Grasping the future. Shaping the future.

Our Vision: The Smart Rail Track by Vossloh

Roadshow
May 2019
Agenda

1. Company overview

2. Investment highlights

3. Financial overview
Vossloh: A global leading player in the rail infrastructure industry

Profile

**Rail Infrastructure**

- **Core Components**
  - Fastening Systems, Tie Technologies
  - Standardized products in large quantities
  - Core competence: Cost optimization and technology trendsetter

- **Customized Modules**
  - Switch Systems
  - Modular solutions customized to suit specific projects
  - Core competence: Process leadership and technology trendsetter

- **Lifecycle Solutions**
  - Rail Services
  - Services around the rail
  - Core competence: Specialized services over the entire rail lifecycle

---

**Key financials group level**

<table>
<thead>
<tr>
<th></th>
<th>2017 in Mill.€</th>
<th>2018 in Mill.€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>867</td>
<td>979</td>
</tr>
<tr>
<td>Sales</td>
<td>918</td>
<td>865</td>
</tr>
<tr>
<td>EBIT</td>
<td>70</td>
<td>54,2</td>
</tr>
</tbody>
</table>
The collective Vossloh Story

Decades of experience in all segments

- **Foundation** of the company Eduard Vossloh, headquartered in Werdohl
- **Foundation** of Stahlberg-Roensch GmbH in Hamburg
- **Creation** of the current Vossloh AG, which is listed on the stock exchange
- **Takeover** of the Stahlberg-Roensch Group, track upkeep and logistics services
- **Acquisition of Rocla Concrete Tie, Inc.** portfolio expansion with concrete ties and crossing panels for the North American market

- 1888
- 1904
- 1948
- 1986
- 1990
- 2002
- 2010
- 2014
- 2017
- 2018

- **Foundation** of the Société de Construction et d’Embranchements Industriels in Reichshoffen/Alsace
- **Foundation** of Rocla Concrete Tie in Lakewood, Colorado, USA
- **Acquisition** of the French Cogifer Group: a leading provider for switch systems worldwide
- **New strategy** focusing on rail infrastructure and organization of the Group in three divisions under the central guiding principle “One Vossloh”
- **Acquisition** of the Australian concrete tie manufacturer Austrak Pty Ltd. and of the rail milling business of STRABAG Rail GmbH
Agenda

1. Company overview

2. Investment highlights

3. Financial overview
Key investment highlights

1. Global player with a leading market position
2. Sustainable growth market with high entry barriers
3. Technology leadership with integrated portfolio
4. Four strategic fields of action
5. Our Vision: The Smart Rail Track by Vossloh
Global player with leading market position

Global expertise in more than 90 Countries

America
€159.5 mill.

Europe total
€530.5 mill.

Africa
€19.3 mill.

Asia
€132.2 mill.

Australia
€23.5 mill.

(1) Sales figures of financial year 2018.
Accessible rail technology market (2021E–2023E)\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>+2.3%</td>
</tr>
<tr>
<td>NAFTA</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>+2.5%</td>
</tr>
<tr>
<td>CIS</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>+2.7%</td>
</tr>
<tr>
<td>Africa/Middle East</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Latin America</td>
<td>+5.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>+2.6%</strong></td>
</tr>
</tbody>
</table>

Countries with Vossloh sales > €50 million in 2017
Countries with Vossloh sales < €50 million in 2017

\(^{(1)}\) Average yearly total volume of the accessible market for railway technology in the period 2021E–2023E, source: World Rail Market Study forecast 2018, UNIFE The European Rail Industry, Roland Berger Strategy Consultants

2 Sustainable growth market with high entry barriers

UNIFE study shows good medium- and long-term market potential

UNIFE: Infrastructure and Infrastructure services

in € mill.

| Period         | Total Value in € million | CAGR (%)
|----------------|--------------------------|----------
| 2013-2015      | ∑ 26,007$^{(1)}$         |          |
| 2015-2017      | ∑ 27,296$^{(1)}$         | + 2.5%$^{(1)}$ |

