

PRESENTATION VOSSLOH GERMAN CORPORATE CONFERENCE

JANUARY 18, 2023



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



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

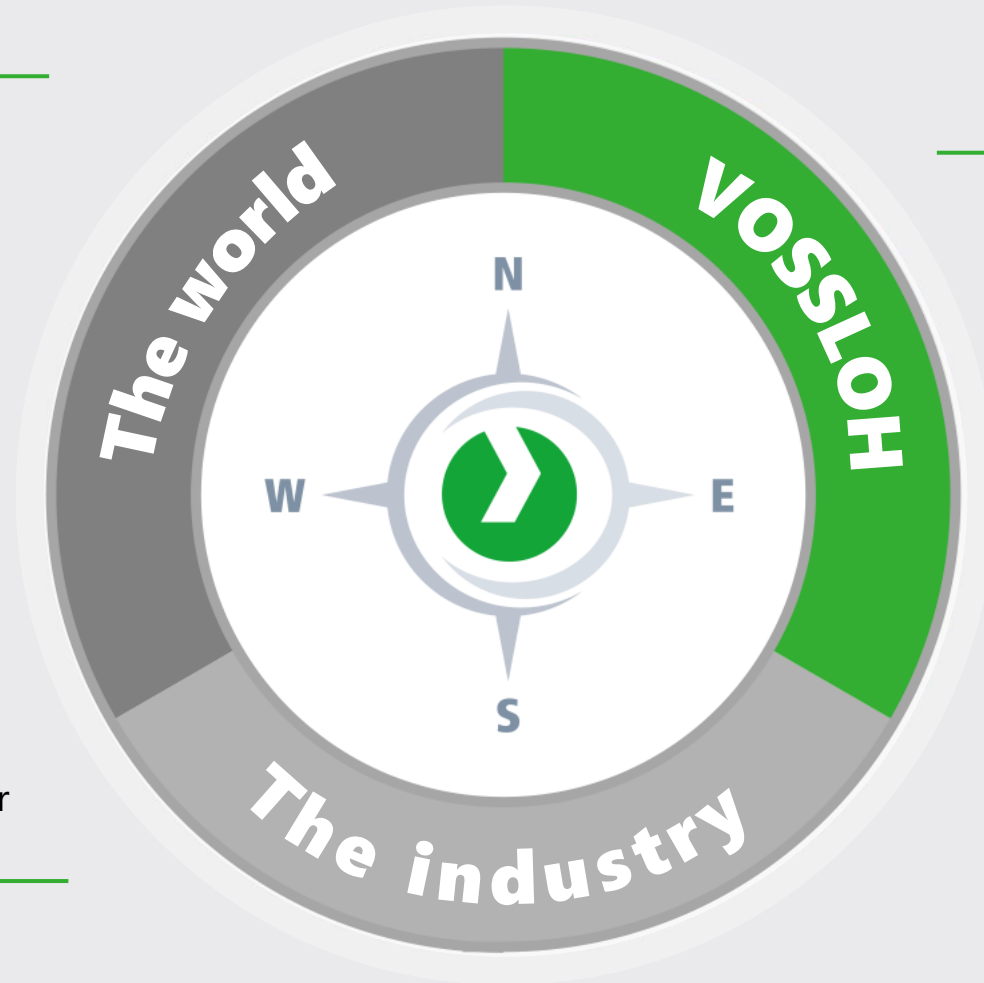
VOSSLOH IS PERFECTLY POSITIONED TO SERVE THE NEED FOR HIGHER TRACK AVAILABILITY

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



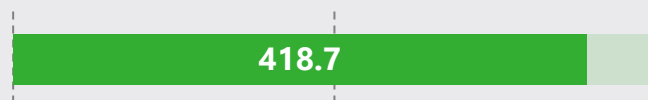
Core Components

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)

