vossloh

PRESENTATION BERENBERG EUROPEAN CONFERENCE 2020

DECEMBER 2020

Oliver Schuster, CEO
Dr. Thomas Triska, CFO

DISCLAIMER

NOTE

This presentation contains statements concerning the future business performance of the Vossloh Group that are based on assumptions and estimates from the Company management. If the assumptions that the projections are based on fail to occur, the actual results of the projected statements may differ substantially. Uncertainties include changes in the political, commercial and economic climate, the actions of competitors, legislative reforms, the effects of future case law and fluctuations in exchange rates and interest rates. Vossloh and its Group companies, consultants and representatives assume no responsibility for possible losses associated with the use of this presentation or its contents. Vossloh assumes no obligation to update the forecast statements in this presentation.

The information contained in this presentation does not constitute an offer or an invitation to sell or buy Vossloh shares or the shares of other companies.

THE VOSSLOH GROUP

PROFILE

As a rail infrastructure company, we produce tried-and-tested key components and modules.

To this end, we are a single-source provider of integrated solutions and services that cover the entire rail lifecycle – with the goal of maximum track availability.

Vossloh is a technologically leading Group in the field of rail infrastructure.
We provide our customers around the world with integrated railway solutions.

The Vossloh Group is represented in approximately 20 countries with fully consolidated companies. With approximately 3,786 employees the Group – which is listed on the stock exchange – achieved 2019 sales of €916 Million; almost 45 percent of it was outside Europe.

vossloh

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

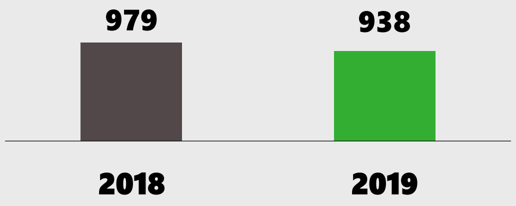
Core competence: Specialized
services over the entire rail lifecycle

› VOSSLOH IS ONE OF THE TOP PROVIDERS FOR FASTENING & SWITCH SYSTEMS WORLDWIDE

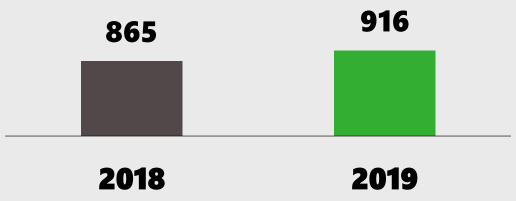
KEY FINANCIALS GROUP LEVEL

in € mill.

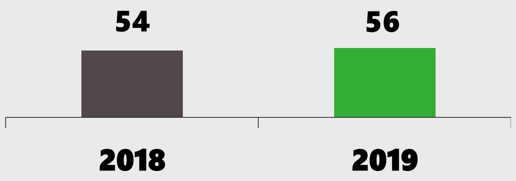
ORDERS RECEIVED



SALES



EBIT (2019 adj.)



Figures 31.12.2019

vossloh

HISTORY OF VOSSLOH'S CORE BUSINESS

DECADES OF EXPERIENCE IN ALL SEGMENTS

1888
Foundation of the company Eduard Vossloh, headquartered in Werdohl

1904
Foundation of the Société de Construction et d'Embranchements Industriels in Reichshoffen/Alsace

1948
Foundation of Stahlberg-Roensch GmbH in Hamburg

1986
Foundation of Rocla Concrete Tie in Lakewood, Colorado, USA

1990
Creation of the current Vossloh AG, which is listed on the stock exchange

2002
Acquisition of the French Cogifer Group; a leading provider for switch systems worldwide

2010
Takeover of the Stahlberg-Roensch Group, track upkeep and logistics services

2014
New strategy focusing on rail infrastructure and organization of the Group in three divisions under the central guiding principle "One Vossloh"

2017
Acquisition of Rocla Concrete Tie, Inc. portfolio expansion with concrete ties and crossing panels for the North American market

2018
Acquisition of the Australian concrete tie manufacturer Austrak Pty Ltd. and of the rail milling business of STRABAG Rail GmbH

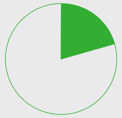
vossloh

THE VOSSLOH GROUP

GLOBAL EXPERTISE IN MORE THAN 100 COUNTRIES

AMERICA

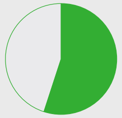
€187.6 Mill.



20.5 %

EUROPE

€504.2 Mill.



55.0 %

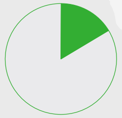
AFRICA

€15.0 Mill.

1.7 %

ASIA

€149.7 Mill.



16.3 %

AUSTRALIA

€59.9 Mill.

