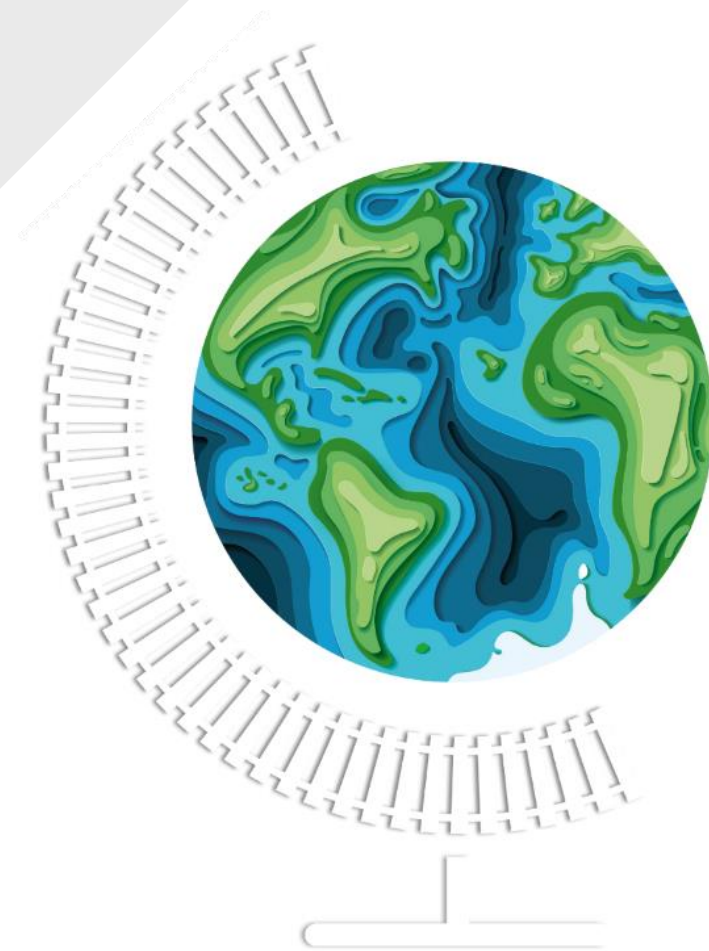
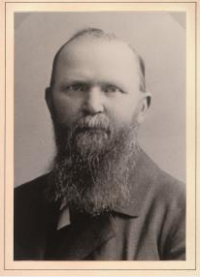


**PRESENTATION VOSSLOH  
BERENBERG/GOLDMAN SACHS  
CORPORATE CONFERENCE**

**SEPTEMBER 19, 2022**



# VOSSLOH'S HISTORY



## Foundation

of the company Eduard Vossloh, headquartered in Werdohl

**1888**

## Foundation

of Stahlberg-Roensch GmbH in Hamburg

**1948**



## Creation

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

**1990**

## Takeover

of the Stahlberg-Roensch Group, track maintenance and logistics services

**2010**

**1904**

## Foundation

of the Société de Construction et d'Embranchements Industriels in Soissons



Kleisenfabrikation, Massenherstellung von Artikeln aus Eisen, Stahl und Metall, gestanzt, gesogen und geprägt • Kalbwalzwerk • Drahtzieherei • Rohrwalzwerk • Rohrzieherei, auch von Profilen

**1967**

## Patent

for the first elastic track fastening system

**2002**

## Acquisition

of the French Cogifer Group; expansion of the product range with switches and signalling components

# VOSSLOH'S HISTORY

## Sale

of Rail Vehicles, Spanish locomotive and tramway manufacturer, to Stadler Rail AG

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## 2015

## Acquisition

of the Australian sleeper manufacturer Austrak and the milling business of STRABAG Rail GmbH

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## 2018



## 2014

## Realignment

of the Group into a company focused exclusively on rail infrastructure



## 2017

## Acquisition

of Rocla Concrete Tie, Inc. portfolio expansion with concrete ties and crossing panels for the North American market; sale of Electrical Systems, a supplier of electrical equipment for rail and commercial vehicles, to Knorr Bremse

## 2020

## Completion of realignment

to a purely rail infrastructure-focused company; sale of Locomotives, manufacturer of diesel electric locomotives, to CRRC ZELC

