

RENK

Renk Group AG (R3NK GR)

COMPANY DESCRIPTION

Renk Group AG, headquartered in Augsburg, Germany, is a leading global provider of propulsion and drivetrain technology. The firm manufactures gearboxes, engines, bearings, and couplings for marine and military applications. The firm started off in 1873 as a manufacturer of gears, and first went public in 1923 after it was incorporated into German engineering group **MAN**. As part of MAN, Renk shifted into automotive and tank gearboxes. After **Volkswagen's** majority takeover of MAN in 2011, Renk AG became a member of the Volkswagen Group, from which it was demerged at the end of 2018. In 2020, the firm was sold to **Rebecca BidCo AG**, a portfolio company of private equity firm **Triton** and delisted from the Frankfurt Exchange in February 2021.

BUSINESS MODEL

Renk's business focuses on the design, engineering, production, testing and servicing of drivetrain technologies in defense, energy and industrial sectors. Customers include the US Army as well as forces of most European countries (e.g. Germany, UK, France), defense contractors such as **Saab**, **BAE Systems**, **Thales** and **KNDS**, who uses Renk's transmission in the Leopard 2 main battle tank. Energy sector customers include **General Electric**, **Siemens Energy**, **Exxon Mobil**,

among others. In order to bolster its presence on the North American market, **Renk** recently purchased the combat propulsion systems unit from **L3Harris Technologies** (LHX US) in 2021 for \$400 million.

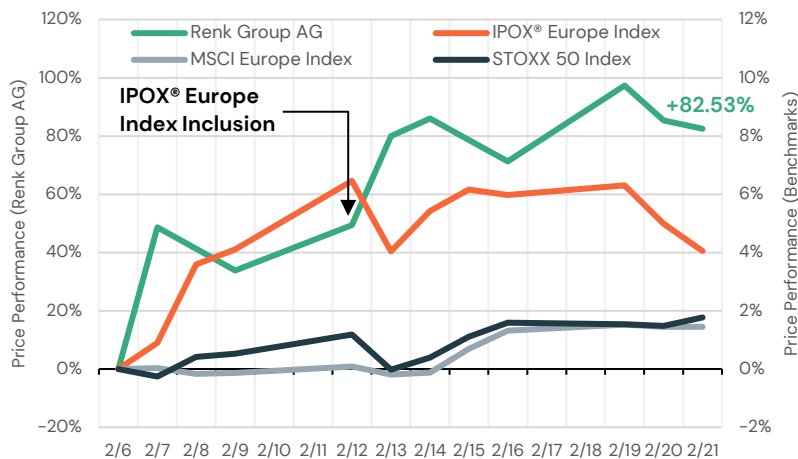
IPO HISTORY

On **02/07/2023**, Renk Group AG (Ticker: R3NK GR) returned to Frankfurt Stock Exchange led by Citi, Commerzbank, Deutsche Bank, Goldman Sachs, JP Morgan, Landesbank Baden Württemberg, and Unicredit. The engineering firm offered 29.68 million shares at €15.00 per share. Renk was valued at €1.5 billion at offer. The shares opened at €17.79 and closed the first day higher at €22.90 (+48.67%).

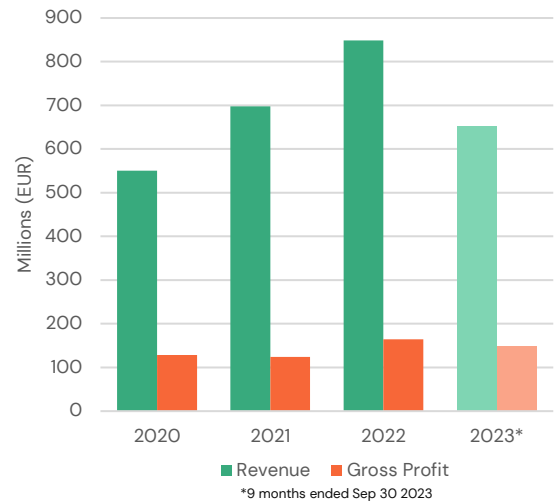
Renk Group AG was included in the **IPOX® 100 Europe Index** (ETF: **FPXE US**, **FPXE LN**, **FPX IM**) through an extraordinary corporate action on **02/12/2024**, replacing UK sports retailer **JD Sports Fashion**.

The firm has gained **+22.12%** since addition to the index and currently weighs about **0.54%** in the portfolio.

HISTORICAL PERFORMANCE



FINANCIAL PERFORMANCE



SELECT CUSTOMERS



INDUSTRY COMPARISON

With its IPO in 2024, Renk Group AG joined a number of public European defense-related companies, most of which have seen major increases in stock value since the escalation of the war between Russia and Ukraine on February 24, 2022, fueled by increased defense spending, mainly of NATO countries.

COMPANY	STOCK SYMBOL	IPO DATE	INITIAL RETURN	OFFER TO DATE (PR)	2024 YTD (PR)	SINCE START OF UKRAINE/RUSSIA WAR	BETA TO BENCHMARK	REVENUE
RENK	R3NK GR	2/7/2024	48.67%	82.53%	N/A	N/A	N/A	€849M
HENSOLDT	HAG GR	9/25/2022	-8.33%	209.09%	39.18%	140.62%	-0.16	€1,743M
RHEINMETALL	RHM GR	Rheinmetall went public in 1894			38.78%	286.09%	0.17	€6,940M
BAE SYSTEMS	BA/ LN	BAE Systems went public in 1981			11.80%	96.50%	1.28	€36,699M
THALES	HO FP	Thales went public in 2000			0.67%	52.61%	0.28	€18,125M
SAAB	SAABB SS	SAAB AB was founded in 1937			30.88%	249.08%	0.24	€4,501M