

# **QUARTERLY STATEMENT AS OF MARCH 31, 2023**

**WARBURG HIGHLIGHTS**

**JUNE 16, 2023, HAMBURG**



# DISCLAIMER

## NOTE

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# VOSSLOH GROUP

REMARKABLE START INTO FISCAL YEAR 2023



**Orders received again at record level, third highest quarterly figure in company history; order backlog reaches all-time high at end of Q1/2023**



**Sales up 15.4 percent year on year, highest sales volume in an opening quarter**



**EBIT rises by almost 74 percent, strongest first-quarter operating EBIT in 12 years**



**Net burden from increased factor costs slightly lower than in prior-year quarter**



**Construction of photovoltaic system at headquarters in Werdohl completed**



**Heinz Hermann Thiele Family Foundation established**

# VOSSLOH GROUP

SALES AND EBIT SIGNIFICANTLY ABOVE PREVIOUS YEAR

## KEY GROUP INDICATORS

1-3/2022 1-3/2023

		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)

# VOSSLÖH GROUP

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

KEY GROUP INDICATORS		1-3/2022	2022	1-3/2023
		3/31/22	12/31/22	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

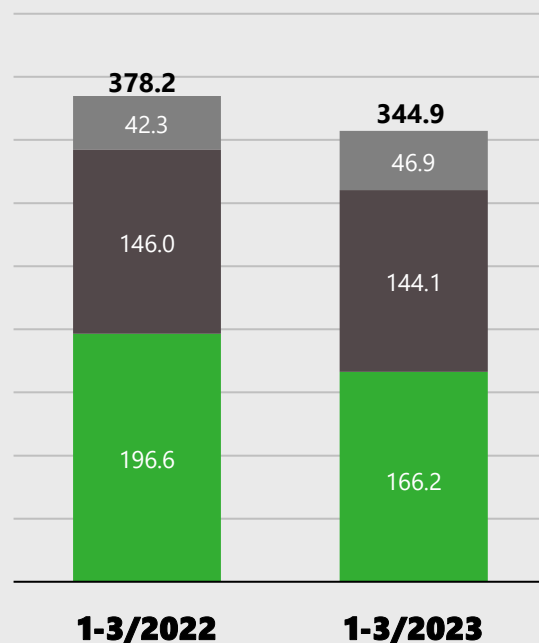
**Net financial debt** increased compared to year-end 2022, in particular due to negative free cash flow in Q1/2023 which is typical for the season

# VOSSLOH GROUP

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

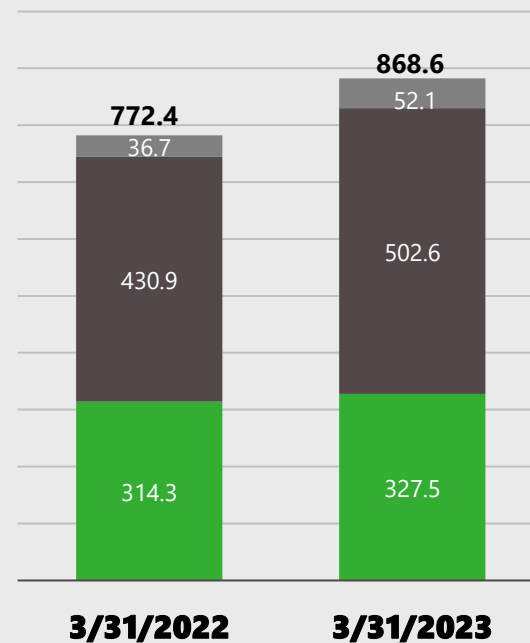
## ORDERS RECEIVED

(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

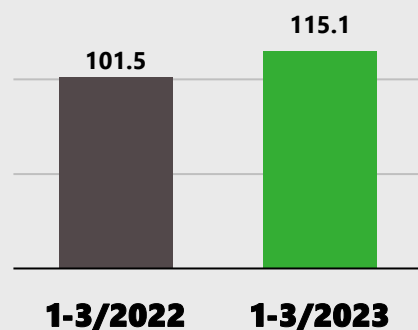
■ Core Components   ■ Customized Modules   ■ Lifecycle Solutions

