PRESENTATION OF THE 2019 ANNUAL REPORT

MARCH 19, 2020

Oliver Schuster, CEO
Dr.-Ing. Karl Martin Runge, COO

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.

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VOSSLOH GROUP

SALES AND EBIT (2019 ADJUSTED) UP YEAR-OVER-YEAR, PERFORMANCE PROGRAM EXTENSIVELY IMPLEMENTED

OPERATIONAL BUSINESS PERFORMANCE

At €916.4 million, sales up significantly on previous year (€865.0 million) due mainly to the acquisition of Austrak and higher sales in China; forecast sales corridor met

At €55.7 million, adjusted EBIT slightly above the previous year's reported value of €54.2 million as well as recently communicated forecasts (€50 million to €53 million)

Net financial debt in the fourth quarter significantly reduced

2019 PERFORMANCE PROGRAM

Program to strengthen core business mainly involves a substantial reduction of workforce as well as discontinuation of disadvantageous activities

One-time effects of €93.3 million included in the income statement, thereof €30.2 million related to reducing the workforce with a focus on Customized Modules

Discontinuation of disadvantageous activities led to one-time expenses of €63.1 million, mainly comprising portfolio adjustments in Customized Modules in the Americas, relocation of production and various allowances

Performance program financed entirely through the proceeds from portfolio adjustments

DIVIDEND PROPOSAL

Dividend proposal from Executive Board and Supervisory Board of Vossloh AG of €1.00 per share is subject to further developments of the COVID-19 pandemic

On this basis, total distribution to be around €17.6 million

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COURSE SET FOR THE FUTURE

STRENGTHENING THE CORE BUSINESS

Further order won in May to supply rail fastening systems for construction of a high-speed line in China; volume just over €40 million.

Multiyear framework agreements signed in Sweden and Italy: in Sweden, supplying switch components to Trafikverket with a total volume of €75 million including options; in Italy, supplying switch systems and components to the Italian state-owned rail company RFI (volume around €25 million)

Joint venture established in China to produce components for rail fastening systems, increasing vertical integration and enabling access to previously not available market segments, fully consolidated from 2020 onwards

PERSONNEL CHANGES

Former CFO Oliver Schuster appointed CEO with effect from October 1, Dr.-Ing. Karl Martin Runge was appointed as further Executive Board member

Prof. Dr. Rüdiger Grube, former CEO of Deutsche Bahn AG, Chairman of the Supervisory Board of the Vossloh Group since February 10, 2020

DISPOSAL OF TRANSPORTATION

Contract to sell Vossloh Locomotives to CRRC ZELC signed in August

All of the closing conditions for the sale have been met with the exception of Federal Cartel Office approval; Closing is expected soon

Disposal secures future of loss-making locomotive business and ends the longstanding outflow of funds needed for development of core business

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SALES AND EBIT (2019 ADJUSTED) UP ON PREVIOUS YEAR, KEY FIGURES FOR 2019 HEAVILY INFLUENCED BY PERFORMANCE PROGRAM

KEY GROUP INDICATORS		2018	2019
Sales revenues	€ mill.	865.0	916.4
EBIT / EBIT (2019 adjusted)	€ mill.	54.2	(37.9) / 55.7
EBIT margin (2019 adjusted)	%	6.3	6.1
Net income	€ mill.	22.7	(136.8)
Earnings per share	€	1.14	(8.32)
Free cash flow[1]	€ mill.	(19.0)	(42.4)
Capital expenditure	€ mill.	60.5	59.8
Value added	€ mill.	(5.8)	(105.4)

NOTES

Increase in **sales revenues** mainly due to higher sales in the Core Components division; main drivers are higher sales in the Chinese high-speed market and the acquisition of Austrak

EBIT: The 2018 figure includes a positive €5.5 million one-time effect from the acquisition of STRABAG's milling business. Adjusted EBIT and profitability significantly higher in 2019 when adjusted for this effect. Main drivers once again Austrak and the Core Components business in China.

Net income clearly negative due to negative effects arising from performance program (€(93.3) million) and strongly negative result from discontinued operations (€(70.4) million)

Free cash flow down year-on-year due to higher cash outflows in discontinued operations, free cash flow from core business slightly positive at €2.4 million and thus significantly above the previous year's figure of €(17.3) million

Capital expenditure unchanged, well above scheduled depreciation, largest single investment relates to the construction of the factory of the future

[1] Includes the effects from 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.

