

**PRESENTATION**  
**STIFEL EUROPE GERMAN SMID CAP**  
**ONE-ON-ONE FORUM**

**MAY 11, 2021**

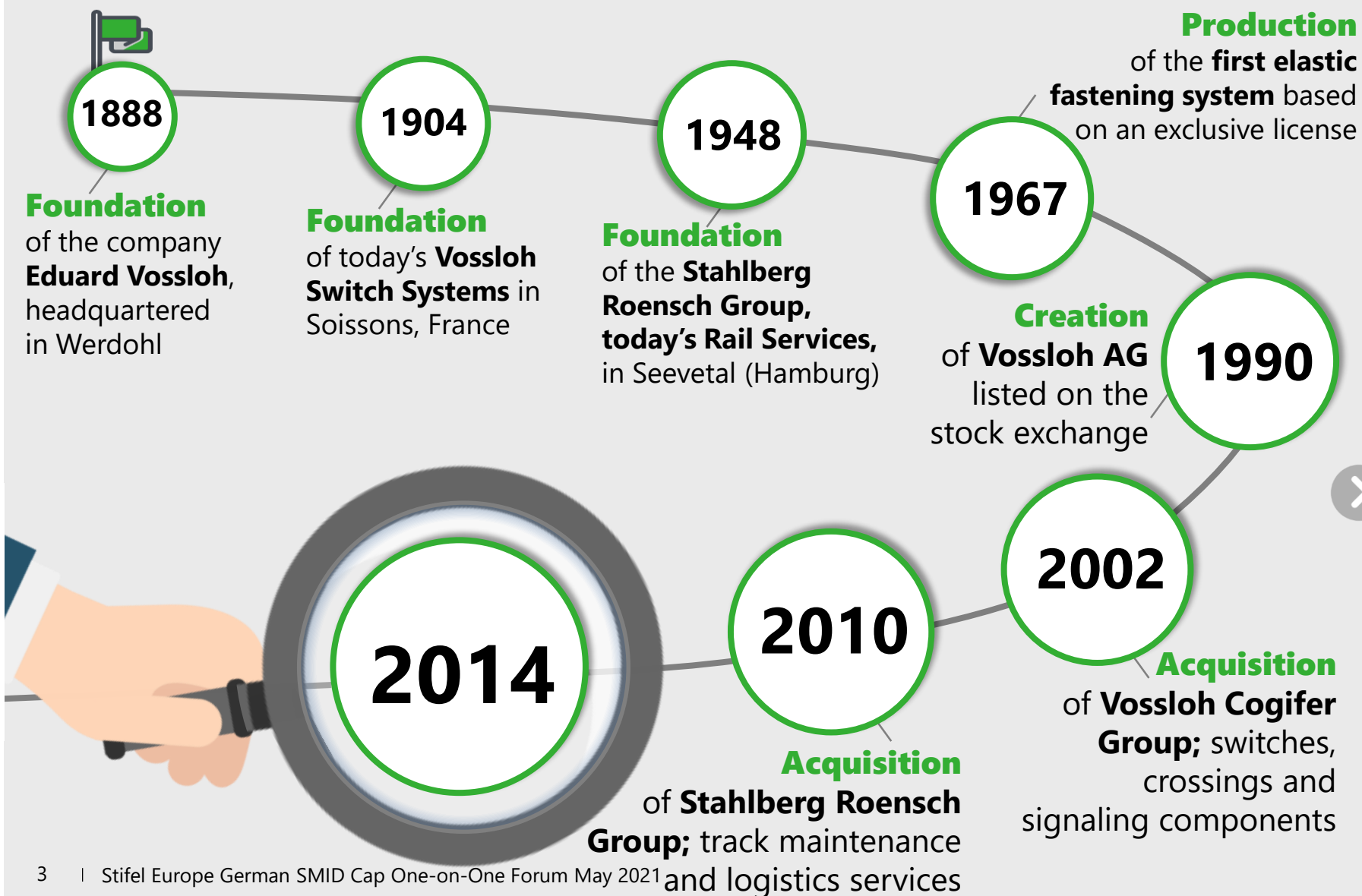
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## NOTE



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# VOSSLOH'S HERITAGE SNAPSHOT – 2014 REPOSITIONING



## 2014 at a Glance

-  **Very weak market position in the Rolling Stock Units** dealing with capital intensive businesses
-  **New board assumes operations** replacing previous management team

**> 250 M€**  
in one-time effects

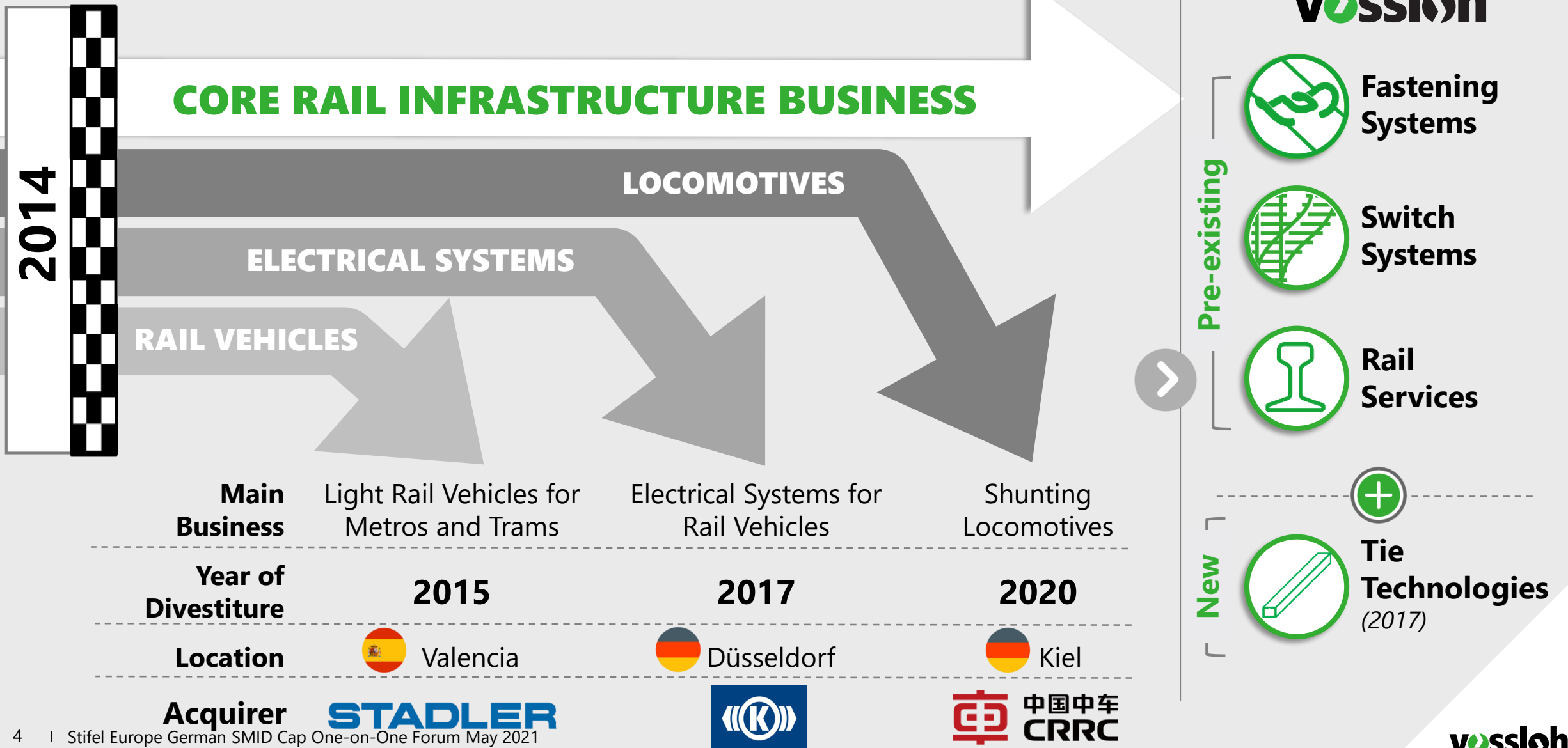
-  **Complete refinancing** incl. sale of treasury shares and replacing USPP structure

-  **Decision to reposition Vossloh** as a pure play **Railway Infrastructure Provider**



**"ONE VOSSLOH"**

# REPOSITIONING COMPLETED IN 2020 AFTER A COMBINATION OF ACQUISITIONS AND DIVESTITURES





# VOSSLOH COVERS THE FULL RAIL TRACK WITH A LEADING-EDGE PORTFOLIO IN PRODUCTS AND SERVICES



Rail Services



Switches & Crossings



Concrete Sleepers



Fastening Systems



# FASTENING SYSTEMS



## Product Purpose

/ The fastening system connects the rail to the superstructure, restraining the rail movement and accommodating stresses through adequate elasticity. The fastening system also provides electrical insulation to the rail



## Necessary Features

- ✓ Axle load: from Tramways to Heavy Haul
- ✓ Speed: from Regional to High Speed
- ✓ Noise and vibration reduction
- ✓ Provide electric insulation
- ✓ Ability to comply with the most demanding technical specifications both in slab and ballasted tracks



## Vossloh Facts

**+1 Billion**

Clamps already produced by Vossloh in Werdohl

**50 Million**

Clamps manufactured per year at Vossloh

**70% of tracks**

In Europe use Vossloh-Type

**72 patents**

Currently in place

**+85 Countries**

Supplied w/ Vossloh



# CONCRETE SLEEPERS



## Product Purpose

/ The concrete sleepers are an integral part of the track superstructure. They support the rails and distribute forces originated from the passage of rolling stock and the rail deformation caused by temperature effects



## Necessary Features

- ✓ Design to load specification: light rail, commuter and heavy-haul traffic
- ✓ Rigorous quality standards must be achieved (e.g. ISO 9001/AAR M1003)
- ✓ Design production to account for different fastening system types
- ✓ Comply with strict product properties and geometric tolerances