6.5 %

Figures 31.12.2019

TECHNOLOGY LEADERSHIP THROUGH AN INTEGRATED PORTFOLIO

Products & solutions from a single source

vossloh

INTEGRATED RAIL INFRASTRUCTURE SOLUTIONS

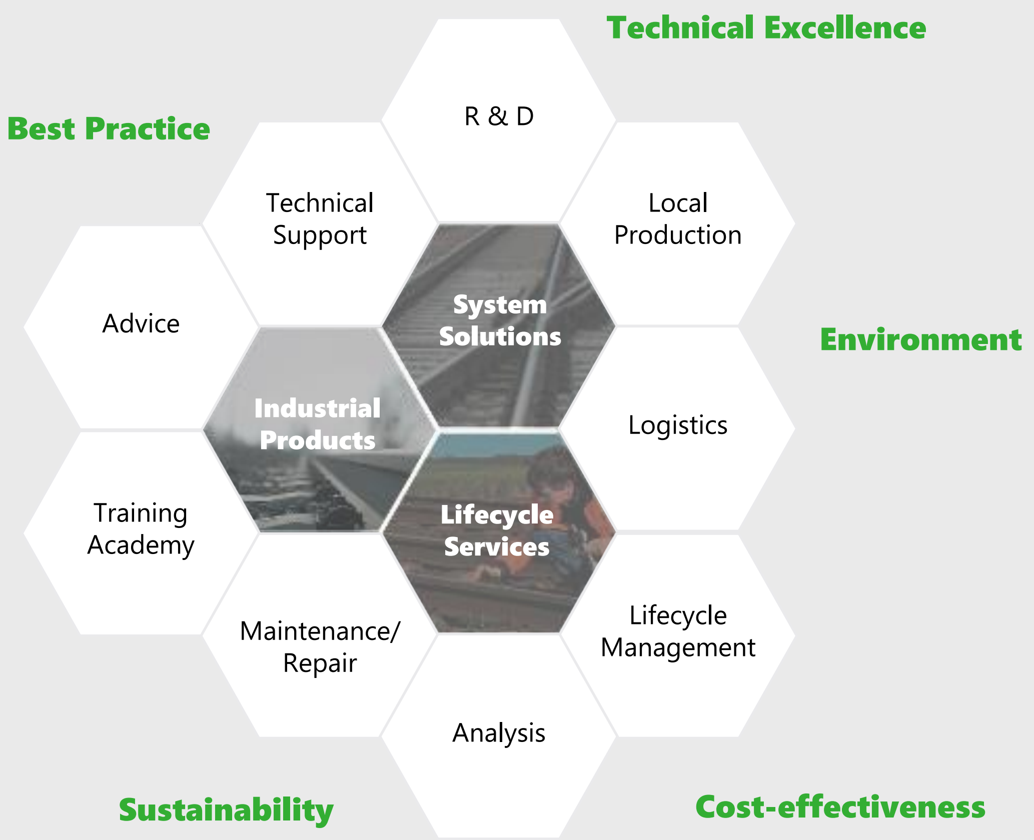
ADDED VALUE FOR CUSTOMERS

Vossloh takes comprehensive consideration of the entire lifecycle with regard to the track system and all its components.

Vossloh offers established products, technologies and services from a single source.

Vossloh provides project-orientated consultancy services and delivers well-founded approaches for customized solutions.

This integrated approach and the understanding of the rail track as a holistic system differentiates us from other competitors and offers our customers decisive advantages.



vossloh

PRODUCTS AND SOLUTIONS FROM A SINGLE SOURCE

OUR PRODUCT RANGE

ALL APPLICATION AREAS

DECADES OF EXPERIENCE IN THE FIELD OF RAIL INFRASTRUCTURE

Vossloh has amassed decades' worth of experience around the world in all areas of rail infrastructure. Our solutions satisfy the highest requirements in terms of safety, cost-effectiveness and eco-compatibility.

