vossloh

PRESENTATION TO INVESTORS

INTERIM REPORT AS OF JUNE 30, 2020

WERDOHL, JULY 30, 2020

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.

VOSSLOH GROUP: FOCUSED. DYNAMIC. GREEN.

POSITIVE EFFECTS FROM 2019 PERFORMANCE PROGRAM AND SALE OF LOCOMOTIVES

OPERATIONAL BUSINESS PERFORMANCE

Sales performance satisfactory overall, but due to sale of US switch business (approx. €30 million) and the impact of COVID-19 (approx. order of magnitude of €30 million) below previous year

EBIT at €30.1 million, improved by savings from 2019 performance program and a positive earnings effect resulting from a business combination achieved in stages of a company in the Fastening Systems business unit in Q1/2020, significantly above the previous year's adjusted figure of €20.5 million; COVID-19 had a negative impact on EBIT to the tune of roughly €10 million

Order situation remains positive, book-to-bill ratio at 1.26

COVID-19 – CURRENT SITUATION

H1/2020 (Q2 in particular) adversely affected by COVID-19, mainly due to temporary production shutdowns, efficiency losses in connection with restarting production and customers postponing projects; impact relatively moderate overall in H1/2020

Sales and earnings burdened particularly, but not exclusively, in the Customized Modules division in the first half of 2020

Negative impacts on the Vossloh Group cannot be ruled out for the rest of the year, for example, from further shifts of sales due to project delays, especially in new construction projects, or restrictions affecting customers or suppliers

SALE OF VOSSLOH LOCOMOTIVES

Sale of Vossloh Locomotives completed at the end of May 2020

Multi-year process of focusing on rail infrastructure now complete, former business units Rail Vehicles and Electrical Systems already sold in 2015 and 2017

Sale provides additional stability and brings cash outflows and losses to an end (burdens of roughly €54 million on free cash flow and €1.58 on earnings per share in H1/2020); net financial debt down compared to the end of Q1/2020, amongst others due to proceeds from the completed sale

VOSSLOH GROUP

EBIT AND EBIT MARGIN UP DESPITE COVID-19 THANKS TO POSITIVE EFFECT OF CONSOLIDATION AND 2019 PERFORMANCE PROGRAM

KEY GROUP INDICATORS		1-6/2019	1-6/2020
Sales revenues	€ mill.	437.1[1]	393.2
EBITDA / EBITDA margin **(2019 adjusted)**	€ mill. / %	46.2 / 10.6	55.0 / 14.0
EBIT / EBIT margin **(2019 adjusted)**	€ mill. / %	20.5 / 4.7	30.1 / 7.6
Net income	€ mill.	(23.4)	(9.6)
Earnings per share	€	(1.58)	(0.58)
Free cash flow (core business)	€ mill.	11.0	6.9
Free cash flow (incl. discontinued operations)	€ mill.	(8.8)	(47.2)
Capital expenditure	€ mill.	19.0	30.5
Value added	€ mill.	(21.0)	(0.1)

NOTES

Sales revenues mainly due to portfolio adjustments (€30.1 million) below previous year, also negatively affected by COVID-19 of roughly €30 million; portfolio- and major amount of COVID-19-effects relate to Customized Modules; Core Components and Lifecycle Solutions on a par with previous year

EBIT and **EBIT margin** greatly improved compared to previous year thanks to a positive effect resulting from a business combination achieved in stages of a company in the Fastening Systems business unit in Q1/2020 and savings from 2019 performance program; COVID-19 had a negative impact on EBIT to the tune of roughly €10 million

Net income much higher than in previous year due to increase in EBIT, but also in 2020 burdened by negative result from discontinued operations (€(27.7) million)

Free cash flow of approx. €27 million in core business in Q2/2020 despite impact of COVID-19; Free cash flow from discontinued operations negative once again in Q2/2020 at approx. €24 million

Capital expenditure up significantly year over year in all divisions, largest single investment in “factory of the future” at Vossloh Fastening Systems

[1] Excluding sales from the U.S. switch activities sold at the end of 2019, sales came to €407.0 million

VOSSLOH GROUP

EQUITY RATIO UP COMPARED TO END OF 2019 DUE TO SALE OF LOCOMOTIVES

KEY GROUP INDICATORS

		1-6/2019 **6/30/2019**	2019 **12/31/2019**	1-6/2020 **6/30/2020**
Equity	€ mill.	531.5	403.6	391.6
Equity ratio	%	36.8	30.3	31.8
Average working capital	€ mill.	239.9	227.2	185.4
Average working capital intensity	%	27.4	24.8	23.6
Closing working capital	€ mill.	224.1	180.3	180.9
Average capital employed	€ mill.	921.7	904.1	860.9
Closing capital employed	€ mill.	917.3	839.5	869.3
Net financial debt[1]	€ mill.	307.8	321.3	358.0

