vossloh
enabling green mobility

ROADSHOW STIFEL

JULY 29, 2021

Semi-annual report as of June 30, 2021

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, natural catastrophes, epidemics, 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

EXCELLENT BUSINESS PERFORMANCE CONTINUES IN THE SECOND QUARTER

OPERATIONAL BUSINESS PERFORMANCE

Sales revenues up from €210.2 million in prior year to €255.5 million in Q2 2021 (+21.5 %) and up from €393.2 million in prior year to €462.6 million in H1 2021 (+17.7 %)

Sales growth compared to Q2 2020 was largely driven by the Fastening Systems business unit almost doubling its sales, Customized Modules also up compared to the prior year

EBIT more than twice as high in Q2 2021 (€30.3 million) as in the prior year (€13.6 million); Significant 41.2 % increase in EBIT (€42.4 million in H1 2021 compared to prior year's figure of €30.1 million)

Increase driven mainly by Core Components; Group EBIT margin of 11.9 % in Q2 2021 much improved compared to prior year (6.4 %); EBIT higher in all divisions, prior year negatively affected by temporary coronavirus-related plant closures (particularly in Customized Modules)

ORDER SITUATION

Framework agreement for tram switches awarded in Belgium in Q2 2021 (€40 million); multi-year framework agreements with a total volume well in excess of €100 million announced in H1 2021

Important orders received for VFS in strategically important Indian market (metro segment)

Significant orders received expected in H2 2021, for the full year roughly in line with sales expected

STRATEGIC MILESTONES

“Factory of the future” - world's most cutting edge production facility for rail fastening systems ramps up as planned

VFS successfully entered into the market hollow sleepers and roller device kits in Germany

First successful use of milling technology in the USA (Seattle and Denver)

ACQUISITION OF ETS SPOOR B.V. (JULY 2021)

ETS Spoor (ETS) is well-established in the Dutch market; ETS is a one-stop shop for a wide range of products and services related to rail infrastructure

Significant improvement of Vossloh’s market position in highly innovative Dutch growth market, considerable potential for trendsetting maintenance models

Managed in Lifecycle Solutions division in future, additional sales revenues of up to €10 million expected in 2021 from August

VOSSLOH GROUP

SALES REVENUES AND PROFITABILITY UP SIGNIFICANTLY COMPARED TO PREVIOUS YEAR'S LEVEL

KEY GROUP INDICATORS		1-6/2020	1-6/2021
Sales revenues	€ mill.	393.2	462.6
EBITDA/EBITDA margin	€ mill./%	55.0/14.0	68.4/14.8
EBIT/EBIT margin	€ mill./%	30.1/7.6	42.4/9.2
Net income	€ mill.	(9.6)	20.6
Earnings per share	€	(0.58)	0.70
Free cash flow[1]	€ mill.	(47.2)	(15.7)
Capital expenditure	€ mill.	30.5	19.9
Value added	€ mill.	0.0	11.1

NOTES

Sales revenues up by 17.7 %, driven largely by Core Components, Customized Modules slightly improved compared to previous year

EBIT and **EBIT margin** considerably higher than previous year, mainly due to increased contributions from the Core Components and Customized Modules divisions; Lifecycle Solutions' performance stable compared with previous year

Net income significantly higher compared to the previous year; prior-year figure still impacted by losses from discontinued operations; higher tax expense in year to date primarily due to sharp rise in operating result and higher tax expense in Germany

Free cash flow higher year on year in H1 2021, positive free cash flow of €25 million in Q2 2021; previous year's figure significantly impacted by discontinued operations

Capital expenditure lower than in previous year, strong increase in capital expenditure expected in all divisions in second half of 2021

Value added significantly improved year on year, in line with EBIT

[1] Figures include effects from discontinued operations of €(0.1) million in the first half of 2021 and €(54.1) million in the corresponding period of the previous year.

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HYBRID NOTE SUPPORTS SIGNIFICANT INCREASE IN EQUITY RATIO AND REDUCTION IN NET FINANCIAL DEBT

KEY GROUP INDICATORS

		1-6/2020 **6/30/2020**	2020 **12/31/2020**	1-6/2021 **6/30/2021**
Equity	€ mill.	389.5	412.4	569.1
Equity ratio	%	31.7	34.0	44.6
Average working capital	€ mill.	185.4	186.4	197.9
Average working capital intensity	%	23.6	21.4	21.4
Closing working capital	€ mill.	180.9	155.3	206.3
Average capital employed	€ mill.	858.8	865.8	894.3
Closing capital employed	€ mill.	867.2	849.4	901.5
Net financial debt	€ mill.	358.0	307.4	200.6
Net financial debt (including lease liabilities)	€ mill.	405.5	351.3	241.3