# CORE COMPONENTS DIVISION

SALES AND EBIT WELL UP YEAR ON YEAR, EBIT MARGIN AGAIN IN DOUBLE DIGITS

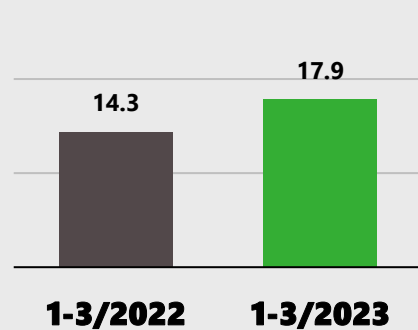
## SALES REVENUES

(in € mill.)



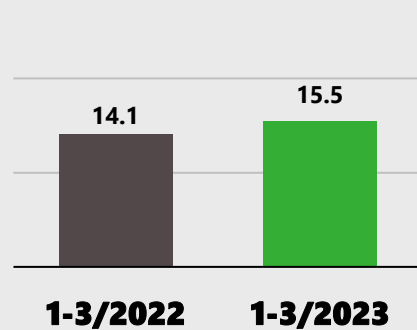
## EBITDA

(in € mill.)



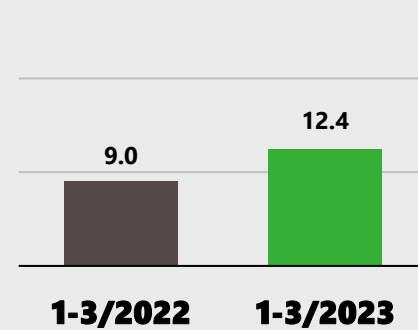
## EBITDA MARGIN

(in %)



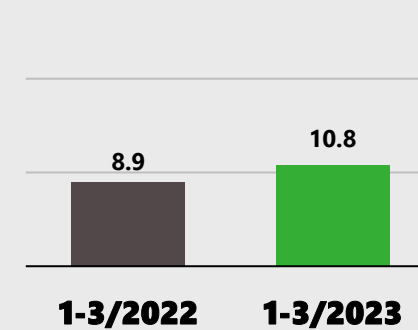
## EBIT

(in € mill.)



## EBIT MARGIN

(in %)



Sales up 13.5 percent year on year; in particular Vossloh Tie Technologies with significant sales increase, but also Vossloh Fastening Systems up year on year

EBIT and EBIT margin despite persistently high procurement prices above the prior-year level; earnings and profitability improvement attributable to Vossloh Fastening Systems

Significant increase in value added despite higher cost of capital, strong rise in ROCE

## ROCE

(in %)

<b>1-3/2022</b>	10.5
<b>1-3/2023</b>	14.2

## VALUE ADDED

(in € mill.)

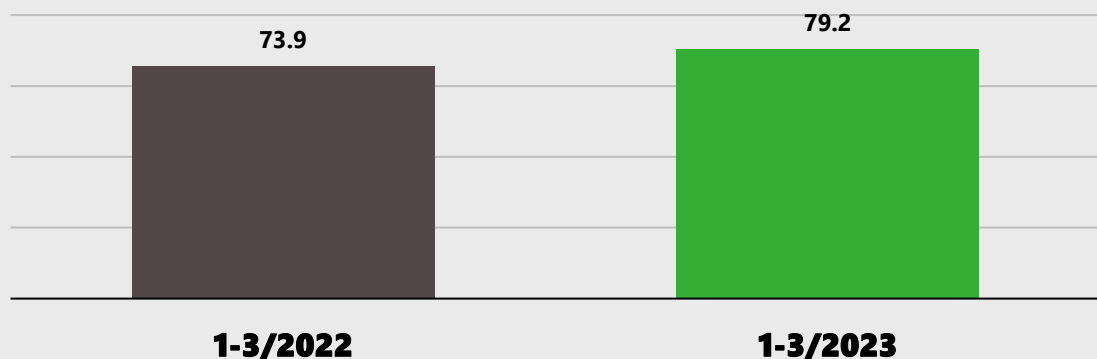
<b>1-3/2022</b>	3.0
<b>1-3/2023</b>	5.0

# FASTENING SYSTEMS BUSINESS UNIT

SALES INCREASED, VALUE ADDED SIGNIFICANTLY INCREASED

## SALES REVENUES

(in € mill.)