NOTES

Equity down slightly compared to end of 2019; noticeable downturn in total assets due to deconsolidation of assets and liabilities from discontinued operations following the completed sale of Locomotives; Equity ratio 1.5 percentage points higher than at the end of 2019

Average working capital intensity almost four percentage points lower than H1/2019 due to 2019 performance program, among others improvements in receivables management

Capital employed down compared to end of H1/2019, mainly due to sale of US switch activities; increase compared to end of 2019 due to first-time full consolidation of Chinese joint venture in the Fastening Systems business unit

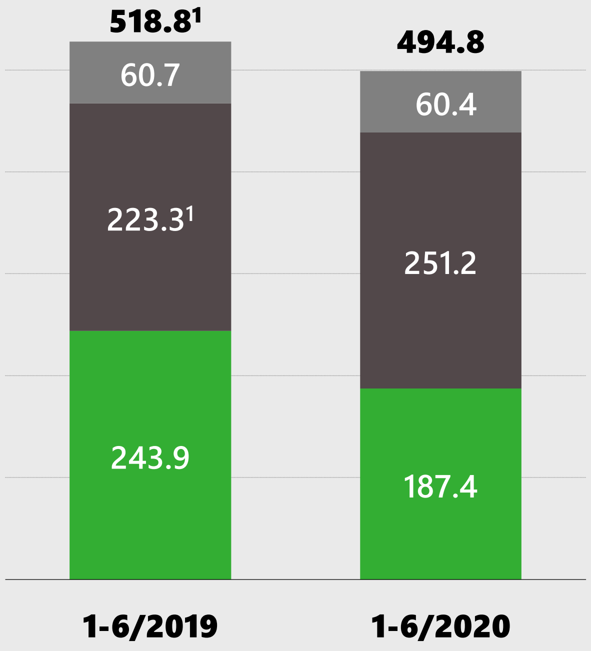
Net financial debt down €28.4 million compared to end of Q1/2020 despite COVID-19, among others due to proceeds from the completed sale of the Locomotives business unit in Q2/2020; increase compared to end of 2019 due to negative free cash flow from discontinued operations and interest and lease payments

[1]Net financial debt before application of IFRS 16. Taking into account IFRS 16, net financial debt would increase by €47.5 million on 6/30/2020.

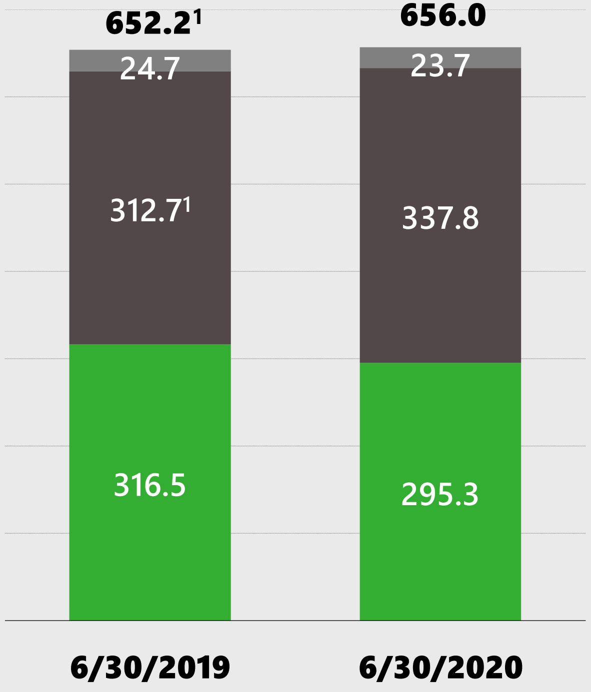
VOSSLOH GROUP

ORDER SITUATION STILL POSITIVE; BOOK-TO-BILL RATIO AT 1.26

ORDERS RECEIVED (in € mill.)



ORDER BACKLOG (in € mill.)



Core Components   Customized Modules   Lifecycle Solutions

NOTES

Orders received still at a high level despite COVID-19, previous year figure includes a major order for rail fastening systems in China won by Core Components totaling approx. €40 million; portfolio-adjusted orders received significantly increased by 12.5 percent in Customized Modules; Lifecycle Solutions on a par with the previous year; book-to-bill ratio above 1 in all divisions, Group-wide figure 1.26

Order backlog on a comparable basis slightly higher than previous year for the Group; significant increase in Tie Technologies business unit (Core Components), Fastening Systems business unit (Core Components) still below previous year; portfolio-adjusted considerable increase by 8.0 percent in Customized Modules, Lifecycle Solutions on a par with the previous year

