vossloh
enabling green mobility

PRESENTATION VOSSLOH AG
ODDO BHF /COMMERZBANK CORPORATE CONFERENCE

SEPTEMBER 6, 2023, FRANKFURT

GLOBAL MEGATRENDS BOOST THE RAILROADS

Population growth
The global population will grow to more than 11 billion by the end of the century. This will lead to a higher demand for transportation of people and goods.

Urbanization
Today, about 55 percent of people live in cities. By 2050, this share is expected to rise to 68 percent, which will lead to an increase in local transport volumes.

Sustainability
Rail is the mass transport mode with the best CO_2 footprint and thus a key driver of green mobility.

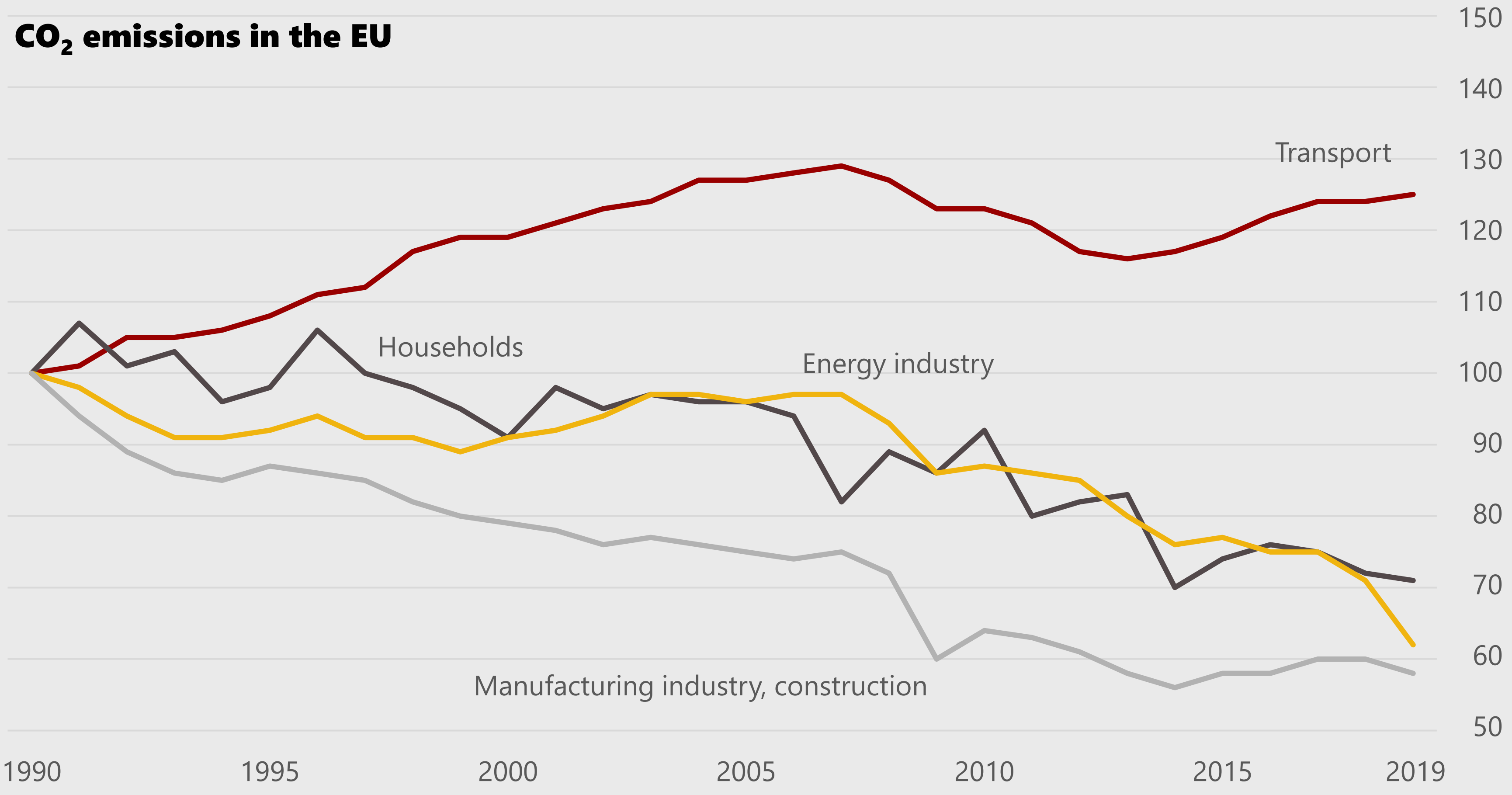
Globalization
International trade flows will continue to increase despite current developments. This requires efficient transport systems.