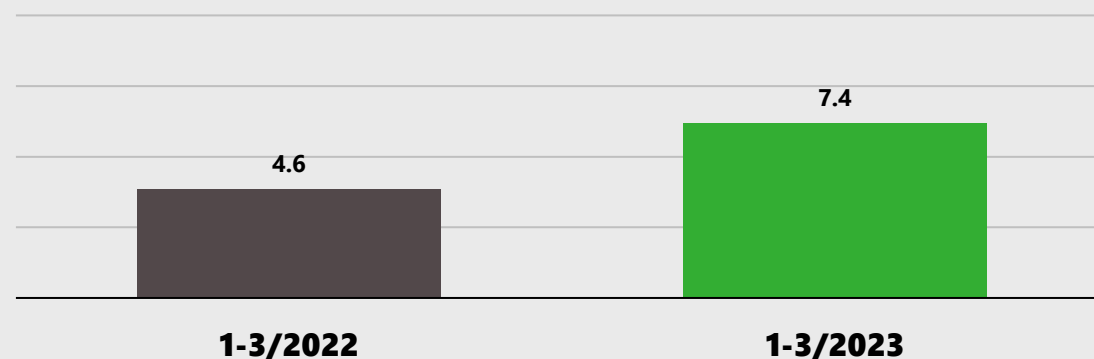
Due to major orders won in the previous year for the construction of high-speed lines in China (volume around €90 million), orders received were significantly lower year on year; book-to-bill nevertheless at 1.21

Noticeable increase in sales, particularly in Mexico, the USA and Germany; by contrast, particularly in the Czech Republic and China below the prior-year level

Value added significantly higher than in the previous year despite higher cost of capital, mainly due to strong earnings performance at the main site in Werdohl

## VALUE ADDED

(in € mill.)



## ORDERS RECEIVED

(in € mill.)

**1-3/2022** 162.7

**1-3/2023** 95.7

## ORDER BACKLOG

(in € mill.)

**3/31/2022** 246.5

**3/31/2023** 208.2

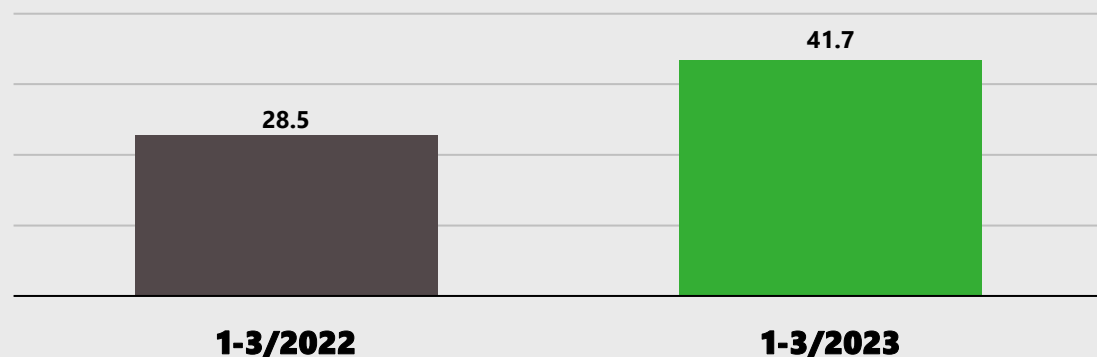


# TIE TECHNOLOGIES BUSINESS UNIT

SIGNIFICANT INCREASE IN SALES MAINLY DUE TO HIGHER DEMAND IN NORTH AMERICA

## SALES REVENUES

(in € mill.)



