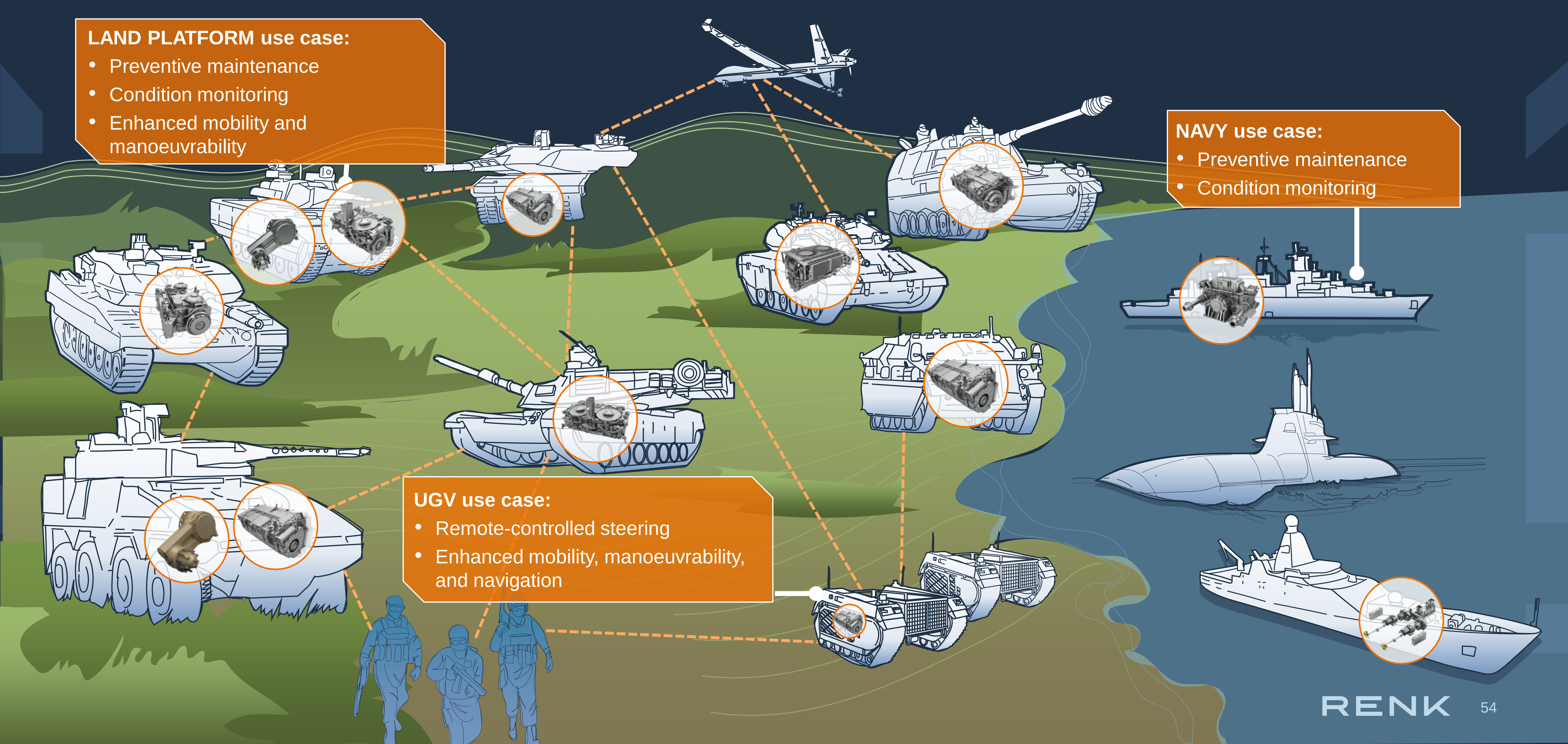
Tracked vehicle types supported

- MBTs
- IFVs
- APCs
- SPHs

RENK's market-leading value proposition

- Advanced **sensor concept detects early signs of fatigue and wear** and enable **preventive maintenance**
- Optimized drive performance through **adjustable track tension and ride height control** improving cross-terrain capabilities and vehicle speed
- **Semi-active damper control** reduces fatigue on vehicle and operators enabling extended operations