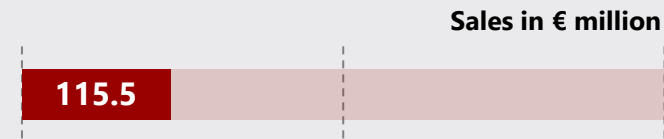


Customized Modules

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

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

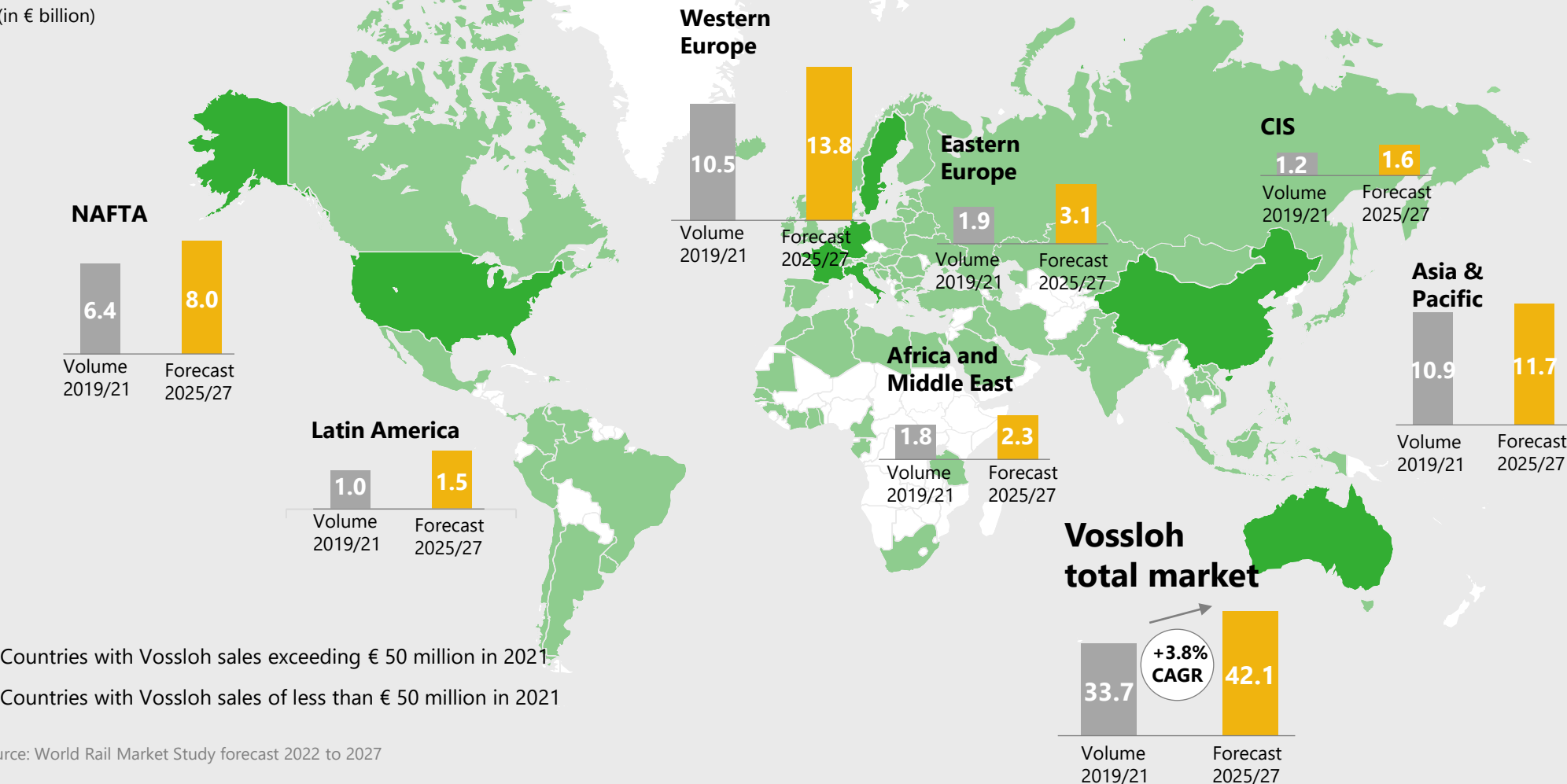
- / **Sustainability commitment** of the Executive Board renewed in 2021
- / Global sustainability organization established and key focus areas defined
- / **Group-wide sustainability** targets adopted, including carbon neutrality by 2030 (Scope1/2)