# VOSSLOH CORPORATE VIDEO

<https://www.vossloh.com/en/company/>



# THE STRATEGY

VOSSLOH IS PERFECTLY POSITIONED TO SERVE THE NEED FOR HIGHER TRACK AVAILABILITY

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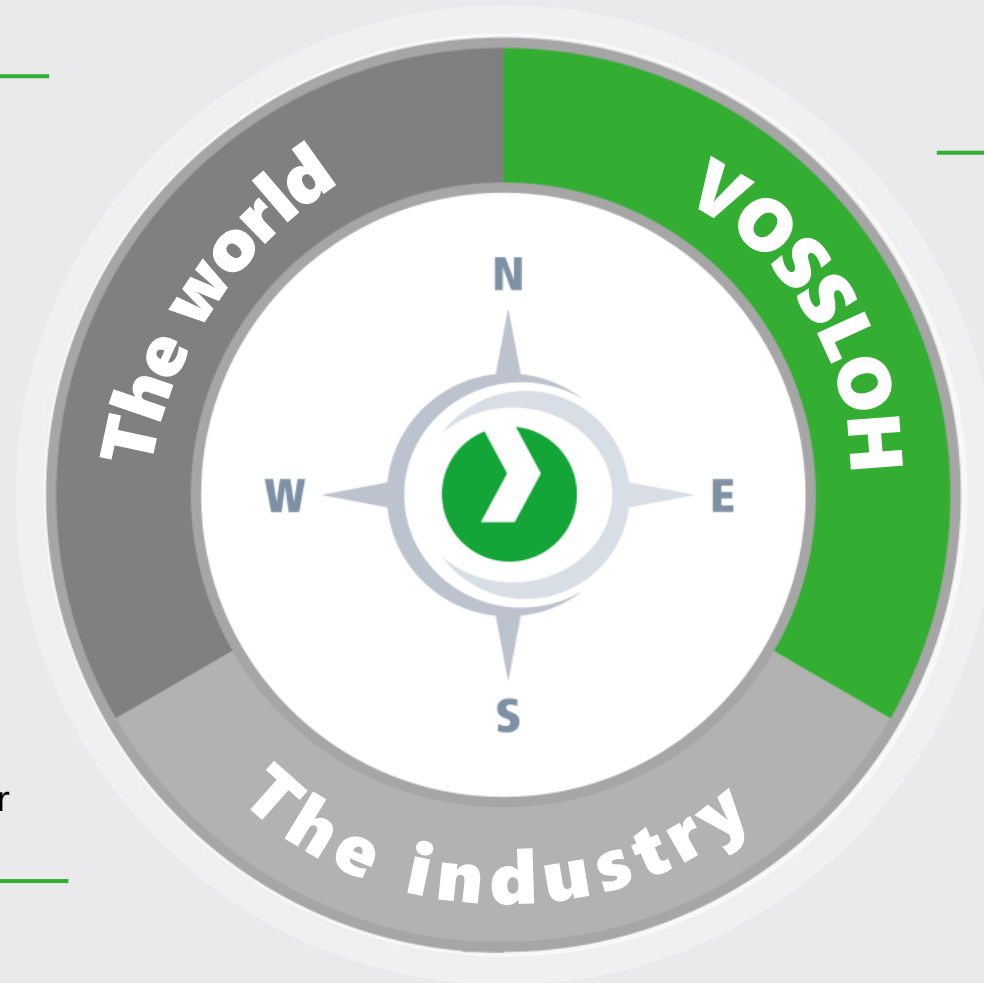
## Shift to Rail

Global megatrends  
Need for more transportation  
Clean modes of transportation

## Track availability as key

Increase of rail traffic on existing infrastructure  
Track availability as key success factor for rail network operator

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## Unique position

Unique and comprehensive product and service portfolio  
Understanding of the rail track as a system  
Global market presence and customer access  
Solutions for higher track availability