Digitalization
Digitalization including IoT, AI, Big Data & Data Analytics is a process of change for society, but will also lead to significant changes in the rail industry.

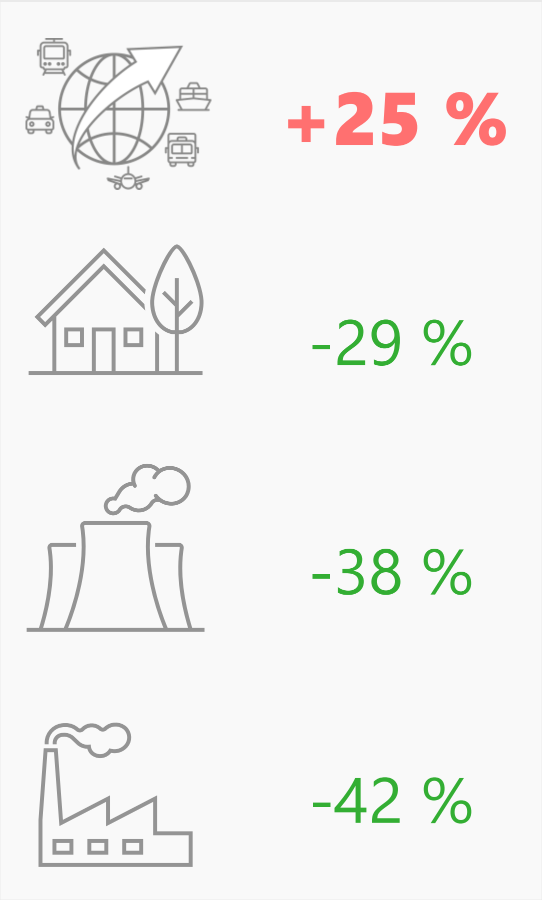
Sustained higher traffic volumes can best be served sustainably by the environmentally friendly mode of rail transport!