Sustainability in facts & figures

- / CO₂ 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



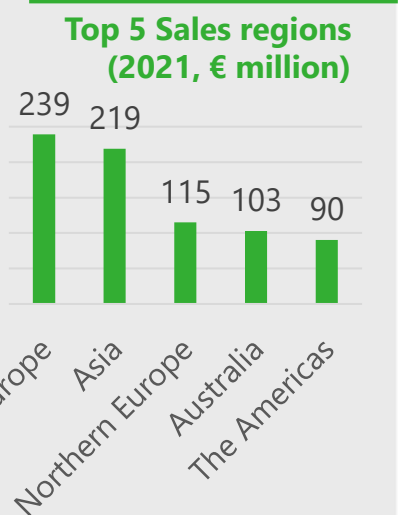
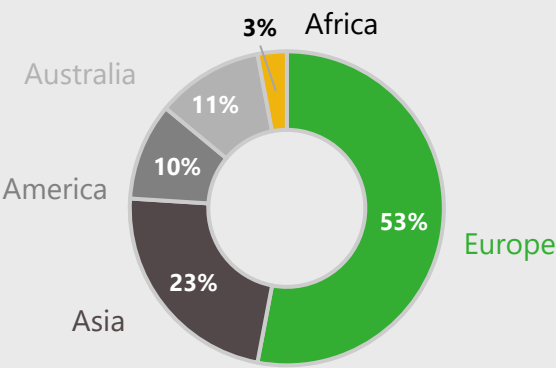
Source: World Rail Market Study forecast 2022 to 2027

OUR SALES MARKETS

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



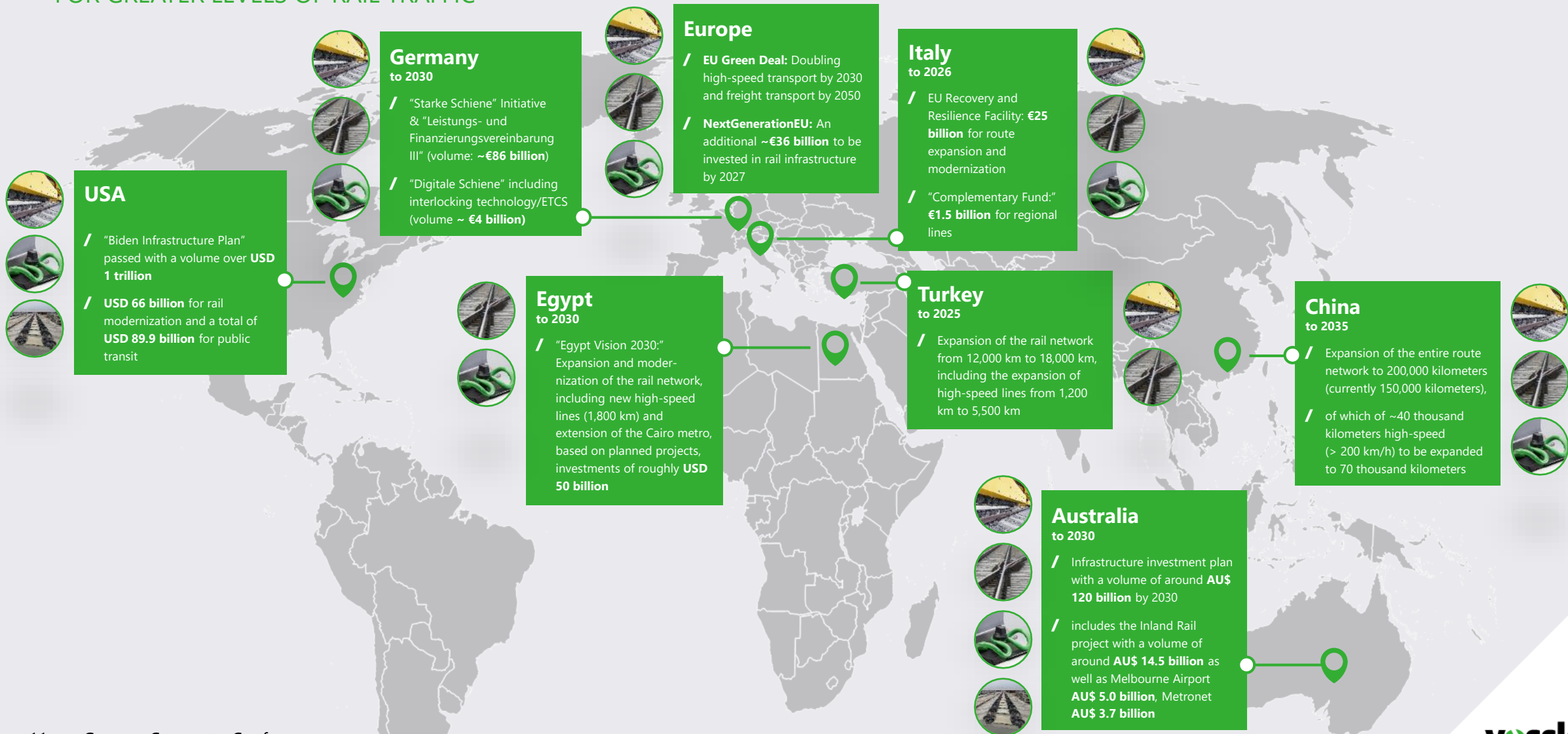
Sales by region (2021)