# OUR VISION

MAKE THE WORLD A BETTER PLACE

## Our vision

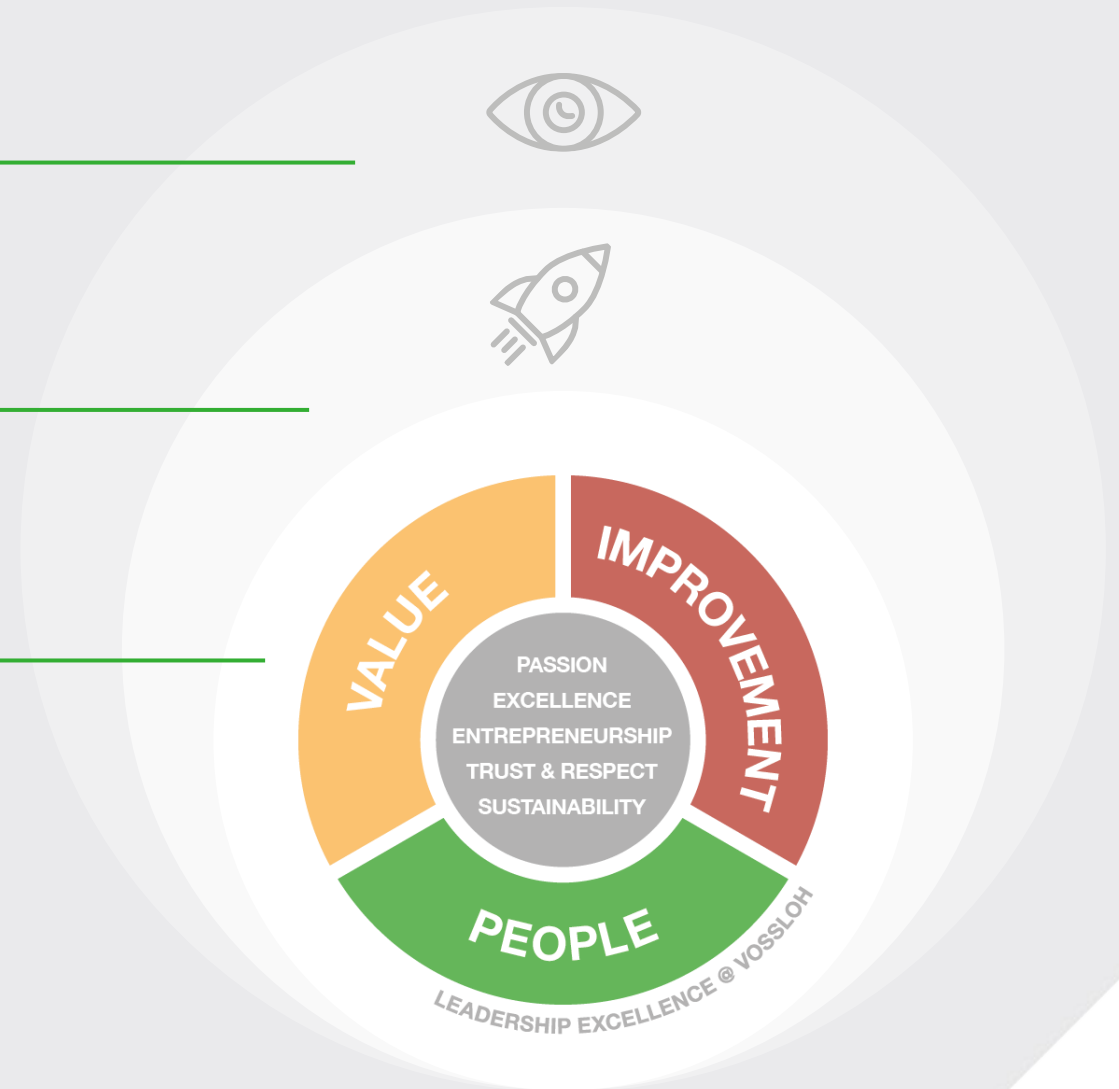
Sustainable, safe and convenient rail mobility to make the world a better place

## Our mission

We enable green mobility with innovative and tailored rail infrastructure solutions

## Our values

Passion  
Excellence  
Entrepreneurship  
Trust & Respect  
Sustainability



# THE CORPORATE STRUCTURE

FOCUS ON THE RAIL TRACK



## Core Components

Industrially manufactured standardized products, in large quantities for projects of the rail infrastructure