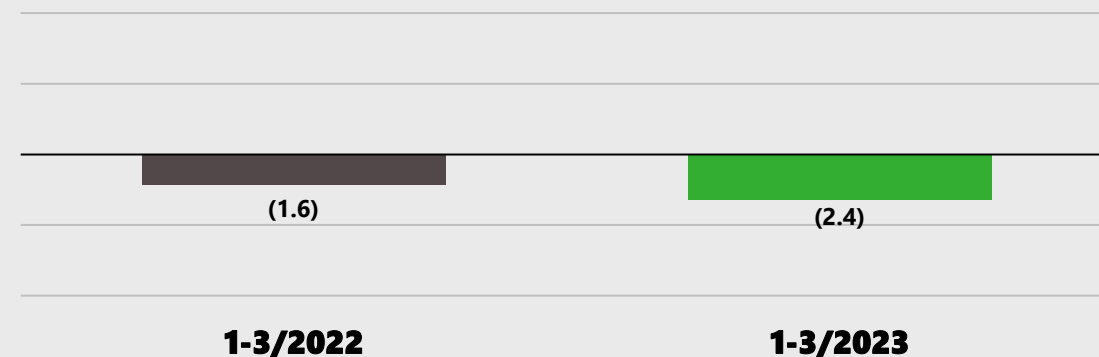
Orders received up 141.6 percent year on year; growth particularly in Mexico and the USA

Sales up 46.5 percent year on year, higher sales achieved in all regions represented, strongest increase in the USA

Value added in reporting year still below previous year, also due to higher capital costs; in addition, burdened by high maintenance expenses at an Australian site

## VALUE ADDED

(in € mill.)



## ORDERS RECEIVED

(in € mill.)

**1-3/2022** 35.5

**1-3/2023** 85.7

## ORDER BACKLOG

(in € mill.)

**3/31/2022** 71.5

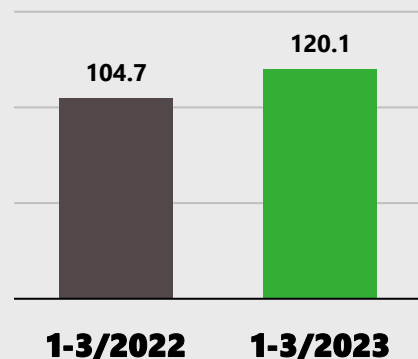
**3/31/2023** 132.0

# CUSTOMIZED MODULES DIVISION

SIGNIFICANT INCREASE IN SALES AND HIGHER PROFITABILITY

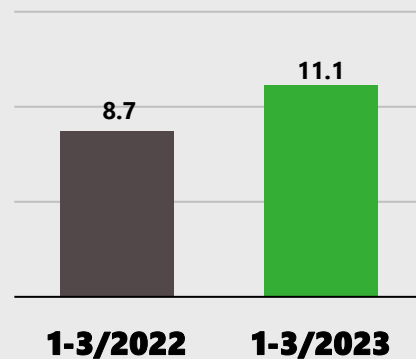
## SALES REVENUES

(in € mill.)



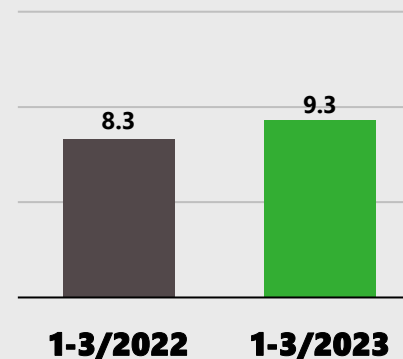
## EBITDA

(in € mill.)



