

**PRESENTATION VOSSLOH AG
ODDO BHF NEXTCAP FORUM**

2023, JUNE 6, PARIS



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

2015

Acquisition

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

2018



2014

Realignment

of the Group into a company focused exclusively on rail infrastructure. Replacement of the entire management board



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

THE STRATEGY

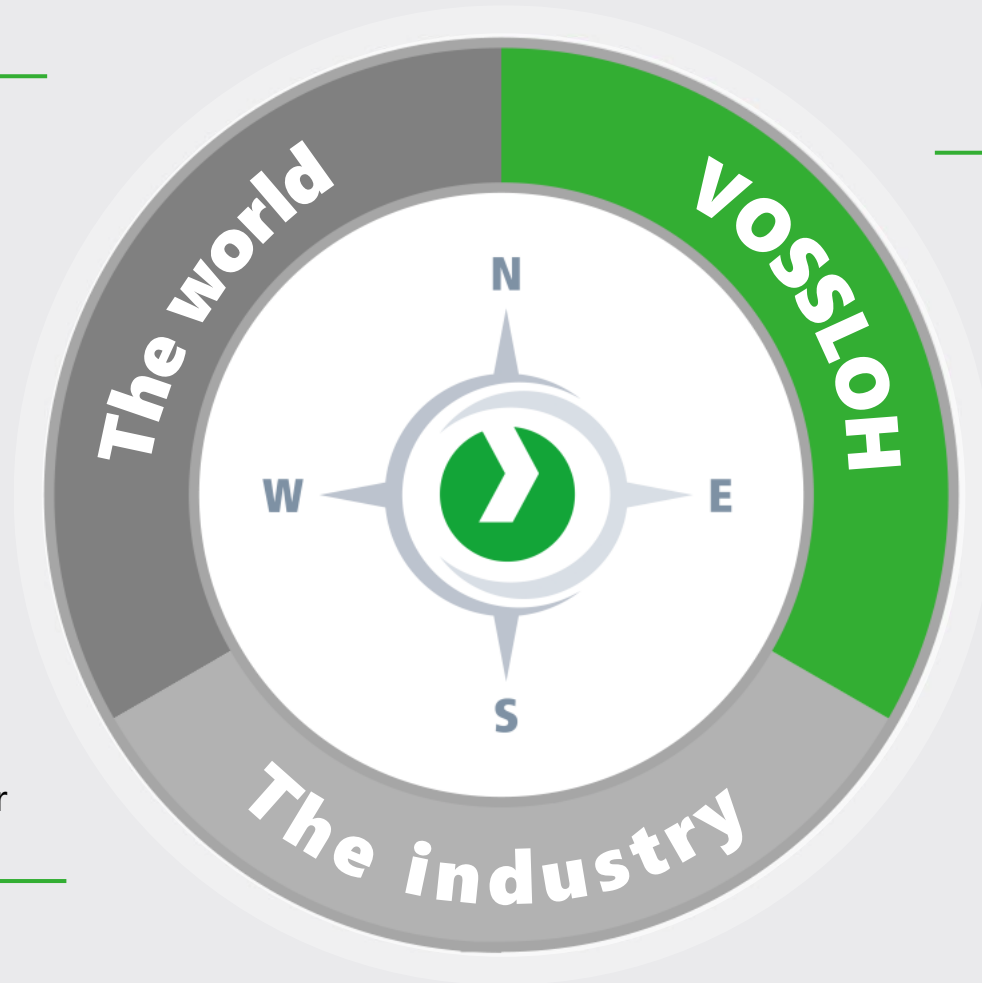
VOSSLOH IS PERFECTLY POSITIONED TO SERVE THE NEED FOR HIGHER TRACK AVAILABILITY

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



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



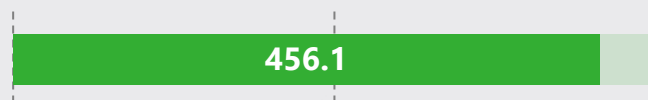
Core Components

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)

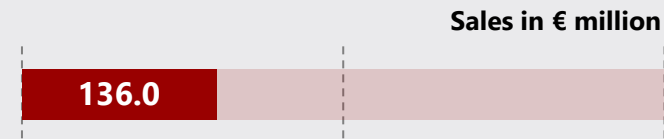


Customized Modules

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

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)