DECARBONIZATION IS THE KEY TO LIMITING GLOBAL WARMING

TRANSPORT WITH HIGHER CO_2 EMISSIONS THAN IN 1990



Source: European Environment Agency (EEA), Eurostat



CO_2 emissions compared to 1990

vossloh

RAIL IS THE KEY TO SOLVING SOME OF THE MOST PRESSING CHALLENGES OF OUR TIME…

RAIL AS THE MOST ENVIRONMENTALLY FRIENDLY MODE OF TRANSPORT

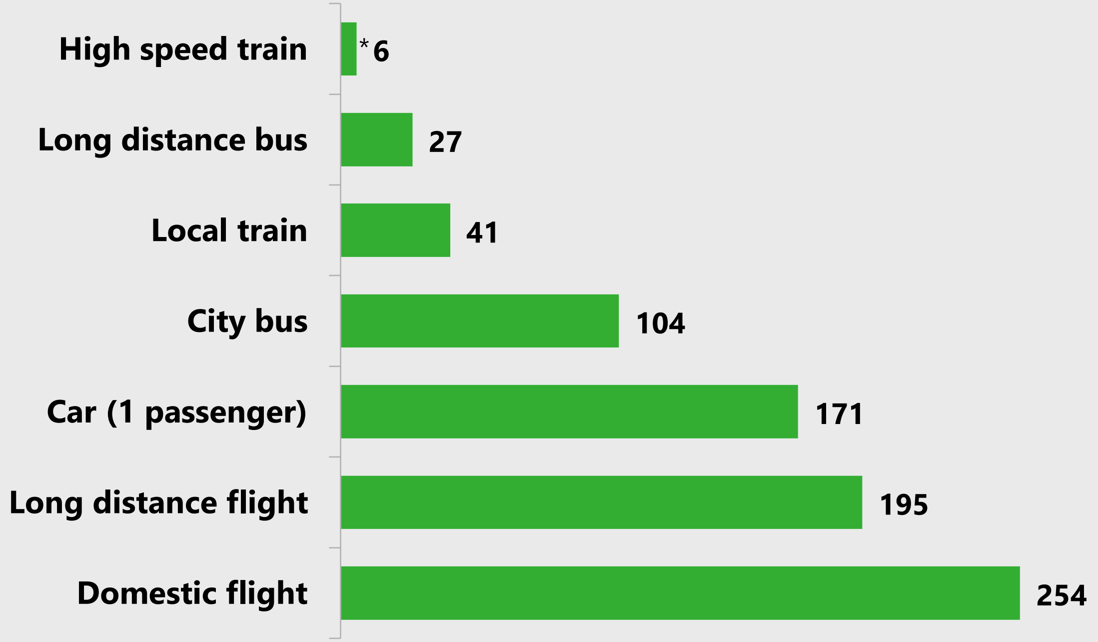
Lower
CO_2 emissions

High
land use efficiency

Improved
air quality

Extensive
Energy sovereignty

Low
External costs



*Greenhouse gas emissions in grams per passenger kilometer
Source : BEIS / Defra Green house gas conversion factors 2019

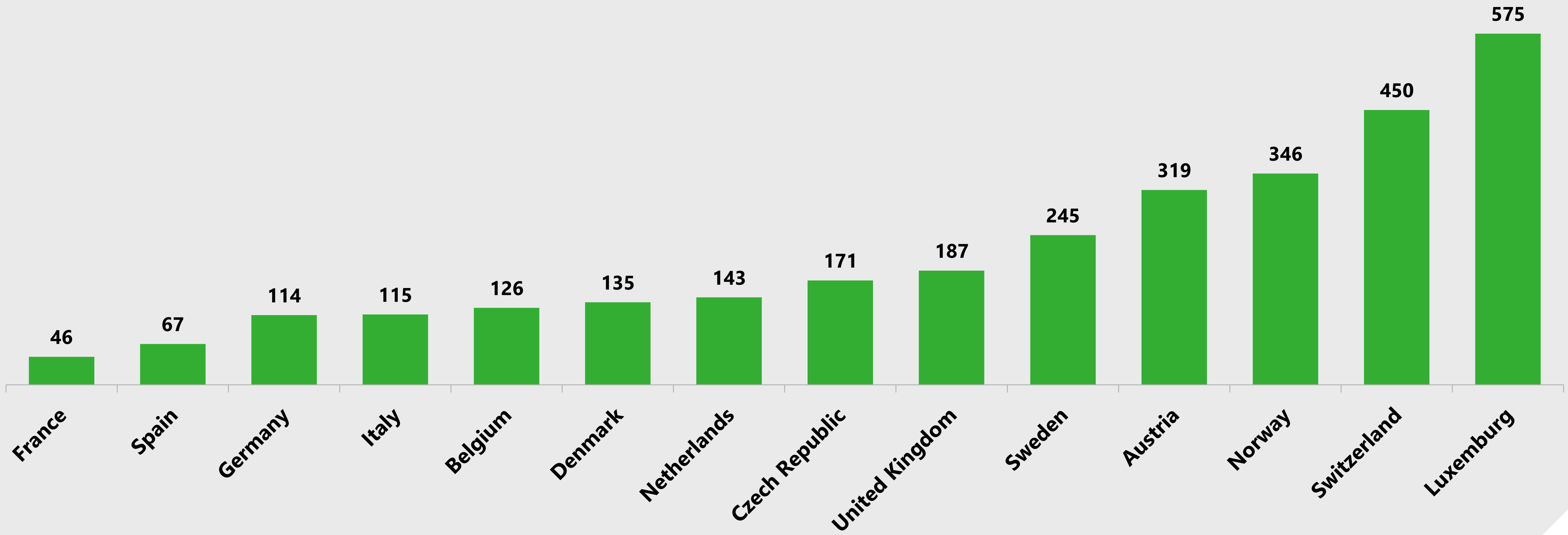
Rail is responsible for about 8 percent of transport volume, but only 2 percent of energy consumption in the transport sector in the EU.