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

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

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

FINANCIAL OVERVIEW

Q3/2022



VOSSLOH GROUP

SIGNIFICANT INCREASE IN SALES; PROFITABILITY IMPACTED BY HIGHER PROCUREMENT COSTS

KEY GROUP INDICATORS

1-9/2021 1-9/2022

| | | | |
|----------------------|------------|--------------|-------------|
| Sales revenues | € mill. | 698.4 | 756.2 |
| EBITDA/EBITDA margin | € mill./ % | 100.8 / 14.4 | 92.8 / 12.3 |
| EBIT/EBIT margin | € mill./ % | 62.2 / 8.9 | 55.0 / 7.3 |
| Net income | € mill. | 33.8 | 38.8 |
| Earnings per share | € | 1.30 | 1.62 |
| Free cash flow | € mill. | 9.8 | (46.5) |
| Capital expenditure | € mill. | 28.5 | 29.7 |
| Value added | € mill. | 15.2 | 5.2 |

NOTES

Sales up by 8.3 percent, growth attributable to all divisions, in particular Lifecycle Solutions and Customized Modules with significant sales increase

EBIT and **EBIT margin** significantly improved after strong Q3/2022, but lower year on year due to substantially higher procurement costs for materials and energy and business-typical fluctuations in project business; Core Components still well below prior year, while Customized Modules and Lifecycle Solutions noticeably improved absolute EBIT

Net income up €5.0 million year on year despite higher interest expense due to lower tax expense; **earnings per share** up by 32 cents

Free cash flow again slightly negative in Q3/2022 due to further increase in working capital (+€30 million in single quarter), therefore significantly lower year on year after nine months; high free cash flow expected in Q4/2022

Capital expenditures slightly above prior-year level; lower at Core Components, but slightly higher at Customized Modules and Lifecycle Solutions

Value added positive for the first time in 2022 thanks to strong earnings performance in Q3

VOSSLOH GROUP

NET FINANCIAL DEBT SIGNIFICANTLY HIGHER DUE TO INCREASE IN WORKING CAPITAL, SUBSTANTIAL DECREASE EXPECTED AT YEAR-END

| KEY GROUP INDICATORS | | 1-9/2021 9/30/21 | 2021 12/31/21 | 1-9/2022 9/30/22 |
|-----------------------------------|---------|---------------------|------------------|---------------------|
| Equity | € mill. | 579.2 | 587.9 | 625.0 |
| Equity ratio | % | 45.5 | 45.6 | 43.6 |
| Average working capital | € mill. | 198.3 | 194.7 | 215.7 |
| Average working capital intensity | % | 21.3 | 20.6 | 21.4 |
| Closing working capital | € mill. | 191.9 | 175.6 | 258.7 |
| Average capital employed | € mill. | 896.1 | 896.9 | 947.3 |
| Closing capital employed | € mill. | 897.6 | 901.6 | 997.6 |
| Net financial debt | € mill. | 231.7 | 215.6 | 292.6 |

NOTES

Equity increased noticeably despite dividend payment in 2022 (around €18 million), in particular as a result of positive earnings performance; equity ratio remains at high level