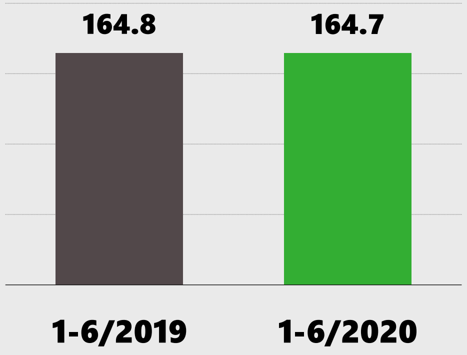
[1]For purposes of comparability, figures exclude US switch activities sold in 2019 (orders received adjusted by €50.1 million and order backlog adjusted by €74.7 million).

vossloh

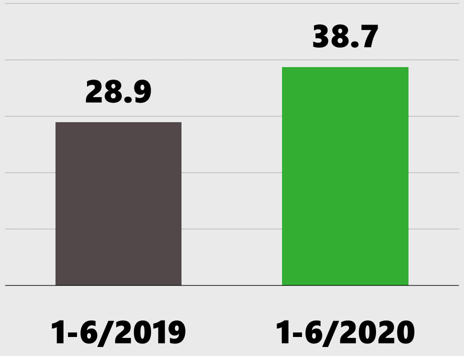
CORE COMPONENTS DIVISION

SALES AT PREVIOUS YEAR'S LEVEL, SIGNIFICANT BOOST TO EARNINGS AND PROFITABILITY FROM CONSOLIDATION EFFECT

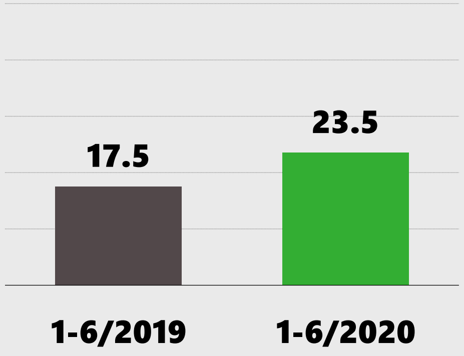
SALES (in € mill.)



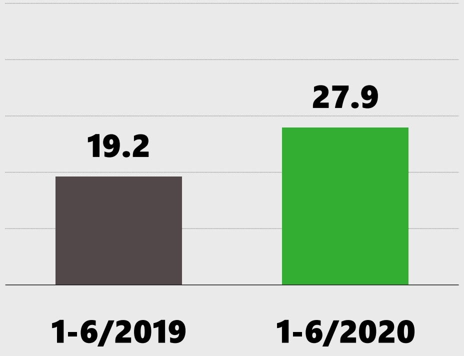
EBITDA (in € mill.)
(2019 adjusted)



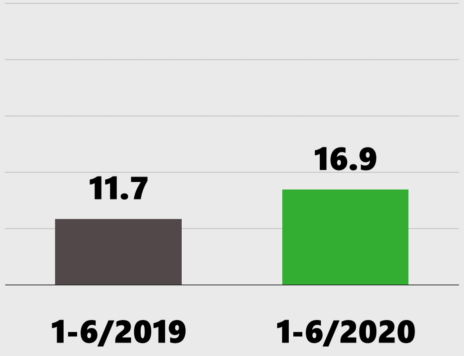
EBITDA MARGIN (in %)
(2019 adjusted)



EBIT (in € mill.)
(2019 adjusted)



EBIT MARGIN (in %)
(2019 adjusted)



Sales on a par with previous year; project-related downturn in sales in Fastening Systems business unit fully offset by increase in sales in the Tie Technologies business unit

Considerable increase in EBIT and EBIT margin 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 Q1/2020; in contrast, start-up costs for concrete tie plants in Canada and Australia; no significant impact from COVID-19 in first half of 2020 included yet

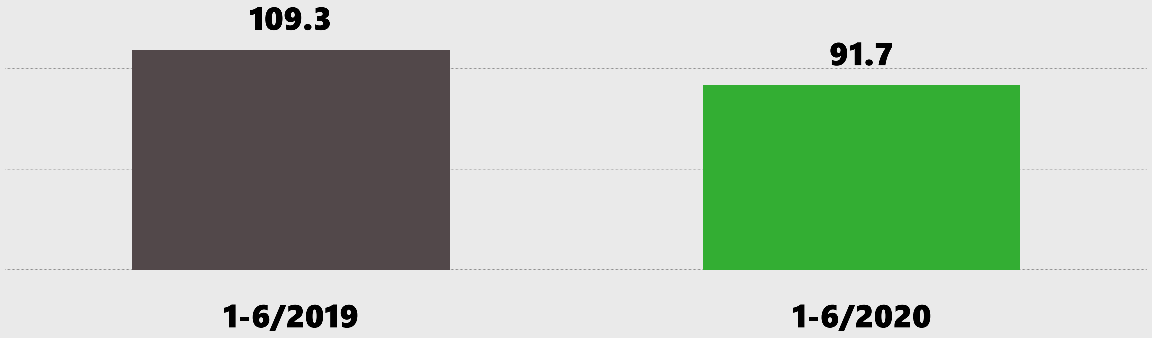
(in %) **ROCE**	**1-6/2019**	13.3
	1-6/2020	17.8
(in € mill.) **VALUE ADDED**	**1-6/2019**	8.1
	1-6/2020	16.9