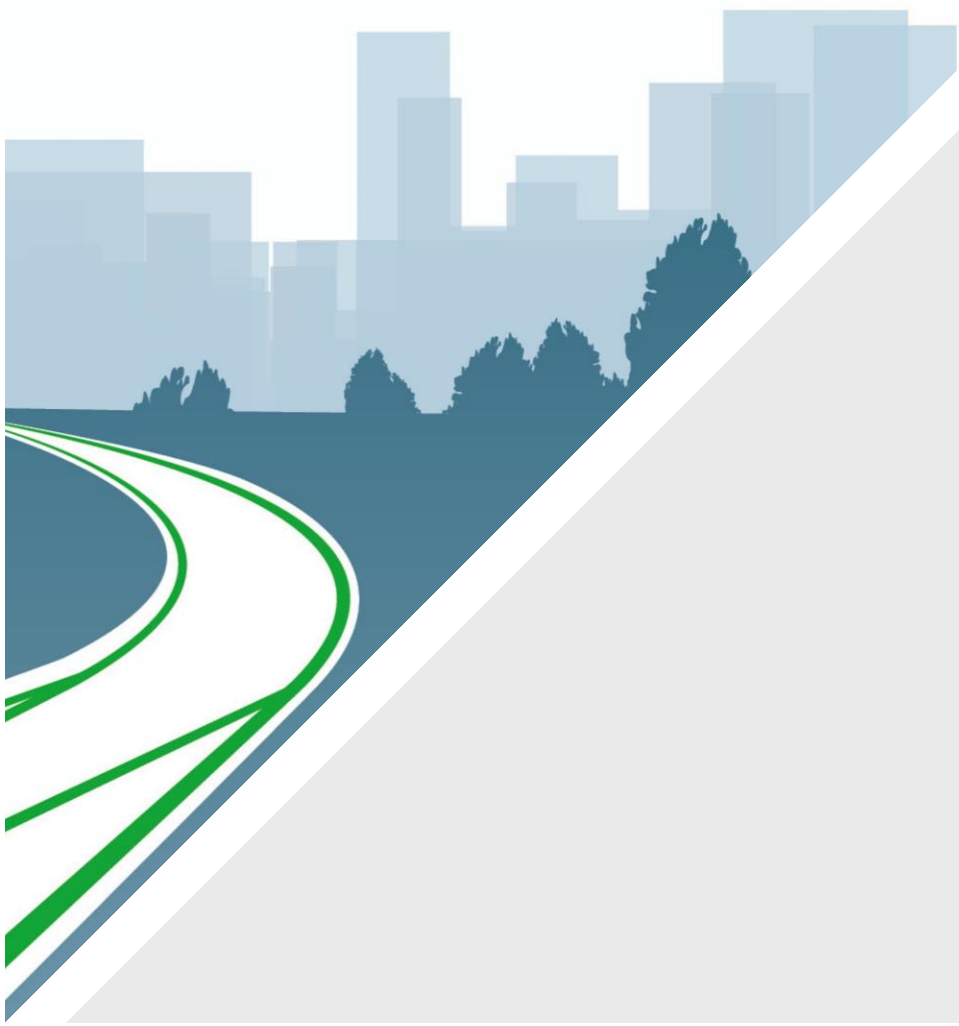
Main lines

Heavy-haul lines

High-speed lines

Urban public transport

vossloh



INTERIM REPORT Q3/2020

VOSSLOH GROUP:
FOCUSED. DYNAMIC. GREEN.

vossloh

VOSSLOH GROUP: FOCUSED. DYNAMIC. GREEN.

VERY STRONG EARNINGS AND PROFITABILITY DEVELOPMENT IN THE THIRD QUARTER OF 2020, PROFITABILITY EXPECTATION RAISED

OPERATIONAL BUSINESS PERFORMANCE

Sales for the third quarter of 2020 at €224.5 million, above the previous year's portfolio-adjusted figure of €208.5 million

EBIT margin for the third quarter of 2020 at 10.9 percent (Q3/2019 adjusted: 5.1 percent); increase in profitability mainly due to operational improvements, among others from the performance program

Orders received in Q3/2020 up 21.1 percent year-on-year on a comparable basis

Profitability expectation raised for 2020

Net income at a positive €9.1 million after 9 months despite adverse effects from the sale of Vossloh Locomotives in the first two quarters

COVID-19 – CURRENT SITUATION

Relatively limited adverse effects from COVID-19 for the Vossloh Group in the third quarter of 2020; overall, the first nine months of the year saw a sales shortfall in the order of €55 million and a negative impact on EBIT in the order of €15 million due to COVID-19

Further burdens in the Vossloh Group in the course of the year are likely, mainly due to sales postponements from projects delayed into the following years, particularly for new construction projects

From a current perspective, the impact of the pandemic is expected to negatively influence sales and earnings in the 2021 fiscal year as well

CHANGES TO THE EXECUTIVE BOARD

Dr. Karl Martin Runge leaving the Executive Board at the end of October 31, 2020

Dr. Thomas Triska and Jan Furnivall joining the Group Executive Board

Dr. Thomas Triska is assuming responsibility for Finance, including Investor Relations, and Jan Furnivall will oversee Sales, Technics and EHS/Sustainability

VOSSLOH GROUP

EBIT AND EBIT MARGIN SIGNIFICANTLY INCREASED, NET INCOME POSITIVE AGAIN

KEY GROUP INDICATORS		1–9/2019	1–9/2020
Sales revenues	€ mill.	662.1[1]	617.7
EBITDA/EBITDA margin **(2019 adjusted)**	€ mill./%	70.7/10.7	91.7/14.8
EBIT/EBIT margin **(2019 adjusted)**	€ mill./%	31.9/4.8	54.5/8.8
Net income	€ mill.	(85.4)	9.1
Earnings per share	€	(5.30)	0.45
Free cash flow (core business)	€ mill.	(27.5)	2.2
Free cash flow (discontinued operations)	€ mill.	(43.3)	(54.1)
Capital expenditure	€ mill.	33.9	42.1
Value added	€ mill.	(57.3)	9.0

NOTES

Sales revenues roughly €46 million lower than previous year due to portfolio changes; Core Components and Lifecycle Solutions higher than previous year, Customized Modules lower than previous year due to portfolio and pandemic factors

EBIT and **EBIT margin** significantly higher year-on-year; besides earnings effect from a business combination achieved in stages of a company in the Fastening Systems business unit (€15.6 million) mainly thanks to savings from the 2019 performance program; Customized Modules and Lifecycle Solutions substantially improved

Net income turns positive following strong earnings performance in Q3 despite adverse effects from discontinued operations of roughly €26 million; previous year's figure burdened by negative result from discontinued operations and one-time effects from the performance program

Free cash flow in core business significantly improved compared to previous year; free cash flow from discontinued operations following the sale of the locomotive business remains unchanged at the value reported as of the end of the first half of the year

Capital expenditure substantially higher, particular increase in the Lifecycle Solutions and Customized Modules divisions

[1] Excluding sales from the U.S. activities sold at the end of 2019, sales came to €615.7 million.

vossloh

VOSSLOH GROUP

EQUITY RATIO SUBSTANTIALLY INCREASED COMPARED TO THE END OF 2019

KEY GROUP INDICATORS		1–9/2019 9/30/2019	2019 12/31/2019	1–9/2020 9/30/2020
Equity	€ mill.	463.2	403.6	403.9
Equity ratio	%	32.7	30.3	32.9
Average working capital	€ mill.	235.1	227.2	188.2
Average working capital intensity	%	26.6	24.8	22.9
Closing working capital	€ mill.	226.9	180.3	206.5
Average capital employed	€ mill.	916.5	904.1	867.0
Closing capital employed	€ mill.	894.4	839.5	889.3
Net financial debt[1]	€ mill.	388.7	321.3	362.1