Closing working capital increased significantly compared with 9/30/2021, mainly due to higher procurement prices and increased stockpiling; **average working capital intensity** virtually unchanged compared with prior-year period

Closing capital employed increased compared with 9/30/2021, mainly as a result of working capital build-up, significantly higher in particular at Core Components

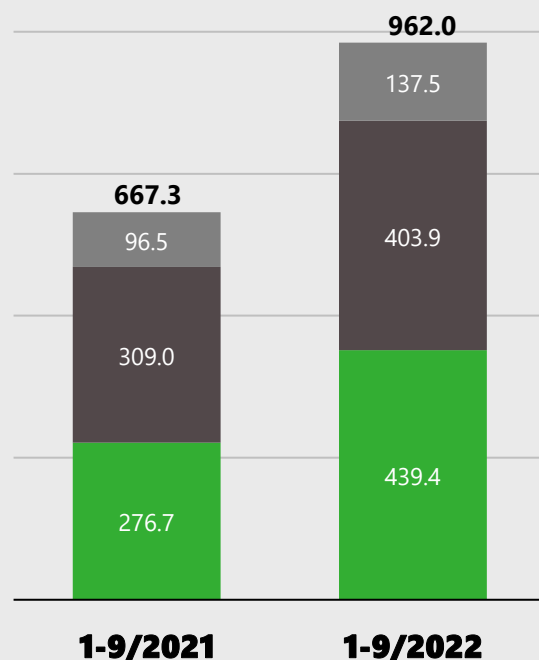
Net financial debt (thereof €39.1 million in lease liabilities) increased by €60.9 million compared with end of Q3/2021, mainly due to negative free cash flow in the past 12 months (approx. €26 million) and dividend, lease and interest payments; significant reduction in debt expected at end of year

VOSSLOH GROUP

ORDERS RECEIVED REACH NEW RECORD LEVEL; BOOK-TO-BILL AT 1.27

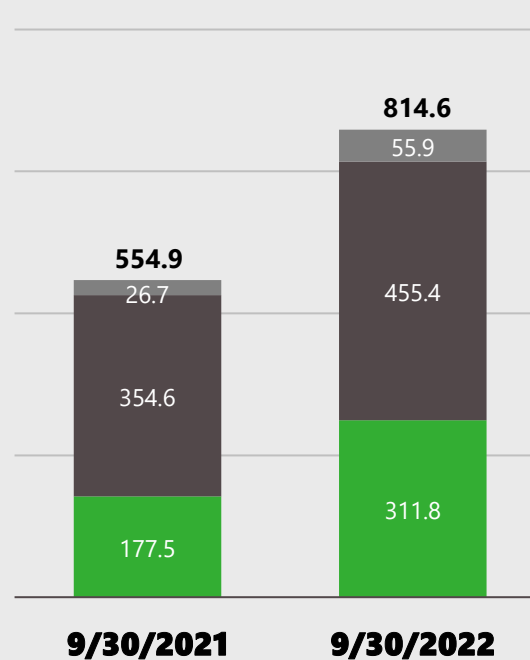
ORDERS RECEIVED

(in € mill.)



ORDER BACKLOG

(in € mill.)



NOTES

Orders received after nine months at a new record level of almost €1 billion and 44.2 percent up year on year; especially significantly higher order intake at Vossloh Fastening Systems in China and Egypt; higher at VTT especially in the USA; Customized Modules also significantly up year on year, especially in France and Poland; Lifecycle Solutions up year on year mainly thanks to higher order intake in the Netherlands