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EQUITY RATIO ABOVE 30 PERCENT DESPITE BURDENS FROM PERFORMANCE PROGRAM AND DISCONTINUED OPERATIONS

KEY GROUP INDICATORS		12/31/2018 **2018**	12/31/2019 **2019**
Equity	€ mill.	523.3	403.6
Equity ratio	%	41.3	30.3
Average working capital	€ mill.	218.1	227.2
Average working capital intensity	%	25.2	24.8
Closing working capital	€ mill.	216.0	180.3
Average capital employed	€ mill.	799.7	904.1
Closing capital employed	€ mill.	862.0	839.5
Net financial debt	€ mill.	307.3	321.3[1)]

NOTES

Equity particularly down due to negative net income and dividend payments; partially offset by net proceeds from capital increase

Average working capital intensity slightly below previous year, improvement especially in the Customized Modules division

Average capital employed up significantly following the acquisitions completed at the end of 2018 and the inclusion in the average calculation in full for the first time

Net financial debt increased mainly due to negative free cash flows; dividend, lease and interest payments; while cash inflows from the capital increase and the sale of unprofitable units had a mitigating effect

[1] *Net financial debt as at 12/31/2019 before application of IFRS 16. When IFRS 16 is taken into consideration, net financial debt increases by €49.1 million.*

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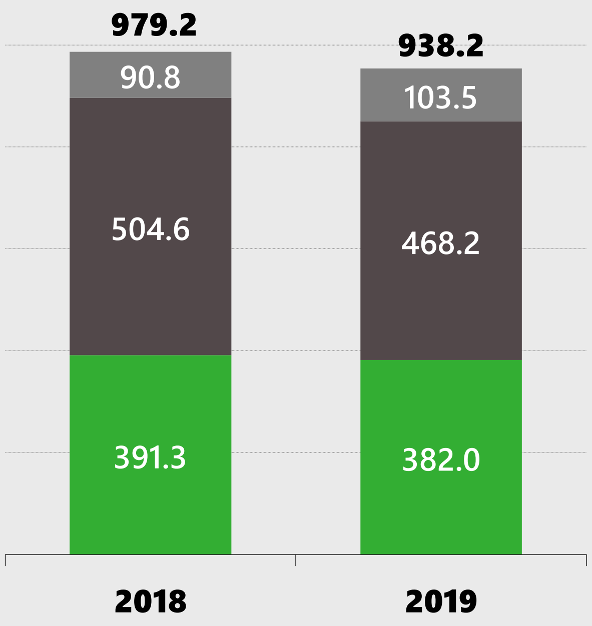
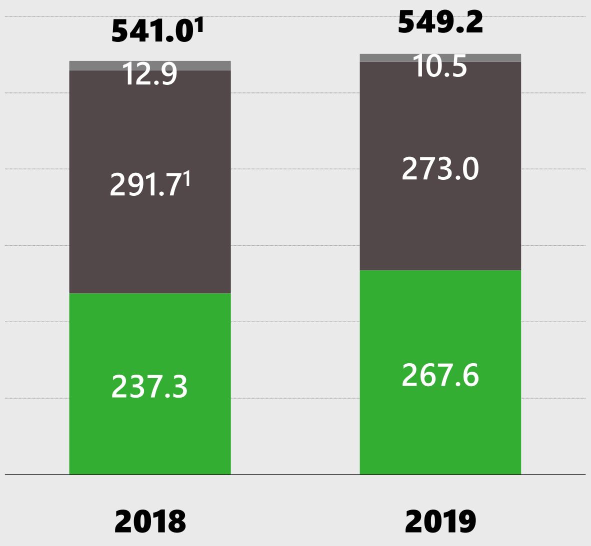
ORDER SITUATION REMAINS POSITIVE, ORDER BACKLOG ADJUSTED FOR CTM INCREASED

ORDERS RECEIVED (in € mill.)



ORDER BACKLOG (in € mill.)



NOTES

Orders received slightly below the high level of the previous year, Customized Modules in particular noticeably down on the previous year, partly due to the sale of CTM during the year; in Core Components, the rise in orders received was mainly due to the first-time consolidation of Austrak for the full year and a major order from China (around €40 million); the previous year's figure included a high level of orders received from China (around €85 million); Lifecycle Solutions was given a noticeable boost thanks to milling business;
book-to-bill ratio of 1.02 for the Group

Order backlog for the Vossloh Group up slightly year-on-year at the end of 2019: Increase due to very good order situation in the Tie Technologies business unit, especially the very good order situation at Austrak, which was acquired at the end of 2018

Core Components | Customized Modules | Lifecycle Solutions

[1] *For the purpose of comparability, the figure is shown without the order backlog of the US company Cleveland Track Material (€54.0 million), which was sold in 2019.*