NOTES

Equity at the same level as the figure for the end of 2019, positive net income largely offset by negative currency effects; equity ratio 2.6 percentage points higher than the end of 2019 following the closing of the sale of VL

Average working capital intensity down considerably in comparison with the same period of the previous year, mainly due to improved working capital management in Customized Modules

Capital employed as of the reporting date higher in comparison with the end of 2019, mainly due to full consolidation of the Chinese joint venture

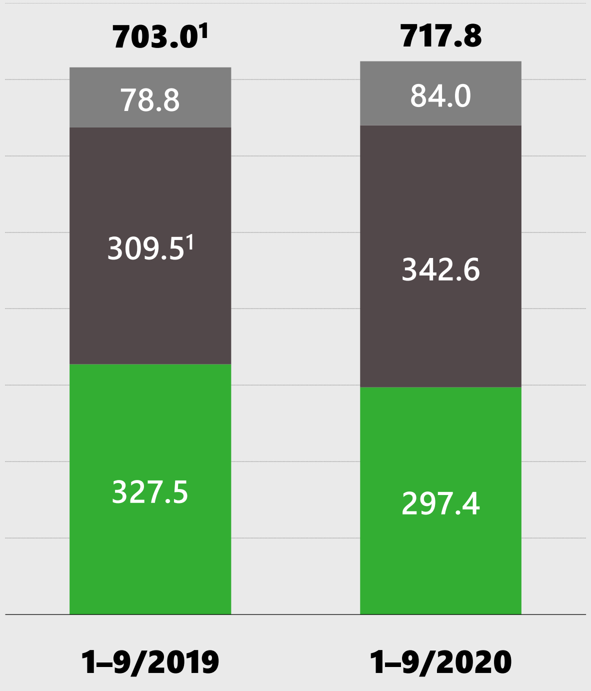
Net financial debt higher compared to the end of 2019, mainly due to negative FCF from discontinued operations as well as lease and interest payments, countered primarily by cash inflows from the sale of Vossloh Locomotives; compared to the end of Q3/2019, additionally influenced mainly by cash inflows from the sale of U.S. switch activities and positive free cash flow from core business in Q4/2019

[1] Net financial debt before application of IFRS 16. Taking into account IFRS 16, net financial debt would increase by €44.6 million on 9/30/2020.

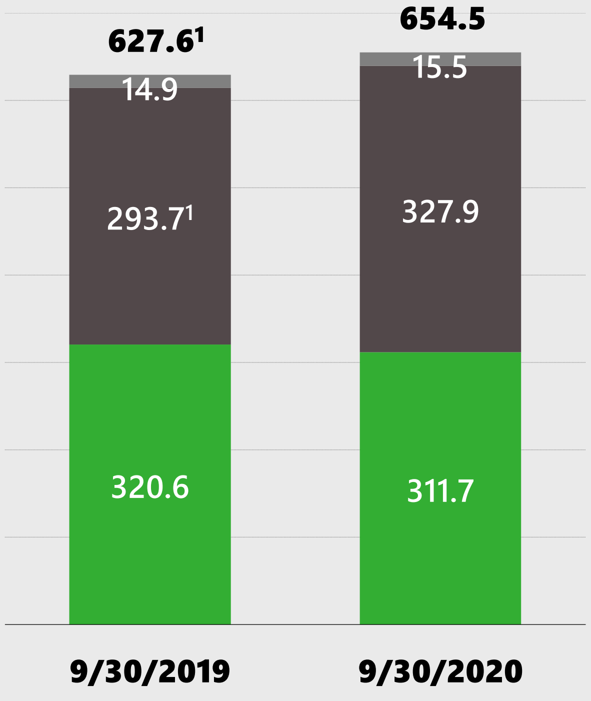
VOSSLOH GROUP

BOOK-TO-BILL REMAINING HIGH AT 1.16 AFTER NINE MONTHS

ORDERS RECEIVED (in € mill.)



ORDER BACKLOG (in € mill.)



Core Components Customized Modules Lifecycle Solutions

NOTES

Orders received slightly up year-on-year on a comparable basis; gap compared to previous year in Core Components substantially reduced by new major order in China for VFS (>€30 million); significant increase in Customized Modules adjusting for portfolio effects (+10.8 percent); Lifecycle Solutions also up on previous year; book-to-bill ratio higher than 1 for all divisions, 1.16 for Group as a whole

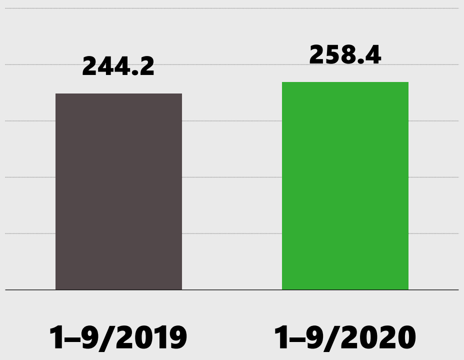
Order backlog of the Vossloh Group up slightly year-on-year on a comparable basis (+4.3 percent); notable increase particularly in Customized Modules division compared to the previous year adjusted for portfolio effects; only marginal changes for Core Components and Lifecycle Solutions

[1] For purposes of comparability, values are represented without U.S. activities sold in 2019 (orders received adjusted by €60.9 million and order backlog adjusted by €69.3 million).