UNIFE forecast: Infrastructure and Infrastructure services

in € mill.

| Period         | Total Value in € million | CAGR (%)
|----------------|--------------------------|----------
| 2018-2020      | ∑ 28,613$^{(2)}$         | + 1.6%$^{(2)}$ |
| 2021-2023      | ∑ 32,182$^{(3)}$         | + 2.8%$^{(3)}$ |


(2) Average yearly volume of the accessible market in the segments infrastructure and infrastructure services in € million, CAGR 2018–2020 compared to 2015–2017.

## Sustainable growth market with high entry barriers

Positive developments in focus markets

**Western Europe**
- World’s largest market for railway technology; leading market positions with at least one business unit in almost all countries
- Acquisition of rail milling business of STRABAG Rail GmbH and expands the existing service activities in the rail milling segment; Vossloh is positioning itself as a leading provider of rail milling in Europe; market for rail milling offers attractive growth rates
- Long-term framework agreements for switch components in Sweden and Italy signed with total volume of up to €100 million

**Russia**
- Third largest rail network worldwide: ~ 130,000 km\(^{(1)}\); high modernization needs
- Opening of a modern production facility for rail fastening systems in Russia at the end of 2017
- Technology alliance with leading Russian tie manufacturer
- Very good starting position for expected market growth, strong performance in 2018, for 2019 again significant increase of business expected

**China**
- Second largest rail network worldwide: >200,000 km\(^{(1)}\)
- At the end of 2018 around 25,000 km in high-speed network; expansion to more than 38,000 km planned by 2025; in addition, high investment needs in regional transportation networks
- Persistently good market position in Fastening Systems business unit; in 2018, three major orders with a volume of around EUR 85 million; further major order with a volume of EUR 40 million won in May 2019

**North America**
- Largest rail network in the world: >400,000 km\(^{(1)}\), focus is on freight traffic routes
- Decline in demand for Vossloh products since the end of 2015, mainly due to lower coal transport
- Framework contracts with CN strengthen long-term market position
- Good economic situation leads to high utilization of transport hubs, higher investments in maintenance expected in the future

---

\(^{(1)}\) Source: World Rail Market Study 2018, UNIFE The European Rail Industry, Roland Berger Strategy Consultants
### Sustainable growth market with high entry barriers

**Vossloh’s strong and sustainable market position**

<table>
<thead>
<tr>
<th>Diverse market entry barriers</th>
<th>Sustainable Vossloh market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven success story</td>
<td>▪ &gt;100 years operational business activities in the railway supply industry</td>
</tr>
<tr>
<td></td>
<td>▪ Industry-standard technology</td>
</tr>
<tr>
<td>Strict approval procedure/homologation</td>
<td>▪ High number of certifications allow for product and service offerings for all applications and regions</td>
</tr>
<tr>
<td></td>
<td>▪ High time to market for innovations</td>
</tr>
<tr>
<td>High quality standards</td>
<td>▪ Customer-accredited and innovative product portfolio</td>
</tr>
<tr>
<td></td>
<td>▪ Comprehensive and continuous research and development</td>
</tr>
<tr>
<td>System expertise</td>
<td>▪ Specialized product range that can be used worldwide for most applications</td>
</tr>
<tr>
<td></td>
<td>▪ Broad sample portfolio</td>
</tr>
<tr>
<td>Strong customer and supplier relationships</td>
<td>▪ Customized customer solutions for the entire lifecycle of the track</td>
</tr>
<tr>
<td></td>
<td>▪ Long-standing supplier network</td>
</tr>
</tbody>
</table>
Technology leadership through an integrated portfolio

Products and solutions from a single source
Technology leadership through an integrated portfolio
Total solutions for customers through networked expertise