## Vossloh Facts

**+32 Million**

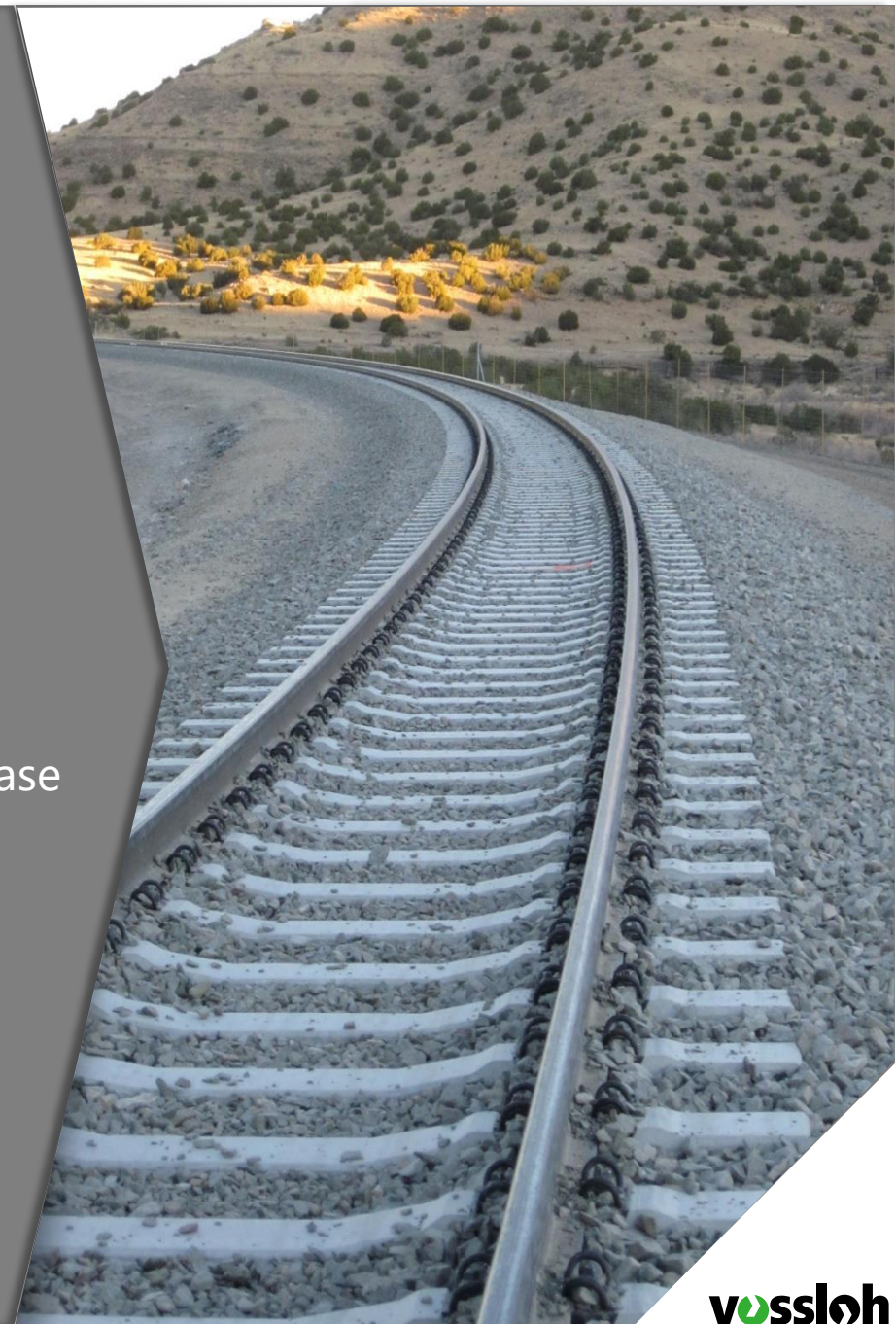
Sleepers successfully installed

**70% of USA's**

Concrete tie installed base

**+1,7 Million**

Concrete sleepers produced per year





# SWITCHES & CROSSINGS

## Product Purpose

/ The turnout is a mechanical assembly enabling trains to be guided from one track to another in a safe manner. It also comprises motors and rods to allow the movement and locking of the tongue rails

## Necessary Features

- ✓ Tailor-made solutions to fit unique needs for every switch
- ✓ Operate at the highest speeds in optimal comfort and safety
- ✓ Designed to reduced maintenance time (*e.g. complete switch replacement in 8h*)
- ✓ Operations from  $-50^{\circ}\text{C}$  to  $+58^{\circ}\text{C}$

## Vossloh Facts

**4,000** Turnouts  
**12,000** Forged tongues  
**9,500** Monobloc crossing per year

**560 km/h:** record speed reached on a turnout

**~80 countries** delivered

**from 9m up to 250m length**  
(tram to high speed)





# RAIL SERVICES



## General Characteristics

- / Rail Services encompasses all services to preserve the rail infrastructure and keep it safe and effective over the long term incl. inspection, maintenance and preventive care
- / Rail Services also relate to track supply, covering the whole lifecycle from rail commissioning, welding, just-in-time delivery on track, installation and recycling



## Necessary Features

- ✓ High machine availability to cover a broad range of service demands
- ✓ Large service portfolio necessary to allow flexible best in practice offers
- ✓ Regional rail welding facilities to handle and cover local demands
- ✓ Reliable logistics fleet to guarantee functionality and delivery quality



## Vossloh Facts

**>120,000 km**

of grinded rails by HSG in the past 10 years

**>1,000 turnouts**

maintained annually

**75% of new rails** in

Germany delivered by Vossloh

active in **15 countries**

on 3 continents

**520 wagons**

largest private fleet for rail transportation in Europe

Transportation of up to

**360 m** long rails



# VOSSLOH PROVIDES AN UNIQUE HARDWARE & SERVICE PORTFOLIO WORLDWIDE

## Unique & holistic hardware know-how



## Broad variety of service offerings



- ✓ Vossloh combines a **comprehensive hardware portfolio** covering **all relevant rail tracks** with **global presence**
- ✓ Vossloh's **engineering skills** and **customer proximity** are considered **world class** by customers which makes Vossloh an attractive partner
- ✓ Holistic hardware know-how provides **comprehensive understanding of the rail track as a system** enabling Vossloh to increase customer value

- ✓ Vossloh has a **wide-ranging portfolio of service offerings** covering track supply and maintenance
- ✓ Vossloh's maintenance portfolio comprises **corrective as well as preventive services** including its **unique HSG technology**
- ✓ Vossloh possesses the **perfect starting base** for the expected shift to **condition based and predictive maintenance**

# GLOBAL TRENDS PUSHING FOR INCREASED RAIL PARTICIPATION

## 177 Bn€

Yearly Rail Investments\*



## +2.3% CAGR

Expected Annual Growth  
through 2023/2025\*



### Population Growth

The global population will increase from a population of 7.8 billion in 2020 to 11.2 billion by the end of the century, resulting in increased transportation needs for people and goods



### Urbanization

While today only 55% of humans live in cities, it is expected that in 2050 up to 68% of the then 9.7 billion humans will live in urban areas requiring mass transit systems (metros & trams)



### Sustainability

When it comes to environmentally-friendly travel, rail is the winner. The reduction of the carbon footprint of transport requires a significant shift to rail mobility



### Market Globalization

Trend to increased international trade volumes creates the need for more efficient goods transportation on a global scale (long term COVID-19 effect on supply chains yet to be identified)



### Digitalization

Digitalization with IoT, AI, big data & data analytics not only impact society, working environment and business operat., but will also heavily influence the rail industry with a view on trains, infrastructure and processes



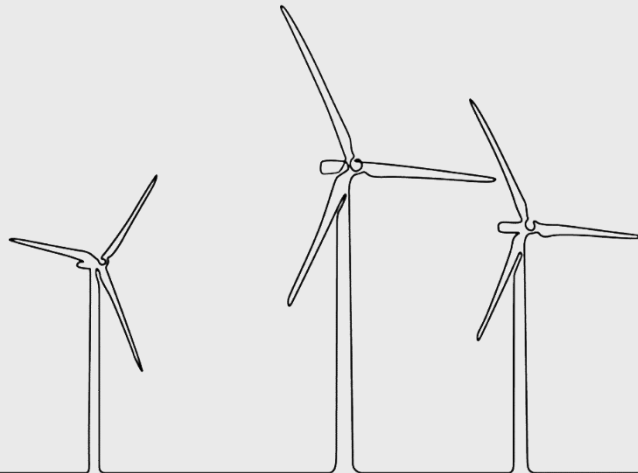
# RAILWAYS AS MAJOR CONTRIBUTORS TO REDUCE CARBON EMISSIONS

Given the fact that sustainability and the climate emergency occupy a top position on the political agenda, there have been growing concerns over the carbon footprint of transportation

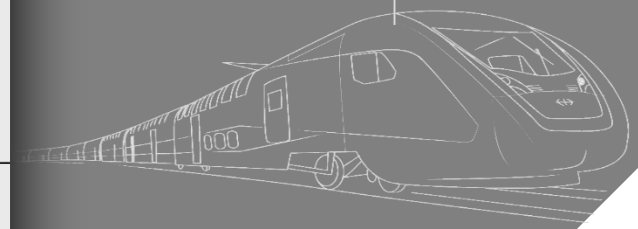
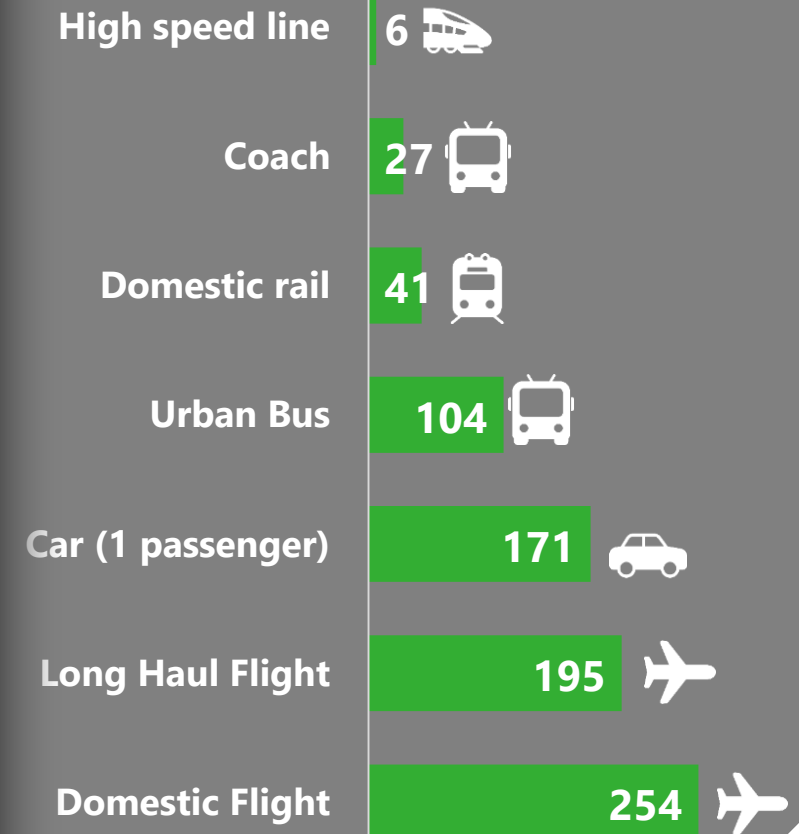
**Today rail mobility represents 8% of transportation but 2% in energy use. And it will play a major role in reducing greenhouse gas emissions as it is the most efficient and lowest emitting modes of transport.**

From local municipalities to the federal governments, the Political will is pushing for a shift of both freight and passengers from road and air to rail and creates business opportunities

**VOSSLOH HAS THE OPPORTUNITY TO PLAY A KEY ROLE IN ENABLING GREEN MOBILITY**



## Greenhouse Gases Emission (g) per Passenger per Km Travelled \*

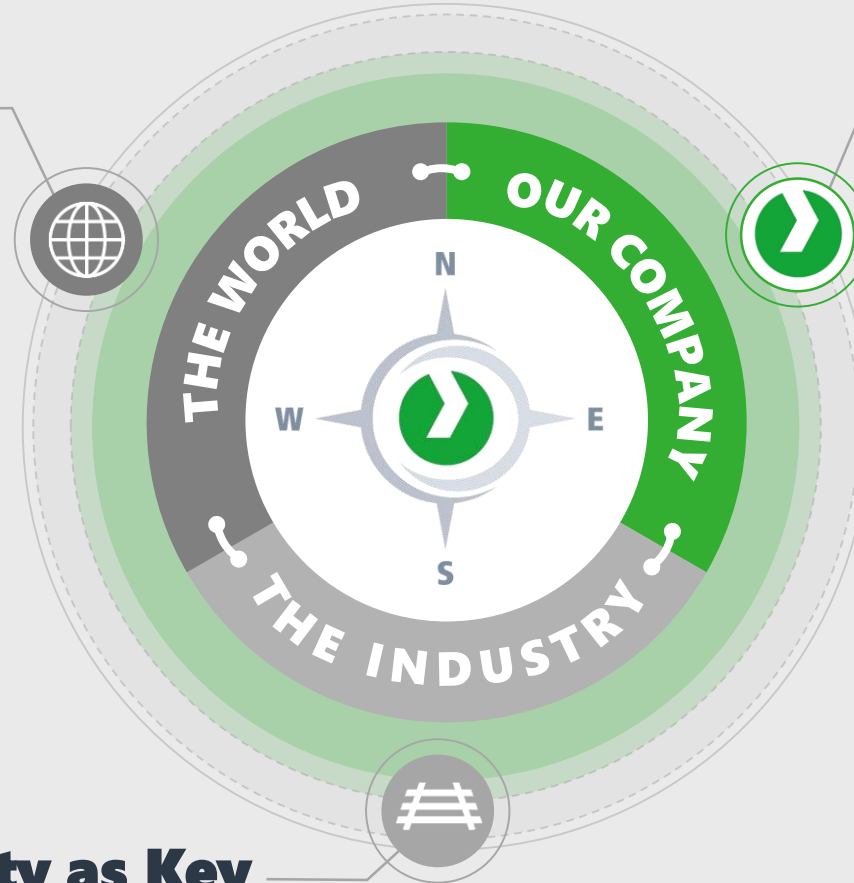


**vossloh**

# THE STRATEGY'S FUNDAMENT: VOSSLOH IS PERFECTLY POSITIONED TO MAKE USE OF THE TRENDS TO RAIL AND TRACK AVAILABILITY

## Shift to Rail

Global megatrends will provide **strong tailwind for rail** as mode of transportation in the coming decades. Population growth, urbanization and globalization create **need for more transportation**. On top, sustainability favors **clean modes of transportation**