Source: Fostering the railway sector through the European Green Deal, Study 2020

vossloh

...BUT OVERALL, THERE IS STILL TOO LITTLE INVESTMENT IN RAIL INFRASTRUCTURE IN MANY COUNTRIES

NUMEROUS COUNTRIES HAVE RUN ON WEAR AND TEAR WITH THE RAILROADS



*Source: Allianz pro Schiene, Per capita investments of governments on rail infrastructure in selected European countries in 2022.

RAIL INVESTMENT PROGRAMS WORLDWIDE

MANY COUNTRIES HAVE RECOGNIZED THIS AND ARE COUNTERACTING

USA

€1 trillion
"Biden Infrastructure Plan"

- **€60 billion** for the Modernization of long-distance passenger transport
- **€82 billion** for public transit traffic

Germany

~€86 billion
"Starke Schiene" & „Leistungs- und Finanzierungsvereinbarung" III

~€4 billion
"Digital rail" including interlocking technology/ETCS

~€24 billion
additional **until 2027** for maintenance and expansion of the rail network

Egypt

~€46 billion
"Egypt Vision 2030"

Italy

€25 billion
EU Recovery and Resilience Facility

€1.5 billion
"Complementary Fund"

Turkey

+6,000 km
Expansion of the entire rail network

+4,300 km
Expansion of high-speed lines

China

+50.000 km
Expansion of the entire rail network

+30,400 km
Expansion of high-speed lines

Australia

€66 billion
Infrastructure Investment Plan

€8 billion
Inland Rail Project

vossloh

GREEN DEAL FOR A CLIMATE-NEUTRAL EUROPEAN CONTINENT

GREEN DEAL WILL SUSTAIN CAPITAL EXPENDITURE IN RAIL INFRASTRUCTURE

The first **climate neutral** continent until 2050

At least **55 percent less** CO_{2e} emissions by 2030 compared to 1990

25 percent Share of transport sector of CO emissions $_{2e}$

~€600 billion to finance of the Green Deal

Targets by 2030:

Among other things, high-speed rail traffic to **double throughout Europe**

Targets by 2050:

Including a **90 percent** reduction in transport-related greenhouse gas emissions

High-speed rail traffic to **triple across Europe**

Rail freight transport to **double across Europe**

- Deutsche Bahn study with European partner railroads in **support of rail-related Green Deal targets.**
- Additional **21,000 km of high-speed rail** by 2050
- Connect **60 percent of all EU citizens** with high-speed network