Core Components
- Technological know-how and many years of experience are the basis for market leadership
- Strong focus on cost efficiency
- A worldwide leading supplier of fastening systems with production facilities in Germany, China, Poland, the U.S. and Russia
- Leading supplier of concrete ties in North America and Australia; several plants in close proximity to Class 1 operators

Product business

Customized Modules
- Strong solution expertise in all areas of switch systems and more than a century of experience
- A global market and technology leader in the switches segment
- Local manufacturing presence in around 20 countries promotes optimized and customized customer solutions
- Complementary offering of safety equipment, signaling systems and monitoring products

Project business

Lifecycle Solutions
- Services for the entire lifecycle of rails and switches
- Unique and patented high-speed grinding technology combined with milling technology offers significant benefits to customers, significantly reduces lifecycle costs and increases track availability

Service business
Four strategic areas of action

Key drivers of the Vossloh strategy

Innovation
- Promoting innovation and “open thinking”
- Implementation of Group-wide innovation management in the area of "Smart Track" and "Digitization"
- Development of "Asset condition monitoring” solutions
- **Goal:** Improve competitive position through innovative products and processes as well as business models through a Group-wide, structured innovation process

Operative excellence
- Added value for customers based on industrial top performance
- State-of-the-art product lines, within an optimal regional production network with locations of expertise and higher internal added value
- **Goal:** Improve cost and competitive position by optimizing industrial presence and "lean" structures

Personnel
- "The Smart Rail Track by Vossloh” sets new goals for corporate organization
- Personnel development through rotation and mutual learning under the One Vossloh umbrella
- **Goal:** Establish a young and digital culture in the industrial environment to create attractive jobs for the next generation

Acquisitions and partnerships
- What Vossloh can’t do on its own or through innovation is acquired or realized through partnerships
- Building partnerships/cooperations with start-ups and technology companies in the area of "digitization" and “big data” analysis
- **Goal:** Growth and strengthening of market position in selected attractive product segments and markets
## Our vision:

**The Smart Rail Track by Vossloh**

### Strategic direction

- **Short-term:** Data access track and turnout through digital enabling of products/services
- **Mid-term:** “Stepless” modular solution portfolio for optimal maintenance offers
- **Long-term:** Digitally enabled provider of holistic predictive solutions to optimize costs, product life span and availability

### Customer value driver

<table>
<thead>
<tr>
<th>Sense</th>
<th>See</th>
<th>Solve</th>
</tr>
</thead>
</table>
| Monitoring of data with relevance for the maintenance of turnout and rail (later whole rail track) | Problem analysis  
Error prognosis  
Maintenance recommendations | Asset management  
Execution of maintenance |

### Focus

- **Customer value driver**
- **Sense**
- **See**
- **Solve**
Digitalization for maximum track availability (I)

- In an ideal world, the condition of railway infrastructure is known at all times and maintenance can be planned in advance
- Artificial intelligence recognizes and analyzes potential damage to the track and gives recommendations for action
- Innovative Vossloh software MR.pro offers extensive analysis tools for evaluating and visualizing condition and substance of the track
- Condition-based maintenance by collecting relevant data and linking to existing data
- The exchange of data between supplier and operator is decisive for successful digitalization
- Joint analysis to fully pinpoint the reasons for disruptions and delays
Digitalization for maximum track availability (II)

- Switches are an ideal starting point for continuous collection of condition data with sensors
- Forward-looking IoT sensors enable real-time analysis of the state of switch systems
- Vossloh sensors freely configurable and detection of numerous parameters possible

- Maintenance machines in the Lifecycle Solutions division fitted with sensors to collect condition data
- Section profile errors can be measured at a working speed of 80 km/h; cracks are usually detected by eddy current sensors
- Condition data is sent to a central cloud

Goal: Maximum track availability at reasonable costs for operators
Digitalization opens new business models