NOTES

Equity has increased strongly since the end of 2020, in particular due to the placement of the hybrid note (around €150 million) and the positive net income; **equity ratio** improves to just under 45 %

Average working capital intensity improved by 2.2 percentage points compared to H1 2020, with all divisions contributing to the reduction; **average working capital** above previous year’s level due to significantly higher sales revenues

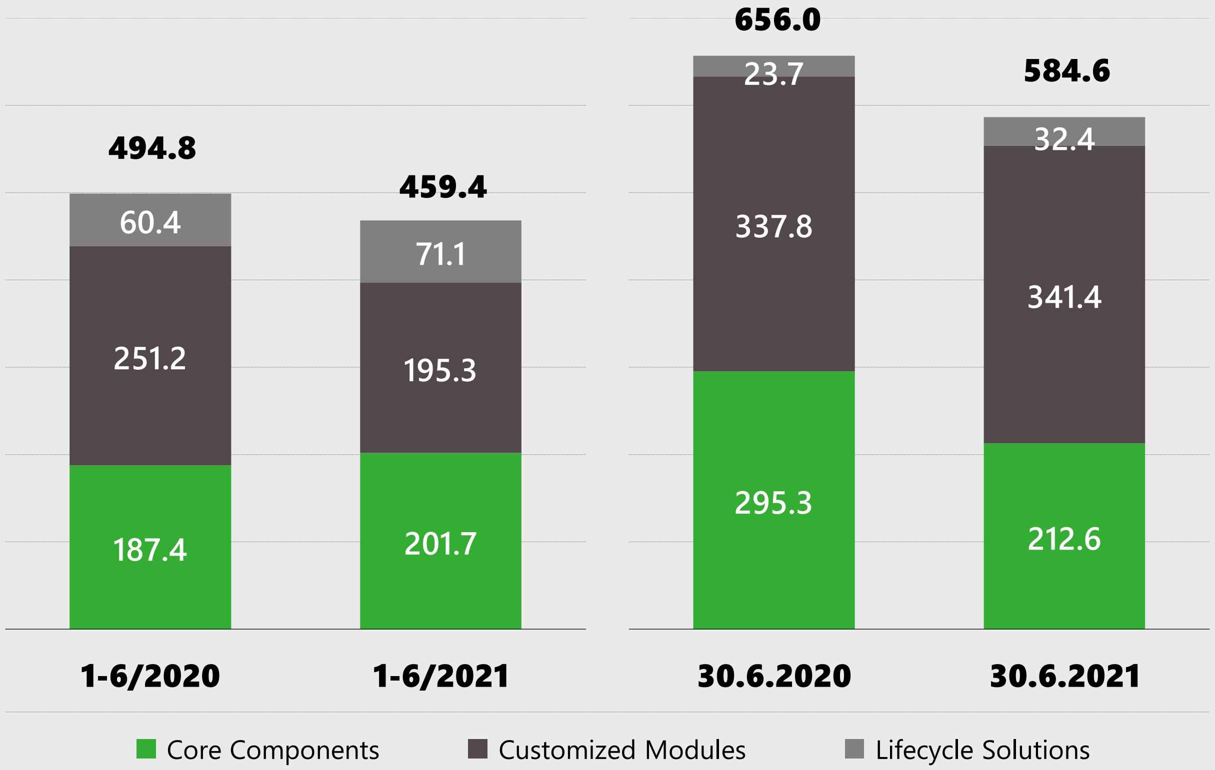
Capital Employed up compared with previous year's reporting date as of June 30, 2021; change mainly driven by higher working capital

Net financial debt excluding lease liabilities down significantly by €157.4 million compared with the end of H1 2020, mainly due to proceeds from the hybrid note of around €150 million and positive free cash flow of around €36 million in the past 12 months; offset by dividend, interest and lease payments

VOSSLOH GROUP

ORDERS RECEIVED ON A PAR WITH SIGNIFICANTLY INCREASED SALES REVENUES (BOOK TO BILL RATIO OF 0.99)

ORDERS RECEIVED (in € mill.) | ORDER BACKLOG (in € mill.)