Positive view of stakeholders

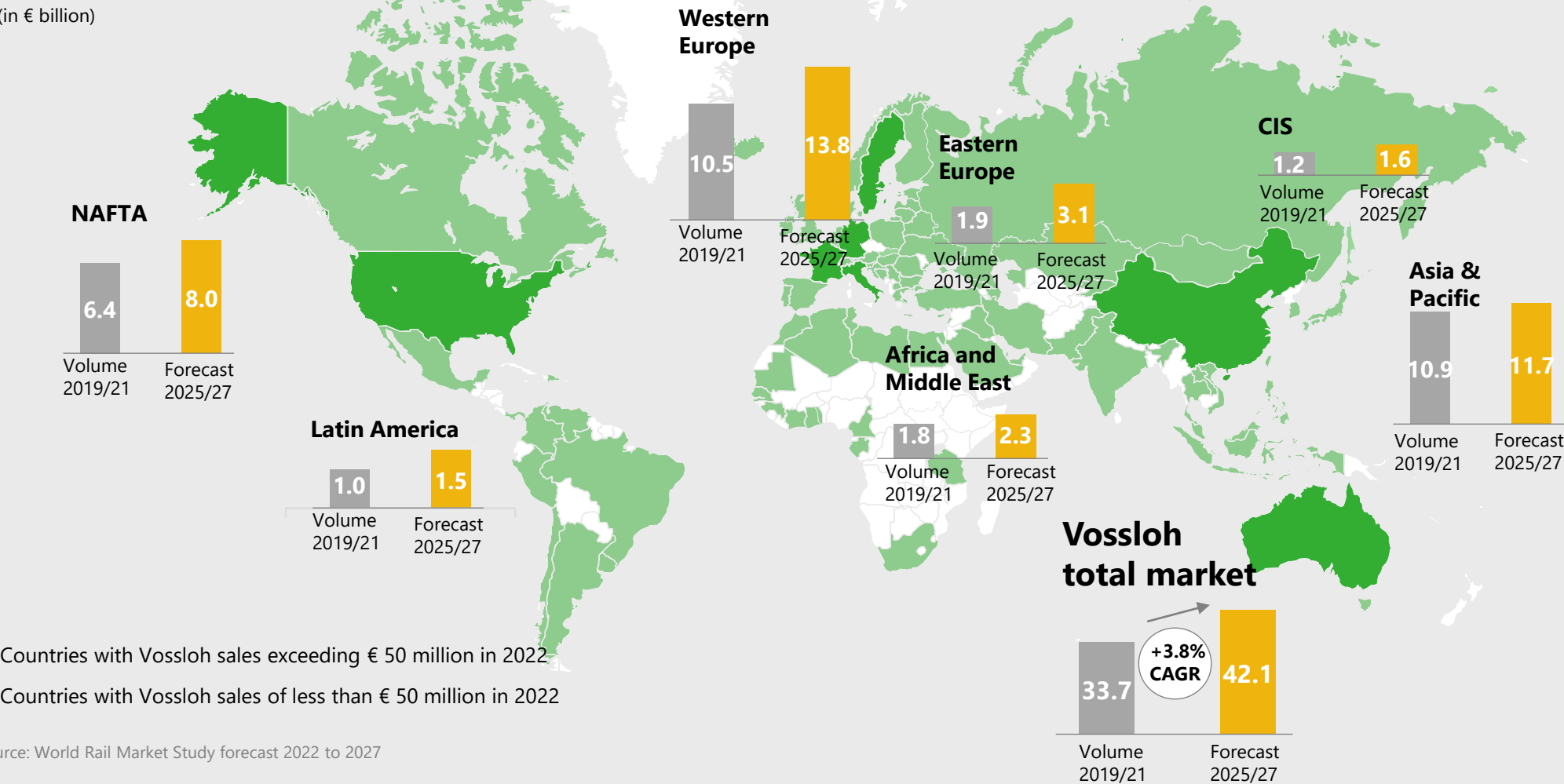
- / Customers take sustainability criteria into account when awarding contracts
- / **Outstanding ESG ratings** confirm Vossloh's sustainability performance
- / Employees demand purpose & positive contribution

Sustainability in facts & figures

- / **CO₂ intensity** 2017-2022 (t/M€ sales) **reduced by 33%**.
- / **100% of sales EU taxonomy eligible** and **64% of sales taxonomy aligned**
- / **7 + 44** sustainability initiatives group-wide
- / Member of the **UN Global Compact**