### Business units:

**Vossloh Fastening Systems**  
(Rail fastening systems)

**Vossloh Tie Technologies**  
(esp. concrete ties)

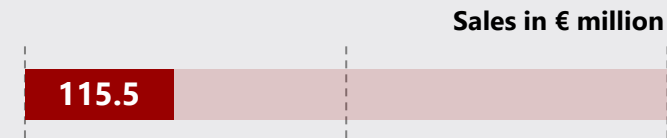


## Customized Modules

Modular solutions customized to suit specific projects

### Business unit:

**Vossloh Switch Systems** (Switch systems, Signaling products and systems)



Workforce

## Lifecycle Solutions

Specialized services covering all aspects of the life cycle of rails and switches (esp. preventive and corrective maintenance / welding services / logistics)

### Business unit:

**Vossloh Rail Services**

**#1**  
worldwide

**> 1bn**  
produced clamps

**#1**  
in North America  
and Australia

**40+m**  
produced ties

**#2**  
worldwide

**560 km/h**  
Speed record for  
driving over a  
switch

**80 km/h**  
working speed  
HSG

**40%**  
market share rail  
milling in Europe

# WE TAKE RESPONSIBILITY

LONG-TERM CORPORATE SUCCESS REQUIRES A BALANCE OF ECONOMIC, SOCIAL AND ENVIRONMENTAL INTERESTS

## Sustainability as a corporate value

- / **enabling green mobility** forms Vossloh's guiding principle
- / Sustainability is a central element of Group strategy
- / Positive contribution and **sustainable business model** as a goal

## Positive view of stakeholders

- / Customers take sustainability criteria into account when awarding contracts
- / **Outstanding ESG ratings** confirm Vossloh's sustainability performance
- / Employees demand purpose & positive contribution

## New sustainability strategy

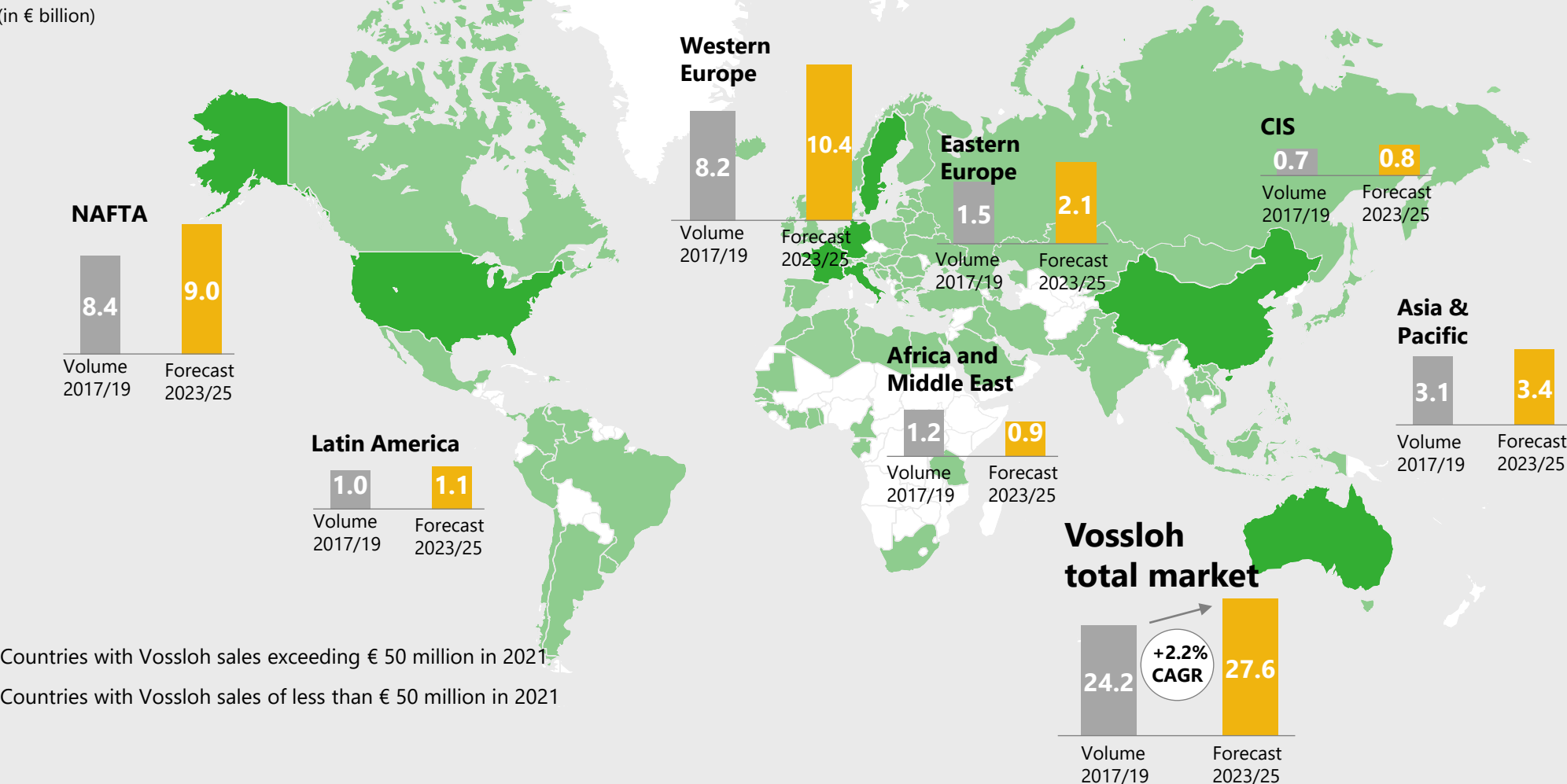
- / **Sustainability commitment** of the Executive Board renewed in 2021
- / Global sustainability organization established and key focus areas defined
- / **Group-wide sustainability** targets adopted, including carbon neutrality by 2030 (Scope1/2)