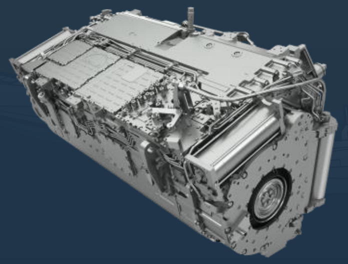
III-C: Looking to the future – Our digitalization products will have many use cases in the connected battlefield



RENK – a technology-driven company for supporting our customer demands and driving future business development

Technology leader in the super cycle

Unmatched product performance and reliability driving our ability to capture the defense super cycle

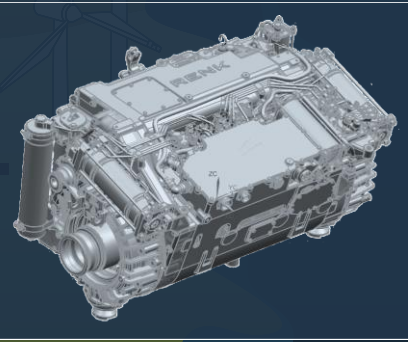


We continuously develop new capabilities

Staying at the forefront of technology transitioning in relevant industry domains

We drive impact with our partners and M&A

Developing cutting edge technology with our partners and targeted acquisitions of specialized players



Dr. Emmerich Schiller

MD Production and Supply Chain
RENK GmbH

We have a global production footprint and are present in all major regions and countries