## Unique position

Vossloh has a **unique comprehensive portfolio** of products and services, providing the **understanding of the rail track as a system**. Combined with its **global market presence and customer access**, Vossloh has the perfect starting position to successfully implement **solutions for higher track availability**

## Track Availability as Key

The network expansion cannot keep up with this growth. A substantial **increase of rail traffic on existing infrastructure** will be required, enabled by modern train control systems. With growing traffic density **track availability becomes a key success factor** for rail networks

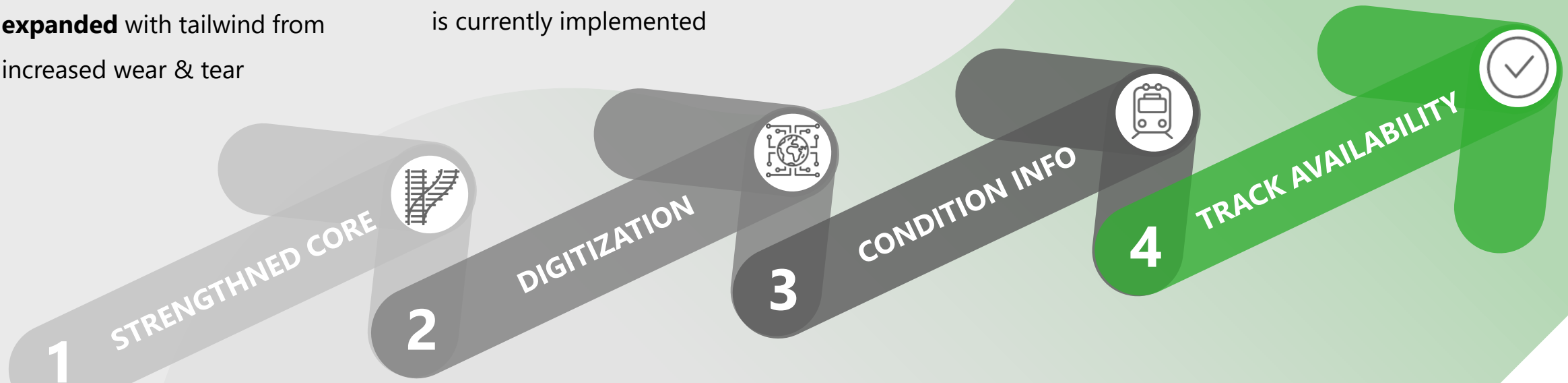
# THE STRATEGIC DIRECTION: VOSSLOH ENABLES TRACK AVAILABILITY VIA PRODUCTS & SMART MAINTENANCE SOLUTIONS

Making products more **durable, reliable and with improved life-cycle-costs** is our core competence. This core will be **continued, strengthened and expanded** with tailwind from increased wear & tear

The ability to **process large amounts of data** collected by sensors in real time and evaluate them using **artificial intelligence and analytics** will **disrupt rail maintenance** as it is currently implemented

Rail track **condition information in real time** enables transition from experience- and period-based to **condition-based and perspectively predictive maintenance**

**Condition-based and predictive maintenance** will fulfil operators demand for **higher track availability** and opens huge **efficiency potentials** for maintenance execution and improved life-cycle-costs





# THE STRATEGY IN PRACTICE: FROM DATA COLLECTION TO SMART SERVICES AND IMPROVED PRODUCTS



**Vossloh as fully integrated, leading global solutions provider for rail infrastructure**



Step-by-step Vossloh builds up a modular set of smart maintenance solutions partnering with its customers



Vossloh **collects condition data** both **stationary and mobile** using the company's **own service vehicles fleet**



Both **data sets are complementary** allowing a **holistic understanding** of the track infrastructure



**Understanding of the rail infrastructure as a system** enables Vossloh to **extract relevant condition information**



Vossloh provides customers not only with recommendations but **executes the maintenance services** (one-stop-shop)



**Track condition findings improve product development**



Data collection will allow **improved products targeting customer's data proven pain points** to differentiate against competition

# OUR CORPORATE STRATEGY IMPERATIVES



## Win the Commodity Game

- / Maintain and/or regain **cost leadership**
- / **Volume increase** via selective **sales push**
- / **Broaden product portfolio**
- / Differentiation via **selective innovation**



## Develop the Service Business to the Digital Era

- / Strengthen the **conventional service business**
- / Develop the **smart maintenance market**



## Improve Organization, Processes and Capabilities

- / **Commercial excellence & sales approach**
- / Improve **digital set-up & capabilities**
- / Groupwide **efficiency program**
- / **Leadership excellence**
- / **Sustainability strategy**





# Win the Commodity Game

## ...TO REGAIN MARKET STRENGTH & PROFITABILITY



### **Fit for purpose to tackle commoditization**

We acknowledge the commoditization trend undergoing on part of the portfolio; therefore we need to improve our cost structure to answer the escalating price competition



### **Selective sales push for volume**

With a well-directed sales push into promising markets we must get more critical mass to outrun the commoditization race



### **Broaden portfolio, foster cross selling**

Strategically expand our portfolio to increase cross selling opportunities and to further complete holistic rail track understanding and solutions offering



### **Differentiation via selective innovation**

Focused R&D efforts on customer pain points provide competitive differentiation and generate customer satisfaction



## ...TO TAP NEW REVENUE STREAMS & EXPAND CUSTOMER VALUE-ADDED



### **Vossloh as a rail maintenance partner**

A broad array of services allows the realization of lasting partnerships, where we offer our customers relief from maintenance and enable them to focus on their core business



### **Enabling predictive maintenance for the rail track**

Our expertise combination around hardware and services is the perfect base to utilize new digital and analytics technologies to develop condition based and predictive maintenance concepts



### **Meet customer demand for track availability**

An upgraded, more intelligent service offering will meet customer needs for more efficient maintenance on higher utilized tracks



### **From product design to lifecycle maintenance**

Maintaining our own hardware provides us with the ability to optimize products and maintenance protocols enabling us to differentiate and upvalue from a components supplier to a provider of uptime



# Develop the Service Business to the Digital Era



# Improve Organization, Processes and Capabilities

## ...TO DEVELOP AN EFFICIENT ORGANIZATION FIT FOR PURPOSE



### **Commercial Excellence**

Becoming better in making money via an improved sales set-up & approach with increased customer intimacy



### **Digital Set-up and Capabilities**

Mastering the digital disruption is key for future customer solutions as well as digitized internal processes



### **Groupwide Efficiency Program**

Lifting of efficiency potentials and cost consciousness culture will improve both competitiveness and financial performance



### **Leadership Excellence**

Strengthened Vossloh culture via leadership competencies, improved feedback mechanism and top talent retention



### **Sustainability**

Increased resource efficiency will make us more competitive and serves our responsible role with our stakeholders

# GUIDANCE 2021 AND MID-TERM AMBITIONS

## Guidance 2021\*

2020		2021E
€870 million	<b>Sales revenues</b>	€850 to 925 million
<b>Operational Profitability:</b>		
6.6 %**	<b>EBIT margin</b>	7.0 to 8.0 %
12.4 %**	<b>EBITDA margin</b>	13.0 to 14.0 %

## Mid-term Ambitions

### Sales increase

4 – 5 % p.a. on average; well above average market growth expected in relevant market studies

### Profitability improvement

**mid-term** double-digit EBIT margins for all divisions targeted, interim step towards

**long-term goal** of double-digit EBIT margin for the Group, this corresponds to an EBITDA margin of roughly 16 %

\*) The guidance for the 2021 financial year is subject to no material new unplanned impacts related to the COVID-19 pandemic.

\*\*) For purposes of comparability excluding the €15.6 million book effect from a transitional consolidation of a joint venture in China, which corresponds to an EBIT or EBITDA margin of approx. 1.8 percent.



# **FINANCIAL OVERVIEW**

## **FY 2020**

# VOSSLOH GROUP FY 2020

SALES ABOVE PREVIOUS YEAR WHEN ADJUSTED FOR PORTFOLIO EFFECTS; SIGNIFICANT INCREASE IN EBIT AND EBIT MARGIN

KEY GROUP INDICATORS		2019	2020
Sales revenues	€ mill.	916.4 <sup>1</sup>	869.7
EBITDA/EBITDA margin (2019 adjusted)	€ mill./%	105.5/11.5	123.1/14.2
EBIT/EBIT margin (2019 adjusted)	€ mill./%	55.7/6.1	73.1/8.4
Net income	€ mill.	(136.8)	20.8
Earnings per share	€	(8.32)	0.98
Free cash flow (core business)	€ mill.	2.4	58.1
Free cash flow (including discontinued operations)	€ mill.	(42.4)	4.0
Capital expenditure	€ mill.	59.8	68.7
Value added	€ mill.	(105.4)	12.4

## NOTES

**Sales revenues** slightly above previous year when adjusted for portfolio effects; Core Components higher than previous year, Lifecycle Solutions stable, Customized Modules slightly below previous year due to the pandemic

**EBIT** and **EBIT margin** significantly above previous year despite negative pandemic-related effects of approximately €25 million; driven strongly by savings resulting from the 2019 performance program; additional positive one-time effect from the transitional consolidation of a company in the Fastening Systems business unit (€15.6 million)

**Net income** positive despite adverse effects from discontinued operations of €26.2 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 increased over previous year; Group free cash flow positive despite adverse effects from Vossloh Locomotives of €54.1 million

**Value added** positive; previous year heavily burdened by one-time effects from performance program

<sup>1</sup> Excluding sales from the U.S. switch activities sold at the end of 2019, sales came to €861.5 million.

# VOSSLOH GROUP FY 2020

EQUITY RATIO SUBSTANTIALLY INCREASED YEAR ON YEAR; NET FINANCIAL DEBT LOWER THAN PREVIOUS YEAR

## KEY GROUP INDICATORS

		12/31/2019 <b>2019</b>	12/31/2020 <b>2020</b>
Equity	€ mill.	403.6	414.5
Equity ratio	%	30.3	34.1
Average working capital	€ mill.	227.2	186.4
Average working capital intensity	%	24.8	21.4
Closing working capital	€ mill.	180.3	155.3
Average capital employed	€ mill.	904.1	867.9
Closing capital employed	€ mill.	839.5	851.5
Net financial debt <sup>1</sup>	€ mill.	321.3	307.4

## NOTES

**Equity** increased by 2.7 percent, mainly as a result of positive net income, but negative effects related to the translation of financial statements in foreign currencies; equity ratio following the sale of Locomotives up by 3.8 percentage points over year-end 2019

**Average working capital intensity** down considerably in comparison with the previous year, mainly due to improved working capital management in Customized Modules following the 2019 performance program

**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 Anyang

**Net financial debt** lower than at year-end 2019 despite COVID-19, mostly due to the positive FCF in core business; lease and interest payments and all outflows from discontinued operations had a counteractive effect (negative FCF from discontinued operations not fully compensated for by proceeds from the sale of Locomotives)

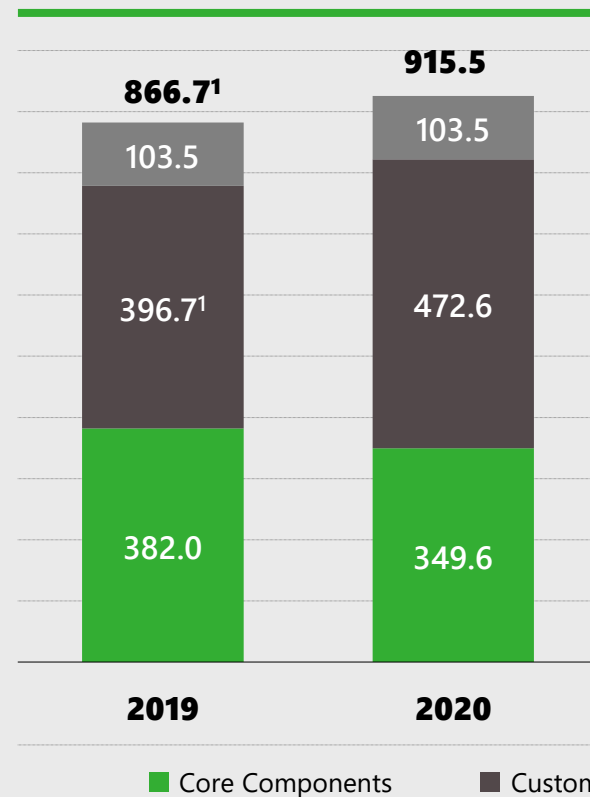
<sup>1</sup> Net financial debt before application of IFRS 16. Including lease liabilities, net financial debt came to €351.3 million on December 31, 2020 (previous year: €370.4 million).