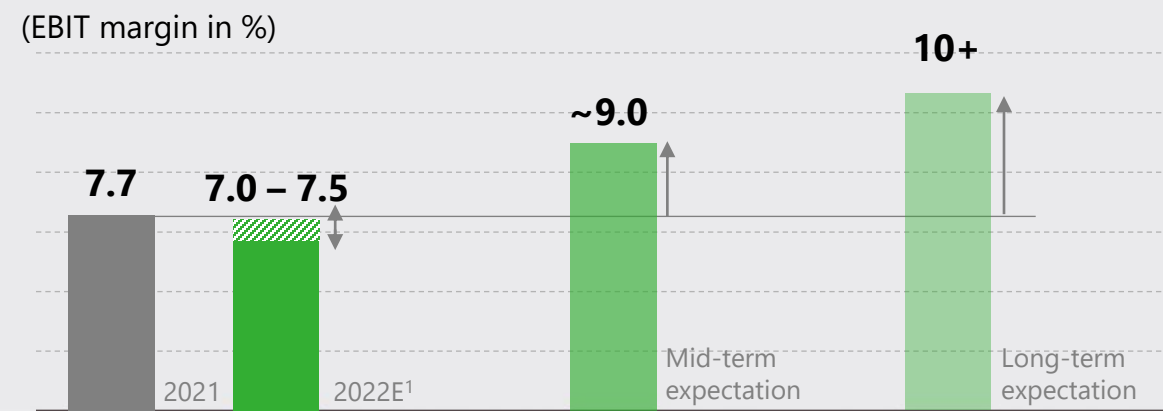
Order backlog up 46.8 percent year on year; all divisions contributing to the increase; Core Components (+€134.3 million), in particular China and Egypt, and Customized Modules (+€100.8 million), in particular Sweden and Portugal, significantly up year on year; Lifecycle Solutions also records tangible year-on-year increase (+€29.2 million), mainly in Germany

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

¹ Sales revenues and profitability guidance for 2022 adjusted on October 17.

NOTES

VOSSLOH GROUP

INCOME STATEMENT

| € mill. | 1-9/2021 | 1-9/2022 |
|--|-------------|-------------|
| Sales revenues | 698.4 | 756.2 |
| Cost of sales | (527.0) | (590.1) |
| General administrative and selling expenses | (112.8) | (117.2) |
| Allowances and write-ups of financial assets | 1.0 | 0.8 |
| Research and development costs | (6.8) | (5.9) |
| Other operating income | 8.6 | 13.6 |
| Other operating expense | (4.2) | (5.1) |
| Operating result | 57.2 | 52.3 |
| Result from investments in companies accounted for using the equity method | 2.8 | 2.6 |
| Other financial income | 2.2 | 0.1 |
| Other financial expense | 0.0 | 0.0 |
| Earnings before interest and taxes (EBIT) | 62.2 | 55.0 |
| Interest income | 1.2 | (0.1) |
| Interest and similar expense | (6.9) | (7.3) |
| Earnings before taxes (EBT) | 56.5 | 47.6 |
| Income taxes | (22.4) | (9.8) |
| Result from continuing operations | 34.1 | 37.8 |
| Result from discontinued operations | (0.3) | 1.0 |
| Net income | 33.8 | 38.8 |
| thereof attributable to shareholders of Vossloh AG | 22.8 | 28.4 |
| thereof attributable to hybrid capital investors | 3.6 | 4.5 |
| thereof attributable to noncontrolling interests | 7.4 | 5.9 |
| Earnings per share | | |
| Basic/diluted earnings per share (€) | 1.30 | 1.62 |
| thereof attributable to continuing operations | 1.32 | 1.56 |
| thereof attributable to discontinued operations | (0.02) | 0.06 |

VOSSLOH GROUP

BALANCE SHEET

| Assets in € mill. | 9/30/2021 | 12/31/2021 | 9/30/2022 |
|--|----------------|----------------|----------------|
| Intangible assets | 328.8 | 343.2 | 352.7 |
| Property, plant and equipment | 316.0 | 323.8 | 322.4 |
| Investment properties | 4.4 | 7.4 | 7.1 |
| Investments in companies accounted for using the equity method | 52.4 | 47.6 | 52.1 |
| Other noncurrent financial instruments | 4.4 | 4.4 | 8.8 |
| Other noncurrent assets | 3.1 | 4.1 | 3.2 |
| Deferred tax assets | 12.7 | 12.3 | 12.5 |
| Noncurrent assets | 721.8 | 742.8 | 758.8 |
| Inventories | 192.3 | 195.0 | 259.1 |
| Trade receivables | 215.8 | 214.5 | 272.4 |
| Contract assets | 7.1 | 2.9 | 11.1 |
| Income tax assets | 6.7 | 7.0 | 9.3 |
| Other current financial instruments | 18.1 | 17.7 | 19.9 |
| Other current assets | 31.7 | 33.5 | 37.7 |
| Short-term securities | 1.3 | 1.0 | 1.5 |
| Cash and cash equivalents | 77.6 | 75.0 | 64.7 |
| Current assets | 550.6 | 546.6 | 675.7 |
| Assets | 1,272.4 | 1,289.4 | 1,434.5 |