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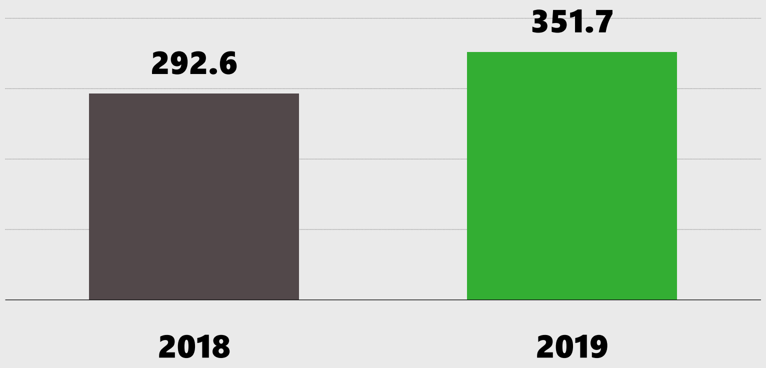
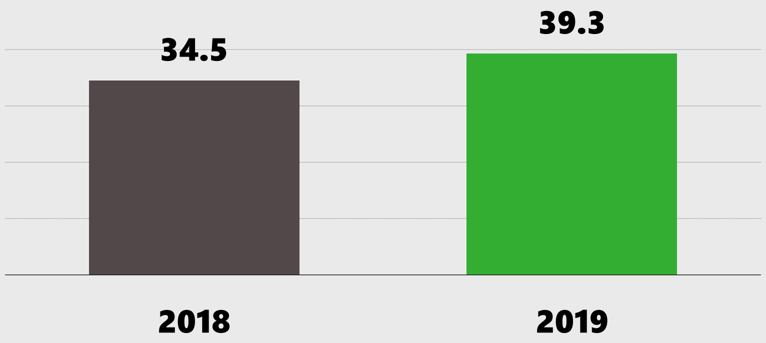
CORE COMPONENTS DIVISION

SALES AND EBIT (2019 ADJUSTED) SIGNIFICANTLY HIGHER THAN LAST YEAR

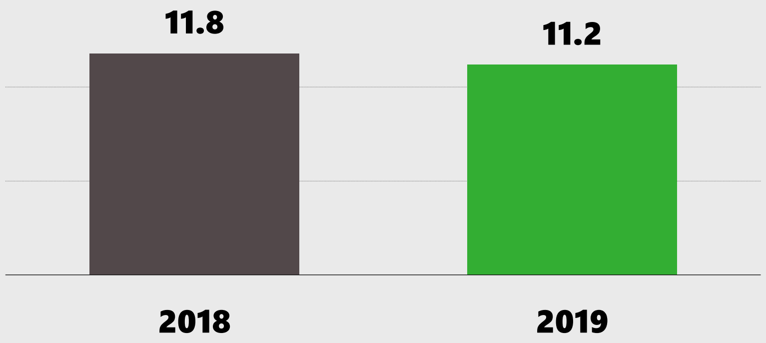
SALES (in € mill.)



EBIT (2019 adjusted) (in € mill.)



EBIT MARGIN (2019 adjusted) (in € mill.)



Sales up 20.1 percent, significant increase at Vossloh Tie Technologies (acquisition of Austrak at the end of 2018), Vossloh Fastening Systems also up over the previous year

EBIT (2019 adjusted) well above the level of the previous year, especially due to the positive business performance at Austrak, plus higher contributions from Vossloh Fastening Systems in China and the USA

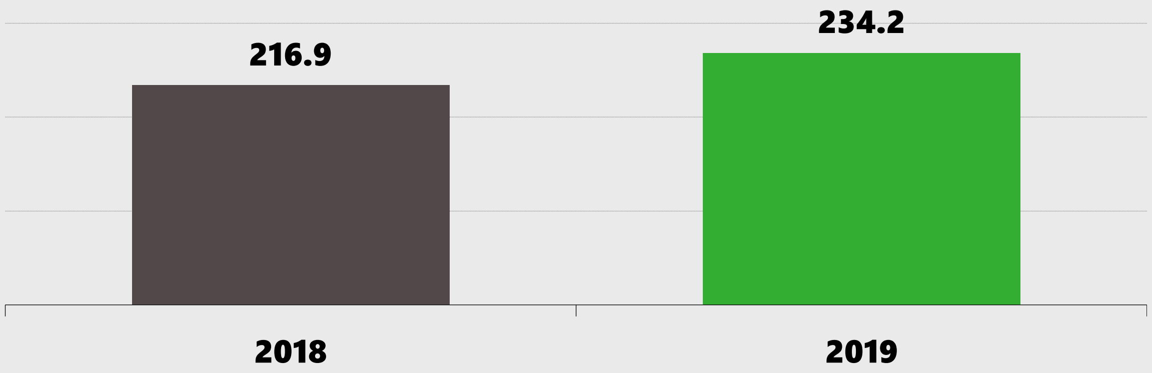
One-time effects from the performance program: €4.4 million, thereof €2.4 million for workforce reductions and €2.0 million for unprofitable activities