RAIL INFRASTRUCTURE MARKET

RAIL INFRASTRUCTURE MARKET IS GROWING AND OFFERS POTENTIALS



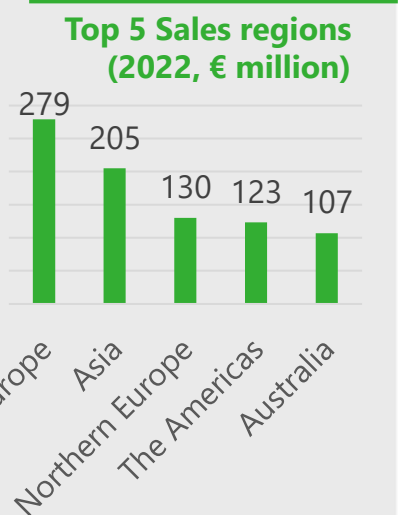
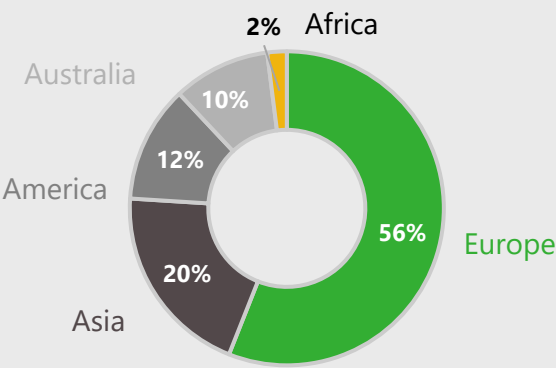
Source: World Rail Market Study forecast 2022 to 2027

OUR SALES MARKETS

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



Sales by region (2022)



Countries, in which Vossloh products are used

RAIL INVESTMENT PROGRAMS WORLDWIDE

FOR GREATER LEVELS OF RAIL TRAFFIC



STRONG ORDER SITUATION

MAJOR SALES SUCCESSES - STRONG BASIS FOR ORGANIC GROWTH

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

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

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

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

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

9/15/2022 Framework agreement for preventive rail maintenance with Deutsche Bahn significantly extended

12/15/2022 Vossloh succeeds in flagship project for data-based switch monitoring in Sweden

FINANCIAL OVERVIEW

Q1/2023



VOSSLOH GROUP

SALES AND EBIT SIGNIFICANTLY ABOVE PREVIOUS YEAR

KEY GROUP INDICATORS

1-3/2022 1-3/2023

Sales revenues	€ mill.	222.2	256.3
EBITDA/EBITDA margin	€ mill. / %	20.1 / 9.1	26.9 / 10.5
EBIT/EBIT margin	€ mill. / %	8.1 / 3.6	14.0 / 5.5
Net income	€ mill.	3.6	4.8
Earnings per share	€	0.02	0.07
Free cash flow	€ mill.	(11.7)	(27.5)
Capital expenditure	€ mill.	8.7	9.4
Value added	€ mill.	(7.9)	(6.0)

NOTES

Sales up 15.4 percent, growth in all divisions, strongest percentage growth at Lifecycle Solutions

EBIT and **EBIT margin** significantly higher year on year, all divisions achieve noticeable improvement in earnings and profitability, in particular Core Components, again with double-digit EBIT margin in Q1/2023

Net income due to EBIT development despite higher interest expense above the prior-year level; **earnings per share** up 5 cents

Free cash flow negative in first quarter, as is typical for the season; year-on-year decrease due to stronger working capital build-up

Capital expenditure slightly above prior-year level; increase mainly due to Customized Modules and Core Components

Value added as expected still negative at start of year; improved year on year despite higher cost of capital of 8.5 percent (previous year: 7.0 percent)

VOSSLOH GROUP

SEASONAL BUILD-UP OF WORKING CAPITAL LEADS TO EXPECTED INCREASE IN NET FINANCIAL DEBT

KEY GROUP INDICATORS		1-3/2022 3/31/22	2022 12/31/22	1-3/2023 3/31/23
Equity	€ mill.	598.1	625.1	626.3
Equity ratio	%	45.1	45.7	44.5
Average working capital	€ mill.	188.2	218.1	214.6
Average working capital intensity	%	21.2	20.8	20.9
Closing working capital	€ mill.	200.8	191.6	237.7
Average capital employed	€ mill.	915.7	950.6	943.0
Closing capital employed	€ mill.	929.8	923.2	962.9
Net financial debt (excluding leasing)	€ mill.	187.1	197.6	234.6
Net financial debt	€ mill.	228.2	237.5	273.4