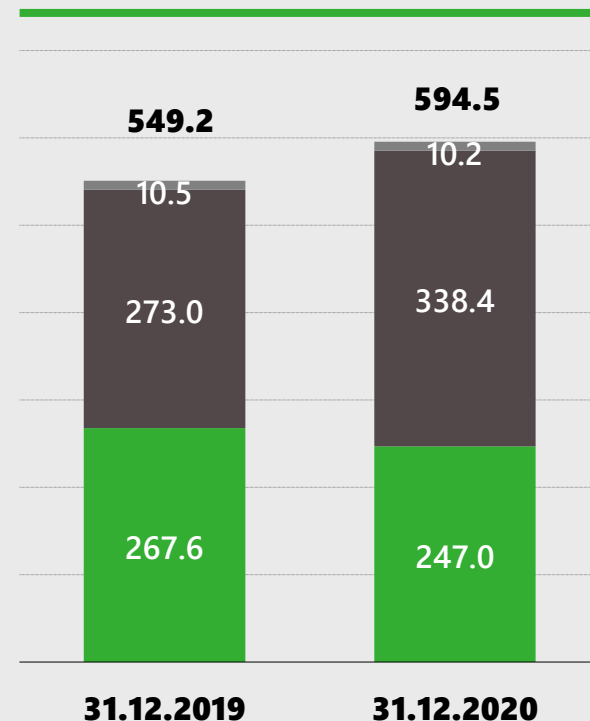
# VOSSLOH GROUP FY 2020

ORDERS RECEIVED INCREASED BY 5.6% WHEN ADJUSTED FOR PORTFOLIO EFFECTS, ORDER BACKLOG BY 8.2%

## ORDERS RECEIVED (in € mill.)



## ORDER BACKLOG (in € mill.)



## NOTES

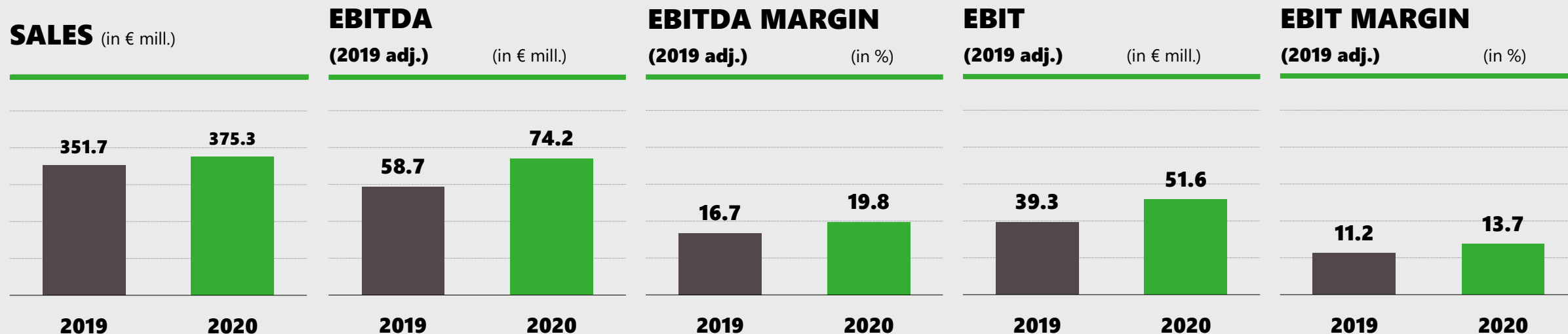
**Orders received** noticeably increased by 5.6 percent relative to the previous year on a comparable basis due to the strong development in the Customized Modules division (portfolio-adjusted +19.2%); orders received in Core Components lower than high previous year's level for project-related reasons; stable orders received at Lifecycle Solutions; book-to-bill ratio of 1.05 for Group as a whole

**Order backlog** of the Vossloh Group increased significantly by 8.2 percent over the previous year; the Customized Modules division in particular saw a significant increase (+24.0 percent); Core Components below previous year for project-related reasons; Lifecycle Solutions had only insignificant changes

<sup>1</sup> Presented without orders received of €71.5 million from the U.S. switch activities sold at the end of 2019 for comparability purposes.

# CORE COMPONENTS DIVISION FY 2020

SALES UP BY 6.7 PERCENT; POSITIVE INFLUENCE ON EARNINGS AND PROFITABILITY THROUGH EFFECTS OF TRANSITIONAL CONSOLIDATION



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

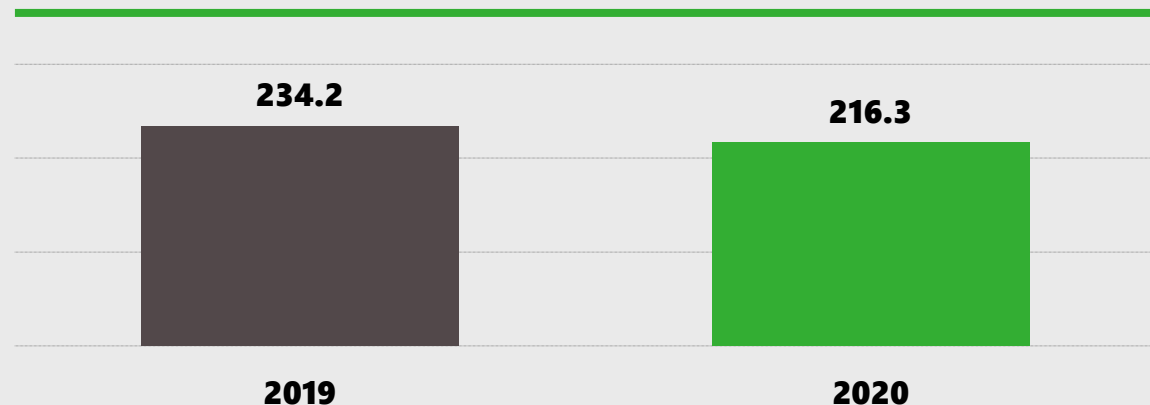
EBIT and EBIT margin increased significantly thanks to the earnings effect recognized in profit and loss as part of the transitional consolidation of the Anyang joint venture (€+15.6 million); on the other side pandemic-related effects and start-up costs for concrete tie factories in Canada and Australia, among other things

(in %) <b>ROCE</b>	2019	12.4
	2020	16.1
(in € mill.) <b>VALUE ADDED</b>	2019	13.7
	2020	29.1

# FASTENING SYSTEMS BUSINESS UNIT FY 2020

VALUE ADDED SIGNIFICANTLY INCREASED BY EFFECT FROM TRANSITIONAL CONSOLIDATION DESPITE DECLINE IN SALES

## SALES (in € mill.)

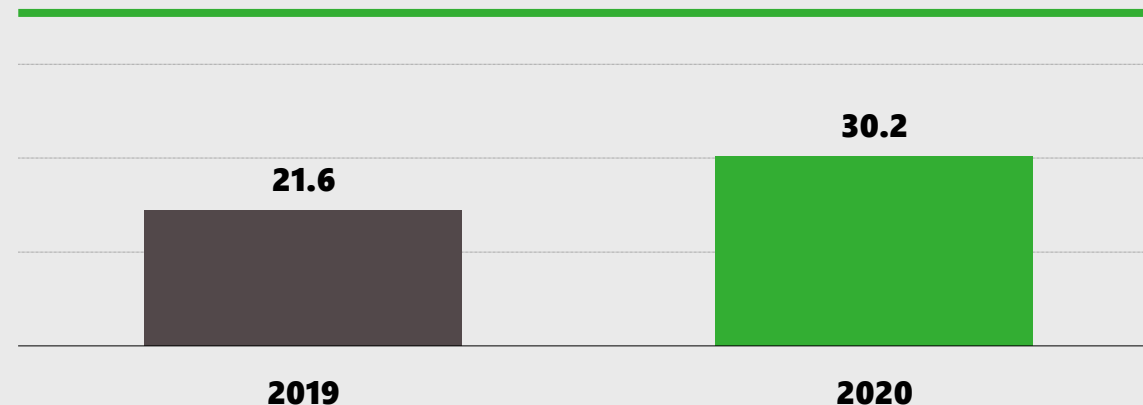


Lower sales in North America and Turkey; in addition, China experienced pandemic-related sales postponements

Value added significantly higher than previous year due to effect from the transitional consolidation; lower than previous year due to sales performance if this effect is excluded

Book-to-bill ratio at 0.98; higher orders received in Italy and Mongolia, lower than previous year in China and Russia, among others

## VALUE ADDED (in € mill.)



(in € mill.)	<b>2019</b>	220.4
<b>ORDERS RECEIVED</b>	<b>2020</b>	211.0

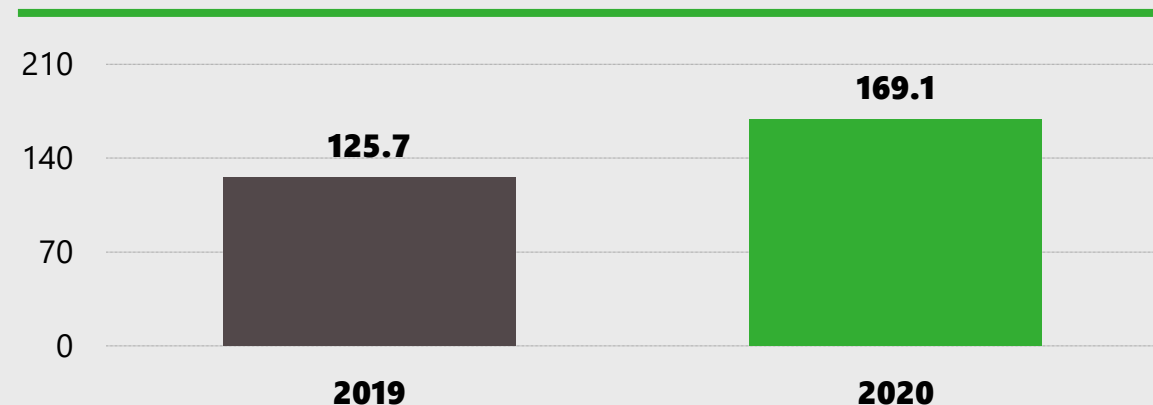
(in € mill.)	<b>12/31/2019</b>	177.2
<b>ORDER BACKLOG</b>	<b>12/31/2020</b>	177.1



# TIE TECHNOLOGIES BUSINESS UNIT FY 2020

SALES SIGNIFICANTLY ABOVE PREVIOUS YEAR; VALUE ADDED SIGNIFICANTLY IMPROVED

## SALES (in € mill.)

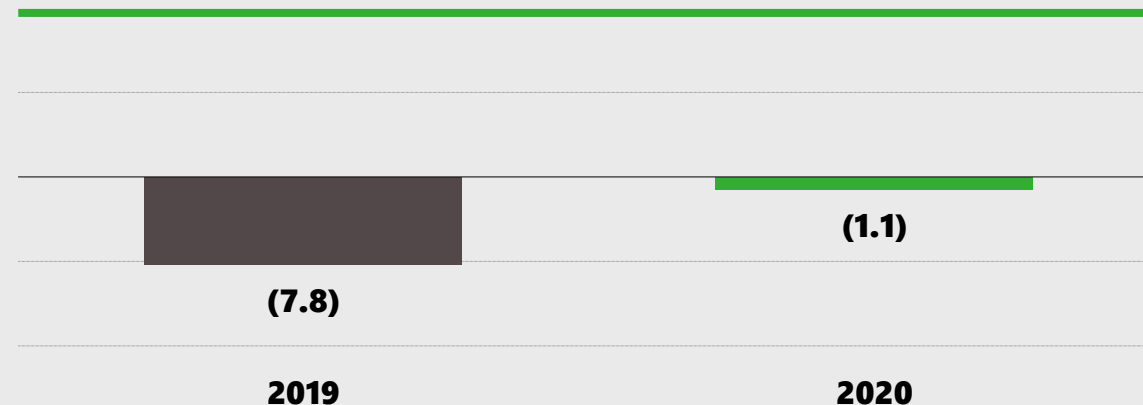


Increase in sales mainly due to higher sales contributions in the Australian market as a result of processing of high order backlog (e.g., Rio Tinto order), higher sales also in the U.S. (e.g., project in Florida)

Value added burdened by start-up costs for concrete tie factories in Canada and Australia; significant improvement in Australia, the U.S. and Mexico

Book-to-bill at 0.90; noteworthy new orders generated mainly in the U.S., but also in Canada; lower orders received in Australia as expected following the previous year's very high level

## VALUE ADDED (in € mill.)



(in € mill.)