## Sustainability in facts & figures

- / CO<sub>2</sub> intensity 2017-2021 (t/M€ sales) reduced by 22%.
- / **100% of sales** EU taxonomy eligible and **62% of sales** taxonomy aligned
- / **7 + 40** sustainability initiatives group-wide
- / Member of the UN Global Compact

# RAIL INFRASTRUCTURE MARKET

THE RAIL MARKET RELEVANT TO VOSSLOH IS GROWING AND OFFERS POTENTIALS



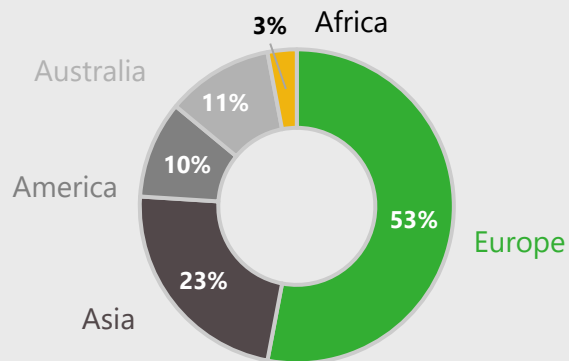
Source: World Rail Market Study forecast 2020 to 2025

# OUR SALES MARKETS

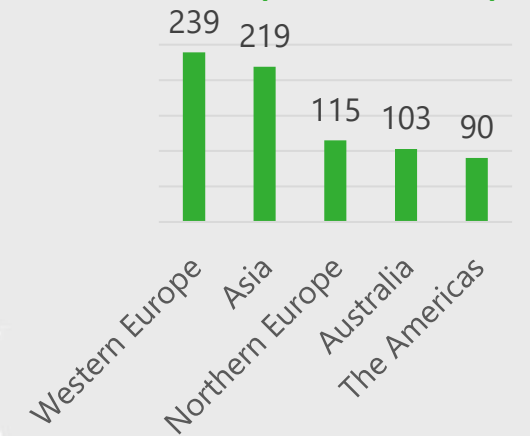
BROAD POSITIONING, WORLDWIDE CUSTOMER ACCESS, PRODUCTS AND SERVICES IN >100 COUNTRIES



Sales by region (2021)



Top 5 Sales regions (2021, € million)