NOTES

Equity significantly increased compared with Q1/2022; equity ratio remains at a good level despite slight decline

Closing working capital increased noticeably in Q1/2023 as a result of higher inventories and receivables, typical for the season; **average working capital intensity** slightly improved compared with prior-year period due to strong sales growth

Closing capital employed increased compared to March 31, 2022 due to noticeably higher working capital

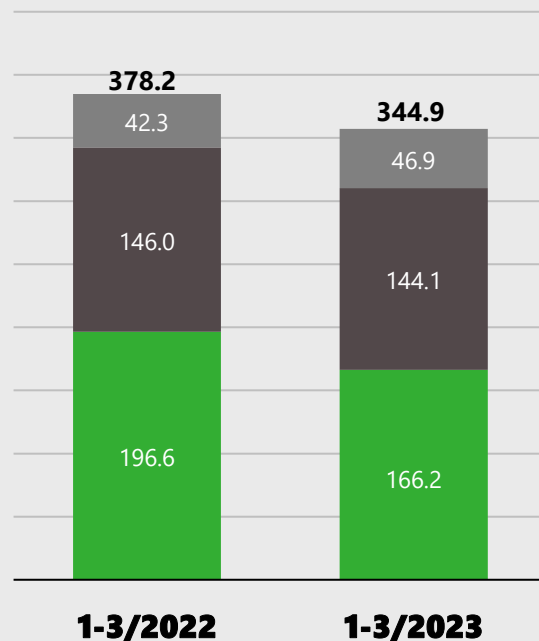
Net financial debt increased compared to year-end 2022, in particular due to negative free cash flow in Q1/2023 which is typical for the season

VOSSLOH GROUP

ORDERS RECEIVED IN Q1/2023 AGAIN AT A VERY HIGH LEVEL; BOOK-TO-BILL AT 1.35

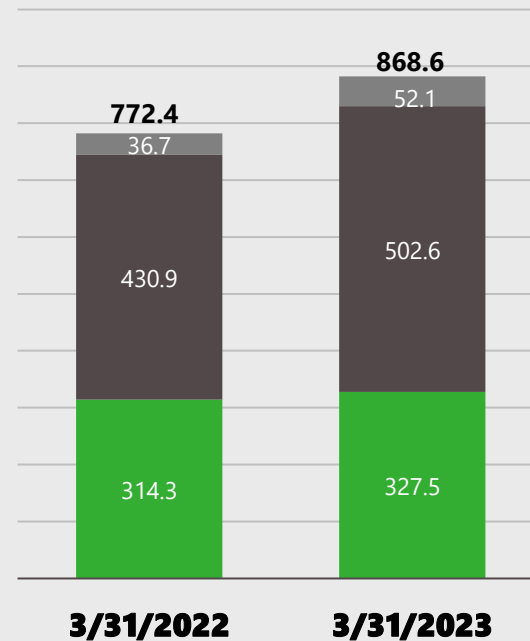
ORDERS RECEIVED

(in € mill.)



ORDER BACKLOG

(in € mill.)



NOTES

As expected, **orders received** in the first quarter of 2023 below prior-year record value but again at a very high level; in particular, noticeably lower value at Vossloh Fastening Systems after two major orders in China (total volume around €90 million) had been won in Q1/2022; VTT, in contrast, with significant additional orders in Mexico and the USA; Customized Modules stable at high prior-year level; Lifecycle Solutions above prior-year level mainly thanks to higher order intake in Germany and the Netherlands

Order backlog up 12.5 percent year on year and at a historic high; all divisions contributing to the increase; Customized Modules in particular (+€71.7 million) significantly up year on year, especially in France and Serbia; Lifecycle Solutions also achieves noticeable year-on-year increase (+€15.4 million), mainly in Germany; Core Components (+€13.2 million) slightly up year on year, on the one hand VFS with lower order backlog due to major orders in the previous year, VTT on the other hand with significant increase