(in %) **ROCE**	**2019**	12.4
	2018	15.2
(in € mill.) **VALUE ADDED**	**2019**	13.7
	2018	17.5

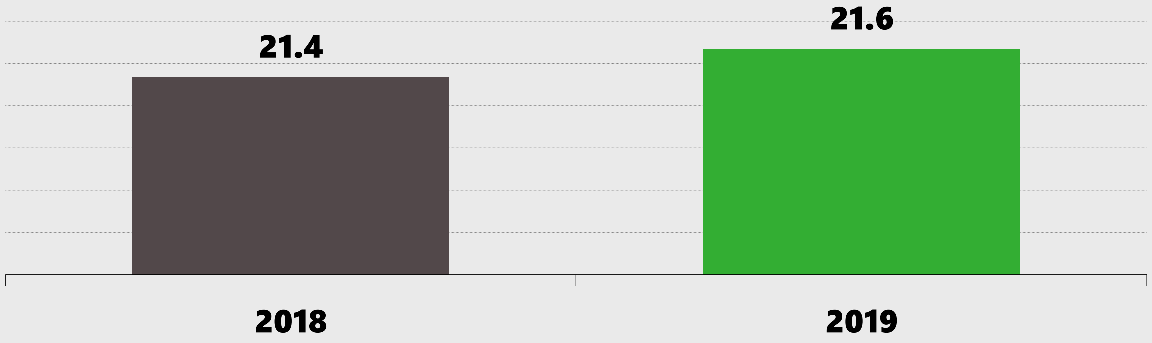
FASTENING SYSTEMS BUSINESS UNIT

SALES NOTICEABLY ABOVE PREVIOUS YEAR, VALUE ADDED SLIGHTLY HIGHER DESPITE ONE-TIME EFFECTS

SALES (in € mill.)



VALUE ADDED (in € mill.)



Sales up 8.0 percent on previous year; lower sales in Thailand and Poland in particular were more than offset by higher sales in China, thanks to a strong Q4, and in North America

Value added slightly above previous year despite burdens arising from performance program

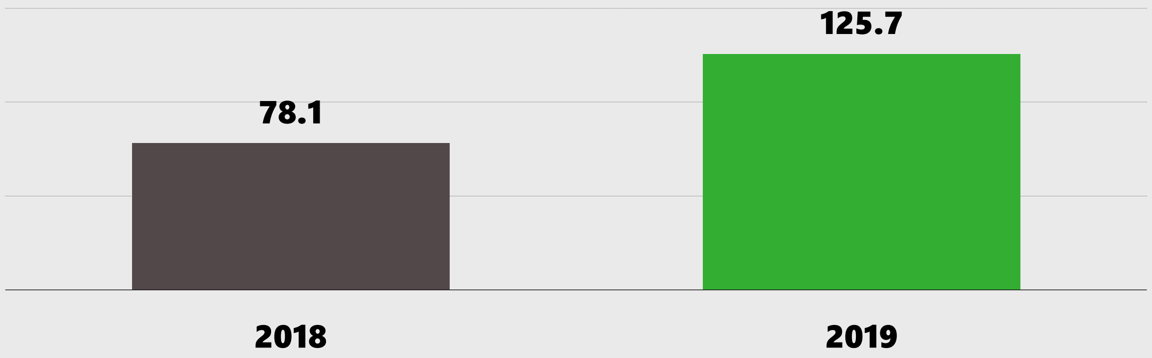
Orders received well below the previous year, mainly due to a lower number of orders received in China (three major orders were won in the previous year), but a higher level of orders received was achieved in North America and the United Arab Emirates

