



Ad hoc: Vossloh Aktiengesellschaft: Transportation division will be presented as 'discontinued operations' – preliminary figures for 2017 and guidance for 2018

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Due to advanced sales discussions for the Locomotives business unit based in Kiel, Germany, the Executive Board of Vossloh AG decided today to present the last remaining business unit of the Transportation division as discontinued operations as of December 31, 2017. An impairment loss on the carrying amount was recognized in accordance with IFRS 5 based on the current status of the ongoing discussions. From today's perspective, Vossloh expects a positive net cash inflow from the sale of the business unit.

The presentation of Transportation as discontinued operations results in following preliminary, not audited sales and EBIT figures for the 2017 fiscal year (previous year figures have been adjusted accordingly). In the 2017 fiscal year, revenues from Vossloh's continuing operations increased significantly from the previous year. Group sales from continuing operations increased from €822.5 million to €918.3 million. With EBIT of €70.3 million above original expectations, the Group's EBIT margin was 7.7% in 2017. In the 2016 fiscal year, the comparable figures amounted to €57.5 million and 7.0%. Despite this encouraging development in the core business, Vossloh is ending the 2017 fiscal year with a negative net income attributable to shareholders of Vossloh AG. The reason is the significant negative result from discontinued operations caused by the impairment as well as losses incurred in the Transportation division in the 2017 fiscal year.

For 2018, the Vossloh Group expects sales at the level of the 2017 fiscal year. EBIT and thereby the EBIT margin are expected below the previous year's figures. The deciding factor for this are particularly the anticipated lower contributions to sales and earnings from the sale of fastening systems in China. Although the expansion of the high-speed network there continues to proceed at a fast pace and Vossloh's market position remains strong, project-related fluctuations are leading to temporarily weaker business performance. From today's

perspective, it will not be possible to fully compensate for this development despite the expectation of rising results in the Group's other divisions. In total, Group sales between €875 million and €950 million as well as an EBIT margin between 6.0% and 7.0% are expected in 2018. In 2019, a normalization of business activities in the Fastening Systems business unit in China and a noticeable revival in demand from Class I operators in the USA are expected – and thereby a corresponding improvement in profitability.

All the figures for the 2017 fiscal year are preliminary and therefore not audited yet. The consolidated financial statements for the Vossloh Group and the financial statements for Vossloh AG are being prepared by the Executive Board and will be approved by the Supervisory Board. The annual report with the combined management report will be published on March 22, 2018.