FINANCIAL OVERVIEW

FY 2022



VOSSLOH GROUP

SALES IN CORE BUSINESS RAIL INFRASTRUCTURE FIRST TIME EXCEED €1 BN; HIGHEST GROUP EBIT IN 10 YEARS

KEY GROUP INDICATORS

		2021	2022
Sales revenues	€ mill.	942.8	1,046.1
EBITDA / EBITDA margin	€ mill. / %	124.2 / 13.2	131.2 / 12.5
EBIT / EBIT margin	€ mill. / %	72.3 / 7.7	78.1 / 7.5
Net income	€ mill.	35.9	56.0
Earnings per share	€	1.31	2.38
Free cash flow	€ mill.	30.6	27.9
Capital expenditure	€ mill.	51.3	58.2
Value added	€ mill.	9.5	11.5

NOTES

Sales revenues up 11.0 percent, all divisions achieve significant growth, in particular Core Components strongly above prior-year level

EBIT improves by 8.0 percent despite huge rise in procurement costs for materials and energy; earnings increase due to Customized Modules and Lifecycle Solutions, Core Components down year on year; **EBIT margin** negatively impacted by not fully passing on price increases to customers, but still only slightly down year on year

Net income significantly higher year on year; in addition to higher EBIT, in particular lower tax expense contributed to the development; **earnings per share** with an 81.7 percent year-on-year increase

Free cash flow positive thanks to high cash inflows over €70 million in Q4/2022; for the full year only slightly below previous year despite €16 million higher working capital

Capital expenditures significantly above prior-year level; highest increase at Lifecycle Solutions

Value added also higher year on year due to an increased EBIT despite higher average capital employed

VOSSLOH GROUP

NET FINANCIAL DEBT EXCLUDING LEASING BELOW €200 MILLION AT YEAR-END 2022 THANKS TO HIGH CASH INFLOWS IN FINAL QUARTER

KEY GROUP INDICATORS

		2021 12/31/2021	2022 12/31/2022
Equity	€ mill.	587.9	625.1
Equity ratio	%	45.6	45.7
Average working capital	€ mill.	194.7	218.1
Average working capital intensity	%	20.6	20.8
Closing working capital	€ mill.	175.6	191.6
Fixed assets	€ mill.	726.0	731.6
Average capital employed	€ mill.	896.9	950.6
Closing capital employed	€ mill.	901.6	923.2
Net financial debt	€ mill.	215.6	237.5

NOTES

Equity increased noticeably, in particular as a result of the positive earnings trend, despite dividend payments; equity ratio remains at a high level

Closing working capital increased compared with Dec. 31, 2021, mainly due to significantly higher inventories (stronger stockpiling and higher procurement prices); **working capital intensity (Ø)** virtually unchanged compared with previous year

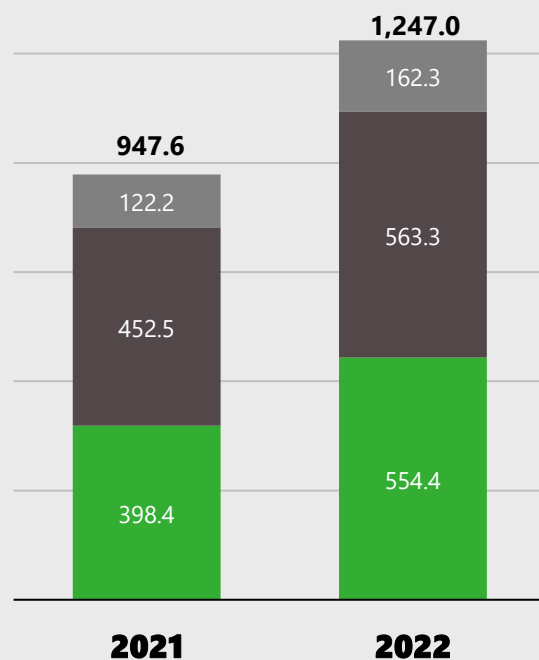
Closing capital employed increased compared with Dec. 31, 2021, mainly as a result of working capital build-up; increase mainly due to Lifecycle Solutions and Core Components

Net financial debt (thereof €39.9 million in lease liabilities) increased by €21.9 million compared with year-end 2021; total dividend, lease and interest payments exceed positive free cash flow in 2022