vossloh

THE STRATEGY

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

Shift to Rail

Global megatrends

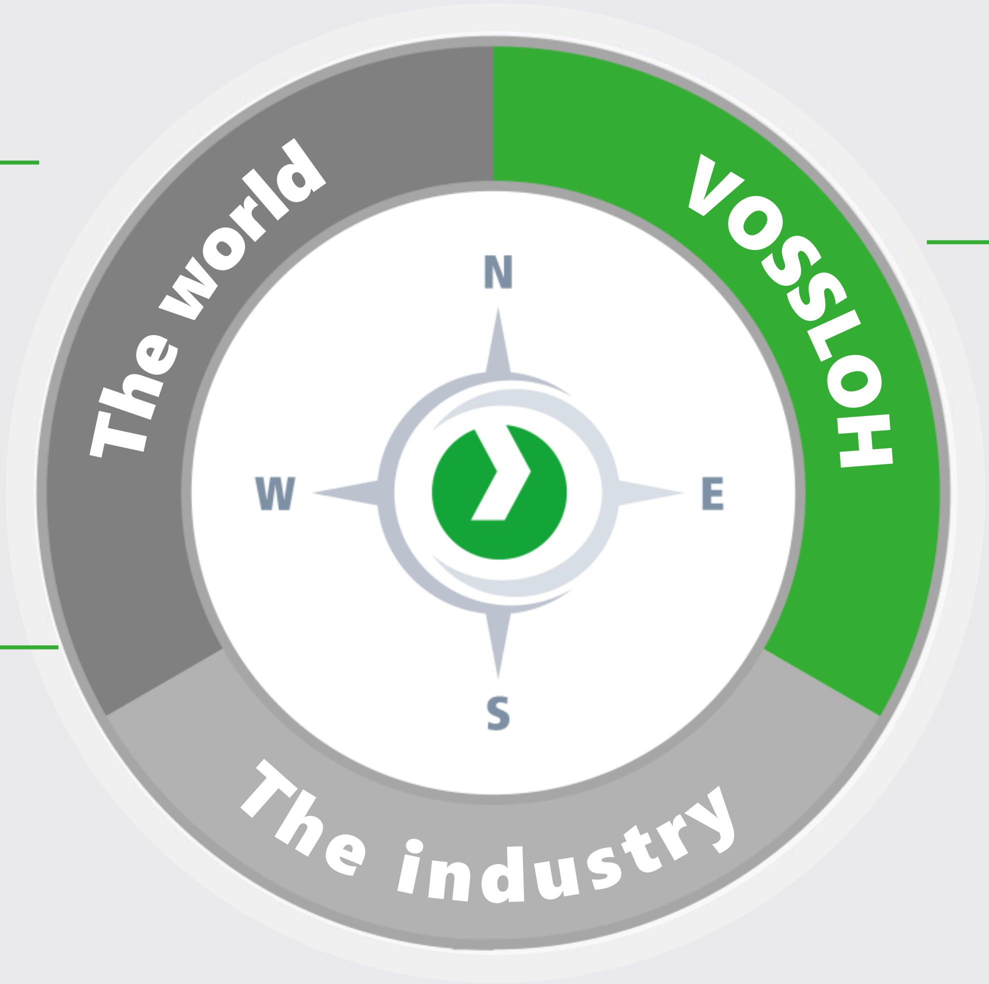
Need for more transportation

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

UNIQUE FOCUS ON THE RAIL TRACK WORLDWIDE

VOSSLOH CONNECTING THE REAL AND THE DIGITAL WORLD IN RAIL INFRASTRUCTURE

We are manufacturer

- Comprehensive hardware portfolio covering all applications
- Technology leadership, engineering expertise and global customer presence
- Systemic understanding of the rail track

We are maintainers

- Broad portfolio of track supply (welding and logistics) and maintenance services
- Both corrective and preventive services including unique HSG technology.

We are digital

- Smart offerings for condition-based and perspectively predictive maintenance
- Tailored maintenance solutions combined with digital expertise in all aspects of the rail track system

vossloh

THE VOSSLOH GROUP 2022

€1.046 billion
Sales revenues

100+
Countries with Vossloh products and services

€78.1 million
EBIT

around **€715 million**
Market capitalization*

40+ production sites
in 20 countries

around **3,800**
Employees around the globe

Identity

Technologically leading group in the rail infrastructure sector with headquarters in Werdohl. We offer our customers around the globe integrated solutions for the rail track.

Market position

Vossloh is a world leader in rail fastener and switch systems, a leading manufacturer of concrete ties in North America and Australia, and the world's sole supplier of the innovative High Speed Grinding process.

Shareholder structure

- Nadia Thiele; Robin Brühmüller
- Free float

*as of 7/31/2023

THE CORPORATE STRUCTURE

FOCUS ON THE RAIL TRACK

Sales in € million, 2022

482.1

937

456.1

2.241

136.0

549

Employees*

Core Components

Industrially manufactured series products, in high quantities for railroad infrastructure projects

Business units:

Vossloh Fastening Systems (rail fastening systems)

Vossloh Tie Technologies (concrete ties)

Customized Modules

Project-specific adapted modular solutions

Business units:

Vossloh Switch Systems (switch systems, signaling products and systems)

Lifecycle Solutions

Specialized services for the life cycle of rails and switches

Business units:

Vossloh Rail Services (maintenance, machining, preventive and corrective care, and welding services/rail logistics).