NOTES

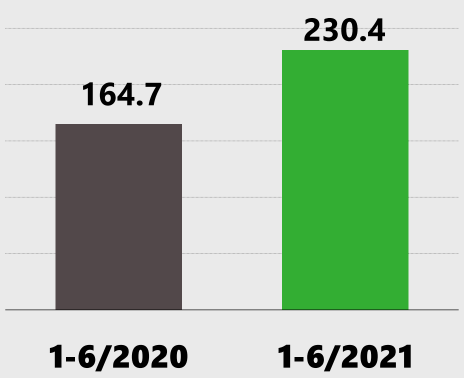
Orders received with satisfactory development in the first half of 2021, but still below the high figure of the previous year; main reasons include lower orders received, especially at Vossloh Tie Technologies in the USA and at Customized Modules in Eastern and Northern Europe as well as in France; significantly higher orders received recorded in China (especially Vossloh Fastening Systems and Lifecycle Solutions) as well as in India and Italy (mainly Vossloh Fastening Systems)

Order backlog of the Vossloh Group down significantly year-on-year as expected due to the planned reduction of the high Core Components order backlog, especially at Vossloh Tie Technologies in Australia and Vossloh Fastening Systems in China; Customized Modules order backlog slightly higher than in previous year (for instance, considerable increase in Luxembourg, Sweden and Australia); Lifecycle Solutions far above previous year (mainly due to sales of maintenance machines)

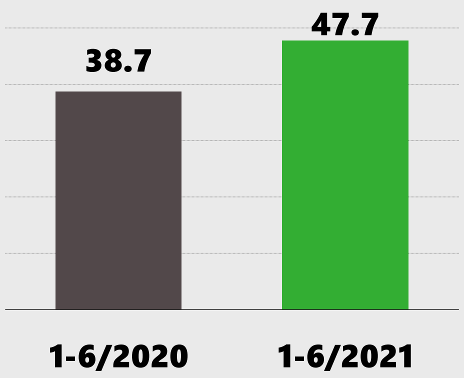
CORE COMPONENTS DIVISION

SIGNIFICANT INCREASE IN SALES REVENUES, OPERATIONAL PROFITABILITY WELL IN EXCESS OF PREVIOUS YEAR[1]

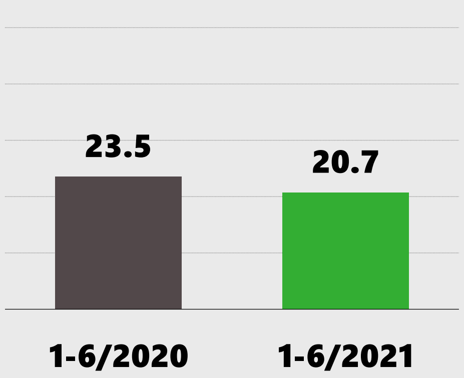
SALES (in € mill.)



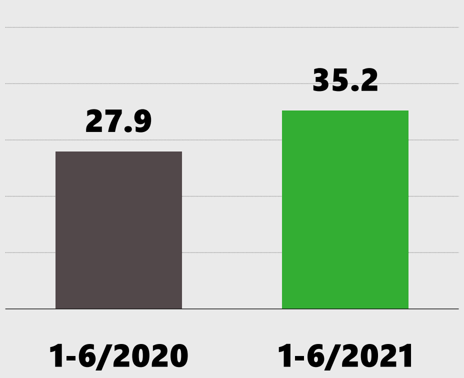
EBITDA (in € mill.)



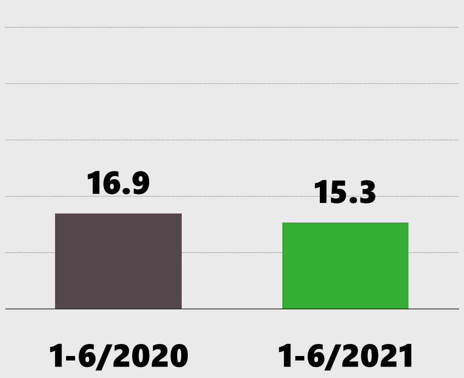
EBITDA MARGIN (in %)



EBIT (in € mill.)



EBIT MARGIN (in %)



Sales growth (+39.9%) mainly due to stronger business development in China in the Fastening Systems business unit; increase partly due to deliveries being postponed to 2021 due to the pandemic

EBIT significantly higher in H1 2021 despite previous year's one-time effect in Fastening Systems, EBIT up 41.2 %; higher material prices and temporarily lower China business will have a material negative impact on profitability in H2 2021

Value added in excess of previous year's high level due to improvements in both business units

(in %) **ROCE**	**1-6/2020**	17.8
	1-6/2021	20.0
(in € mill.) **VALUE ADDED**	**1-6/2020**	16.9
	1-6/2021	22.9

[1] All of previous year's figures (except sales revenues) include a positive effect on EBIT (€15.6 million) related to the transitional consolidation of a Chinese joint venture..