### Today
- Condition assessment at intervals partly entails high personnel and material costs
- Cyclical and corrective maintenance based on historically established rules
- Inadequate review of maintenance measures for effectiveness and sustainability
- Low penetration of interrelationships between operations and maintenance/wear and tear over the lifecycle of the rail tracks

### Tomorrow
- Measurement, transmission and analysis of availability-relevant and cost-intensive components and subsystems
- Condition-based and thus planned maintenance
- Data-based updating/further development of operation and maintenance policy
- Learning and forecasting changes in conditions based on data analytics and AI algorithms and enabling lifecycle considerations
Agenda

1. Company overview
2. Investment highlights
3. Financial overview Q1/2019
Strong development of orders received continues in Q1/2019

**Operating performance in the core business**
- Group sales increased in the first quarter of 2019 as expected, particularly due to acquisitions at Vossloh Tie Technologies and Lifecycle Solutions
- EBIT and profitability slightly below the previous year, but within expectations
- Essential cornerstones of a performance program decided
- Outlook for 2019 with regard to the operating business and 2020 preview confirmed

**Order situation continues to improve**
- Long-term framework agreements signed in the Customized Modules division for Sweden (over €75 million) and Italy (€25 million)
- Orders received above the previous year in all divisions, at a record level in Customized Modules, in addition significant upturn in Core Components
- Book-to-bill ratio at a high 1.48 in Q1/2019
- Additional order intake expected for rail fasteners in China

**Sales process Transportation**
- Sales process of locomotives business: Intensive negotiations with several potential buyers continue
- Contract expected to be signed in the next months
Sales noticeably higher, net income significantly below previous year

<table>
<thead>
<tr>
<th>Key group indicators</th>
<th>1-3/2018</th>
<th>1-3/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>€ mill.</td>
<td>178.3</td>
</tr>
<tr>
<td>EBIT</td>
<td>€ mill.</td>
<td>1.6</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>%</td>
<td>0.9</td>
</tr>
<tr>
<td>Net income</td>
<td>€ mill.</td>
<td>1.4</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>€</td>
<td>0.04</td>
</tr>
<tr>
<td>Free cash flow(^1)</td>
<td>€ mill.</td>
<td>(34.6)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>€ mill.</td>
<td>5.8</td>
</tr>
<tr>
<td>Value added</td>
<td>€ mill.</td>
<td>(12.8)</td>
</tr>
</tbody>
</table>

**Notes**

- **Sales revenues** above the previous year, particularly due to stronger business development in Core Components (also as a result of the Austrak acquisition in 2018)
- **EBIT** and **EBIT margin** below the previous year due to lower earnings contributions from Customized Modules and Lifecycle Solutions; Core Components EBIT better than previous year
- **Net income** significantly below prior year; result from discontinued operations also burdened as a result of impairments
- **Free cash flow** significantly negative due to a seasonally typical increase in working capital
- **Value added** influenced by an increase in capital employed following acquisitions at the end of 2018 and first-time application of IFRS 16

---

\(^1\) Includes also the effects of discontinued operations; free cash flow comprises the cash flow from operating activities, investments in intangible assets and property, plant and equipment, and cash receipts and payments associated with companies accounted for using the equity method.
## Vossloh Group

### Net financial debt higher due to working capital increase in Q1

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>527.1</td>
<td>523.3</td>
<td>503.4</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>43.4</td>
<td>41.4</td>
<td>34.9</td>
</tr>
<tr>
<td>Average working capital</td>
<td>203.2</td>
<td>218.1</td>
<td>237.9</td>
</tr>
<tr>
<td>Average working capital intensity</td>
<td>28.5</td>
<td>25.2</td>
<td>31.3</td>
</tr>
<tr>
<td>Closing working capital</td>
<td>216.4</td>
<td>216.0</td>
<td>259.9</td>
</tr>
<tr>
<td>Average capital employed</td>
<td>768.6</td>
<td>799.7</td>
<td>907.9</td>
</tr>
<tr>
<td>Closing capital employed</td>
<td>778.5</td>
<td>862.0</td>
<td>953.8</td>
</tr>
<tr>
<td>Net financial debt¹)</td>
<td>248.1</td>
<td>307.3</td>
<td>370.7</td>
</tr>
</tbody>
</table>