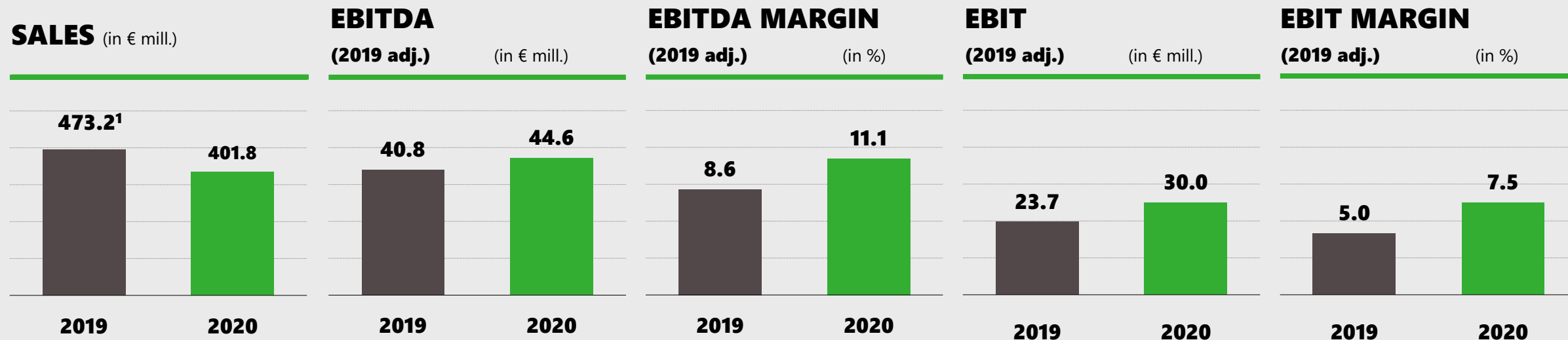
<b>ORDERS RECEIVED</b>	<b>2019</b>	168.1
	<b>2020</b>	151.7

(in € mill.)

<b>ORDER BACKLOG</b>	<b>12/31/2019</b>	92.9
	<b>12/31/2020</b>	75.5

# CUSTOMIZED MODULES DIVISION FY 2020

SALES BELOW PREVIOUS YEAR DUE TO THE PANDEMIC; EARNINGS AND PROFITABILITY SIGNIFICANTLY IMPROVED



Decrease in sales primarily due to the absence of sales from sold U.S. activities (€54.9 million in the previous year); contributions to sales also reduced due to COVID-19, particularly in France; increased sales, however, mainly in Israel, Poland and Croatia

Earnings and profitability significantly increased despite adverse effects from COVID-19, particularly due to operational improvements resulting from the 2019 performance program; earnings also improved by sale of real estate (€+2.6 million); positive value added

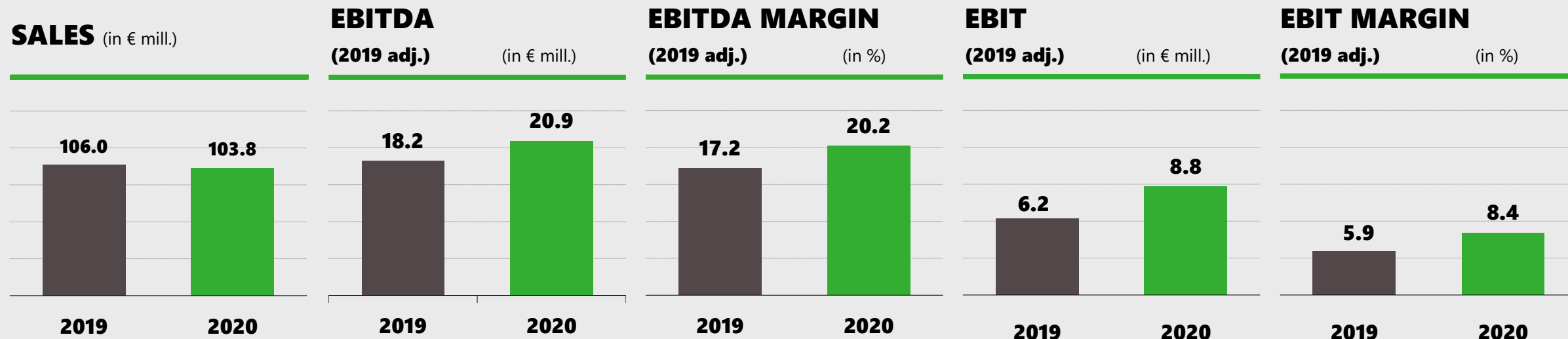
Book-to-bill at 1.18; significantly higher order levels in Europe – particularly in the UK, Poland, Finland and Sweden – and in Australia.

<sup>1</sup> Excluding sales from the U.S. switch activities sold at the end of 2019, sales for the previous year came to €418.3 million.

(in %)	<b>ROCE</b>	2019	(12.4)
		2020	8.2
(in € mill.)	<b>VALUE ADDED</b>	2019	(87.1)
		2020	4.4

# LIFECYCLE SOLUTIONS DIVISION FY 2020

SALES ON A PAR WITH THE PREVIOUS YEAR, EARNINGS AND PROFITABILITY SIGNIFICANTLY INCREASED



Sales again above €100 million despite pandemic-related effects; higher sales in the subsegments Stationary welding and Logistics, but lower revenues from sales of maintenance machines

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

Book-to-bill at 1.00; notable increases in orders in the Netherlands (milling), Denmark and Finland (mainly stationary welding and logistics)

(in %)	2019	(3.5)
	2020	4.8
(in € mill.)	2019	(20.3)
	2020	(3.9)

ROCE

VALUE ADDED

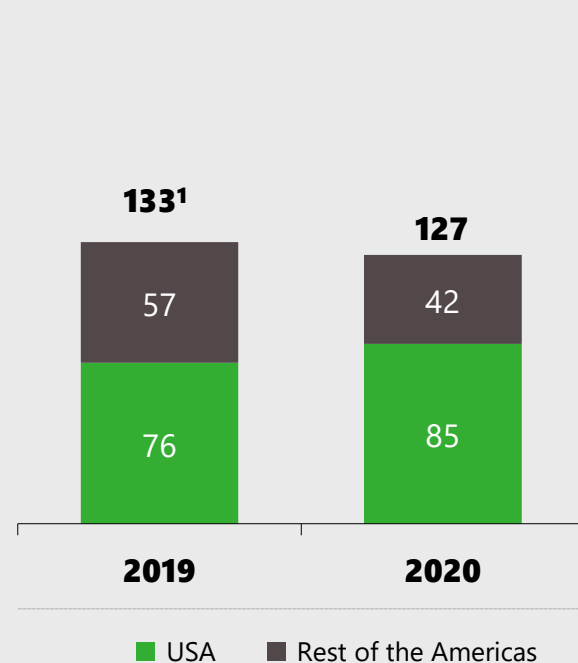


# VOSSLOH GROUP FY 2020

HIGHER SALES IN AUSTRALIA AND THE MIDDLE EAST MORE THAN OFFSET PANDEMIC-RELATED LOWER SALES IN EUROPE

(in € mill.)

## THE AMERICAS

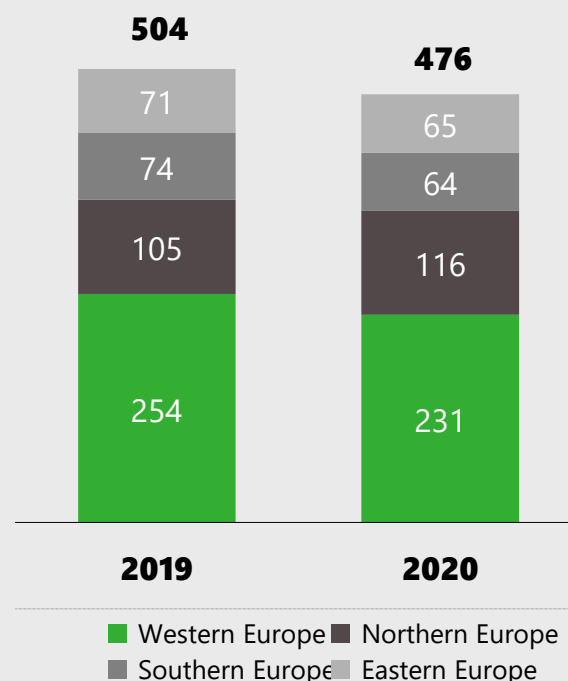


Higher sales especially at VTT in the USA; lower sales especially at VFS in Mexico and VTT in Canada

<sup>1</sup> Excluding sales from the U.S. switch activities sold at the end of 2019 in the amount of approx. €55 million.

(in € mill.)

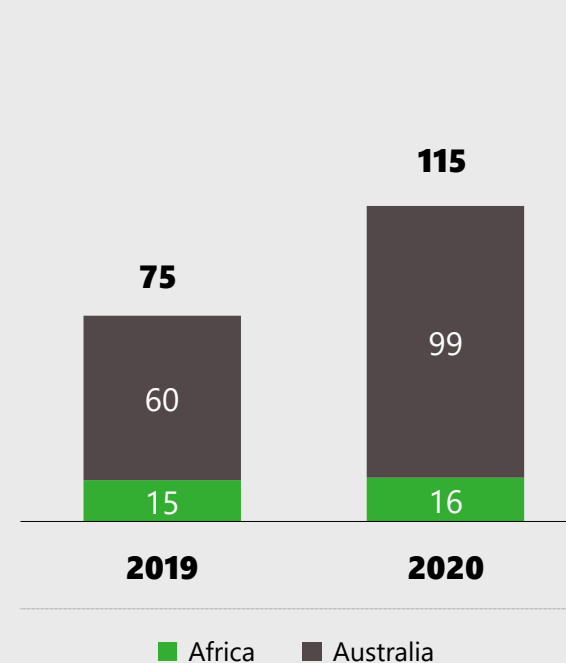
## EUROPE



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

(in € mill.)

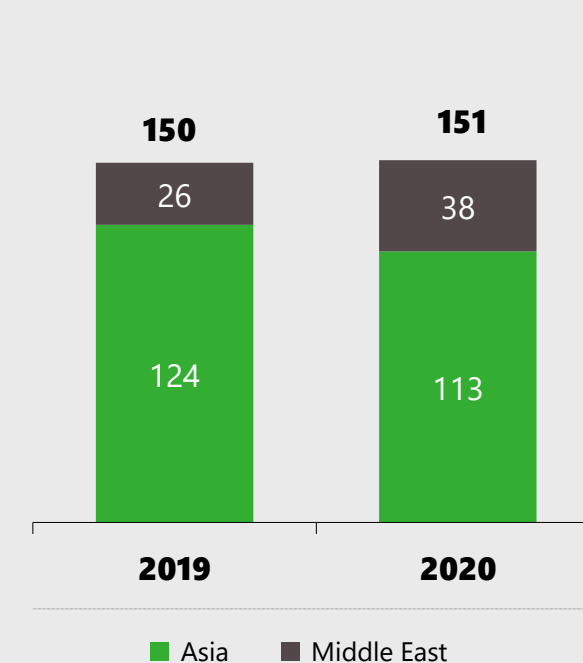
## AFRICA & AUSTRALIA



Higher sales in Australia, mainly in VTT

(in € mill.)