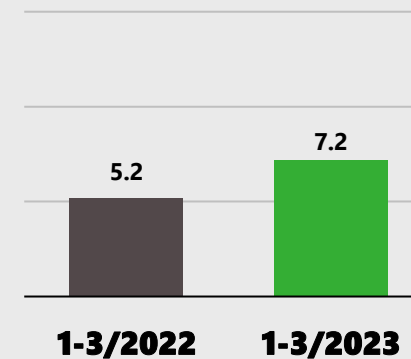
## EBITDA MARGIN

(in %)



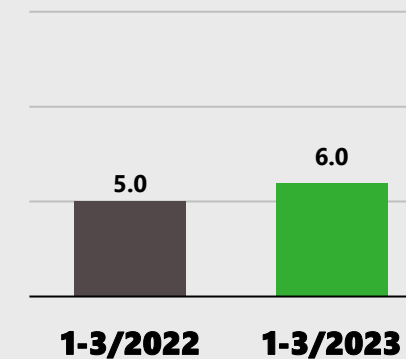
## EBIT

(in € mill.)



## EBIT MARGIN

(in %)



Orders received stable at high prior-year level; in particular lower order intake in Poland and Egypt was offset by additional orders mainly in Serbia, France and Germany

Very gratifying sales performance in Q1/2023, sales up 14.8 percent year on year, in particular higher sales in Mexico as well as in Western and Eastern Europe

Highest EBIT in a year-opening quarter for more than 10 years, in particular thanks to higher earnings contributions from the sites in Luxembourg, the UK and Australia

## ROCE

(in %)

<b>1-3/2022</b>	5.5
<b>1-3/2023</b>	7.7

## VALUE ADDED

(in € mill.)

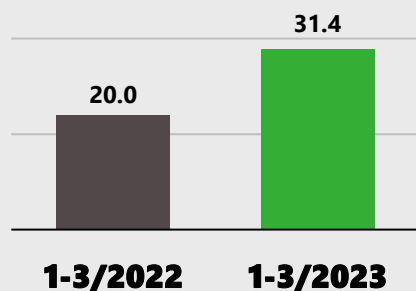
<b>1-3/2022</b>	(1.4)
<b>1-3/2023</b>	(0.8)

# LIFECYCLE SOLUTIONS DIVISION

SALES SIGNIFICANTLY HIGHER YEAR ON YEAR, EBIT AND EBIT MARGIN NOTICEABLY IMPROVED

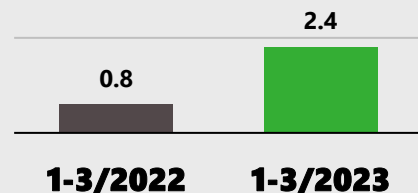
## SALES REVENUES

(in € mill.)



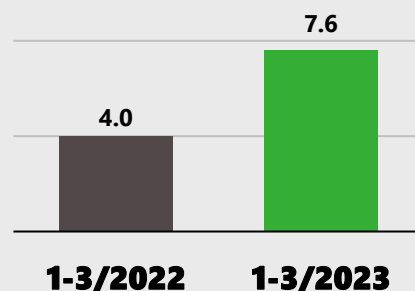
## EBITDA

(in € mill.)



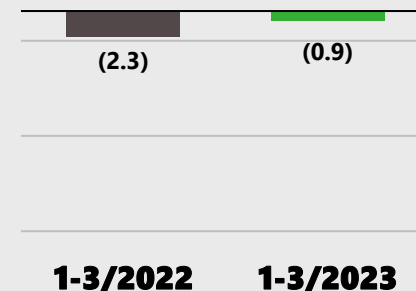
## EBITDA MARGIN

(in %)



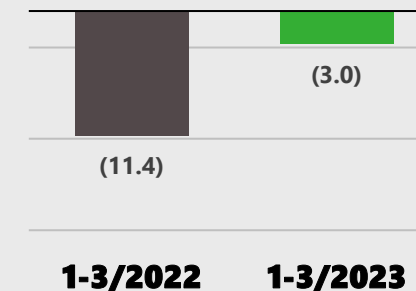
## EBIT

(in € mill.)



## EBIT MARGIN

(in %)



Orders received up 10.8 percent year on year; order situation improves once again, particularly in Germany in the Track Supply business and in the Netherlands

56.9 percent sales growth attributable in particular to the High Speed Grinding (HSG) business and the Dutch company Vossloh ETS; in addition, sales growth in Stationary Welding

EBIT still negative, as is typical for the season, but noticeably improved year on year, mainly due to improved earnings in Maintenance business (especially HSG) and in the Track Supply field

## ROCE

(in %)

**1-3/2022** (4.6)

**1-3/2023** (1.7)

## VALUE ADDED

(in € mill.)