| Equity and liabilities in € mill. | 9/30/2021 | 12/31/2021 | 9/30/2022 |
|--|----------------|----------------|----------------|
| Capital stock | 49.9 | 49.9 | 49.9 |
| Additional paid-in capital | 190.4 | 190.4 | 190.5 |
| Retained earnings and net income | 173.6 | 172.0 | 185.7 |
| Hybrid capital | 148.4 | 148.3 | 148.2 |
| Accumulated other comprehensive income | (7.6) | (1.3) | 15.4 |
| Equity excluding noncontrolling interests | 554.7 | 559.3 | 589.7 |
| Noncontrolling interests | 24.5 | 28.6 | 35.3 |
| Equity | 579.2 | 587.9 | 625.0 |
| Pension provisions/provisions for other post-employment benefits | 36.4 | 34.5 | 35.1 |
| Other noncurrent provisions | 13.4 | 16.5 | 16.9 |
| Noncurrent financial liabilities | 212.7 | 222.4 | 308.7 |
| Noncurrent trade payables | 0.0 | 1.0 | 0.0 |
| Other noncurrent liabilities | 2.9 | 2.9 | 5.4 |
| Deferred tax liabilities | 8.4 | 12.2 | 7.9 |
| Noncurrent liabilities | 273.8 | 289.5 | 374.0 |
| Other current provisions | 53.6 | 56.3 | 56.7 |
| Current financial liabilities | 97.8 | 69.2 | 50.3 |
| Current trade payables | 144.0 | 149.2 | 162.7 |
| Current income tax liabilities | 8.4 | 6.8 | 7.8 |
| Other current liabilities | 115.6 | 130.5 | 158.0 |
| Current liabilities | 419.4 | 412.0 | 435.5 |
| Equity and liabilities | 1,272.4 | 1,289.4 | 1,434.5 |

VOSSLOH GROUP

KEY PERFORMANCE INDICATORS

| | | Core Components | | Fastening Systems | | Tie Technologies | | Customized Modules | | Lifecycle Solutions | |
|-----------------------------------|---------|-----------------|----------|-------------------|----------|------------------|----------|--------------------|----------|---------------------|----------|
| | | 1-9/2021 | 1-9/2022 | 1-9/2021 | 1-9/2022 | 1-9/2021 | 1-9/2022 | 1-9/2021 | 1-9/2022 | 1-9/2021 | 1-9/2022 |
| Sales revenues | € mill. | 339.3 | 346.7 | 232.7 | 244.1 | 111.4 | 113.1 | 292.6 | 332.4 | 78.6 | 94.1 |
| EBITDA | € mill. | 63.5 | 47.9 | | | | | 33.6 | 37.3 | 13.4 | 14.6 |
| EBITDA margin | % | 18.7 | 13.8 | | | | | 11.5 | 11.2 | 17.0 | 15.6 |
| EBIT | € mill. | 45.4 | 31.1 | | | | | 23.7 | 26.2 | 4.1 | 5.2 |
| EBIT margin | % | 13.4 | 9.0 | | | | | 8.1 | 7.9 | 5.2 | 5.6 |
| Average working capital | € mill. | 122.4 | 122.6 | | | | | 68.7 | 74.5 | 12.4 | 22.6 |
| Average working capital intensity | % | 27.0 | 26.5 | | | | | 17.6 | 16.8 | 11.9 | 18.1 |
| Average capital employed | € mill. | 350.3 | 364.9 | | | | | 364.8 | 378.3 | 181.2 | 202.8 |
| ROCE | % | 17.3 | 11.4 | | | | | 8.7 | 9.2 | 3.0 | 3.4 |
| Value added | € mill. | 27.0 | 11.9 | 26.3 | 12.9 | 0.7 | (1.0) | 4.6 | 6.4 | (5.4) | (5.4) |
| Orders received | € mill. | 276.7 | 439.4 | 181.8 | 325.1 | 98.7 | 129.2 | 309.0 | 403.9 | 96.5 | 137.5 |
| Order backlog (9/30) | € mill. | 177.5 | 311.8 | 120.3 | 235.8 | 61.8 | 83.5 | 354.6 | 455.4 | 26.7 | 55.9 |
| Capital expenditure | € mill. | 13.9 | 11.9 | 10.9 | 7.1 | 3.0 | 4.8 | 6.9 | 8.2 | 6.6 | 7.6 |
| Depreciation/amortization | € mill. | (18.1) | (16.9) | (6.4) | (7.9) | (11.7) | (9.0) | (9.8) | (11.1) | (9.3) | (9.4) |