vossloh

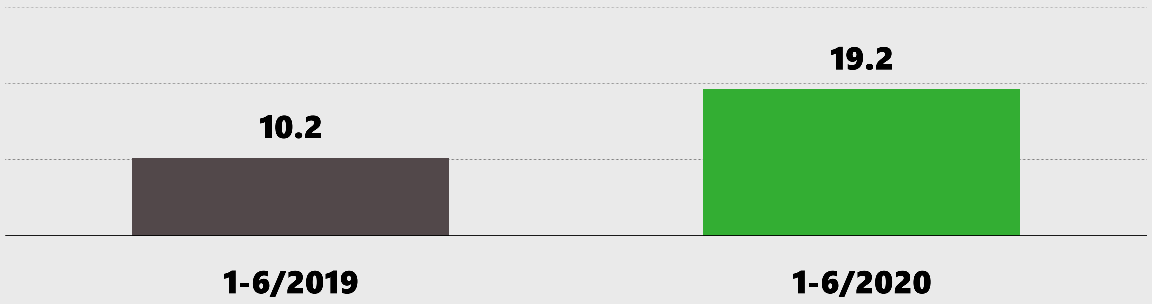
FASTENING SYSTEMS BUSINESS UNIT

CONSIDERABLE IMPROVEMENT IN VALUE ADDED DUE TO POSITIVE CONSOLIDATION EFFECT

SALES (in € mill.)



VALUE ADDED (in € mill.)



Particularly in China, as expected, sales due to project-related reasons below previous year, Turkey and Italy also down on previous year; declines partially offset by improved sales in Tanzania and the United Arab Emirates

Considerable year-over-year increase in value added due to the effect from business combination achieved in stages; when adjusted for this effect due to sales performance below previous year

Noteworthy orders received in the United Arab Emirates and Mongolia for the construction of new heavy-haul lines

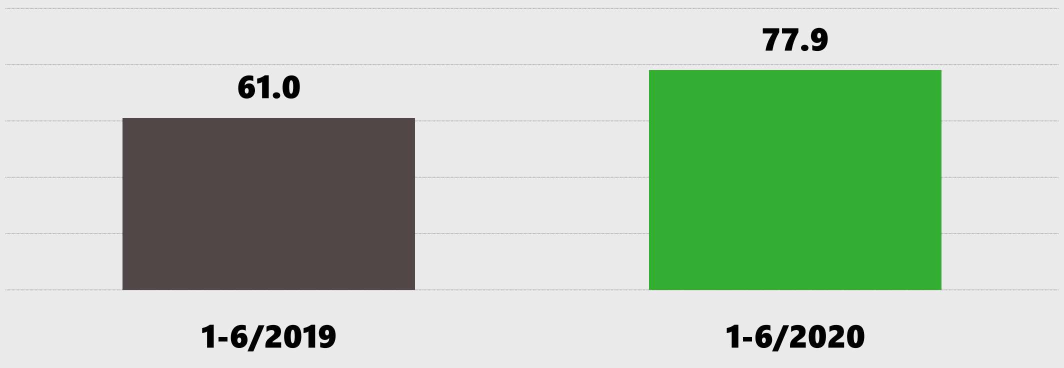
(in € mill.) **ORDERS RECEIVED**	**1-6/2019**	152.4
	1-6/2020	88.6
(in € mill.) **ORDER BACKLOG**	**6/30/2019**	234.2
	6/30/2020	179.3

vossloh

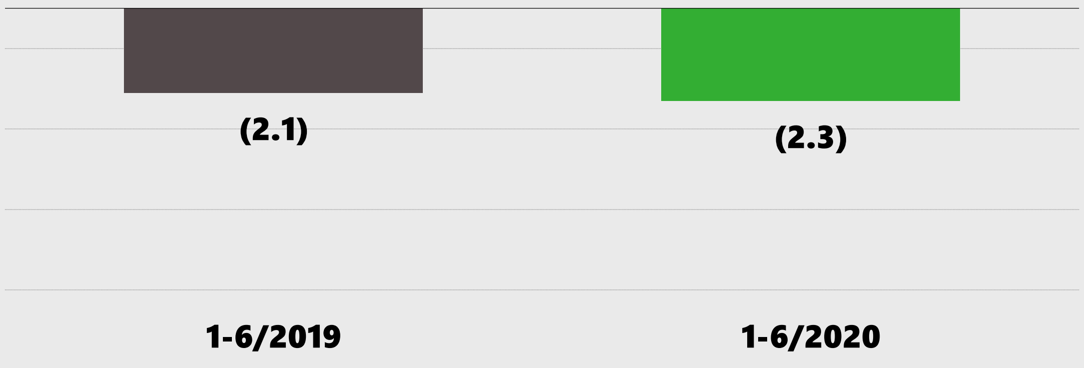
TIE TECHNOLOGIES BUSINESS UNIT

SALES UP CONSIDERABLY, BOOK-TO-BILL AT 1.37

SALES (in € mill.)