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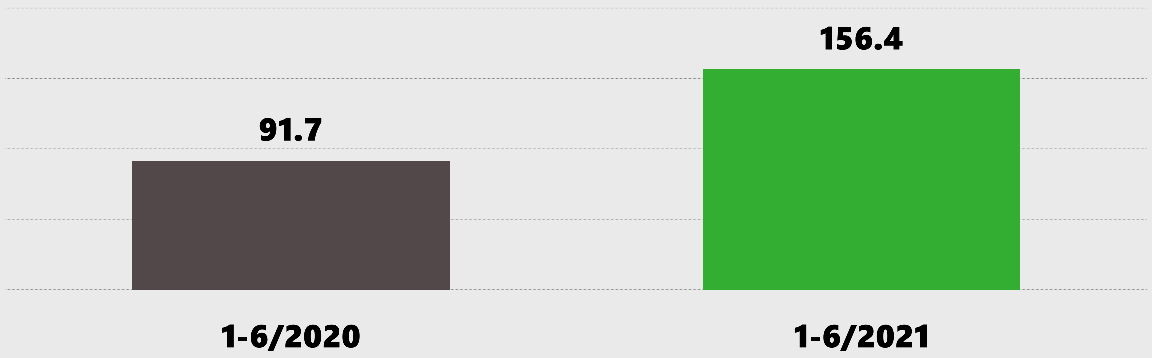
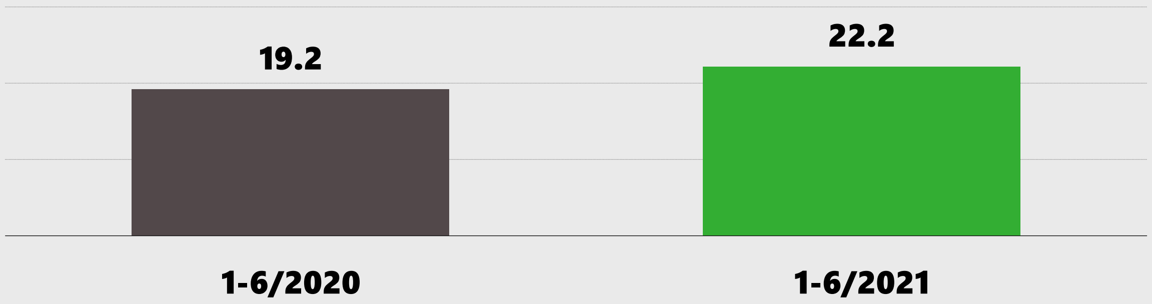
FASTENING SYSTEMS BUSINESS UNIT

SIGNIFICANT INCREASE IN SALES REVENUES, VALUE ADDED MUCH HIGHER DESPITE POSITIVE BOOK EFFECT IN PREVIOUS YEAR

SALES (in € mill.)



VALUE ADDED[1] (in € mill.)



Extraordinarily strong sales growth in H1 2021; increase partly due to deliveries being delayed until 2021 because of the pandemic and improved maintenance business in China; higher sales from framework agreements in Germany and Italy

Previous year's value added figure included positive effect from transitional consolidation; significant increase on operational basis due to extraordinary high increase in sales and earnings

Orders received higher than in previous year, particularly in China and Germany; order backlog down on previous year as expected, largely due to reduction of the high order backlog in China