VOSSLÖH GROUP

CASH FLOW STATEMENT

| € mill. | 1-9/2021 | 1-9/2022 |
|--|--------------|---------------|
| Earnings before interest and taxes (EBIT) | 62.2 | 55.0 |
| EBIT from discontinued operations | (0.3) | 1.0 |
| Amortization/depreciation/impairment losses/reversal of impairment losses of noncurrent assets | 38.3 | 37.8 |
| Change in noncurrent provisions | 2.7 | 3.5 |
| Gross cash flow | 102.9 | 97.3 |
| Income taxes paid | (16.5) | (16.8) |
| Change in working capital | (21.3) | (82.9) |
| Other changes | (21.3) | (20.1) |
| Cash flow from operating activities | 43.8 | (22.5) |
| Investments in intangible assets and property, plant and equipment | (34.8) | (24.7) |
| Cash-effective dividends from companies accounted for using the equity method | 0.8 | 0.7 |
| Free cash flow | 9.8 | (46.5) |

VOSSLOH GROUP

EMPLOYEES

| | Reporting date | | Average | |
|---------------------|----------------|--------------|--------------|--------------|
| | 9/30/2021 | 9/30/2022 | 1-9/2021 | 1-9/2022 |
| Employees | | | | |
| Core Components | 863 | 932 | 877 | 914 |
| Customized Modules | 2,122 | 2,247 | 2,132 | 2,240 |
| Lifecycle Solutions | 531 | 545 | 516 | 543 |
| Vossloh AG | 65 | 68 | 62 | 67 |
| Group | 3,581 | 3,792 | 3,587 | 3,764 |

VOSSLOH GROUP

PRICE PERFORMANCE, SHARE INFORMATION AND SHAREHOLDER STRUCTURE

Vossloh share price development, 12/31/2021 to 9/30/2022



Information on the Vossloh share

| | |
|---|--|
| ISIN | DE0007667107 |
| Trading locations | Xetra, Tradegate, Düsseldorf, Frankfurt, Berlin, Hamburg, Hanover, Stuttgart, Munich |
| Number of shares outstanding on 9/30/2022 | 17,564,180 |
| Share price (9/30/22) | €31.20 |
| High price/low price, January to September 2022 | €46.35 / €29.30 |
| Market capitalization (9/30/22) | €548.0 million |
| Reuters code | VOSG.DE |
| Bloomberg code | VOS:GR |

Shareholder structure in %

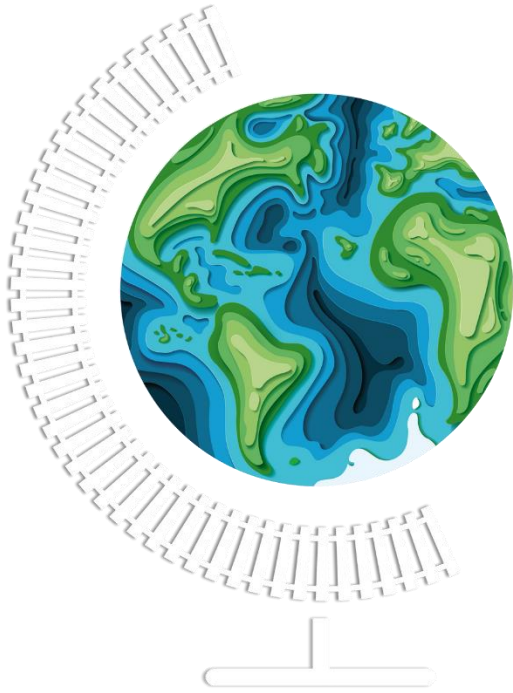


DISCLAIMER

NOTE

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Q&A**