(in € mill.)		
ORDERS RECEIVED	**2019**	220.4
	2018	305.7
ORDER BACKLOG	**2019**	177.2
	2018	191.1

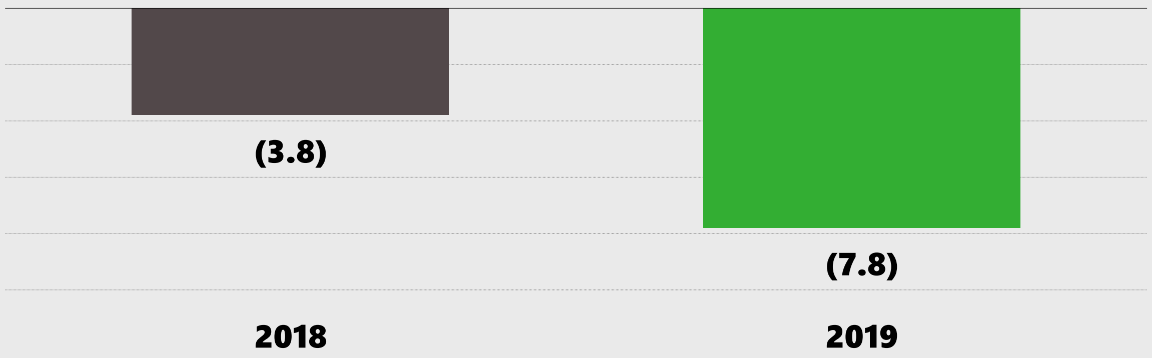
TIE TECHNOLOGIES BUSINESS UNIT

SALES WELL ABOVE THE PREVIOUS YEAR, BOOK-TO-BILL AT 1.34

SALES (in € mill.)



VALUE ADDED (in € mill.)



Substantial increase in sales mainly due to the acquisition of Austrak (+€37.3 million) and higher sales in the USA and Canada

Value added lower due to negative effects from the purchase price allocation and ramp-up costs for the new plant in Canada; also negatively impacted by one-time effects

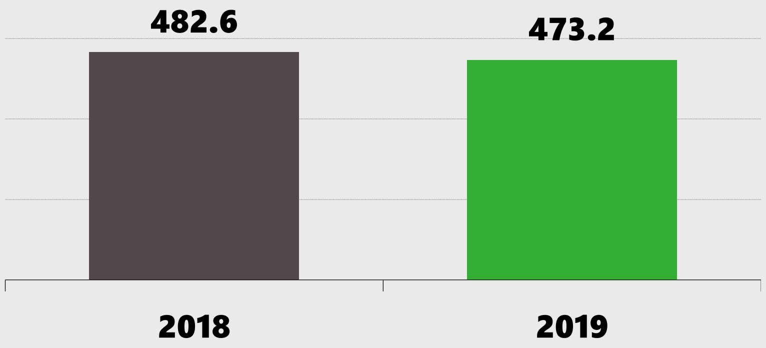
Significant increase in orders received primarily due to a large number of orders being won in Australia; higher orders received also achieved in the USA; book-to-bill at 1.34

(in € mill.) **ORDERS RECEIVED**	**2019**	168.1
	2018	92.4
(in € mill.) **ORDER BACKLOG**	**2019**	92.9
	2018	50.6

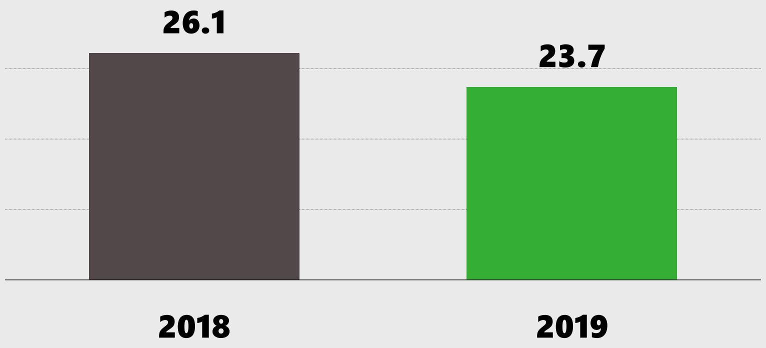
CUSTOMIZED MODULES DIVISION

SALES AND PROFITABILITY SLIGHTLY BELOW PREVIOUS YEAR

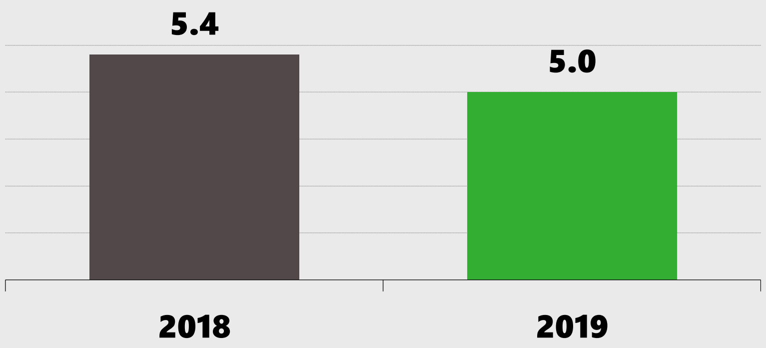
SALES (in € mill.)