Countries, in which Vossloh products are used

# RAIL INVESTMENT PROGRAMS WORLDWIDE

FOR MORE TRAFFIC ON THE RAILS

## USA

until 2026

- / Biden's Bipartisan Infrastructure Plan with a volume of **1 trillion USD**
- / **\$ 66 billion** for rail modernization, and a total of **\$ 89.9 billion** for public transit

## Germany

until 2030

- / Initiative „Starke Schiene“ & „Leistungs- und Finanzierungsvereinbarung III“ (volume: ~€ **86 billion**)
- / „Digitale Schiene“ including interlocking technology/ETCS (volume ~ € 4 billion)

## Italy

until 2026

- / EU Recovery and Resilience Facility: **€ 25 billion** for track modernization and extension
- / „Complementary Fund“: **€ 1.5 billion** for modernization of regional lines

## Egypt

until 2030

- / „Egypt Vision 2030“: Expansion and modernization of the rail network including new high-speed lines (1,800 km) and expansion of the Cairo metro, on the basis of planned projects investments of roughly **\$ 50 billion**

## Turkey

until 2025

- / Extension of railway network from 12.000 km to 18.000 km including extension of high-speed lines from 1.200 km to 5.500 km

## Australia

until 2030

- / Infrastructure Investment Program with a total volume of **AUD 120 billion**
- / includes, for instance, the major projects Inland Rail **AUD 14.5 billion**, Melbourne Airport **AUD 5.0 billion**, Metronet **AUD 3.7 billion**

## China

until 2035

- / Total Network Expansion from 150.000 km (2021) to 200.000 km (2035)
- / thereof high-speed (> 200 km/h) from ~40,000 km to 70,000 km

# STRONG ORDER SITUATION

MAJOR SALES SUCCESSES - STRONG BASIS FOR ORGANIC GROWTH

**8/5/2021** Vossloh wins major contract for the supply of infrastructure components in Norway

**12/14/2021** Vossloh wins major order from China for rail fastening systems

**2/3/2022** Vossloh wins one of the biggest infrastructure contracts in the company's history in Australia

**3/28/2022** Vossloh wins further major order for rail fastening systems in China

**12/1/2021** Vossloh wins major contract in Turkey for the supply of rail infrastructure components for high-speed line

**1/19/2022** Vossloh wins order from China to supply world's first zero-emission high-speed grinding trains

**2/23/2022** Vossloh wins another major order for rail fastening systems in China

**5/16/2022** Vossloh to supply rail fastening systems for high-speed line in Egypt

# **FINANCIAL OVERVIEW H1/2022**



# VOSSLOH GROUP

SALES REVENUES SLIGHTLY ABOVE PREVIOUS YEAR'S LEVEL, PROFITABILITY IMPACTED BY HIGHER ENERGY AND MATERIAL PRICES

## KEY GROUP INDICATORS

1-6/2021 1-6/2022

Sales revenues	€ mill.	462.6	476.4
EBITDA/EBITDA margin	€ mill./%	68.4 / 14.8	53.8 / 11.3
EBIT/EBIT margin	€ mill./%	42.4 / 9.2	28.9 / 6.1
Net income	€ mill.	20.6	17.3
Earnings per share	€	0.70	0.63
Free cash flow	€ mill.	(15.7)	(42.0)
Capital expenditure	€ mill.	19.9	19.9
Value added	€ mill.	11.1	(3.7)

## NOTES

**Sales revenues** up 3.0 percent; growth driven by Customized Modules and Lifecycle Solutions; Core Components significantly below the previous year's level

**EBIT** and **EBIT margin** as expected are lower year over year, mainly due to a sharp increase in material and energy prices and a change in the project mix; EBIT contributions at Core Components have fallen by roughly half, while Customized Modules and Lifecycle Solutions are slightly higher year over year

**Net income** was only €3.3 million lower than the previous year, in particular due to significantly lower tax expense; **earnings per share** in Q2/2022 was even higher year over year (€0.60 vs. €0.55)

**Free cash flow** noticeably below previous year, mainly due to strong working capital build-up in H1/2022 (>€50 million)

**Capital expenditure** at previous year's level overall; Core Components invested less, while Customized Modules and Lifecycle Solutions invested more