(in € mill.)		
ORDERS RECEIVED	**1-6/2020**	88.6
	1-6/2021	125.0
ORDER BACKLOG	**6/30/2020**	179.3
	6/30/2021	141.2

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

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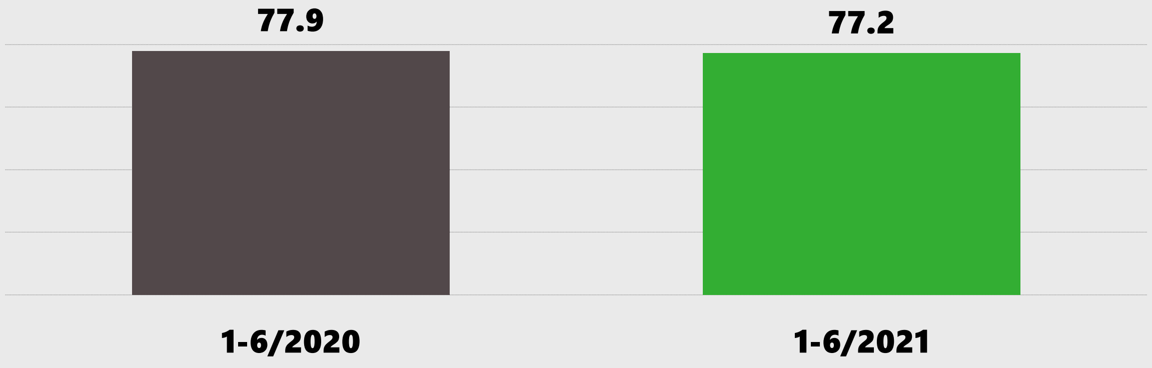
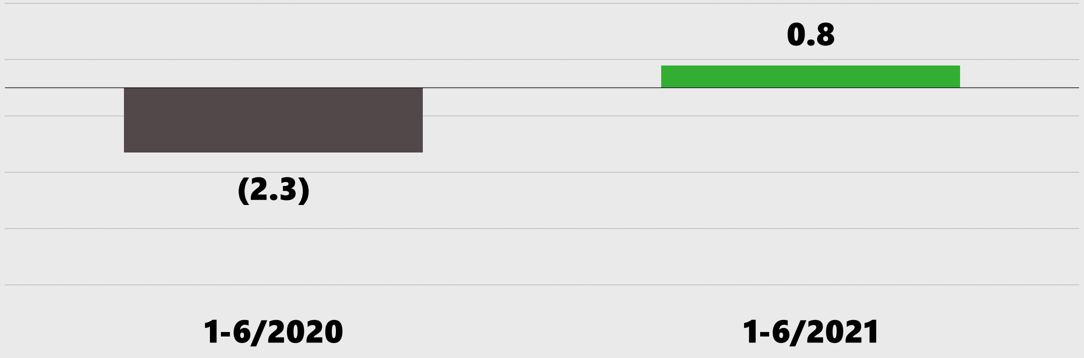
TIE TECHNOLOGIES BUSINESS UNIT

SALES REVENUES ON A PAR WITH THE PREVIOUS YEAR, VALUE ADDED CLEARLY IMPROVED YEAR ON YEAR AND POSITIVE

SALES (in € mill.)



VALUE ADDED (in € mill.)



Sales higher, especially in Australia, but down year on year in the USA, mainly due to lower demand from Class I operators

Previous year's value added figure includes ramp-up costs for concrete tie factories in Canada and Australia; value added improved year over year, particularly in Australia

Significant decline in orders received in the USA; higher demand particularly in Canada and Mexico; order backlog down as expected due to the completion of major projects in the last 12 months

(in € mill.)		
ORDERS RECEIVED	**1-6/2020**	106.4
	1-6/2021	76.9
(in € mill.) **ORDER BACKLOG**	**6/30/2020**	121.4
	6/30/2021	74.1

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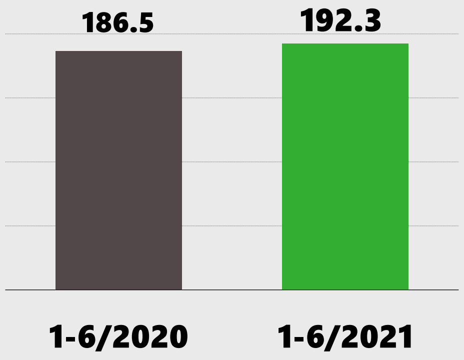
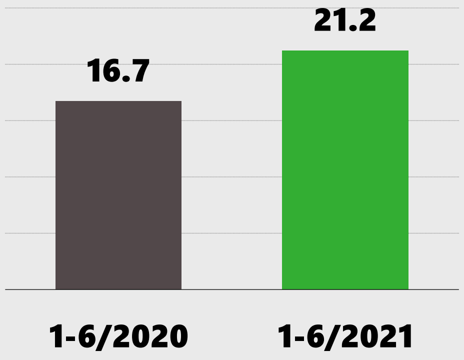
CUSTOMIZED MODULES DIVISION

SIGNIFICANT INCREASE IN PROFITABILITY WITH SLIGHTLY HIGHER SALES

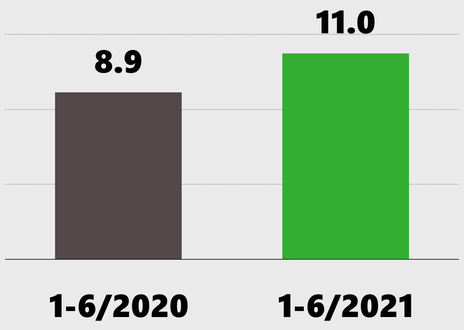
SALES (in € mill.)