VALUE ADDED (in € mill.)



Increase in sales largely due to higher sales contributions in Australia as a result of processing of high order backlog (e.g. Rio Tinto order), higher sales also generated 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 1.37; significant orders received in the U.S., among others transit business and project in Florida, also considerable increase in orders in Mexico, orders down from previous year's high level in Australia (major order from Rio Tinto in Q2/2019)

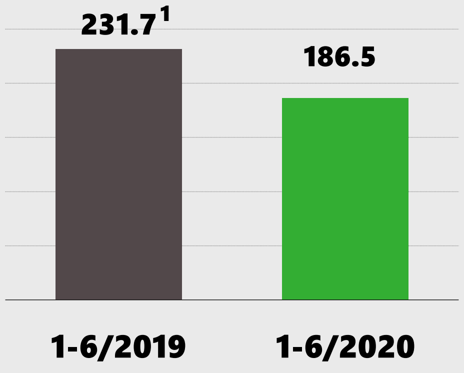
(in € mill.)		
ORDERS RECEIVED	**1-6/2019**	94.5
	1-6/2020	106.4
(in € mill.) **ORDER BACKLOG**	**6/30/2019**	84.1
	6/30/2020	121.4

vossloh

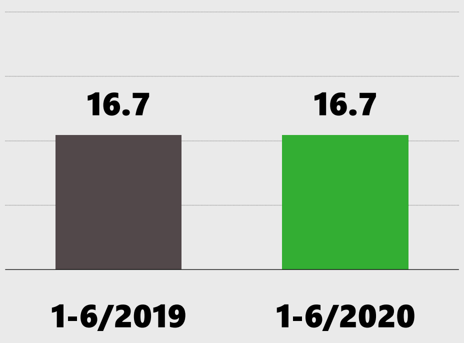
CUSTOMIZED MODULES DIVISION

EARNINGS AND PROFITABILITY UP YEAR-OVER-YEAR DESPITE SIGNIFICANT NEGATIVE IMPACT OF COVID-19

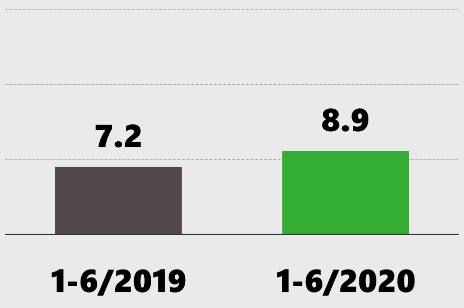
SALES (in € mill.)



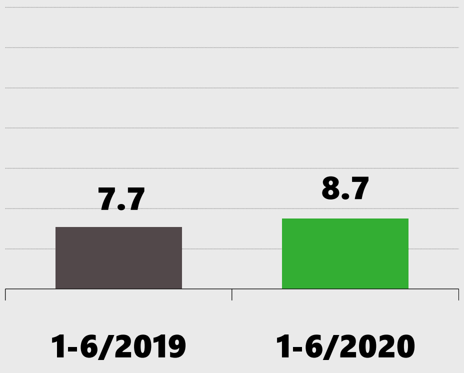
EBITDA (in € mill.) **(2019 adjusted)**



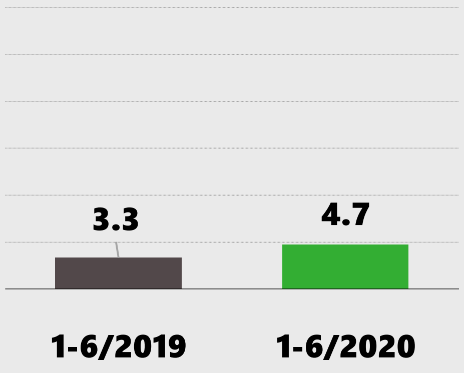
EBITDA MARGIN (in %) **(2019 adjusted)**



EBIT (in € mill.) **(2019 adjusted)**



EBIT MARGIN (in %) **(2019 adjusted)**



Sales largely due to portfolio adjustments below previous year; €30.1 million in sales from sold U.S. activities included in previous year's figure; particularly significant downturn in sales at French sites due to temporary downtimes in production as a result of COVID-19; in contrast, higher sales in Poland and Finland in particular

Earnings and profitability improved compared to previous year despite negative impact of COVID-19, mainly due to operational improvements as a result of the 2019 performance program

Book-to-bill at 1.35; positive performance in orders received primarily attributable to Eastern and Northern Europe, mainly in Poland and Finland, noticeable year-over-year improvement also in Israel and Australia