VMS M&I SB

Production footprint Sales, services, and/or R&D


Muskegon


Sterling Heights


Brampton


Bath


Saint-Ouen-l'Aumône


Starnberg

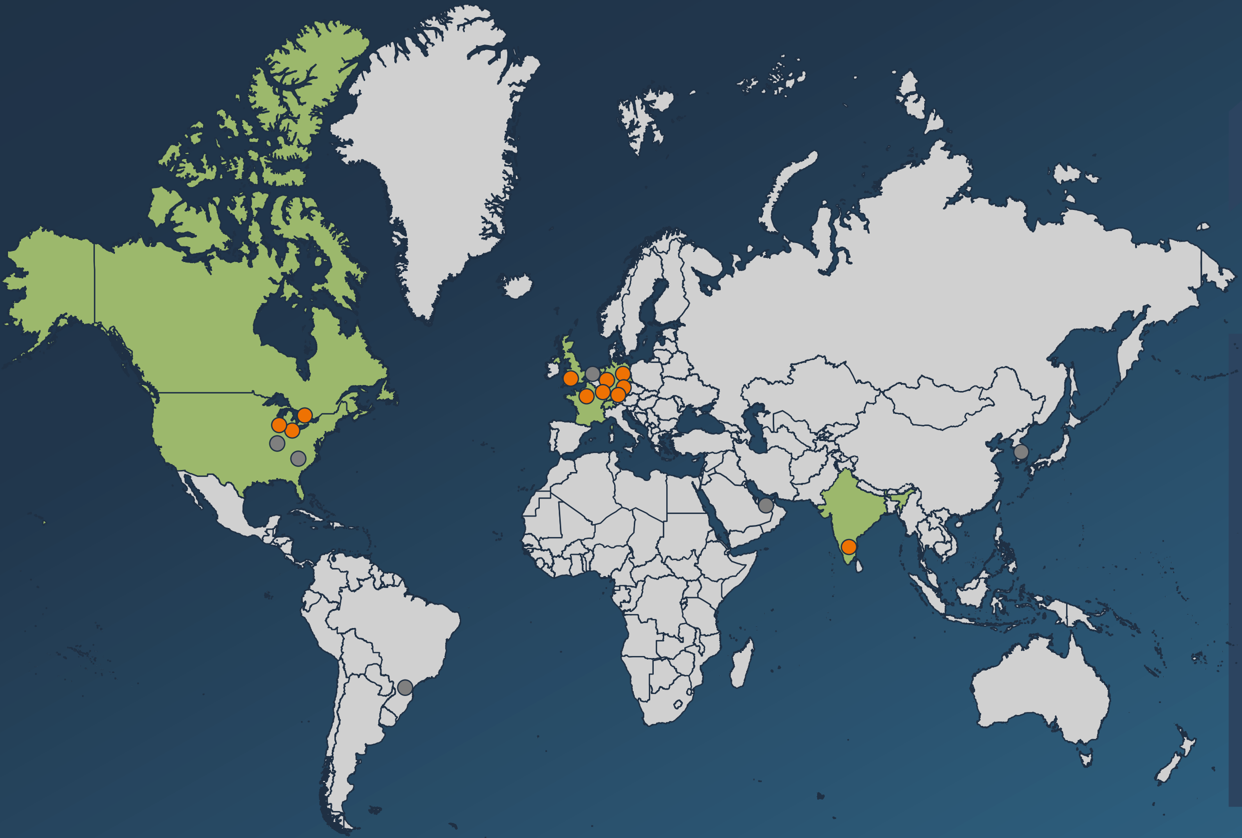

Augsburg


Bengaluru


Rheine


Winterthur


Hanover

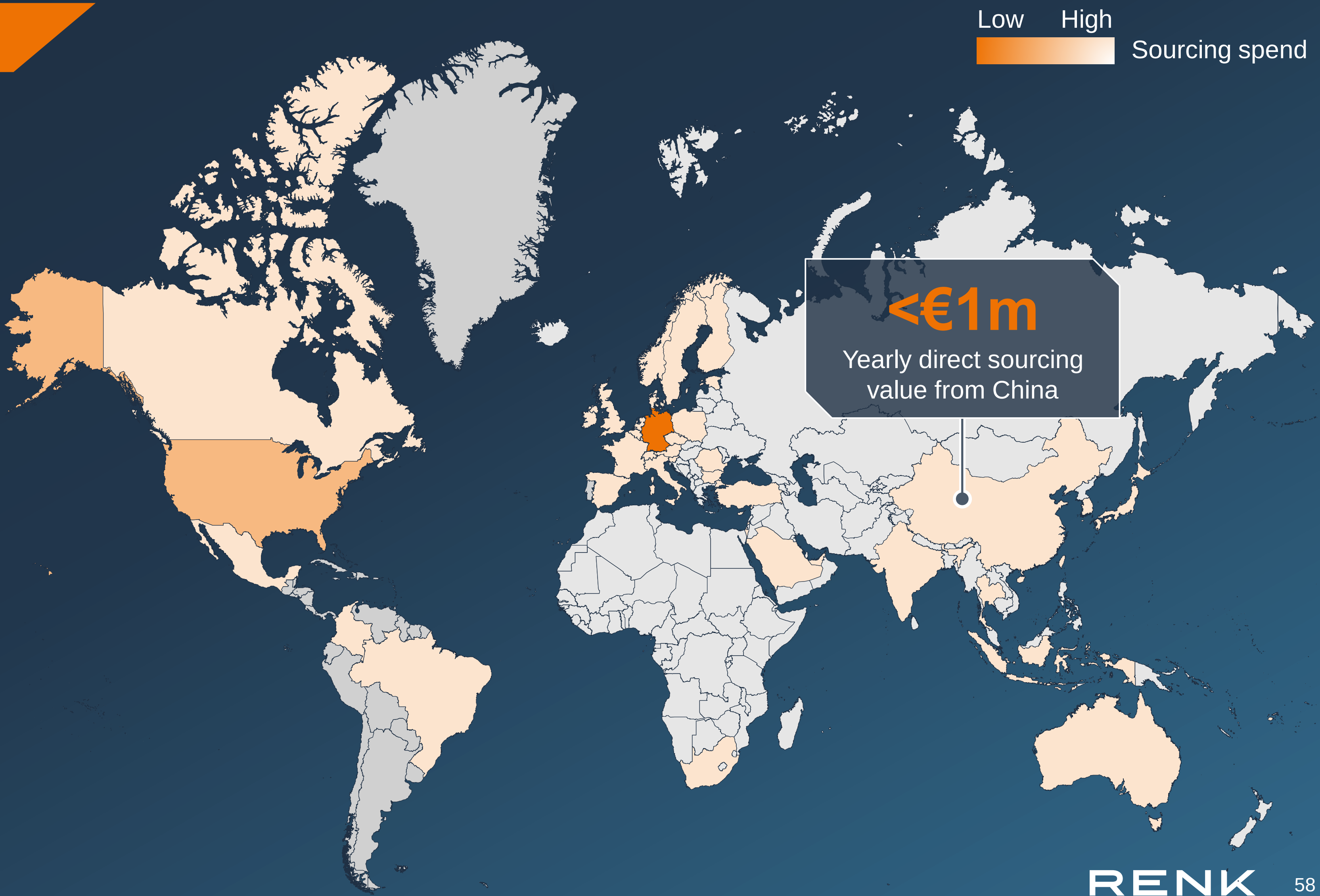


€5m fund to secure business continuity through enhanced site security measures

We have a global supply chain which we are continuously improving to secure critical material and safeguard our production

Measures

- Redundancies for all critical suppliers to **avoid dependencies**
- **Flexibility** to shift production either in-house or to external suppliers
- **Regional balanced** and hedged supplier base
- Capability to **insource production** key parts

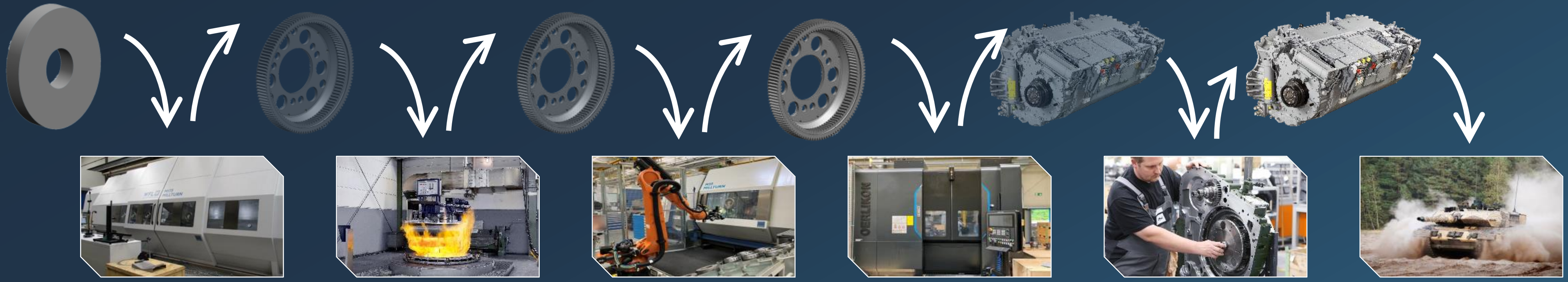


Manufacturing excellence is in RENK‘s DNA with deep coverage and significant value addition along our independent value chain

Covered by RENK

Sourcing > Rough machining > Heat treatment > Finishing (grinding and gearing) > Final assembly > Testing

Illustrative



~65%

High level of vertical integration[1]

~60%

Share of headcount in manufacturing[2] **Jul-24**

1. Calculated by dividing the sum of (i) variable manufacturing costs, (ii) direct labor costs, (iii) fixed indirect material costs, (iv) fixed manufacturing costs, and (v) DB2 by total order-related costs and DB2. Total order-related costs comprise costs of materials, order-related outsourced products/services, variable manufacturing costs, indirect labor costs, fixed indirect material costs, and fixed manufacturing costs; 2. Production, logistics