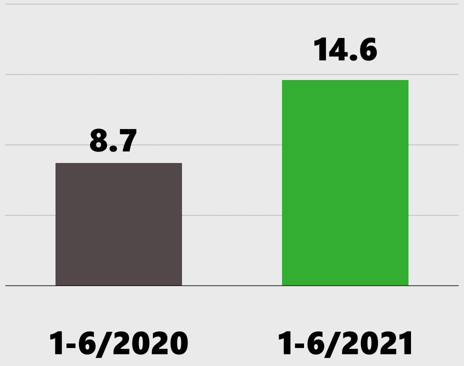
EBITDA (in € mill.)



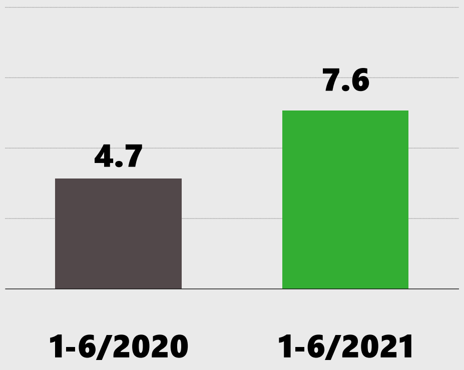
EBITDA MARGIN (in %)



EBIT (in € mill.)



EBIT MARGIN (in %)



Sales up slightly compared to previous year, lower sales particularly in France, Poland and Israel; downturn more than compensated for by sales growth in Australia, Egypt and the United Kingdom

Earnings and profitability up significantly on previous year, particularly due to improved operational efficiency; earnings contributions higher at management company in France and sites in Italy, the United Kingdom and Luxembourg

Value added positive unlike in previous year, encouraging development driven by significant improvement in EBIT and stable average capital employed

(in %) **ROCE**	**1-6/2020**	4.8
	1-6/2021	8.0
(in € mill.) **VALUE ADDED**	**1-6/2020**	(4.1)
	1-6/2021	1.9

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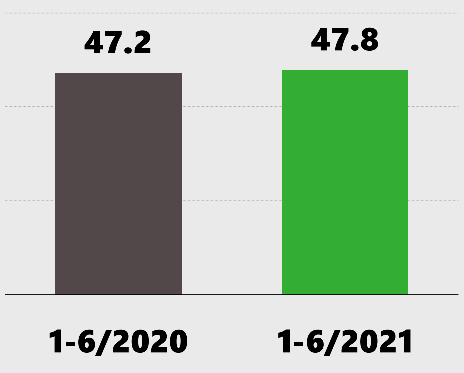
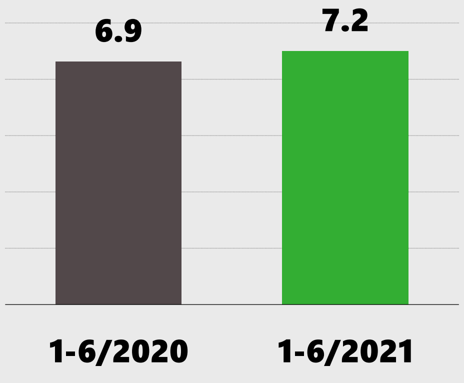
LIFECYCLE SOLUTIONS DIVISION

SALES REVENUES, EBIT AND EBIT MARGIN REMAIN ON A PAR WITH THE PREVIOUS YEAR

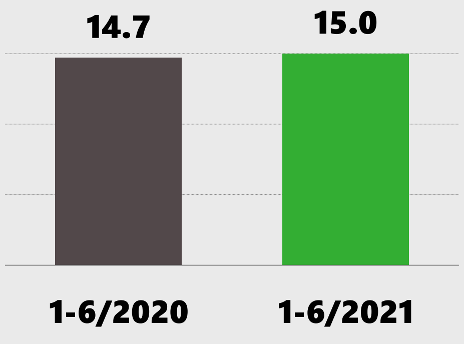
SALES (in € mill.)



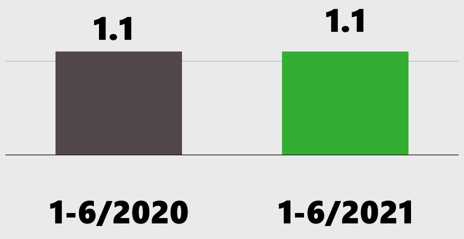
EBITDA (in € mill.)