EBIT (2019 adjusted) (in € mill.)



EBIT MARGIN (2019 adjusted) (in € mill.)



Sales also down year-on-year due to the sale of CTM during the year, in addition, lower sales in Poland and the UK, partly offset by higher sales in Belgium and India

EBIT (2019 adjusted) below previous year, especially due to lower earnings contributions from Poland and the UK; overall positive performance in Q4, EBIT (2019 adjusted) still negatively impacted by around €(10) million from the Americas

One-time effects from the performance program: €78.0 million, of which €22.4 million for workforce reductions and €55.6 million for unprofitable activities

(in %) **ROCE**	**2019**	(12.4)
	2018	6.0
(in € mill.) **VALUE ADDED**	**2019**	(87.1)
	2018	(6.4)

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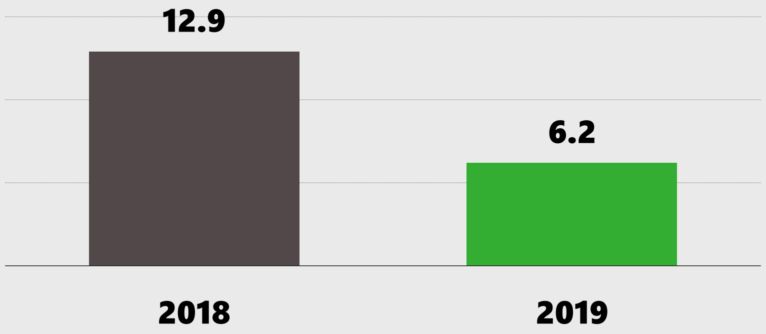
LIFECYCLE SOLUTIONS DIVISION

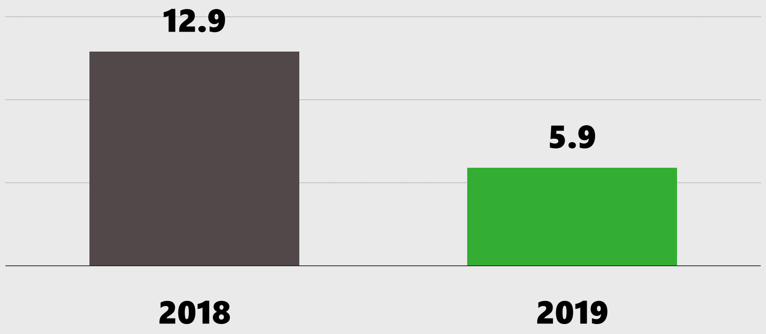
SALES CLEARLY UP YEAR-ON-YEAR, EARNINGS AND PROFITABILITY IN THE PREVIOUS YEAR POSITIVELY IMPACTED BY ONE-TIME EFFECT

SALES (in € mill.)

EBIT (2019 adjusted) (in € mill.)



EBIT MARGIN (2019 adjusted) (in € mill.)



Sales up by 6.0 percent, mainly additional sales in the milling business

EBIT (2019 adjusted) clearly below the reported figure for the previous year; the previous year's figure benefited from a one-off effect in connection with the realization of negative goodwill (€5.5 million), as well as lower earnings contributions from vehicle sales and ramp-up costs for the milling business in the USA

One-time effects from the performance program: €12.7 million, of which €2.9 million for workforce reductions and €9.8 million for unprofitable activities

(in %) **ROCE**	**2019**	(3.5)
	2018	9.0
(in € mill.) **VALUE ADDED**	**2019**	(20.3)
	2018	2.2

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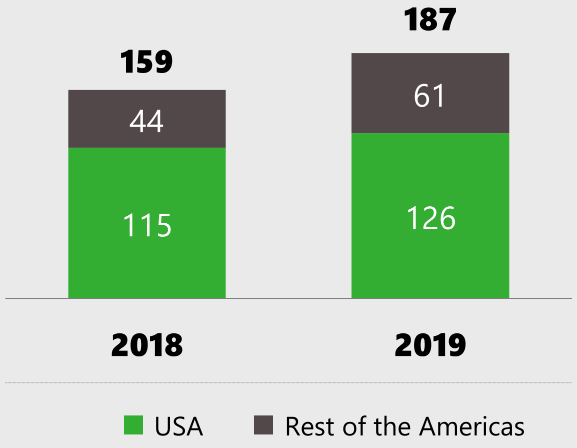
SALES INCREASES ESPECIALLY IN AUSTRALIA, NORTH AMERICA AND CHINA

(in € mill.)