*Average number of employees in 2022

vossloh

VOSSLOH IS TRUSTED BY CUSTOMERS WORLDWIDE

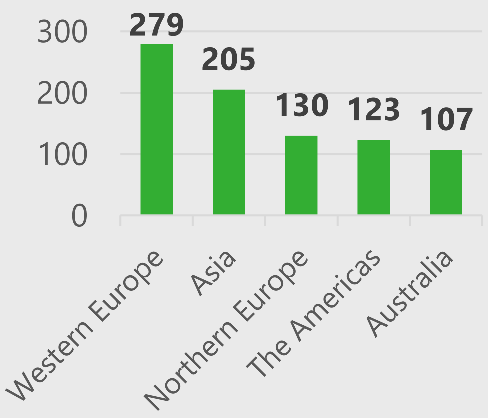
WE ARE PARTNERS OF ALL MAJOR NETWORK OPERATORS ON FIVE CONTINENTS

A selection of customers we support

Countries in which Vossloh products are used

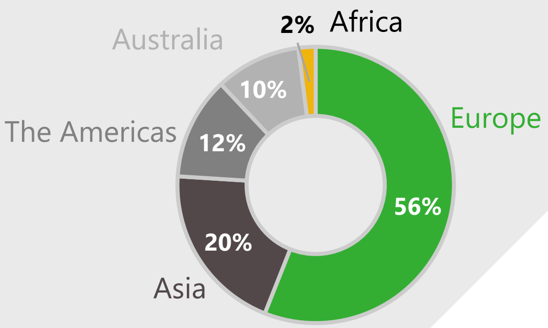
TOP Regions Countries

(2022, Sales revenues in €million)



Sales revenues by region

(2022)



vossloh

OUR STRATEGIC DIRECTIONS

Strengthen product business

/ Expand or regain **cost leadership**

/ **Increase in volume** through targeted sales **activities**

/ **Expansion of the product portfolio**

/ Differentiation through **targeted innovations**

Leading service into the digital era

/ Strengthening the **conventional service business**

/ Development and expansion of the **smart maintenance business**

Optimize processes and structures, institutionalize sustainability

/ **Commercial excellence** & **increase sales efficiency**

/ Building and expanding **digital capabilities**

/ Group-wide **efficiency program**

/ **Sustainability Strategy**

/ Expand **leadership competence**

WE TAKE RESPONSIBILITY

LONG-TERM SUCCESS REQUIRES BALANCING ECONOMIC, SOCIAL AND ENVIRONMENTAL INTERESTS

Sustainability as a corporate value

- **enabling green mobility** as a leitmotif
- Central component of the Group strategy
- Positive contribution and **sustainable business model** as a goal

Group-wide sustainability strategy

- **Sustainability Commitment of** the Executive Board
- Focus topics defined and **group-wide sustainability targets** adopted
- Global sustainability organization

Positive view of stakeholders

- Increasing importance of ESG criteria in **customer tenders**
- **Employees** demand purpose & positive contribution
- **Top ratings from renowned ESG agencies**
  ISS ESG (Prime, Top 10 %), MSCI ESG (AA) (Top 30 %), Ecovadis (Silver, Top 7 %)

Sustainability in facts & figures

- **CO_2 intensity reduced by 33 percent** (compared to 2017)
- **100 percent of sales revenues taxonomy-eligible** and **64 percent of sales revenues taxonomy-aligned**
- Member of the UN Global Compact