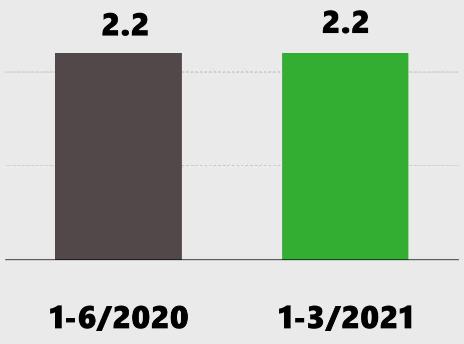
EBITDA MARGIN (in %)



EBIT (in € mill.)



EBIT MARGIN (in %)



Expected decrease in sales from rail and switch grinding offset by sales of maintenance machines (for instance to China) and high level of utilization in stationary welding shops

Lower earnings from rail and switch grinding; significant improvement in profitability expected in the service business in the second half of the year; higher earnings contributions from machinery sales in H1 2021 had a positive effect

Orders received up considerably compared to previous year, particularly significant increase in China (sale of maintenance machines) and Germany (stationary welding and logistics), book to bill ratio of 1.49

(in %) **ROCE**	**1-6/2020**	1.2
	1-6/2021	1.2
(in € mill.) **VALUE ADDED**	**1-6/2020**	(5.2)
	1-6/2021	(5.2)

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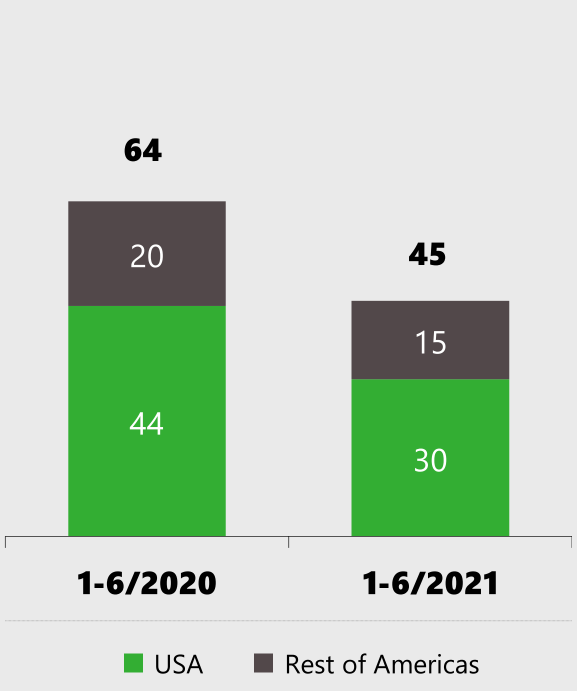
VOSSLOH GROUP

SIGNIFICANT INCREASE IN SALES, PARTICULARLY IN CHINA AND AUSTRALIA

(in € mill.)

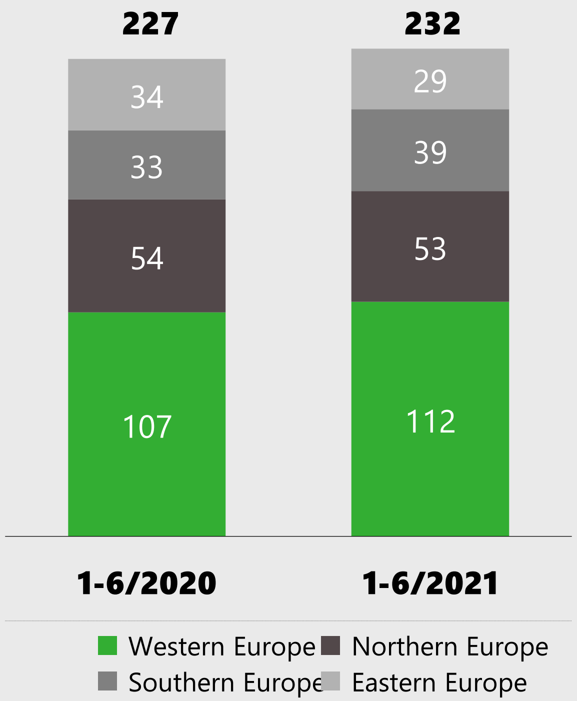
THE AMERICAS



Sales in the USA down year on year, particularly in VTT, partially driven by changes in CM portfolio

(in € mill.)