### Notes

- **Equity** decreased primarily due to negative net income, equity ratio in addition affected by the balance sheet extension resulting from first-time application of IFRS 16
- Higher average working capital intensity, mainly because of higher average working capital in Core Components
- **Capital employed** above the previous year’s quarter as a result of acquisitions end-2018; higher than at the end of the previous year due to IFRS 16 first-time application and higher working capital
- **Net financial debt** higher than at the end of the previous year, primarily due to seasonally driven negative free cash flow as well as interest payments

¹) Net financial debt as of 3/31/2019 w/o impact from IFRS 16. Taking into account IFRS 16, net financial debt as of 3/31/2019 would increase by €56.1 million
Vossloh Group

Orders received increased by more than 30 percent

Orders received (in € mill.)

<table>
<thead>
<tr>
<th></th>
<th>1-3/2018</th>
<th>1-3/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Components</td>
<td>211.4</td>
<td>281.0</td>
</tr>
<tr>
<td>Customized Modules</td>
<td>143.7</td>
<td>160.0</td>
</tr>
<tr>
<td>Lifecycle Solutions</td>
<td>42.9</td>
<td>36.4</td>
</tr>
</tbody>
</table>

Order backlog (in € mill.)

<table>
<thead>
<tr>
<th></th>
<th>3/31/2018</th>
<th>3/31/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Components</td>
<td>513.2</td>
<td>686.1</td>
</tr>
<tr>
<td>Customized Modules</td>
<td>362.3</td>
<td>404.7</td>
</tr>
<tr>
<td>Lifecycle Solutions</td>
<td>121.0</td>
<td>256.0</td>
</tr>
</tbody>
</table>

Notes

- **Orders received** increased in all divisions; significantly improved order situation in both business units of the Core Components division; Customized Modules exceeds the high figure in the previous year by 11.3 percent; outstanding high number of orders received by Lifecycle Solutions in Q1/2019; book-to-bill ratio in the Group at 1.48

- **Order backlog** of the Vossloh Group 33.7 percent higher at the end of Q1/2019 than in the previous year: Increase also attributable in part to three major orders in China from 2018 (€85 million) in the Fastening Systems business unit
Core Components division

Sales and EBIT above the previous year

- Sales in the first quarter of 2019 23.2 percent higher than in the previous year; increase primarily attributable to Vossloh Tie Technologies and, to a lesser extent, Vossloh Fastening Systems
- EBIT slightly above the previous year due to higher sales; EBIT margin burdened by effects from the purchase price allocation following the acquisition of Austrak
- Value added at the previous year’s level, despite higher average capital employed due to the Austrak acquisition and the first-time application of IFRS 16

<table>
<thead>
<tr>
<th></th>
<th>Sales (in € mill.)</th>
<th>EBIT (in € mill.)</th>
<th>EBIT margin (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3/2018</td>
<td>58.5</td>
<td>5.6</td>
<td>9.6</td>
</tr>
<tr>
<td>1-3/2019</td>
<td>72.0</td>
<td>6.5</td>
<td>9.0</td>
</tr>
</tbody>
</table>

| ROCE (in percent) | 1-3/2019: 9.4 | 1-3/2018: 10.2 |
| Value added (in € mill.) | 1-3/2019: 1.3 | 1-3/2018: 1.5 |
Fastening Systems business unit

Sales and value added slightly above the previous year

- Sales 6.1 percent above the previous year, particularly due to improved business development in the US and Russia; in contrast, slightly lower sales contributions from Poland and Italy
- Slight increase in value added despite higher average capital employed as a result of higher working capital
- Order backlog more than doubled compared to the previous year, particularly due to very good order development in China; book-to-bill at 1.33 (previous year: 0.81)