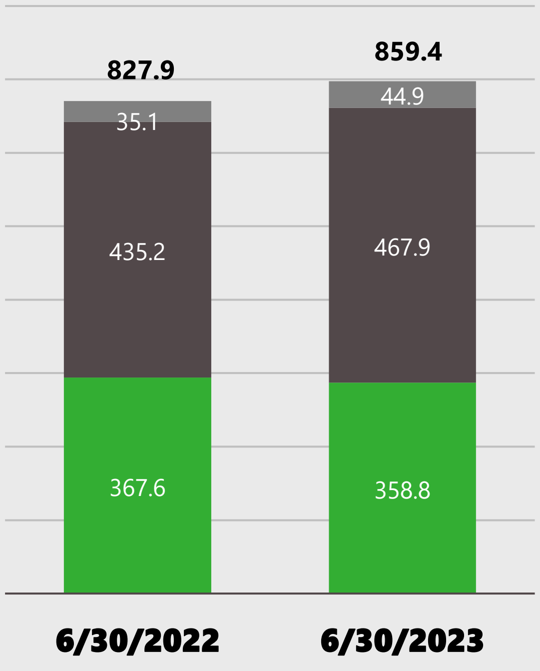
FINANCIAL OVERVIEW
H1 2023

VOSSLOH GROUP

CONTINUING GOOD MARKET ENVIRONMENT - BOOK-TO-BILL AT 1.15

ORDERS RECEIVED (in € mill.)

ORDER BACKLOG (in € mill.)



Core Components Customized Modules Lifecycle Solutions

NOTES

Orders received in H1/2023 on par with strong level of previous year, after Q1/2023 figure was still well below year-earlier level; H1/2022 figure had been particularly strong after several major orders were won in China and Egypt; in H1/2023, Vossloh mainly achieved higher orders received at Core Components in Mexico, at Lifecycle Solutions, Customized Modules and Vossloh Fastening Systems in Germany, and at Customized Modules in Serbia and France

Order backlog up by 3.8 percent year on year; Customized Modules well up, mainly due to higher backlogs at the French locations, in Serbia and Luxembourg; Lifecycle Solutions also noticeably up year on year, especially higher order backlogs in Germany and the Netherlands; Core Components slightly down year on year, lower order backlog at Vossloh Fastening Systems largely offset by higher backlog at Vossloh Tie Technologies

vossloh

VOSSLOH GROUP

SIGNIFICANT SALES REVENUES AND EARNINGS GROWTH ACHIEVED, FREE CASH FLOW ALREADY CLEARLY POSITIVE AFTER 6 MONTHS

KEY GROUP INDICATORS		1-6/2022	1-6/2023
Sales revenues	€ mill.	476.4	600.6
EBITDA / EBITDA margin	€ mill. / %	53.8 / 11.3	78.5 / 13.1
EBIT / EBIT margin	€ mill. / %	28.9 / 6.1	49.3 / 8.2
Net income	€ mill.	17.3	29.4
Earnings per share	€	0.63	1.15
Free cash flow	€ mill.	(42.0)	37.5
Capital expenditure	€ mill.	19.9	21.6
Value added	€ mill.	(3.7)	9.3

NOTES

Sales revenues increase by 26.1 percent in core business to new record level; all divisions contribute significantly to strong increase in sales, strongest percentage growth at Lifecycle Solutions

EBIT significantly higher year on year, with all divisions also contributing to the EBIT increase; **EBIT margin** up 2.1 percentage points compared to previous year

Net income up €12.1 million on previous year; considerable increase due to EBIT development despite noticeably higher interest and tax expense; **Earnings per share** also significantly higher, up 52 cents on previous year

Free cash flow up year on year as a result of improved operating earnings and significantly lower working capital build-up; project to sustainably reduce working capital launched in Q2/2023

Capital expenditure slightly above prior-year level; Customized Modules and Lifecycle Solutions with slight increases