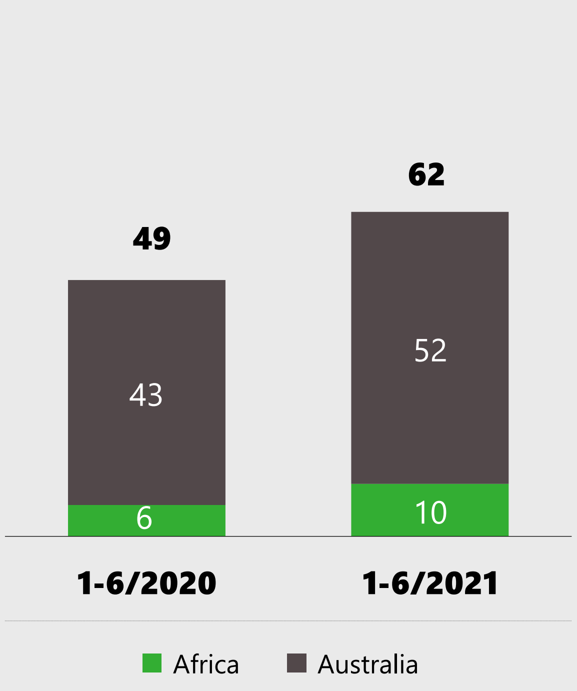
EUROPE



Sales revenues up slightly in Europe, lower sales for instance in France more than compensated for by higher sales in Germany; downturn in sales in Sweden compensated for by sales growth in Norway; higher sales in Italy

(in € mill.)

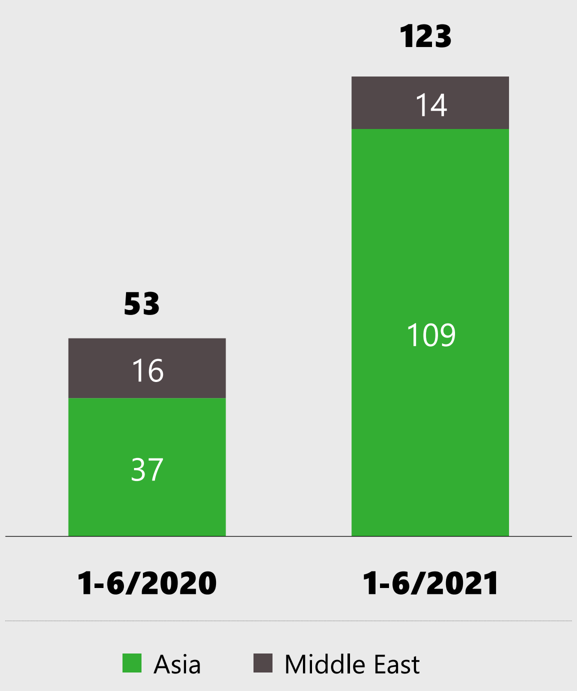
AFRICA & AUSTRALIA



Sales up in Australia mainly due to VTT, higher sales in Africa, particularly Egypt, driven by CM and VFS

(in € mill.)

ASIA INCL. MIDDLE EAST



Higher sales in Asia, particularly in China (VFS) and India (CM)

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VOSSLOH GROUP: OUTLOOK

SALES FORECAST RAISED, PROFITABILITY FORECAST CONFIRMED

Sales revenues

2020: €869.7 million **2021 forecast: €900 million to €950 million**

- Forecast changed on July 19, 2021
- Original expectation of €850 million to €925 million for 2021 revised upwards, particularly for Core Components (significant improvement for Vossloh Fastening Systems, Vossloh Tie Technologies down on previous year); sales growth now also forecast for Customized Modules and Lifecycle Solutions (following the acquisition of ETS Spoor)

Value added

2020: €12.4 million **2021 forecast: €0 million to €15 million**

- Value added in 2021 largely on a par with 2020 financial year due to higher expected operational profitability and therefore positive once again; improvement in operational terms compared to the previous year's value which was positively affected by the transitional consolidation of a company

EBITDA margin

2020: 12.4%[1] **2021 forecast: 13 to 14%**

EBIT margin

2020: 6.6%[1] **2021 forecast: 7 to 8 %**

- Major improvement in operating profitability despite significant burdens due to sharp rise in material prices expected; operating EBIT margin in particular expected to increase in all divisions compared with 2020

[1] Without the 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 INFORMATI

HOW YOU CAN REACH US

Financial calendar 2021

/ October 28, 2021	Quarterly statement as of September 30, 2021
/ March 2022	2021 Annual Report

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Enabling green mobility

Q&A

THANK YOU FOR YOUR TIME.

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