## ASIA INCL. MIDDLE EAST



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

# **FINANCIAL OVERVIEW**

## **Q1 2021**

# VOSSLOH GROUP Q1 2021

SALES AND OPERATING EBIT MARGIN SIGNIFICANTLY UP COMPARED TO PREVIOUS YEAR

## KEY GROUP INDICATORS

		1-3/2020	1-3/2021
Sales revenues	€ mill.	182.9	207.1
EBITDA/EBITDA margin <sup>1</sup>	€ mill./%	13.2/7.2	25.6/12.4
EBIT/EBIT margin <sup>1</sup>	€ mill./%	0.9/0.5	12.1/5.8
Net income	€ mill.	(2.6)	6.1
Earnings per share	€	(0.15)	0.16
Free cash flow <sup>2</sup>	€ mill.	(50.2)	(40.1)
Capital expenditure	€ mill.	14.4	8.1
Value added	€ mill.	1.6	(3.4)

## NOTES

**Sales revenues** up 13.2 percent, driven by Core Components, Customized Modules and Lifecycle Solutions on a par with the previous year

**EBIT** and **EBIT margin** on an operating basis significantly improved year on year as planned, largely due to higher earnings contributions from the Core Components division; Customized Modules also significantly improved; Lifecycle Solutions still slightly down compared to previous year

**Net income** substantially improved year on year; previous year's figure included losses from discontinued operations, which were largely offset by the positive one-time effect of the transitional consolidation

**Free cash flow** seasonally negative due to typical working capital increase at the beginning of the year (among others due to higher inventories), previous year's figure includes a negative €30 million from discontinued operations

**Capital expenditure** lower than previous year; decreased particularly in the Lifecycle Solutions and Customized Modules divisions

**Value added** boosted by one-time effect in previous year, significant improvement on an operational basis year on year

<sup>1</sup> Figures for previous year excluding positive book effect of €15.6 million related to the transitional consolidation of a Chinese joint venture in the Fastening Systems business unit (figures reported in Q1 2020: EBITDA/EBITDA margin €28.8 million/15.7 percent, EBIT/EBIT margin €16.5 million/9.0 percent).

<sup>2</sup> Previous year's figure includes effects from discontinued operations.



# VOSSLOH GROUP Q1 2021

HYBRID NOTE CONTRIBUTES TO IMPROVED EQUITY RATIO AND REDUCED NET FINANCIAL DEBT

KEY GROUP INDICATORS		1-3/2020	2020	1-3/2021
		3/31/2020	12/31/2020	3/31/2021
Equity	€ mill.	392.9	414.5	575.8
Equity ratio	%	28.6	34.1	43.9
Average working capital	€ mill.	185.3	186.4	185.2
Average working capital intensity	%	25.3	21.4	22.4
Closing working capital	€ mill.	190.3	155.3	215.1
Average capital employed	€ mill.	853.4	867.9	883.4
Closing capital employed	€ mill.	867.3	851.5	915.2
Net financial debt <sup>1</sup>	€ mill.	386.4	307.4	202.1

## NOTES

**Equity** significantly higher than year-end figure for 2020, mainly due to proceeds from the placement of the hybrid note (approx. €150 million) and positive net income; **equity ratio** increases to more than 40 percent

**Average working capital intensity** significantly better than first quarter of the previous year; **average working capital** on previous year's level despite considerable increase in sales revenues

**Capital employed** at reporting date increased compared to end of Q1 2020, mainly due to higher working capital and capital expenditure exceeding depreciation and amortization (12-month period)

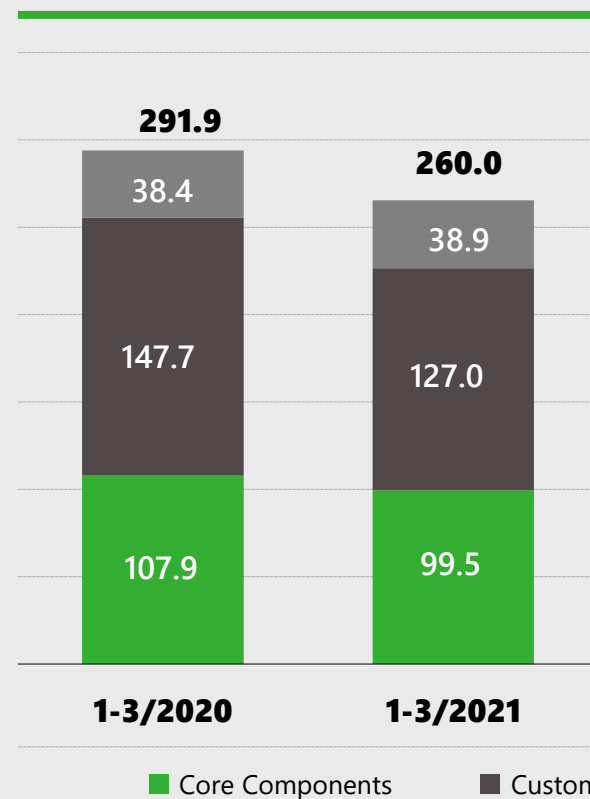
**Net financial debt** significantly reduced compared to the end of Q1 2020, primarily due to cash inflows from the hybrid note of roughly €150 million and positive FCF in core business of almost €40 million over the last twelve months

<sup>1</sup> Net financial debt excluding lease liabilities. Net financial debt would increase by €42.3 million on 3/31/2021 if these lease liabilities were included.

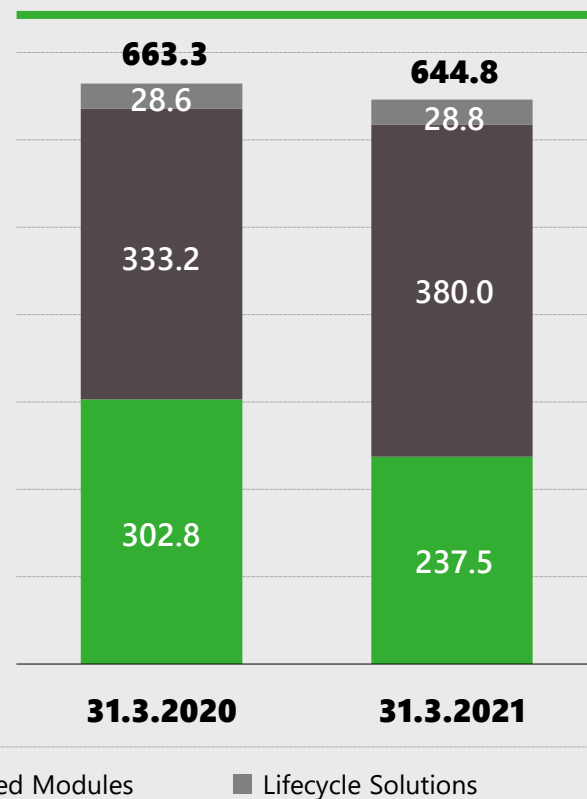
# VOSSLOH GROUP Q1 2021

ORDERS RECEIVED HIGHER THAN SALES – BOOK-TO-BILL RATIO AT 1.26

## ORDERS RECEIVED (in € mill.)



## ORDER BACKLOG (in € mill.)



## NOTES

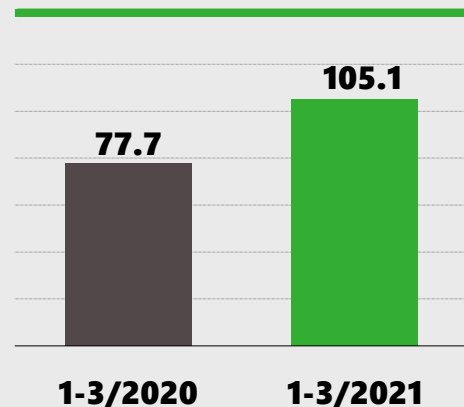
**Orders received** on a good level but lower than previous year's high figure; in particular below previous year in orders received for Vossloh Tie Technologies in the USA and Customized Modules in Eastern and Northern Europe (especially in Poland, Serbia and Sweden); orders received up significantly for Lifecycle Solutions and Vossloh Fastening Systems in China, Customized Modules in Israel and Vossloh Tie Technologies in Mexico; in the case of framework agreements, reporting as orders received only when the deliveries are called off

**Order backlog** of the Vossloh Group down year on year due to the planned execution of the high Core Components' order backlog, especially at Vossloh Tie Technologies in Australia and Vossloh Fastening Systems in China; by contrast, order backlog in Customized Modules was markedly higher than in previous year (considerable increase for example at the companies in Luxembourg, Sweden and Australia); Lifecycle Solutions on a par with previous year

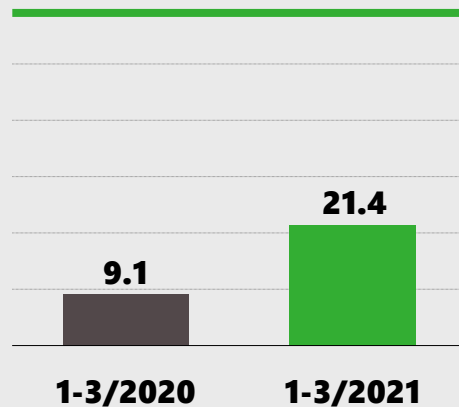
# CORE COMPONENTS DIVISION Q1 2021

SALES UP 35.2 PERCENT, OPERATING PROFITABILITY SIGNIFICANTLY HIGHER THAN IN THE PREVIOUS YEAR

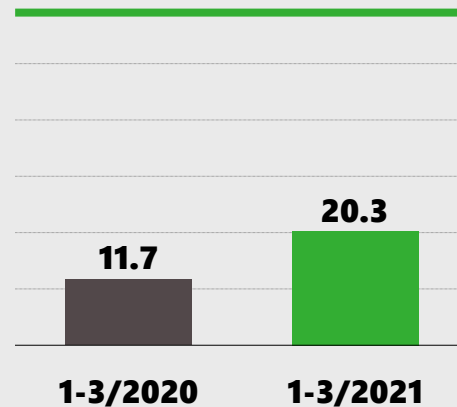
## SALES (in € mill.)



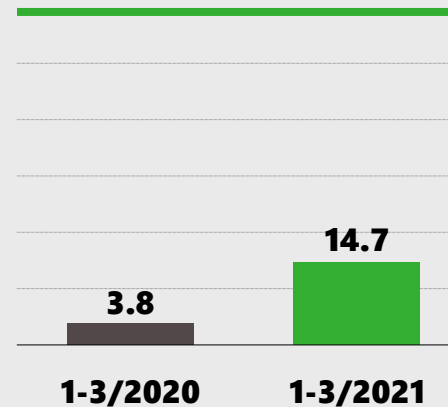
## EBITDA<sup>1</sup> (in € mill.)