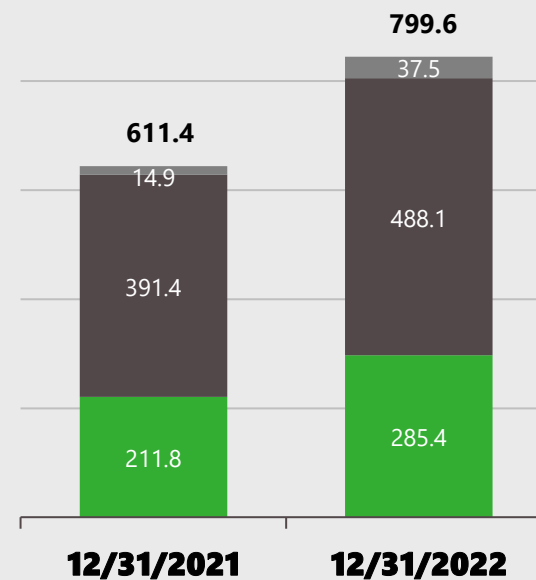
VOSSLOH GROUP

ORDERS RECEIVED REACH RECORD LEVEL, BOOK-TO-BILL AT 1.19

ORDERS RECEIVED (in € million)



ORDER BACKLOG (in € million)



NOTES

Orders received in 2022 at a new record level of €1.247 billion and up 31.6 percent year on year; in particular significantly higher orders received at Vossloh Fastening Systems in China and Egypt as well as in Europe; at Vossloh Tie Technologies noticeable increase in the USA and Australia; Customized Modules also significantly up year on year, especially in Eastern Europe (Poland and Serbia) and Western Europe (France and Germany); Lifecycle Solutions up year on year, mainly thanks to higher orders received in Germany and the Netherlands

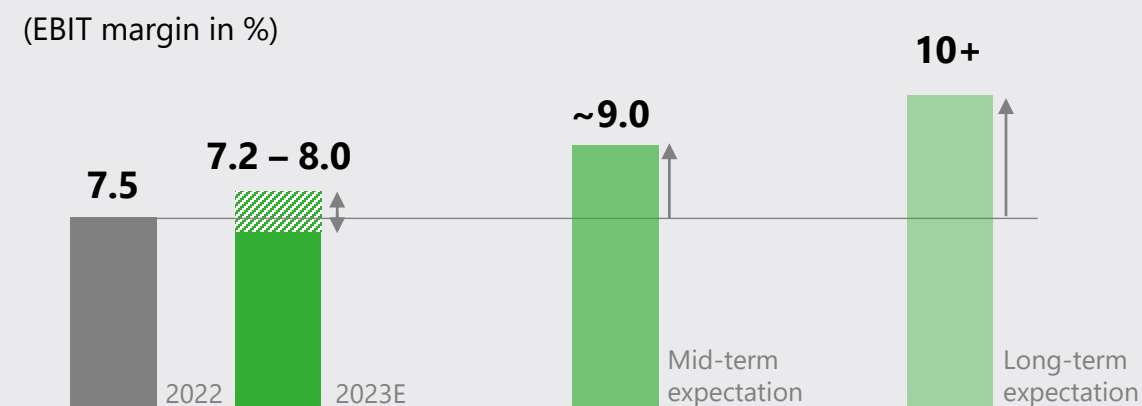
Order backlog up 30.8% year on year; all divisions contributing to the increase; Customized Modules significantly up year on year (+€96.7 million), mainly thanks to higher order backlogs at the sites in France, Italy and Serbia; Core Components also with significant increase (+€73.6 million), in particular due to major orders in Egypt and China at VFS and higher order backlog at VTT in Australia; Lifecycle Solutions also noticeably improved year on year (+€22.6 million), mainly in Germany

OUTLOOK



GUIDANCE 2023 AND MID- AND LONG-TERM AMBITIONS

FURTHER SALES GROWTH AND INCREASING PROFITABILITY TARGETED



Sales

- / Organic sales growth above forecast of market growth expected (UNIFE forecasts market growth of 3-4%)
- / Focus on additional growth through acquisitions and cooperations

Profitability

- / Double-digit EBIT margins targeted for all divisions 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

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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A stylized illustration on the left side of the slide. It features a white bridge with green vertical supports and a green train track with a green train moving away from the viewer. The background is a light green gradient. The entire illustration is separated from the rest of the slide by a diagonal white line.

Q&A

**THANK YOU FOR YOUR
ATTENTION.**