We have done our homework: After solving last year's challenges in Augsburg, we are ready for future growth

From…	To …	
Shortages of critical components and materials disrupting production	Increased supply security for key materials by **broadening supplier base** and **targeted inventory**	**~+50%** of production start without missing items
Inefficiencies in sales- & production planning during steep ramp-up	Refocus towards **consistent alignment** between customer orders and production planning	**~+15 pp** On time delivery (OTD)
Limited efficiency due to **low-volume manufacturing** production system	Increased efficiency and benefits by **shifting to small series production principles**	**~-20%** Hours per transmission (HPT)[1]
Testing bottlenecks for transmissions	Increased testing capacities through addition of **new test bench in Augsburg** (in Jan-24) and **improved first pass yield**	**+1** New test bench

1. Final assembly, metric for internal efficiency depended on output structure within the year

Note: Numbers are based on ⌀2023 compared to June 2024

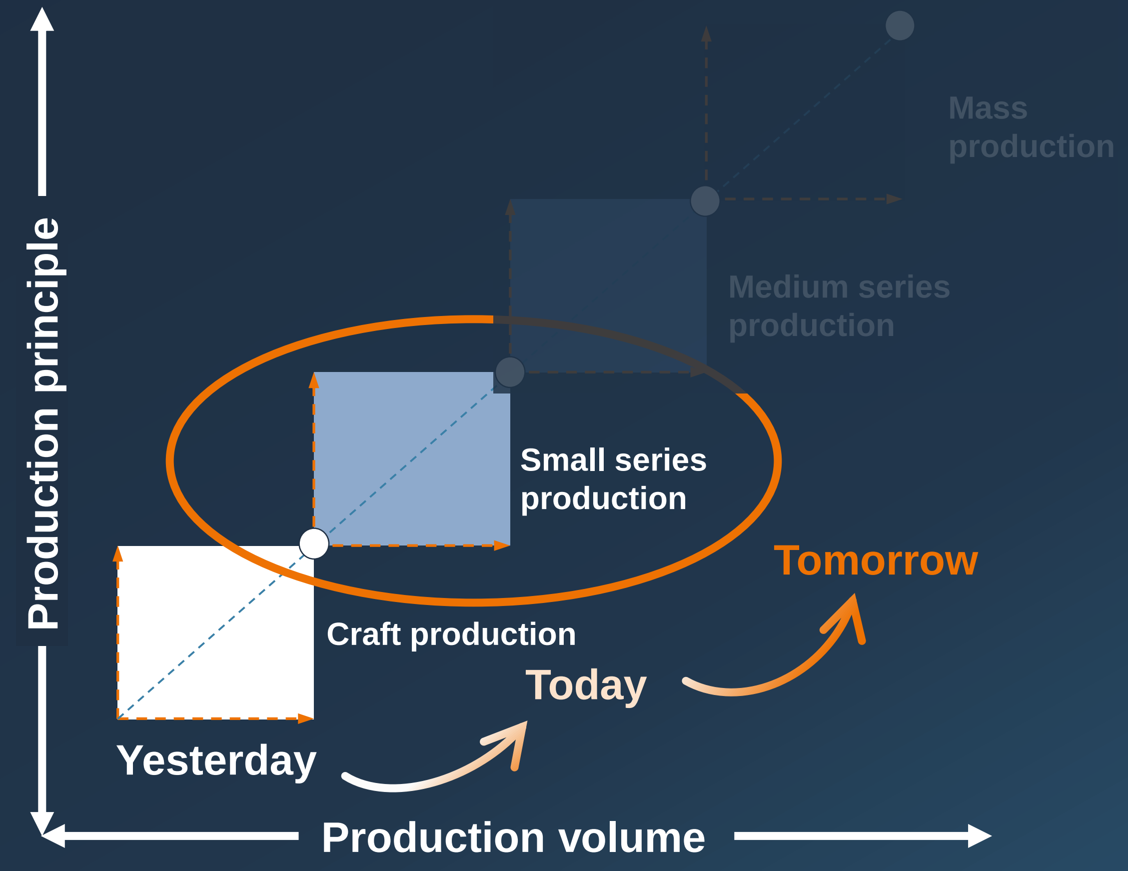
We are bringing RENK operations to the next level by focusing on 2 dimensions