**1-3/2022** (5.7)

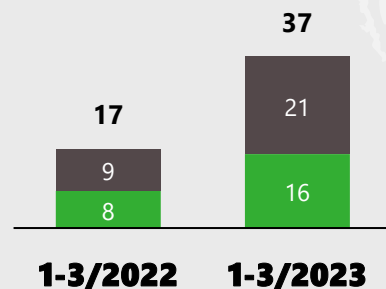
**1-3/2023** (5.5)

# VOSSLOH GROUP

SIGNIFICANT INCREASE IN SALES, PARTICULARLY IN EUROPE AND NORTH AMERICA

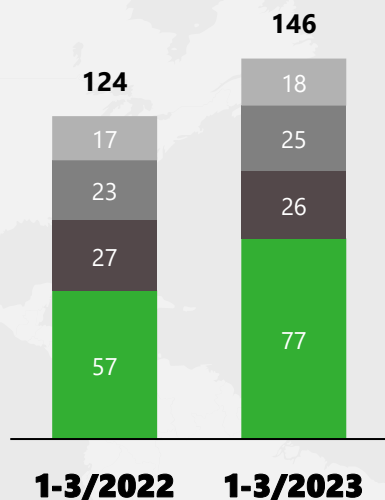
## AMERICA

(in € mill.)



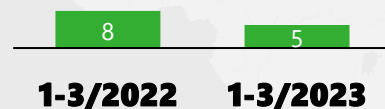
## EUROPE

(in € mill.)



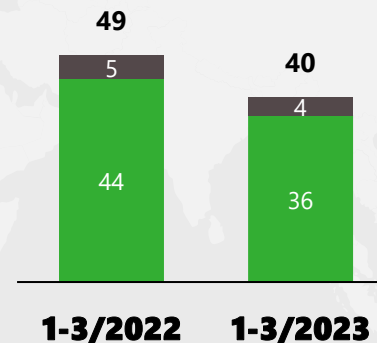
## AFRICA

(in € mill.)



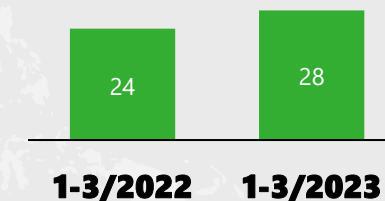
## ASIA INCL. MIDDLE EAST

(in € mill.)



## AUSTRALIA

(in € mill.)



■ USA ■ Rest of America

■ Western Europe ■ Northern Europe  
■ Southern Europe ■ Eastern Europe

■ Africa

■ Asia ■ Middle East

■ Australia

Sales up year on year, especially in Mexico at CM and CC; also noticeable increase in the USA, particularly at VTT

Sales +17.7%; Western Europe: higher sales mainly in Germany; Northern Europe: stable at high prior-year level; Southern Europe: slightly above prior-year level, mainly thanks to Italy; Eastern Europe: almost unchanged from prior year

Lower sales in Egypt (CM) partially offset by higher sales in Liberia (CM)

Sales decline in Asia mainly due to lower sales in India (CM & VFS) and China (VFS)

Sales in Australia up year on year thanks to CM and VTT

# VOSSLOH GROUP: OUTLOOK

VOSSLOH EXPECTS NOTICEABLE INCREASE IN SALES AND EBIT IN 2023

## Sales revenues

**2022: €1,046.1 million**

**Outlook 2023: €1.05 billion to €1.15 billion**

/ The expected increase in sales is mainly based on the high order backlog at the end of 2022. All divisions contribute to the forecast sales growth. The strongest growth in percentage terms is expected in the Lifecycle Solutions division.