<table>
<thead>
<tr>
<th>Sales (in € mill.)</th>
<th>Value added (in € mill.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3/2018</td>
<td>1-3/2019</td>
</tr>
<tr>
<td>43.4</td>
<td>46.0</td>
</tr>
<tr>
<td>2.8</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Orders received (in € mill.)
- 1-3/2019: 61.3
- 1-3/2018: 35.3

Order backlog (in € mill.)
- 3/31/2019: 206.4
- 3/31/2018: 92.3
Tie Technologies business unit

Sales significantly increased also due to acquisitions

<table>
<thead>
<tr>
<th>Sales (in € mill.)</th>
<th>Value added (in € mill.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3/2018 15.1</td>
<td>1-3/2018 (1.3)</td>
</tr>
<tr>
<td>1-3/2019 28.5</td>
<td>1-3/2019 (1.6)</td>
</tr>
</tbody>
</table>

- Higher sales, particularly due to the acquisition of Austrak at the end of 2018 (+ €7.4 million); also an increase in sales from deliveries under the framework agreement with CN
- Value added affected by goodwill from the acquisitions of Rocla and Austrak
- Orders received significantly higher compared to the previous year, book-to-bill of 1.12 (previous year: 0.50)
Customized Modules division

Sales and EBIT still below prior year, orders received at a very high level

- Sales slightly below the previous year; lower sales from the Netherlands, Poland and Germany only partially offset by higher sales in India and Italy
- EBIT below the previous year in the first quarter of 2019 due to slightly lower sales and weaker business development in the US; also initial negative impact from employee layoffs
- Orders received at a record level in the first quarter, particularly due to additional orders from the Netherlands, the US and Singapore

<table>
<thead>
<tr>
<th>Sales (in € mill.)</th>
<th>EBIT (in € mill.)</th>
<th>EBIT margin (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>106.4</td>
<td>2.3</td>
<td>2.1</td>
</tr>
<tr>
<td>101.0</td>
<td>(0.3)</td>
<td>(0.3)</td>
</tr>
</tbody>
</table>

ROCE (in percent)
- 1-3/2019: (0.3)
- 1-3/2018: 2.2

Value added (in € mill.)
- 1-3/2019: (8.8)
- 1-3/2018: (5.6)
Lifecycle Solutions division

Sales significantly higher, EBIT seasonally typical still negative

- Sales 25.1 percent higher than in the previous year, particularly due to higher sales in the milling business and in the high-speed grinding segment.
- EBIT still negative, as is typical for the season; lower contributions to earnings from the Stationary Services and Logistics segments, also burdened by amortization on disclosed hidden reserves from the acquired milling business.
- Value added in addition to EBIT development negatively affected by the first-time application of IFRS 16.

<table>
<thead>
<tr>
<th>Sales (in € mill.)</th>
<th>EBIT (in € mill.)</th>
<th>EBIT margin (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3/2018: 15.3</td>
<td>1-3/2018: (1.9)</td>
<td>1-3/2018: (12.1)</td>
</tr>
<tr>
<td>1-3/2019: 19.1</td>
<td>1-3/2019: (2.6)</td>
<td>1-3/2019: (13.6)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ROCE (in percent)</th>
<th>Value added (in € mill.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3/2019: (5.7)</td>
<td>1-3/2019: (6.0)</td>
</tr>
<tr>
<td>1-3/2018: (5.6)</td>
<td>1-3/2018: (4.3)</td>
</tr>
</tbody>
</table>
Sales increases primarily in Canada and Australia

<table>
<thead>
<tr>
<th>Region</th>
<th>1-3/2018</th>
<th>1-3/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Americas (in € mill.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rest of Americas</td>
<td>35</td>
<td>42</td>
</tr>
<tr>
<td>USA</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>The Americas</td>
<td>27</td>
<td>27</td>
</tr>
</tbody>
</table>