Upscale to series supply

Upscale to series production

We have a clear plan to further increase production volumes

From boutique to small series production



Fields of action

- **Production philosophy and steering** with flexible assembly cells and frozen sequences (pearl chain)
- **Focus on basics** with streamlined planning, clear responsibilities, and standardization
- Implementation of a **Shopfloor Management System**
- Consequent implementation of **line back principles**
- **Continuous improvement** through line-walks, quality standards, and tracking
- **Strong IT Tools** with SAP, assembly BoM[1] , workflow processes, and real-time production control
- …

1. Bill of Materials

We have improved alignment between sales- and production planning

S&OP – Integrated Production Planning Process

Sales demand | **Procurement/logistics** | **Production**

Long-term (forecast)

- **Forecast** of transmissions by type
- Long-term **capacity planning** and **adjustments**
- **Framework agreement** for supplier parts

Medium-term (planning)

- **Conversion** forecast into customer orders
- **Program planning** of trans-missions for the next quarter
- **Ordering** of supplier parts

Short-term (steering)

- Production of **customer orders**
- **Program steering** on a daily basis
- **Call-off** supplier parts

Selected examples of identified efficiency measures and the effect on the "hours per transmission"

Material kitting in line with assembly sequence

Before

After **~15%** ↓

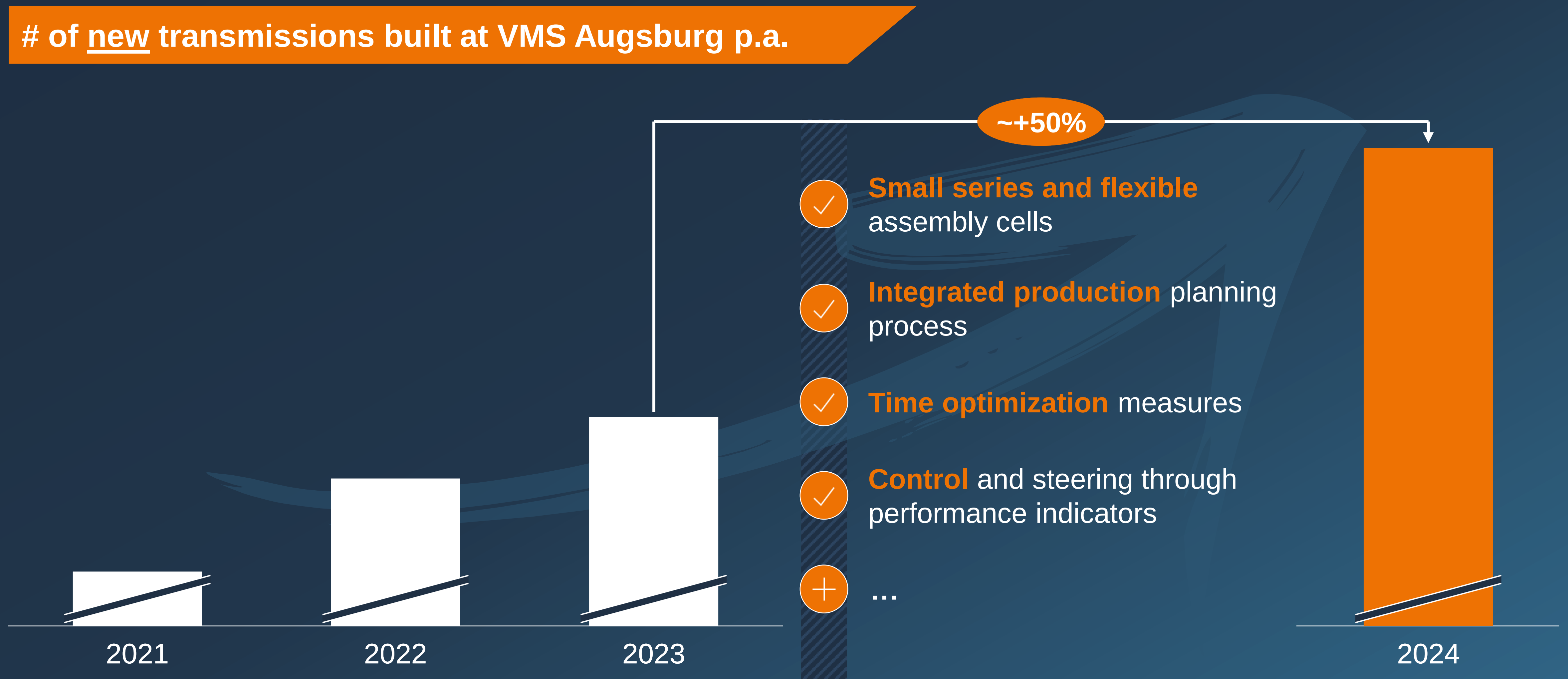
Standardized assembly cell for sub components