**Value added** was lower year over year due to lower EBIT, but positive again in Q2/2022 at €4.3 million

# VOSSLOH GROUP

EQUITY RATIO REMAINS AT HIGH LEVEL, NET DEBT INCREASED DUE TO RISE IN WORKING CAPITAL

KEY GROUP INDICATORS		1-6/2021 6/30/21	2021 12/31/21	1-6/2022 6/30/22
Equity	€ mill.	569.1	587.9	596.0
Equity ratio	%	44.6	45.6	43.4
Average working capital	€ mill.	197.9	194.7	201.6
Average working capital intensity	%	21.4	20.6	21.2
Closing working capital	€ mill.	206.3	175.6	229.2
Average capital employed	€ mill.	894.3	896.9	931.0
Closing capital employed	€ mill.	901.5	901.6	962.5
Net financial debt	€ mill.	241.3	215.6	281.2

## NOTES

**Equity** has increased further since year-end 2021 despite dividend payments, in particular due to positive net income; the **equity ratio** remains high at 43.4 percent

**Closing working capital** significantly higher year over year, also due to increased procurement prices and stockpiling of materials to minimize risk of supply bottlenecks; **average working capital intensity** nevertheless slightly lower than in H1/2021

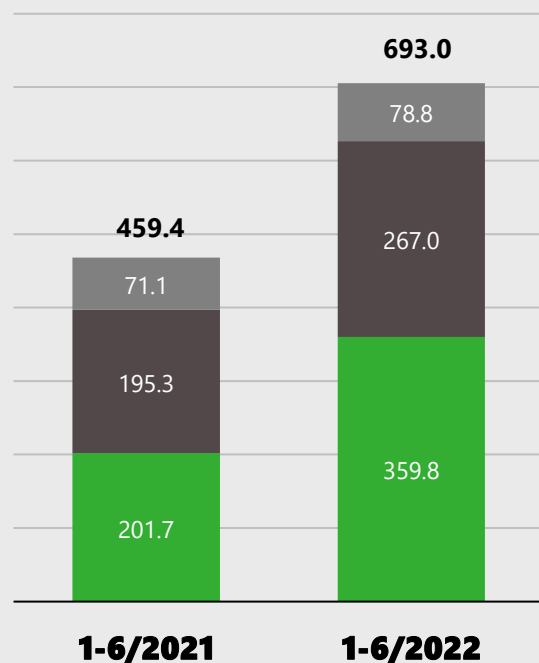
**Closing capital employed** increased significantly compared with the reporting date of the previous year's period and since year-end 2021, in particular due to increases in fixed assets and working capital

**Net financial debt** including lease liabilities increased by €39.9 million compared to end of H1/2021, mainly due to negative FCF and dividend payments in H1/2022; significant decrease in net financial debt expected by end of year

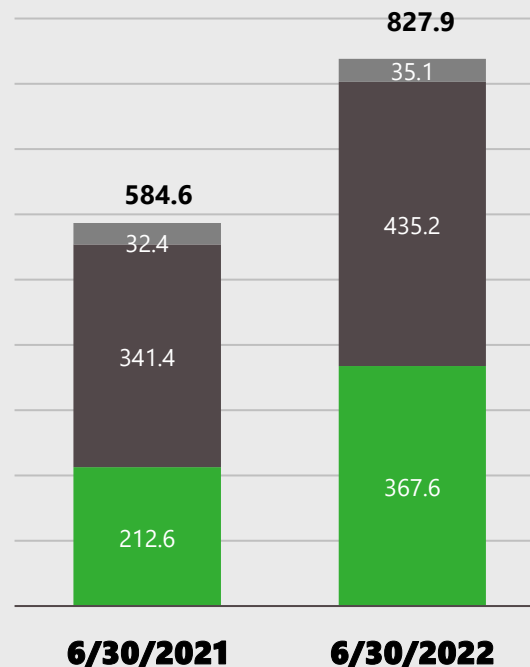
# VOSSLOH GROUP

ORDER SITUATION REACHES RECORD LEVEL, BOOK-TO-BILL AT 1.45

## ORDERS RECEIVED (in € mill.)



## ORDER BACKLOG (in € mill.)



## NOTES

**Orders received** sets new record for a half-year period; Core Components division posts significant gains, primarily due to an increase in orders received in the Fastening Systems business unit in China and Egypt and in the Tie Technologies business unit in the USA and Australia. Customized Modules division is also significantly above the previous year, primarily in Poland and France. Lifecycle Solutions division was higher year over year mainly due to an increase in orders in the Netherlands