CORE COMPONENTS DIVISION

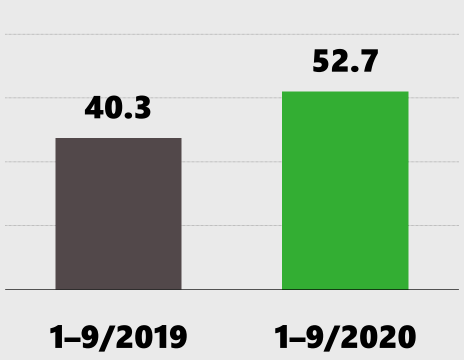
SALES UP BY 5.8 PERCENT, EARNINGS AND PROFITABILITY CONSIDERABLY INCREASED THROUGH EFFECT OF IAS 28

SALES (in € mill.)



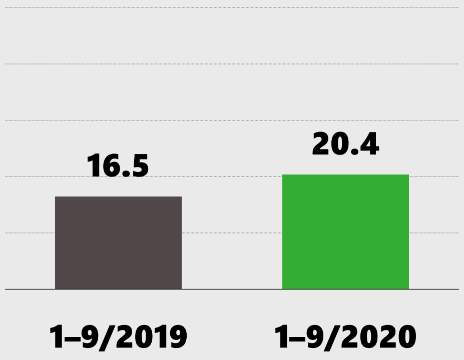
EBITDA

(2019 adj.) (in € mill.)



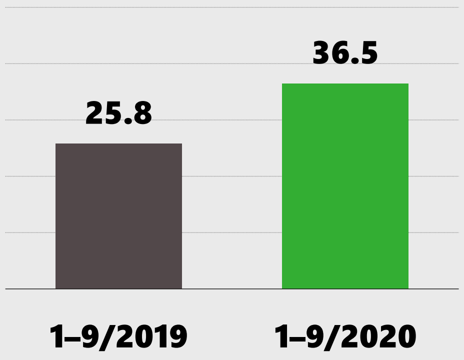
EBITDA MARGIN

(2019 adj.) (in %)



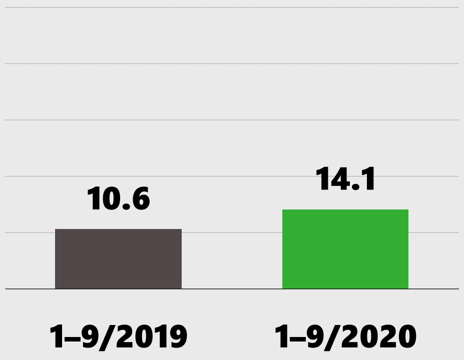
EBIT

(2019 adj.) (in € mill.)



EBIT MARGIN

(2019 adj.) (in %)



Increase in sales attributable to additional sales in the Tie Technologies business unit, sales in Fastening Systems business unit due to project shifts lower than previous year

EBIT and EBIT margin considerably increased due to a gain from adapting to the fair value of shares in Vossloh Anyang recognized in profit and loss, as part of a business combination achieved in stages according to IAS 28 (€+15.6 million); in contrast, among other things, start-up costs for concrete tie factories in Canada and Australia

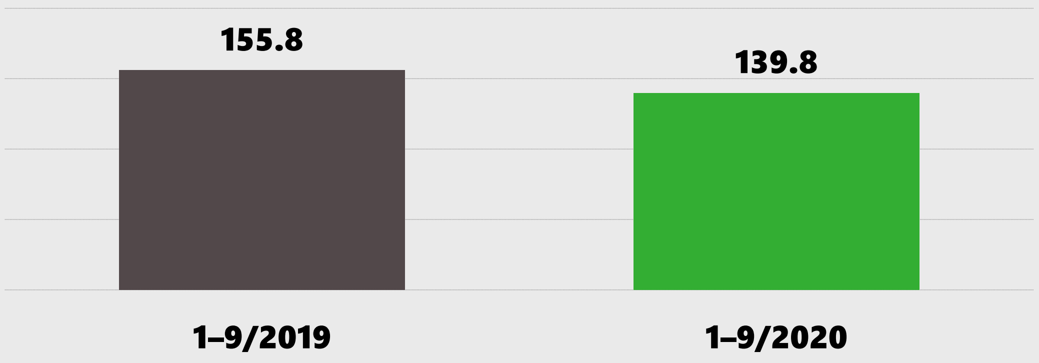
(in %) **ROCE**	**1–9/2019**	11.9
	1–9/2020	15.3
(in € mill.) **VALUE ADDED**	**1–9/2019**	9.3
	1–9/2020	19.7

vossloh

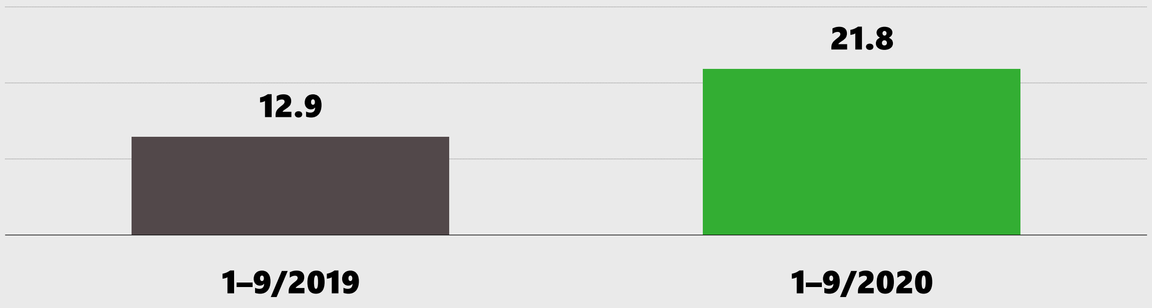
FASTENING SYSTEMS BUSINESS UNIT

VALUE ADDED SIGNIFICANTLY INCREASED BY EFFECT FROM BUSINESS COMBINATION ACHIEVED IN STAGES

SALES (in € mill.)