Before

After **~20%** ↓

Time reduction per transmission

We have increased our output by about 50% with no capex and additional headcount



Five performance indicators underlining our improvements at our new vehicle transmission production

Performance indicators, Ø 2023 vs. target 2024 (new transmissions Augsburg)

+50%	-30%	+80%	+55%	+75 pp
# of transmission output p.a.	**Hours per transmission[1]**	**# of transmissions per working day[2]**	**First pass yield**	**On time delivery**

1. Final assembly, metric for internal efficiency depended on output structure within the year; 2. Average 2023 compared to expected average of Nov-24 and Dec-24

Next step: Implementing a small series assembly/logistic concept to further improve efficiency and capacity

Next step: Implementing a small series assembly/logistic concept to further improve efficiency and capacity

Next step: Implementing a small series assembly/logistic concept to further improve efficiency and capacity

Leveraging our learnings from VMS in Augsburg, we are in the process of rolling out operational excellence to all RENK sites

RENK Production System to set standardization and realize synergies between sites

Operational excellence

Cross-segment initiatives

Today

- Implement **continuous improvement** processes and culture
- Improve **know-how** and **capabilities** across all functions
- Create an efficient **organizational model**

Standardization

- Create and establish a **"RENK Production System"**
- Implement **digital solutions and IT systems /-tools**
- Develop and establish a **future-oriented agile working culture**

Internationalization

- Implement a consistent and robust **make-or-buy strategy**
- Develop a **global footprint** with integrated S&OP and supply chain
- …

…

Status

Closing Remarks

Summary: As easy as 1, 2, and 3

RENK
Ambition

€2bn
Revenue

€400m
Adj. EBIT[1]

3

~€300m
Adj. EBIT[1]

~3%
Capex[3] as share of revenue

2

~20%
NWC[2] as share of revenue

>20%
ROCE

1

#1
In Transmissions[4]

15%
Organic revenue CAGR

1. Adj. EBIT is defined as operating profit before the PPA depreciation and amortization as well as income/losses from PPA asset disposals and adjusted for certain items which management considers to be exceptional or nonrecurring in nature. Adj. EBIT margin is defined as adj. EBIT divided by revenue; 2. Includes inventories, receivables, contract assets, trade payables, and contract liabilities; 3. Capex defined as payments to acquire property, plant and equipment, and intangible assets; 4. #1 position for transmissions in tracked military vehicles in our accessible markets