(in %) **ROCE**	**1-6/2019**	2.6
	1-6/2020	4.8
(in € mill.) **VALUE ADDED**	**1-6/2019**	(11.3)
	1-6/2020	(4.0)

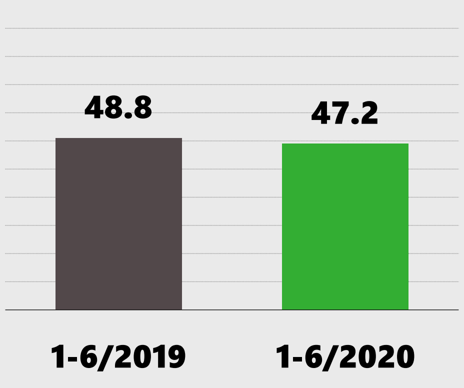
[1] Excluding sales from the U.S. switch activities sold at the end of 2019, sales came to €201.6 million.

vossloh

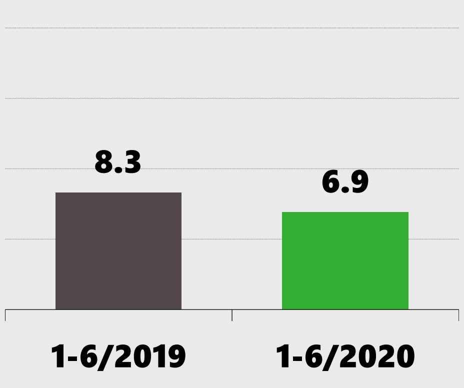
LIFECYCLE SOLUTIONS DIVISION

SALES AT PREVIOUS YEAR'S LEVEL, EARNINGS AND PROFITABILITY DUE TO COVID-19 BELOW PREVIOUS YEAR

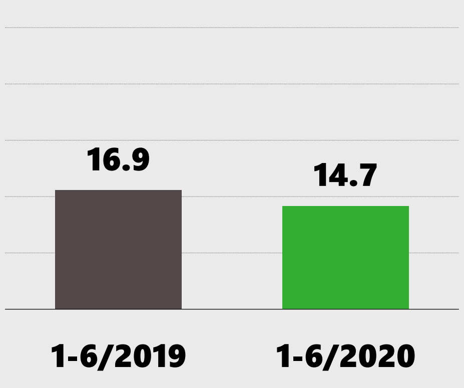
SALES (in € mill.)



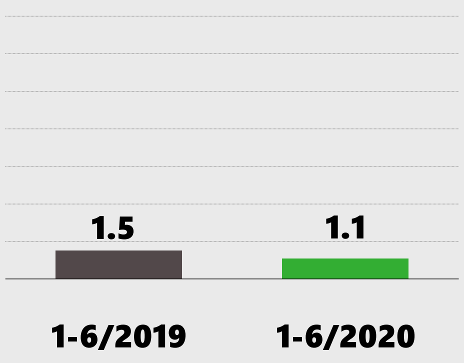
EBITDA (in € mill.)
(2019 adjusted)



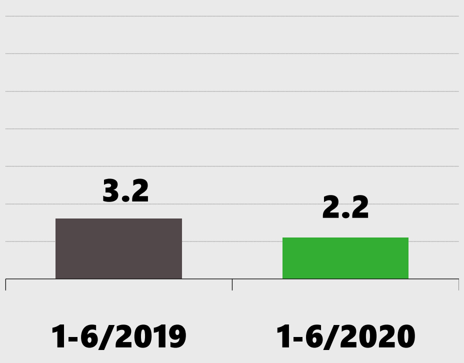
EBITDA MARGIN (in %)
(2019 adjusted)



EBIT (in € mill.)
(2019 adjusted)



EBIT MARGIN (in %)
(2019 adjusted)



Lower sales from sale of machines for maintenance of rail track offset by improved sales in Logistics and Stationary Welding; degree of internationalization (sales outside Germany) at 47.9 percent (previous year: 45.0 percent)

EBIT and EBIT margin affected by COVID-19, excluding COVID-19 effects above previous year; positive EBIT development especially in Logistics and Stationary Welding, in contrast, EBIT from maintenance business lower; significant improvement in profitability expected for maintenance business in H2/2020

Book-to-bill at 1.28; particular increase in orders received in the Netherlands, Denmark and Finland

(in %) **ROCE**	**1-6/2019**	(2.0)
	1-6/2020	1.2
(in € mill.) **VALUE ADDED**	**1-6/2019**	(8.8)
	1-6/2020	(5.3)