VALUE ADDED (in € mill.)



Decreased sales mainly in Turkey, Mexico and Russia only partially offset by additional sales mainly in the United Arab Emirates and Mongolia

Value added significantly higher than previous year due to effect from the business combination achieved in stages; excluding the effect mainly below previous year due to sales development

Book-to-bill ratio at 1.19; significant new orders in Italy, the United Arab Emirates, Mongolia and Uruguay

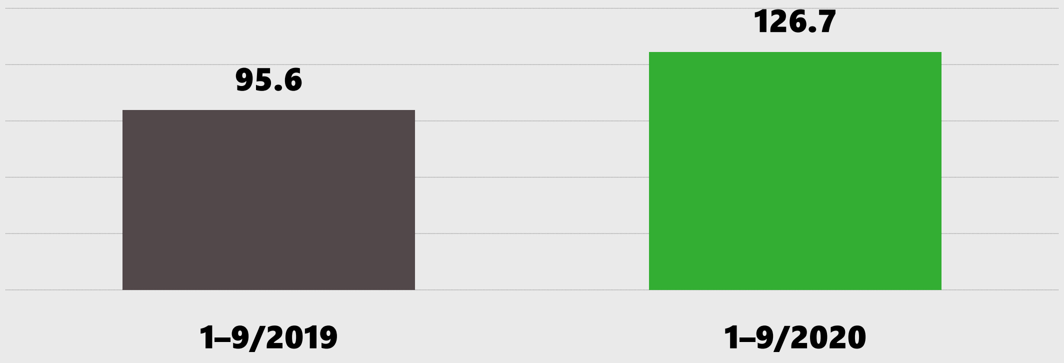
(in € mill.) **ORDERS RECEIVED**	**1–9/2019**	180.0
	1–9/2020	167.0
(in € mill.) **ORDER BACKLOG**	**9/30/2019**	215.2
	9/30/2020	209.7

vossloh

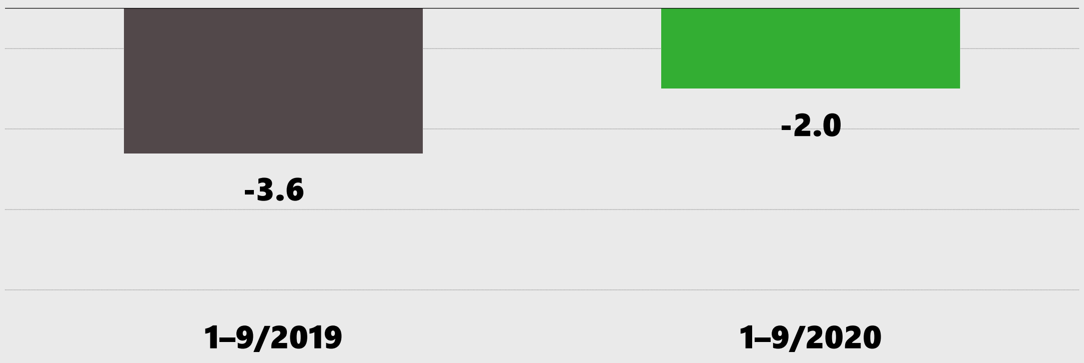
TIE TECHNOLOGIES BUSINESS UNIT

SALES WELL ABOVE THE PREVIOUS YEAR, BOOK-TO-BILL AT 1.13

SALES (in € mill.)



VALUE ADDED (in € mill.)



Increase in sales mainly due to higher sales contributions in the Australian market as a result of processing of substantial order backlog (e.g. Rio Tinto order), higher sales also in the U.S. (e.g. project in Florida)

Value added negatively affected by start-up costs for concrete tie factories in Canada and Australia and ongoing effects from purchase price allocation

Book-to-bill at 1.13; noteworthy new orders generated mainly in the U.S., but also in Canada; lower orders in Australia as expected following the previous year's very high level

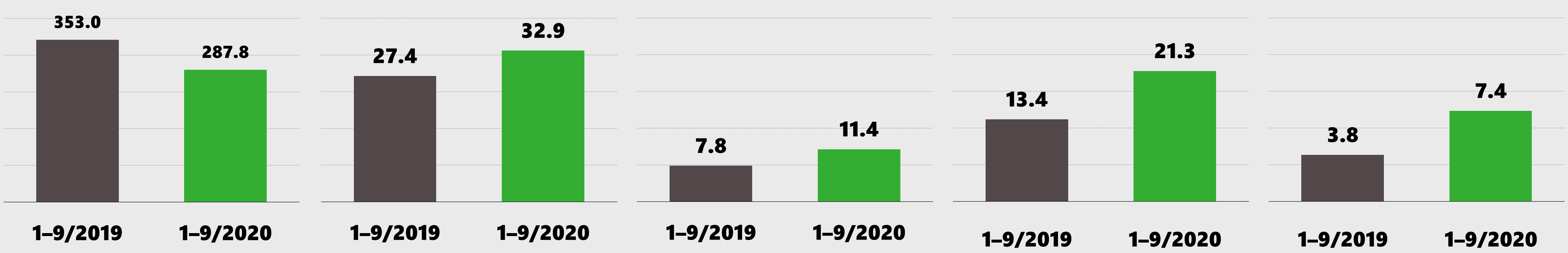
(in € mill.)		
ORDERS RECEIVED	**1–9/2019**	152.2
	1–9/2020	142.9
(in € mill.) **ORDER BACKLOG**	**9/30/2019**	107.1
	9/30/2020	109.1

vossloh

CUSTOMIZED MODULES DIVISION

SALES[1] BELOW PORTFOLIO-ADJUSTED PRIOR-YEAR FIGURE DUE TO THE PANDEMIC, EARNINGS AND PROFITABILITY SIGNIFICANTLY IMPROVED