## Value added

**2022: €11.5 million**

**Outlook 2023: €0 million to €10 million**

/ The weighted average cost of capital before taxes (WACC), which is relevant for internal management, was increased to 8.5 percent for the fiscal year 2023 as a result of the general interest rate development (prior year: 7.0 percent). Despite the increase, a positive value added is expected in 2023.

## EBIT

**2022: €78.1 million**

**Outlook 2023: €79 million to €88 million**

/ Despite the persistently high level of procurement costs for energy and materials and significantly rising personnel costs, EBIT is also expected to increase noticeably in fiscal year 2023. Along with the sales, all divisions are expected to contribute to the increase in EBIT. Based on the midpoint of the sales forecast, the EBIT margin is expected to range between 7.2 percent and 8.0 percent.



# FINANCIAL CALENDAR AND CONTACT INFORMATION

## HOW YOU CAN REACH US

### Financial calendar 2023

- / August 3, 2023      Semi-annual report as of June 30, 2023
- / October 26, 2023      Quarterly statement as of September 30, 2023

### Contact information for investors:

Dr. Daniel Gavranovic

Email: [investor.relations@vossloh.com](mailto:investor.relations@vossloh.com)

Phone:      +49 (0) 23 92 / 52-609

Fax:      +49 (0) 23 92 / 52-219



### Contact information for the media:

Andreas Friedemann

Email: [presse@vossloh.com](mailto:presse@vossloh.com)

Phone:      +49 (0) 23 92 / 52-608

Fax:      +49 (0) 23 92 / 52-219





# FINANCIAL RESULTS

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

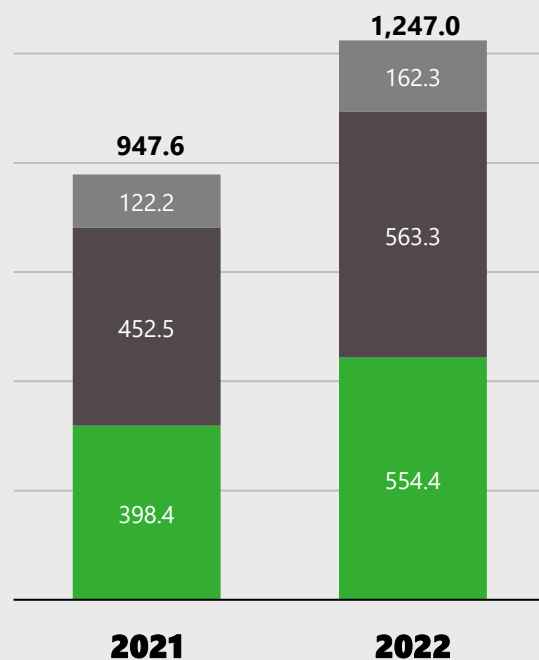
**Closing capital employed** increased compared with Dec. 31, 2021, mainly as a result of working capital build-up; increase mainly due to Lifecycle Solutions and Core Components

**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

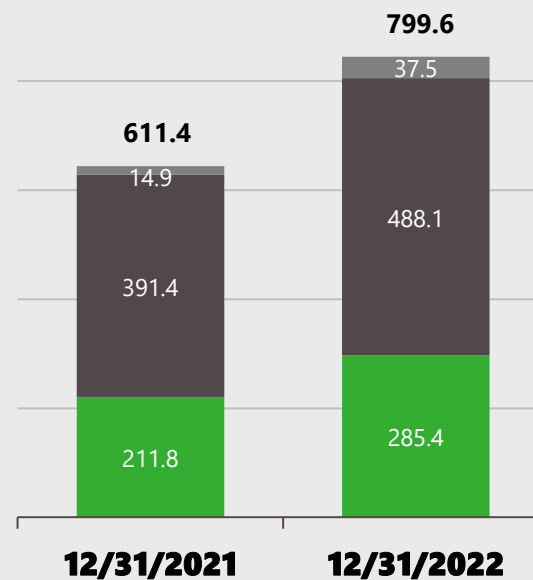
# VOSSLOH GROUP

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

■ Core Components   ■ Customized Modules   ■ Lifecycle Solutions



# Q&A

**THANK YOU FOR YOUR TIME.**