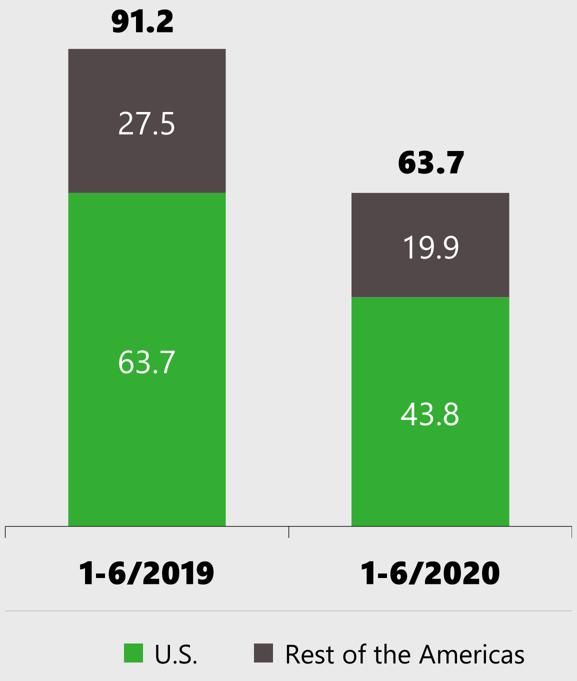
vossloh

VOSSLOH GROUP

SALES IN THE AMERICAS DUE TO PORTFOLIO ADJUSTMENTS BELOW PREVIOUS YEAR, SIGNIFICANT INCREASE IN AUSTRALIA AS EXPECTED

(in € mill.)

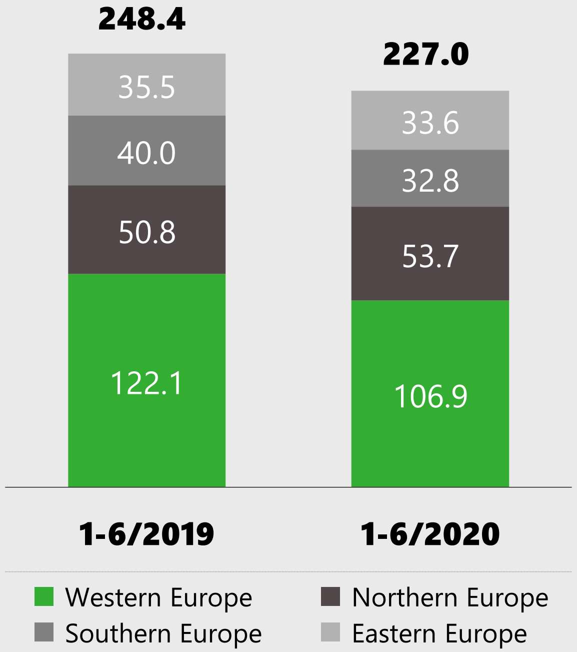
AMERICAS



Lower sales in CM in the U.S. due to portfolio adjustments, partially offset by higher sales in VTT; lower sales contributions from Canada

(in € mill.)

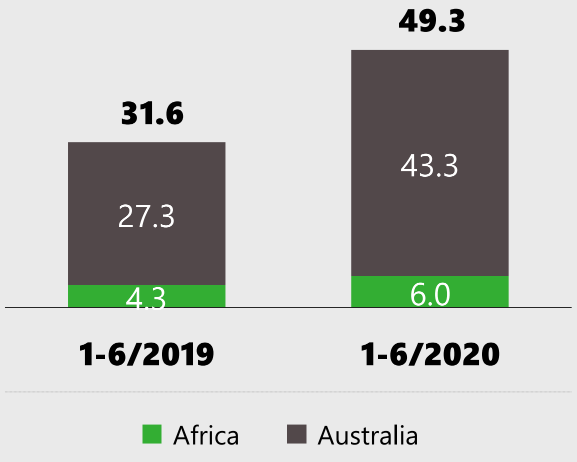
EUROPE



Sales down in Western Europe (particularly France) and Southern Europe (particularly Turkey), only partially offset by improved sales in Northern and Eastern Europe (particularly Finland and Poland)

(in € mill.)

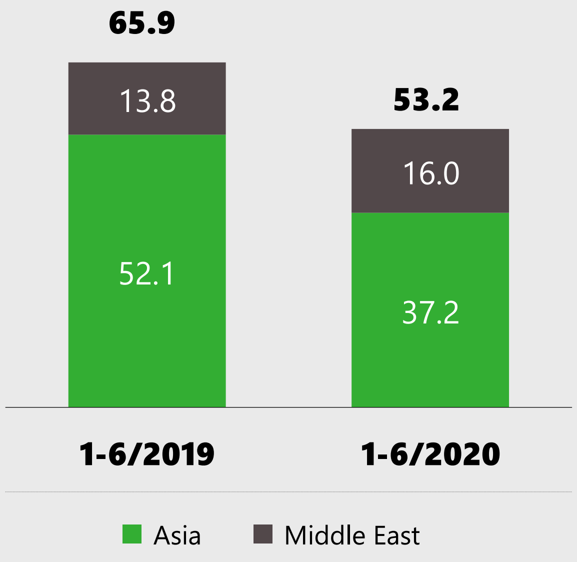
AFRICA & AUSTRALIA



Sales in Australia higher thanks to VTT; higher contributions from Africa (particularly Tanzania)

(in € mill.)