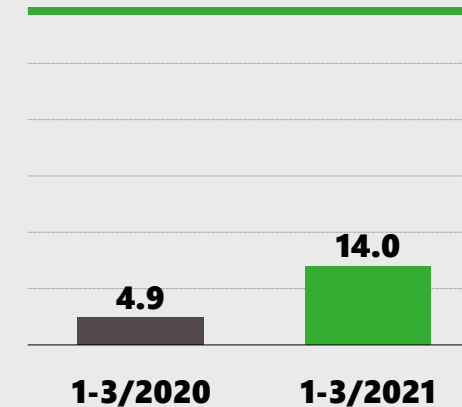
## EBITDA MARGIN<sup>1</sup> (in %)



## EBIT<sup>1</sup> (in € mill.)



## EBIT MARGIN<sup>1</sup> (in %)



35.2 percent increase in sales largely driven by higher sales in China in the Fastening Systems business unit; sales also up for Vossloh Tie Technologies

Significant improvement in earnings and operating profitability; increased deliveries of high-margin projects in the rail fastening system business in China (mainly shifts in sales due to the pandemic); also higher earnings contributions from Vossloh Tie Technologies (particularly in Mexico and Australia)

## ROCE (in %)

1-3/2020 25.4<sup>2</sup>

1-3/2021 17.2

## VALUE ADDED (in € mill.)

1-3/2020 14.1<sup>2</sup>

1-3/2021 8.7

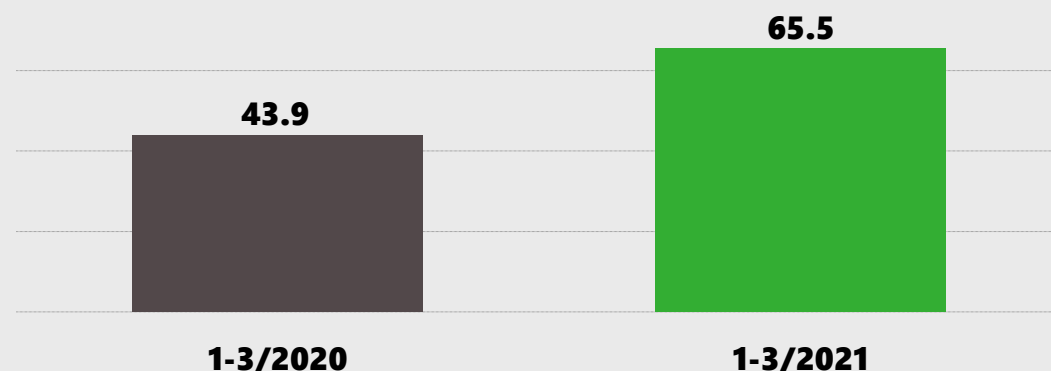
<sup>1</sup> Previous year figures excluding positive book effect of €15.6 million (reported Q1 2020 figures: EBITDA/EBITDA margin €24.7 million/31.8 percent, EBIT/EBIT margin €19.4 million/25.0 percent).

<sup>2</sup> Including positive book effect of €15.6 million recognized in profit or loss.

# FASTENING SYSTEMS BUSINESS UNIT Q1 2021

SALES SIGNIFICANTLY ABOVE PREVIOUS YEAR, VALUE ADDED ALSO CONSIDERABLY HIGHER ON OPERATIONAL BASIS

## SALES (in € mill.)

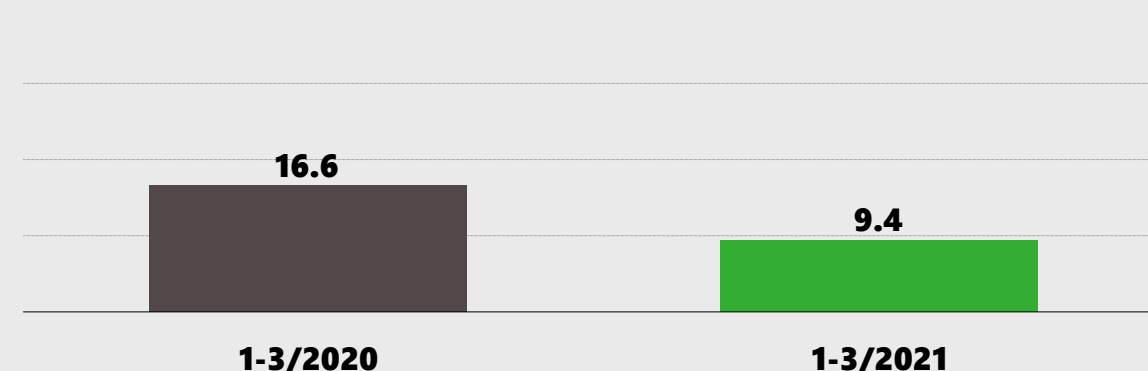


Sales performance exceptionally strong in the first quarter; 49.2 percent rise in sales driven largely by pandemic-related shifts of deliveries to 2021 in China, in addition to improved sales for instance in Mongolia and Germany

Previous year's value added figure includes a positive effect from transitional consolidation; significant increase on operational basis due to exceptionally high increase in sales as well as earnings

Orders received higher than in previous year, particularly in China and Germany; order backlog below previous year, largely due to the execution of the high order backlog in China

## VALUE ADDED<sup>1</sup> (in € mill.)



(in € mill.)	<b>1-3/2020</b>	46.3
<b>ORDERS RECEIVED</b>	<b>1-3/2021</b>	56.5

(in € mill.)	<b>3/31/2020</b>	184.8
<b>ORDER BACKLOG</b>	<b>3/31/2021</b>	165.3

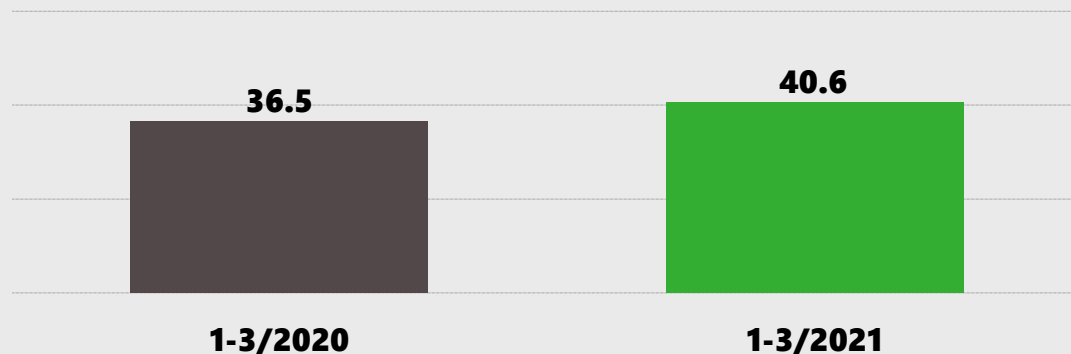
<sup>1</sup> Previous year's figure includes a positive effect on EBIT (€15.6 million) related to the transitional consolidation of a Chinese joint venture.



# TIE TECHNOLOGIES BUSINESS UNIT Q1 2021

SALES UP COMPARED TO PREVIOUS YEAR; VALUE ADDED IMPROVED YEAR ON YEAR

## SALES (in € mill.)

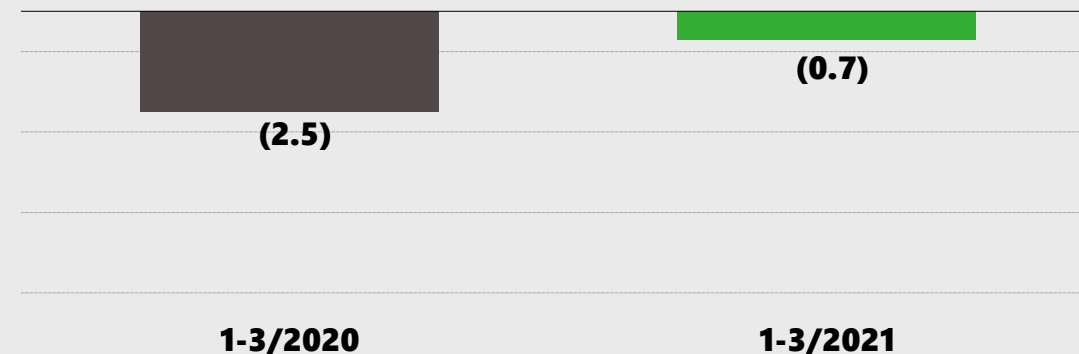


Increase in sales mainly driven by higher deliveries of concrete ties in the Australian market (Rio Tinto deliveries concluded in Q1 2021), sales expected to be lower in Australia for the year as a whole; sales from Class I operators in the USA lower year on year

Previous year's value added figure includes start-up costs for concrete tie factories in Canada and Australia; value added improved in Australia in particular

Orders received below previous year's high figure in the USA, orders up considerably in Mexico; order backlog lower due to the execution of significant order backlog in Australia

## VALUE ADDED (in € mill.)



(in € mill.)

<b>ORDERS RECEIVED</b>	<b>1-3/2020</b>	67.5
	<b>1-3/2021</b>	45.6

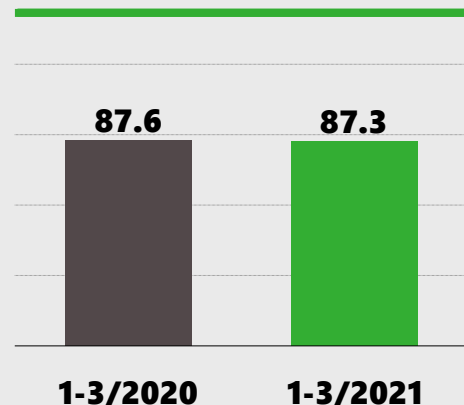
(in € mill.)

<b>ORDER BACKLOG</b>	<b>3/31/2020</b>	123.9
	<b>3/31/2021</b>	79.4

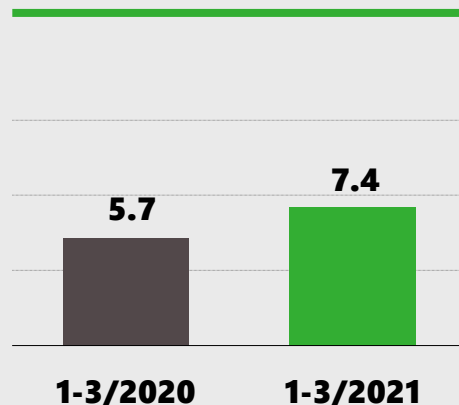
# CUSTOMIZED MODULES DIVISION Q1 2021

STABLE SALES PERFORMANCE, STRONG IMPROVEMENT IN PROFITABILITY

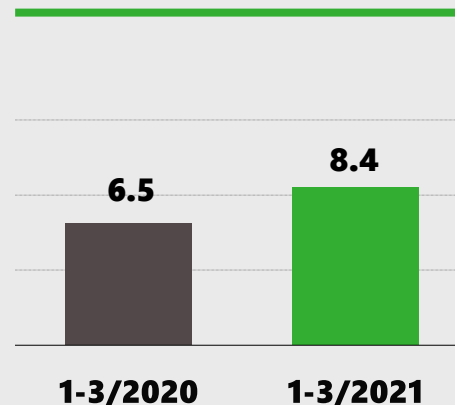
## SALES (in € mill.)



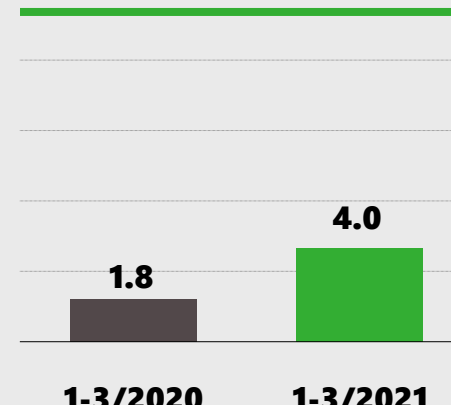
## EBITDA (in € mill.)



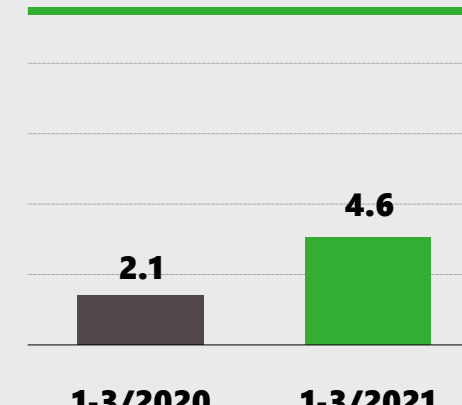
## EBITDA MARGIN (in %)



## EBIT (in € mill.)



## EBIT MARGIN (in %)



Sales on a par with the previous year, lower sales particularly in Italy and France offset by improved sales figures for instance in Australia and India

Earnings and profitability significantly above previous year; positive earnings trend continues, particularly due to improved operational efficiency; operating earnings higher for example at the lead factory in France as well as in Luxembourg and in the United Kingdom

Book-to-bill ratio at 1.45, significant improvement in orders in Israel, Australia, Morocco and the United Kingdom; orders below previous year's high level especially in Poland, Serbia and France

(in %)

## ROCE

1-3/2020 2.0

1-3/2021 4.5

(in € mill.)