SALES (in € mill.) | **EBITDA (2019 adj.)** (in € mill.) | **EBITDA MARGIN (2019 adj.)** (in %) | **EBIT (2019 adj.)** (in € mill.) | **EBIT MARGIN (2019 adj.)** (in %)



Decrease in sales primarily due to sold U.S. activities (€46.4 million in the previous year); lower sales contributions due to COVID-19, particularly in France; increased sales mainly in Poland and Finland

Earnings and profitability significantly increased despite adverse effects from COVID-19, particularly due to operational improvements resulting from the 2019 performance program; earnings also slightly improved by sale of real estate in Q3/2020

Book-to-bill at 1.19, higher orders received mainly from Egypt, Poland and the United Kingdom

(in %) **ROCE**	**1–9/2019**	(5.0)
	1–9/2020	7.8
(in € mill.) **VALUE ADDED**	**1–9/2019**	(42.7)
	1–9/2020	2.1

[1] Excluding sales from the U.S. switch activities sold at the end of 2019, sales for the previous year came to €306.6 million.

vossloh

LIFECYCLE SOLUTIONS DIVISION

SALES SLIGHTLY HIGHER, EARNINGS AND PROFITABILITY SIGNIFICANTLY INCREASED

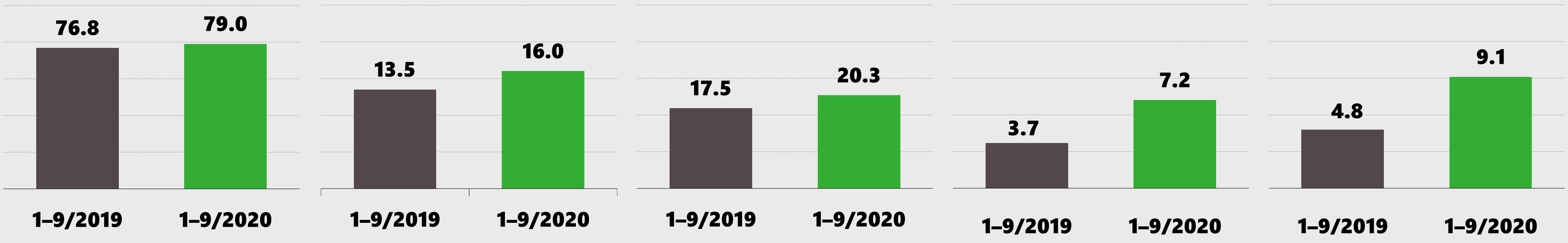
SALES (in € mill.)

EBITDA **(2019 adj.)** (in € mill.)

EBITDA MARGIN **(2019 adj.)** (in %)

EBIT **(2019 adj.)** (in € mill.)

EBIT MARGIN **(2019 adj.)** (in %)



Higher sales in stationary welding and logistics as well as milling business, but lower revenues from sales of maintenance vehicles; level of internationalization (sales outside of Germany) at 48.8 percent (previous year: 42.5 percent)

Earnings and profitability significantly improved, particularly due to positive EBIT development in stationary welding and logistics as well as operational improvements from the performance program

Book-to-bill at 1.06; notable increases in orders in the Netherlands (milling), Denmark and Finland (mainly stationary welding and logistics)

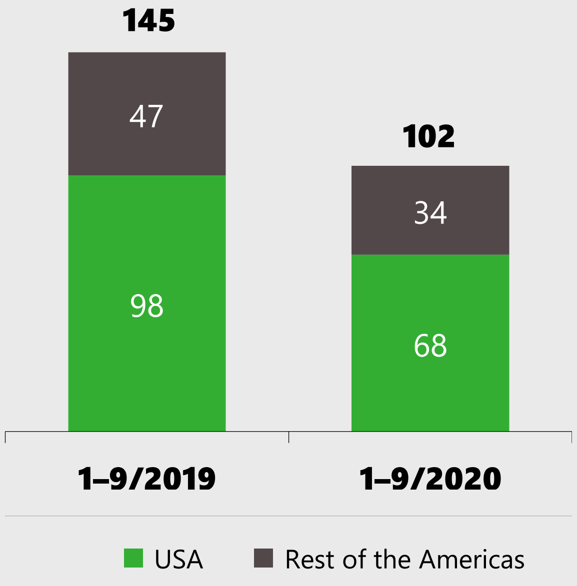
(in %) **ROCE**	**1–9/2019**	(0.1)
	1–9/2020	5.3
(in € mill.) **VALUE ADDED**	**1–9/2019**	(10.4)
	1–9/2020	(2.3)