ASIA INCL. MIDDLE EAST



Lower sales mainly in China and Malaysia, in contrast, particularly significant improvement in sales in the United Arab Emirates

vossloh

VOSSLOH GROUP OUTLOOK

OVERALL OUTLOOK CONFIRMED

Sales

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

- Sales expected to be at the lower end of the forecast range; significant improvement in sales for Vossloh Tie Technologies expected to compensate for the majority of sales lost due to the group’s exit from the American switch sector; from today's perspective, further sales shifts due to COVID-19 into the following years, which will lead to sales of slightly less than €900 million, cannot be completely ruled out

Value added

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

- In 2020, value added is expected to remain within the forecast range 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 in early 2020

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 improvements resulting from the performance program; operational profitability still expected to increase in Customized Modules and Lifecycle Solutions; profitability at Core Components favored by earnings effect from a business combination achieved in stages

FINANCIAL CALENDAR AND CONTACT INFORMATION

HOW YOU CAN REACH US

Financial calendar 2020

- October 29, 2020 — Quarterly statement as of September 30, 2020
- March 2021 — 2020 Annual Report

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)

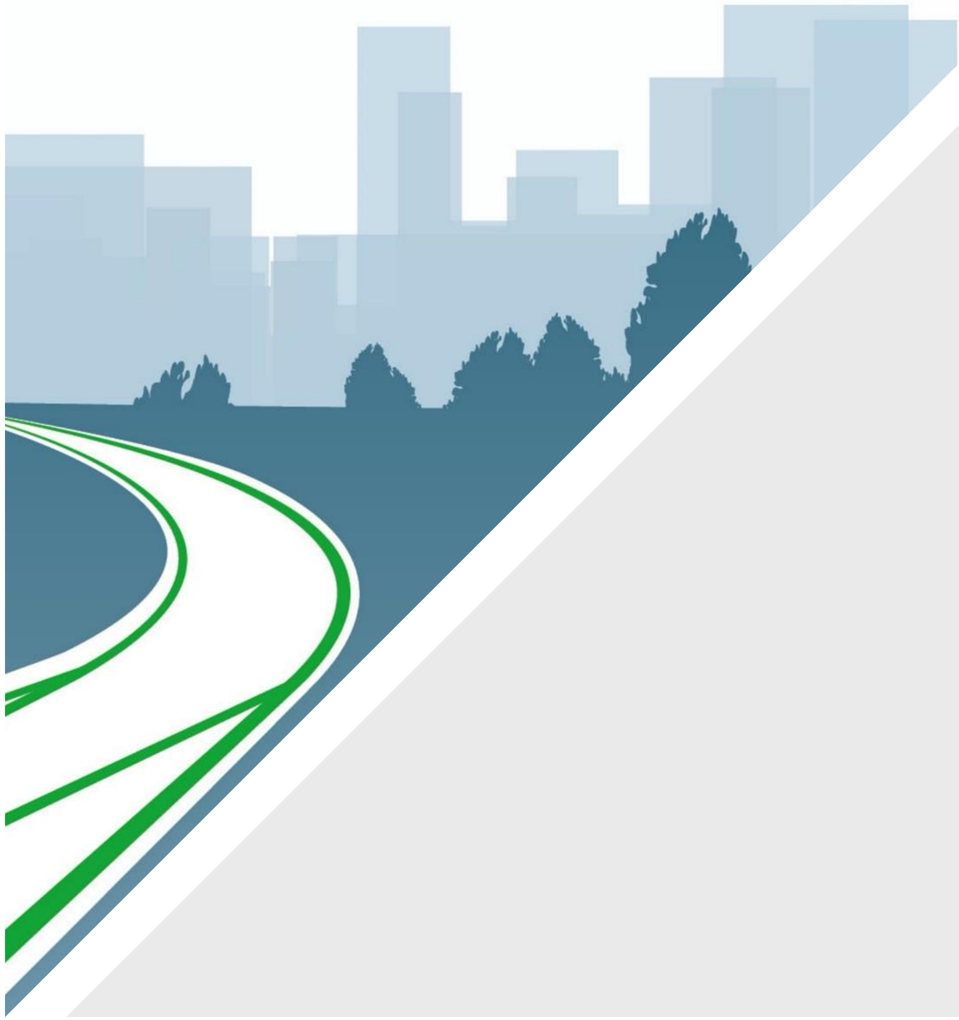
Email: presse@vossloh.com

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

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

vossloh

Focused.
Dynamic.
Green.



Q&A

THANK YOU FOR YOUR TIME.

vossloh