Value added positive thanks to strong EBIT performance; despite higher weighted average cost of capital (8.5 percent vs. 7.0 percent in prior year) significantly improved year on year

vossloh

VOSSLOH GROUP

NET FINANCIAL DEBT SIGNIFICANTLY REDUCED COMPARED TO JUNE 30, 2022

KEY GROUP FIGURES		1-6/2022 **6/30/22**	2022 **12/31/22**	1-6/2023 **6/30/23**
Equity	€ mill.	596.0	625.1	625.6
Equity ratio	%	43.4	45.7	43.9
Average working capital	€ mill.	201.6	218.1	215.3
Average working capital intensity	%	21.2	20.8	17.9
Closing working capital	€ mill.	229.2	191.6	194.2
Average capital employed	€ mill.	931.0	950.6	940.8
Closing capital employed	€ mill.	962.5	923.2	914.3
Net financial debt (excluding leasing)	€ mill.	241.0	197.5	197.4
Net financial debt	€ mill.	281.2	237.5	234.7

NOTES

Equity up significantly compared with H1/2022; **Equity ratio** remains at a consistently high level

Closing working capital well below prior-year figure as of June 30; working capital down by more than €40 million compared to end of Q1/2023 despite significant sales growth; **average working capital intensity** well below 20 percent mark and noticeably improved compared with prior year

Closing capital employed down significantly compared with the prior-year period; in particular due to decline in working capital

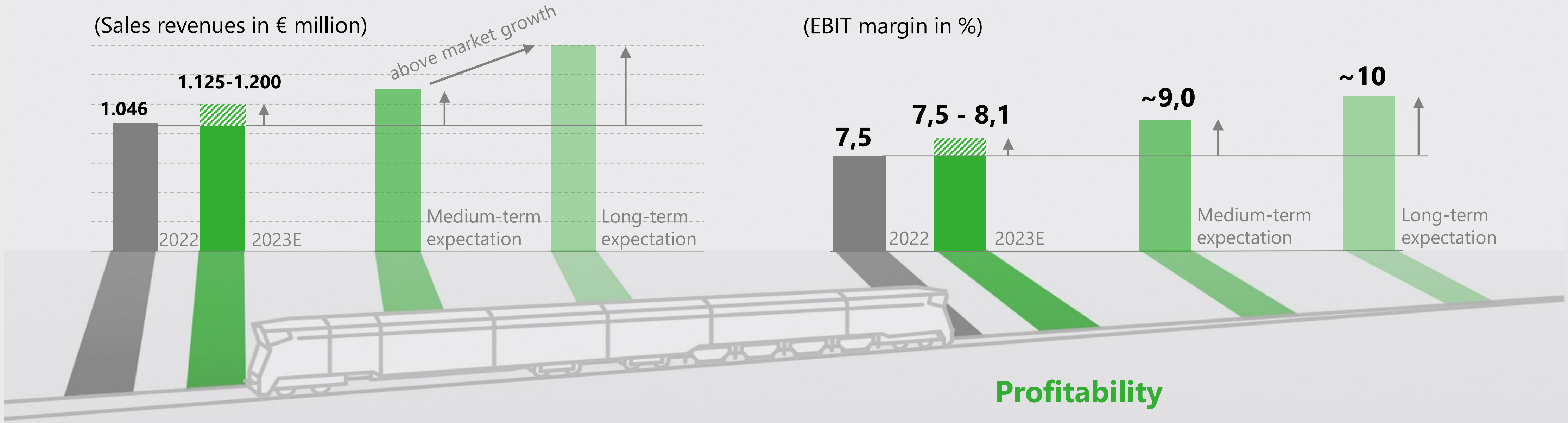
Net financial debt including lease liabilities down by €46.5 million compared with end of H1/2022; dividend, lease and interest payments more than offset by positive free cash flow of €107.4 million in the past 12 months

vossloh

OUTLOOK

OUTLOOK

FURTHER SALES GROWTH TARGETED WITH INCREASING PROFITABILITY



Profitability

/ Double-digit EBIT margins targeted for all divisions in the medium term, corresponding to an EBIT margin of around 9 percent at Group level

/ Long-term goal of double-digit EBIT margin in the Group

Sales revenues

/ Organic sales growth expected to exceed forecast market growth

/ Focus on additional growth through acquisitions and cooperations

Q&A

THANK YOU FOR YOUR ATTENTION!