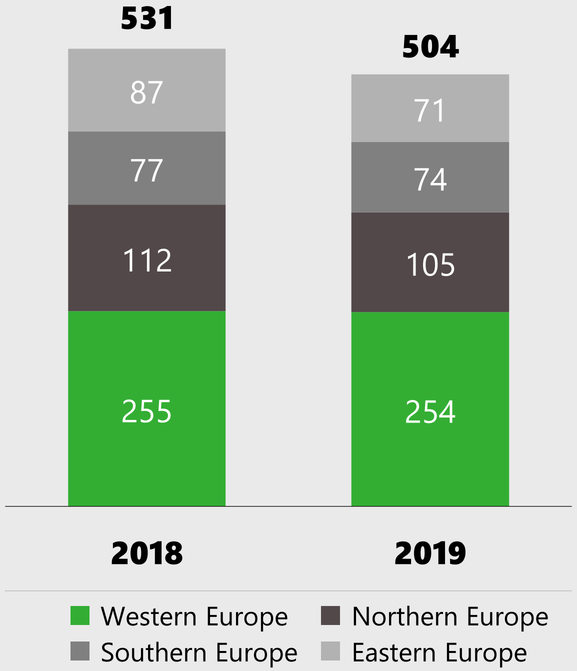
THE AMERICAS



Additional sales generated in the USA, Canada, Mexico and Chile in particular

(in € mill.)

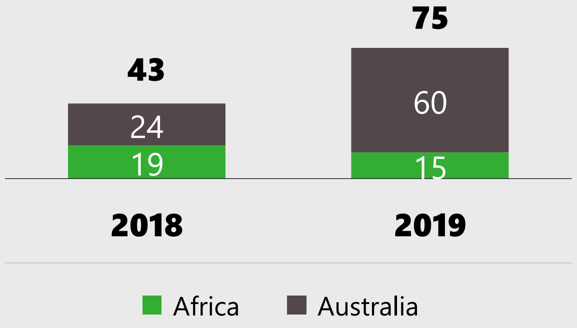
EUROPE



Sales contributions down particularly in Eastern Europe

(in € mill.)

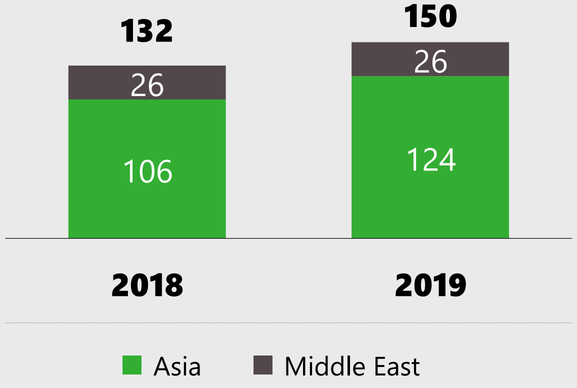
AFRICA & AUSTRALIA



Sales in Australia increased above all through the acquisition of Austrak

(in € mill.)

ASIA INCL. MIDDLE EAST



Sales higher particularly in China, India and Israel

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COVID-19 – IMPACTS ON THE VOSSLOH GROUP

CURRENT SITUATION

Early establishment of an international and cross-divisional pandemic management team, daily observation of global developments, identification of issues and development of appropriate mitigations

Comprehensive guidelines and measures introduced to protect employees (travel restrictions, home office regulations, code of behavior)

As of today, no Vossloh-employees tested positive for COVID-19

All production sites in China back in operation; individual production sites temporarily shut down

Currently no significant interruptions from the supply chain; supply chain is actively monitored and alternative sources of supply are being reviewed

FINANCIAL IMPACTS

In Q1/2020, the COVID-19 pandemic is not expected to have any significant impact on sales revenues and EBIT

To the best of the current knowledge and careful risk assessment as well as with reference to obvious uncertainties about further effects of the pandemic, the financial forecast given so far for the year 2020 is confirmed

VOSSLOH GROUP OUTLOOK[1]

NOTICEABLE INCREASE IN PROFITABILITY EXPECTED IN 2020

Sales

2019: €916.4 million — **2020 forecast: €900 million to €1 billion**

/ Sales generally expected to be higher despite exit from the American turnout business; particularly higher sales expected for Vossloh Fastening Systems and Vossloh Tie Technologies

Value added

2019: €(105.4) million — **2020 forecast: €0 to €15 million**

/ In 2020, a return to positive value added levels is expected as a result of improved profitability and lower average capital employed; WACC down from 7.5 percent to 7.0 percent due to the persistently low interest rate level