Higher Canada sales while continued weak US business

<table>
<thead>
<tr>
<th>Europe (in € mill.)</th>
<th>105</th>
<th>105</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Europe</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Northern Europe</td>
<td>54</td>
<td>53</td>
</tr>
<tr>
<td>Western Europe</td>
<td>15</td>
<td>18</td>
</tr>
</tbody>
</table>

Sales nearly unchanged from the previous year in all European regions

<table>
<thead>
<tr>
<th>Africa and Australia (in € mill.)</th>
<th>105</th>
<th>105</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Africa</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Middle East</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Asia</td>
<td>28</td>
<td>29</td>
</tr>
</tbody>
</table>

Sales increased in Australia caused by Austrak; in Africa, lower contributions from Guinea

<table>
<thead>
<tr>
<th>Asia incl. Middle East (in € mill.)</th>
<th>105</th>
<th>105</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Asia</td>
<td>20</td>
<td>24</td>
</tr>
</tbody>
</table>

Lower sales in the Middle East offset by higher sales contributions from Asia
**Performance program**

**Personnel expenses**
Reduction in number of employees by 5 percent compared to year-end 2018; concrete measures currently work in progress

**Unprofitable activities**
Consistent review of unprofitable activities in the Vossloh Group

**Capital expenditure**
Capex savings in all business units; necessity of each capex project currently under review

**Overhead**
Reduction of different cost types, not attributable to the production process; concrete measures currently work in progress

**Working capital**
Measures for short-term and sustainable working capital reduction; concrete measures currently work in progress

---

**Target of the 5 cornerstones:**

1. Sustainable increase in profitability
2. Short- and long-term increase in self-financing capability for the Vossloh Group

Long-term strengthening of competitiveness and expansion of Vossloh’s financial scope for future growth in an increasingly digital rail world

---

*Necessary decisions in 2019, Measure implementation mainly in 2019*
Looking ahead to 2020

- Forecast sales range €950 – 1,050 million: Stronger deliveries in China, forecasted upturn in North America and expected growth in milling business to provide higher sales revenues than in 2019
- Forecast EBIT range €65 – 80 million

General market conditions

- Good order situation forms basis for future growth
- Higher visibility of deliveries to China following three major project wins in 2018, majority of deliveries to be made in 2020 based on current information

Outlook for 2019 with regard to the operating business

- Forecast sales range €900 – 1,000 million: Sales increases from 2018 in the Core Components and Lifecycle Solutions divisions primarily due to the acquisitions of Austrak and the milling business, higher sales also expected for Customized Modules
- Forecast EBIT range €50 – 60 million: Effects on earnings from the performance program cannot yet be sufficiently quantified from the current perspective and therefore are still not incorporated in the outlook
- Value added expected to be below previous year’s negative figure
### Financial calendar and contact information

#### How you can reach us

<table>
<thead>
<tr>
<th>Financial calendar 2019</th>
<th>Interim report as of June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ July 25, 2019</td>
<td>▪ October 24, 2019</td>
</tr>
<tr>
<td></td>
<td>▪ Quarterly statement as of September 30, 2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact information for investors:</th>
<th>Contact information for the media:</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Dr. Daniel Gavranovic</td>
<td>▪ Gundolf Moritz (Mirnock Consulting)</td>
</tr>
<tr>
<td>▪ Email: <a href="mailto:investor.relations@vossloh.com">investor.relations@vossloh.com</a></td>
<td>▪ Email: <a href="mailto:presse@vossloh.com">presse@vossloh.com</a></td>
</tr>
<tr>
<td>Phone: +49 (0) 23 92 / 52-609</td>
<td>Phone: +49 (0) 23 92 / 52-608</td>
</tr>
<tr>
<td>Fax: +49 (0) 23 92 / 52-219</td>
<td>Fax: +49 (0) 23 92 / 52-219</td>
</tr>
</tbody>
</table>