**Order backlog** of the Vossloh Group was also at record levels at the end of the reporting period. The Core Components and Customized Modules divisions significantly outperformed their previous year's levels; Lifecycle Solutions was also up slightly year over year

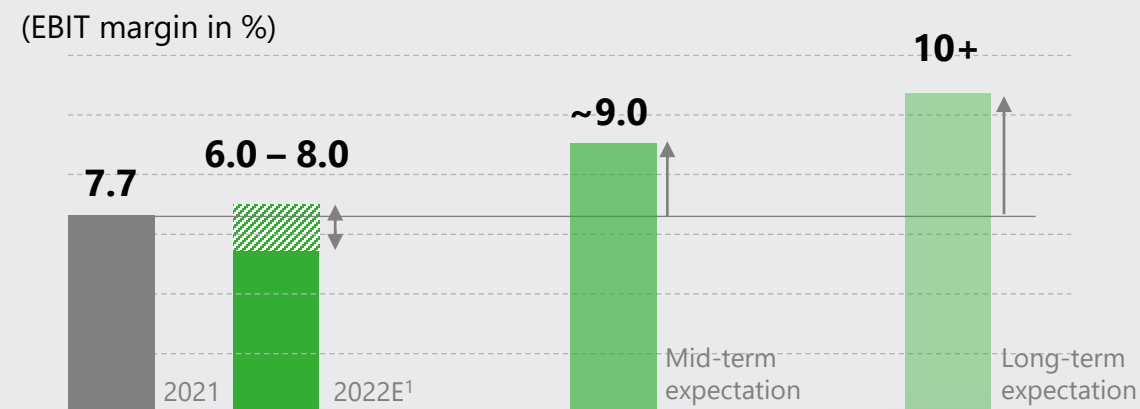
■ Core Components    ■ Customized Modules    ■ Lifecycle Solutions

# OUTLOOK



# GUIDANCE 2022 AND MID-TERM AMBITIONS

FURTHER SALES GROWTH AND INCREASING PROFITABILITY TARGETED



## Sales

- / Organic sales growth with CAGR of 4 - 5% significantly above expectations of relevant studies (UNIFE forecasts growth of 2.2%)
- / Focus on additional growth through acquisitions and cooperations

## Profitability

- / Double-digit EBIT margins targeted for all business units in the mid-term, corresponding to an EBIT margin of around 9% in the Group
- / Long-term goal of double-digit EBIT margin in the Group

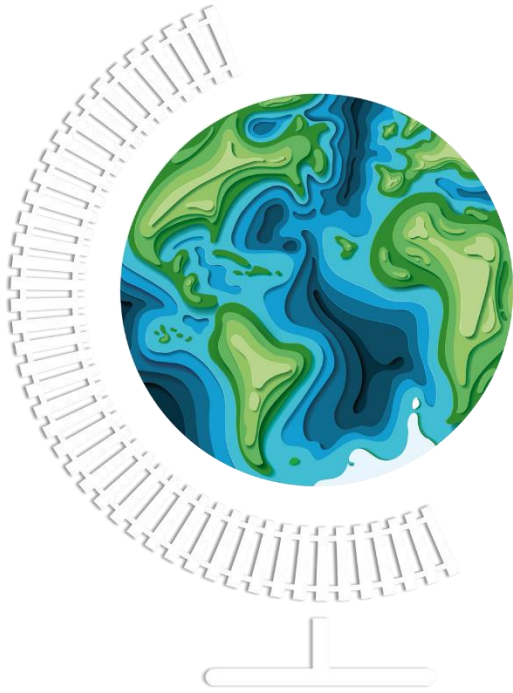
<sup>1</sup> Sales revenues and profitability guidance for 2022 adjusted on May 12.

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## 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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**THANK YOU FOR YOUR TIME.  
Q&A**