## VALUE ADDED

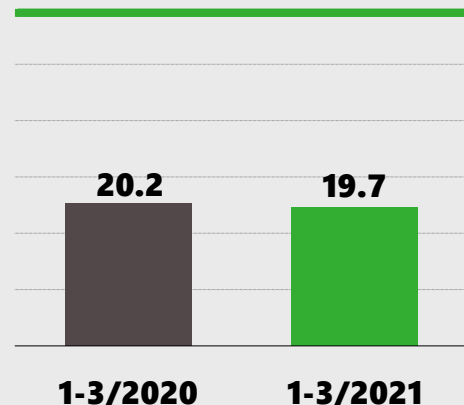
1-3/2020 (4.6)

1-3/2021 (2.2)

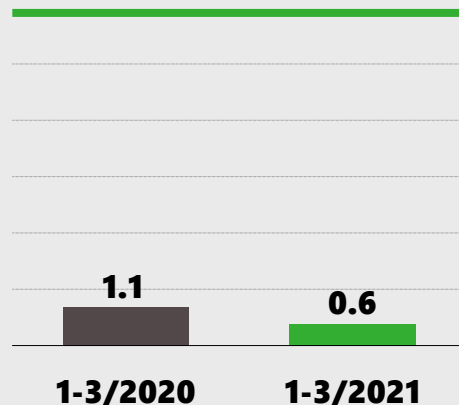
# LIFECYCLE SOLUTIONS DIVISION Q1 2021

SALES ON A PAR WITH THE PREVIOUS YEAR, EBIT MARGIN STILL BELOW PREVIOUS YEAR

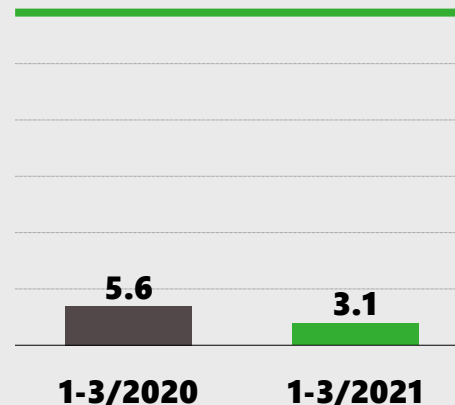
## SALES (in € mill.)



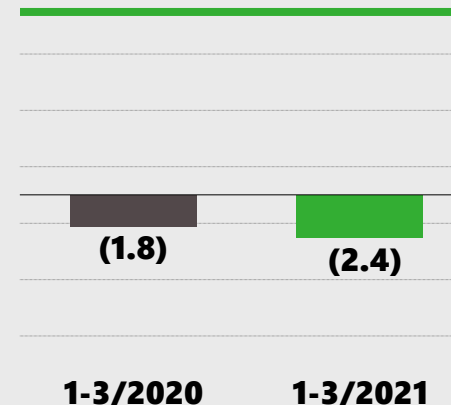
## EBITDA (in € mill.)



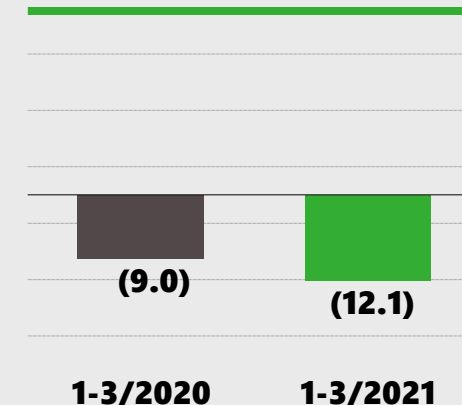
## EBITDA MARGIN (in %)



## EBIT (in € mill.)



## EBIT MARGIN (in %)



Especially revenues from product sales (e.g. to China) and high level of utilization in stationary welding plants offset, among other things, the expected decline in sales from rail and turnout grinding

EBIT and EBIT margin negative for seasonal reasons and still slightly lower than previous year due to sales mix; lower earnings contributions from rail and turnout grinding as well as logistics, in contrast higher earnings contributions from machinery sales

Orders received at previous year's level, higher orders particularly in China (sale of maintenance machines) and Germany (stationary welding and logistics), orders received lower year on year in turnout grinding as expected

(in %)

## ROCE

**1-3/2020** (4.0)

**1-3/2021** (5.2)

(in € mill.)

## VALUE ADDED

**1-3/2020** (5.0)

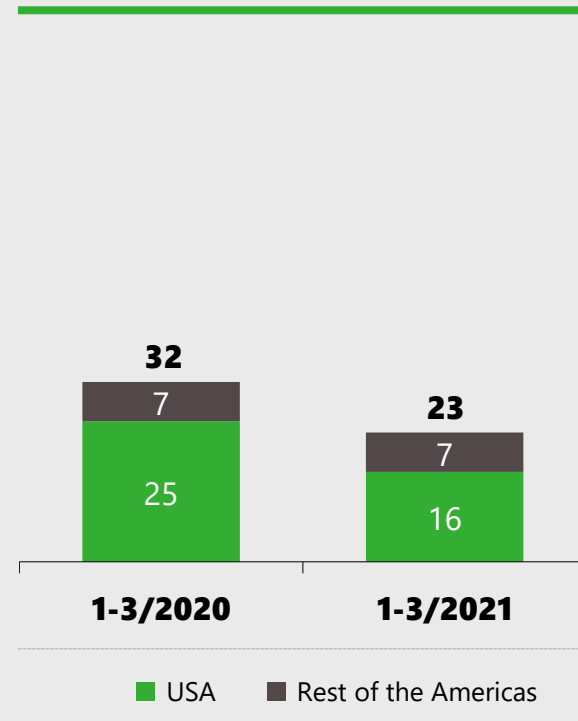
**1-3/2021** (5.6)

# VOSSLOH GROUP Q1 2021

SIGNIFICANT INCREASE IN SALES, PARTICULARLY IN CHINA AND AUSTRALIA

(in € mill.)

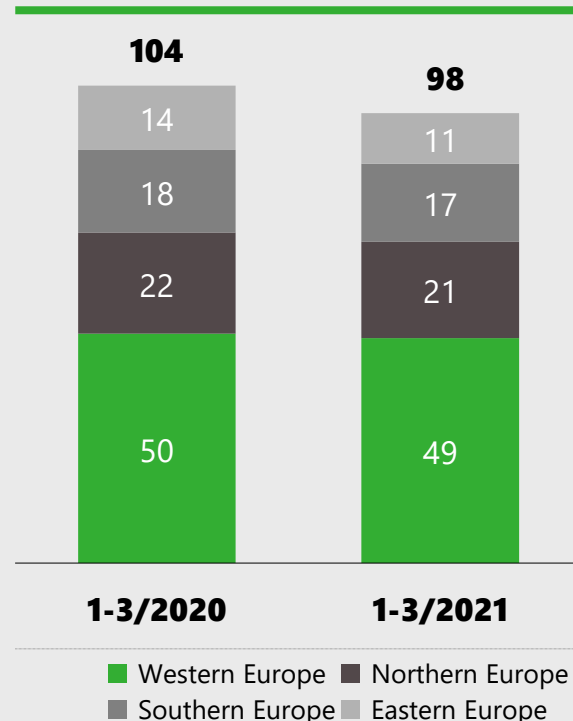
## THE AMERICAS



Sales in the USA down year on year, particularly at VTT

(in € mill.)

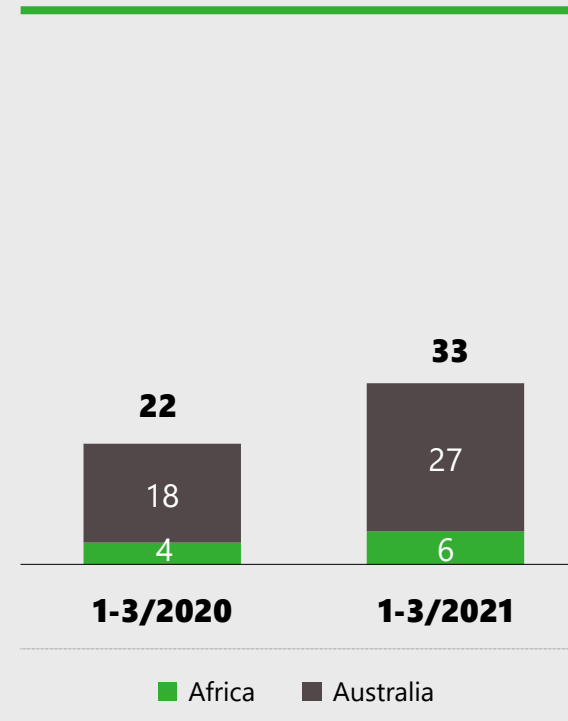
## EUROPE



Sales in Europe generally stable, lower sales in France, Sweden and Poland, largely offset by sales in Germany and Finland

(in € mill.)

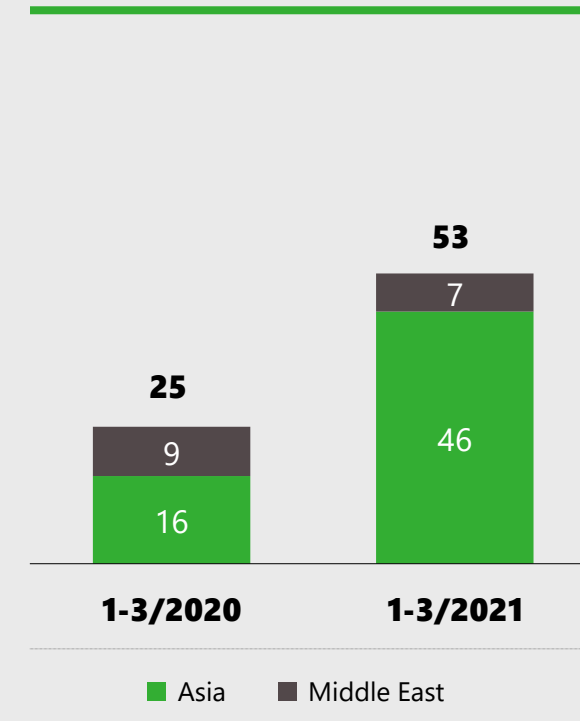
## AFRICA & AUSTRALIA



Sales up in Australia mainly due to VTT, increase especially in Egypt driven by CM and VFS

(in € mill.)

## ASIA INCL. MIDDLE EAST



High increase in sales in China; Mongolia also higher; in contrast, decline in sales particularly in Israel



# VOSSLOH GROUP: OUTLOOK<sup>1</sup>

SIGNIFICANT INCREASE IN OPERATING PROFITABILITY EXPECTED

## Sales

**2020: €869.7 million**

**2021 forecast: €850 million to €925 million**

/ In the Core Components division, Vossloh AG predicts slightly higher sales overall. Sales are expected to be at the previous year's level in both the Customized Modules and Lifecycle Solutions divisions.

## Value added

**2020: €12.4 million**

**2021 forecast: €0 million to €15 million**

/ Due to the higher expected operating profitability, value added in the 2021 fiscal year should be roughly at the same level as in 2020 and thus once again positive. Taking into account the one-time effect in 2020, a noticeable increase in operating profitability is also assumed here.

## EBITDA margin

**2020: 12.4 percent<sup>2</sup>**

**2021 forecast: 13 to 14 percent**

## EBIT margin

**2020: 6.6 percent<sup>2</sup>**

**2021 forecast: 7 to 8 percent**

/ A significant increase in operating profitability is expected. All divisions are expecting to increase their margin ratios compared with the 2020 fiscal year.



<sup>1</sup> The outlook for the 2021 fiscal year is subject to no material new unplanned impacts related to the COVID-19 pandemic.

<sup>2</sup> Without the one-time effect of the transitional consolidation of a Chinese company in the amount of €15.6 million; corresponds to an EBIT and EBITDA margin of approximately 1.8 percent.

# FINANCIAL CALENDAR AND CONTACT INFORMATION

## HOW YOU CAN REACH US

### Financial calendar 2021

- / May 19, 2021 Virtual Annual General Meeting
- / July 28, 2021 Interim report as of June 30, 2021
- / October 28, 2021 Quarterly statement as of September 30, 2021

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