EBITDA margin

2019 (adjusted): 11.5 percent — **2020 forecast: 12 to 13 percent**

EBIT margin

2019 (adjusted): 6.1 percent — **2020 forecast: 7 to 8 percent**

/ Increase in profitability due in particular to savings from the performance program and improved profitability of the operational business of the Core Components and Lifecycle Solutions divisions; significantly higher profitability also expected in the Customized Modules division

[1] *On the basis of current knowledge and careful risk assessment as well as with reference to obvious uncertainties about further effects of the COVID-19 pandemic.*

FINANCIAL CALENDAR AND CONTACT INFORMATION

HOW YOU CAN REACH US

Financial calendar 2020

/ April 30, 2020	Quarterly statement as of March 31, 2020
/ May 27, 2020[1]	Annual General Meeting, Düsseldorf, Germany
/ July 30, 2020	Midyear report as of June 30, 2020
/ October 29, 2020	Quarterly statement as of September 30, 2020

[1]*In view of current developments (COVID-19), it is uncertain whether the Annual General Meeting can take place on the planned date. Depending on further developments, the Annual General Meeting may be convened at a later date. A decision in this regard will be made and communicated by mid-April at the latest.*

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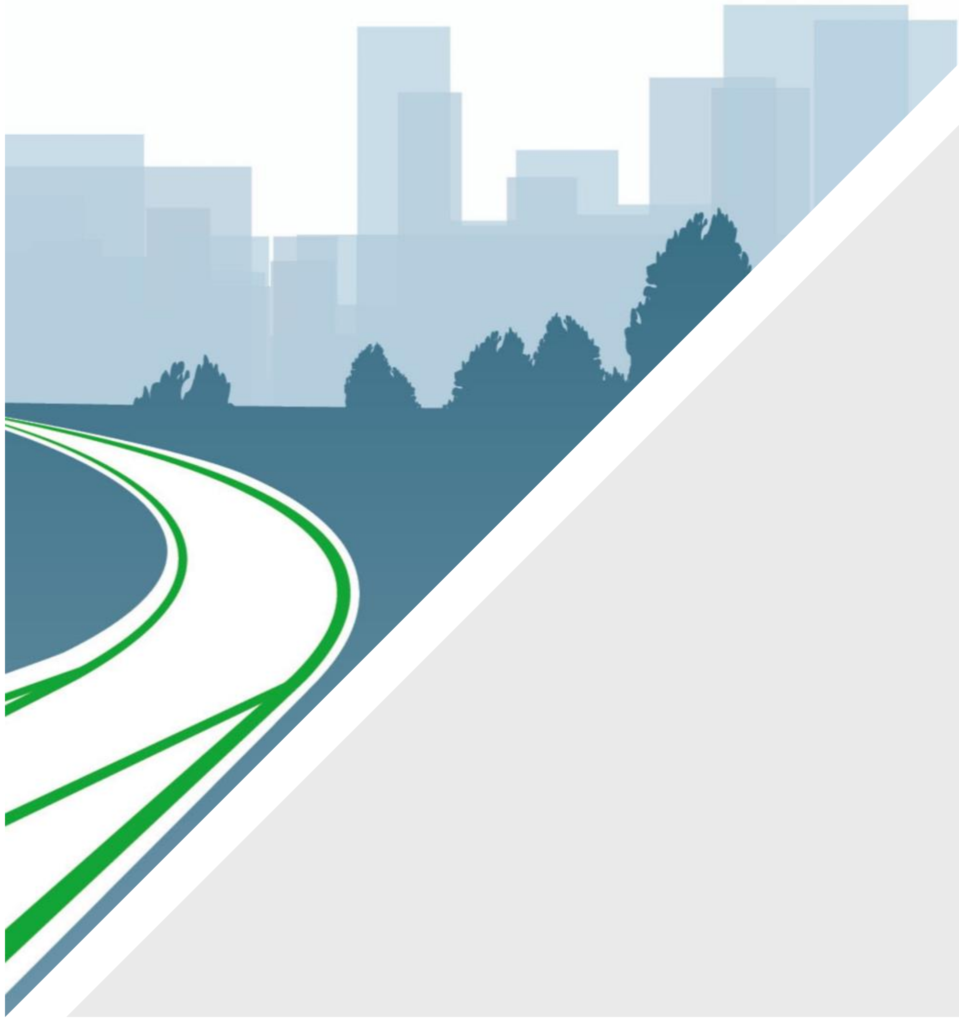
Green.



Q&A

THANK YOU FOR YOUR TIME.

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