vossloh

VOSSLOH GROUP

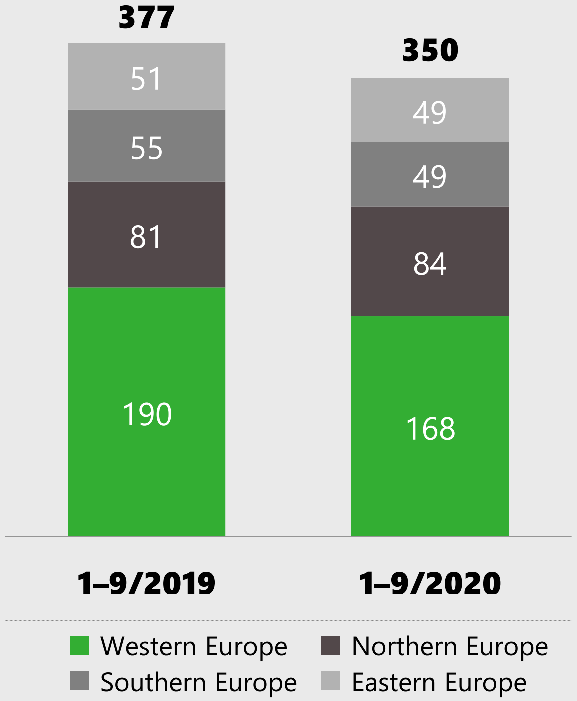
HIGHER SALES IN AUSTRALIA AND THE MIDDLE EAST PARTLY OFFSET LOWER SALES IN THE AMERICAS AND EUROPE

(in € mill.)
THE AMERICAS



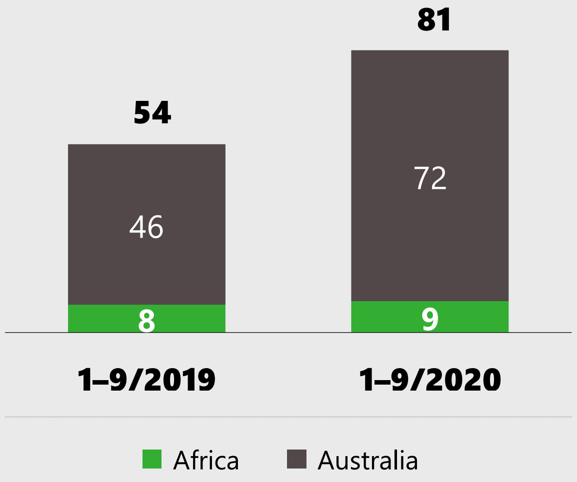
Lower sales in CM in the USA due to portfolio-related factors, partially offset by higher sales in VTT; lower sales contributions from Canada

(in € mill.)
EUROPE



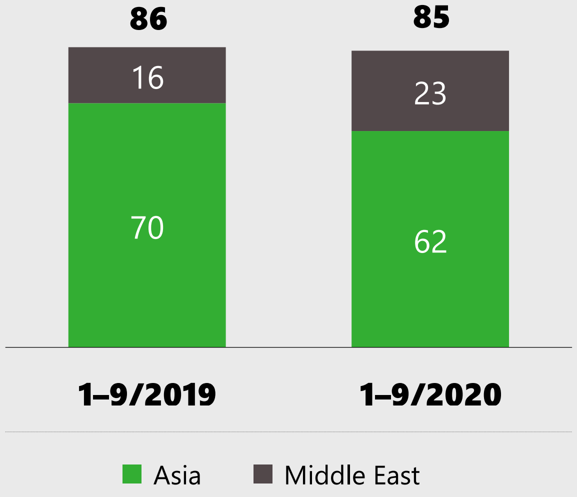
Lower sales in Western Europe (particularly France), Southern Europe (particularly Turkey) and Eastern Europe (particularly Russia), but slightly higher sales in Northern Europe (particularly Finland)

(in € mill.)
AFRICA & AUSTRALIA



Higher sales in Australia mainly due to VTT

(in € mill.)
ASIA INCL. MIDDLE EAST



Lower sales mainly in China and India, offset by higher sales mainly in the United Arab Emirates and Mongolia

vossloh

VOSSLOH GROUP, OUTLOOK[1]

SIGNIFICANT INCREASE IN PROFITABILITY EXPECTED COMPARED TO THE PREVIOUS YEAR

Sales

Previously: €900 million to €1 billion **Current: roughly €870 million**

- Due to anticipated postponements of sales into subsequent years in connection with COVID-19, sales in the order of €870 million are expected; lower sales caused by exit from the U.S switch business will be partially offset by higher sales by Vossloh Tie Technologies

Value added

Previously: €0 to €15 million **Current: unchanged**

- Due to improved profitability and lower average capital employed, value added in 2020 is still expected to be within the forecast range of €0 to €15 million

EBITDA margin

Previously: 12 to 13 percent **Current: 13 to 14 percent**

EBIT margin

Previously: 7 to 8 percent **Current: 7.5 to 8.5 percent**

- Increase in profitability in particular due to improvements resulting from the performance program; operational profitability expected to increase significantly in Customized Modules and Lifecycle Solutions; slight drop in operational profitability at Core Components more than offset by earnings effect from a business combination achieved in stages

[1] The current outlook assumes that no further plant closures due to the COVID-19 will occur for the remainder of the 2020 fiscal year.

FINANCIAL CALENDAR AND CONTACT INFORMATION

HOW YOU CAN REACH US

Financial calendar 2021

/ March 18, 2021	Annual Report 2020
/ May 19, 2021 (anticipated)	Annual General Meeting

Contact information for investors:

Dr. Daniel Gavranovic

Email: investor.relations@vossloh.com

Phone: +49 (0) 23 92 / 52-609

Fax: +49 (0) 23 92 / 52-219

Contact information for the media:

Gundolf Moritz (Mirnock Consulting)

Email: presse@vossloh.com

Phone: +49 (0) 23 92 / 52-608

Fax: +49 (0) 23 92 / 52-219

vossloh