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enabling green mobility

INTERIM REPORT
AS OF JUNE 30, 2023

WERDOHL, AUGUST 3, 2023

DISCLAIMER

NOTE

This presentation contains statements concerning the future business performance of the Vossloh Group that are based on assumptions and estimations 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 content. Vossloh assumes no obligation to update the forecast statements in this presentation.

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VOSSLOH GROUP

VOSSLOH CONTINUES VERY STRONG BUSINESS PERFORMANCE IN Q2 2023

ORDER SITUATION

Orders received high again in Q2/2023 at €343.9 million; up by 9.2 percent on Q2/2022; book-to-bill after six months at 1.15 with significantly higher sales revenues

Major regional orders received in Q2/2023

- China: another important major order in the high-speed sector (VFS)
- Germany: overall high demand from end customer Deutsche Bahn (VFS, CM, LS)
- Australia: continuing strong demand (VTT, CM), additional call-offs Inland Rail
- France: slightly increasing demand from SNCF (CM)

Order backlog at the end of Q2/2023 at €859.4 million; further increase of 3.8 percent compared with high prior-year figure

BUSINESS PERFORMANCE

Sales revenues of €344.2 million in Q2/2023 set new record; up by 35.4 percent year on year

EBIT in Q2/2023 at €35.2 million, significantly above previous year; EBIT margin in Q2/2023 at 10.2 percent (previous year: 8.2 percent)

Free cash flow of €65 million in Q2/2023 considerably high (previous year: €(30.3) million), significant improvement due to operating earnings development and a noticeable working capital reduction in Q2

Sales revenues and earnings outlook for 2023 raised (see ad hoc announcement published on June 15, 2023); average value based on new sales forecast up by around 11 percent year on year, based on new EBIT forecast up by around 16 percent compared to previous year

ESG-LINKED SCHULDSCHEIN LOANS

Schuldschein loans with maturities of 5 and 7 years placed in the total amount of €60 million

Amount of interest payment linked via bonus-malus scheme to Vossloh's ambitious taxonomy-aligned share of sales; Vossloh ranks among Germany's best companies in terms of EU taxonomy ratios

Transaction improves financial flexibility to also finance the increasingly targeted inorganic growth as the industry continues to consolidate

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

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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

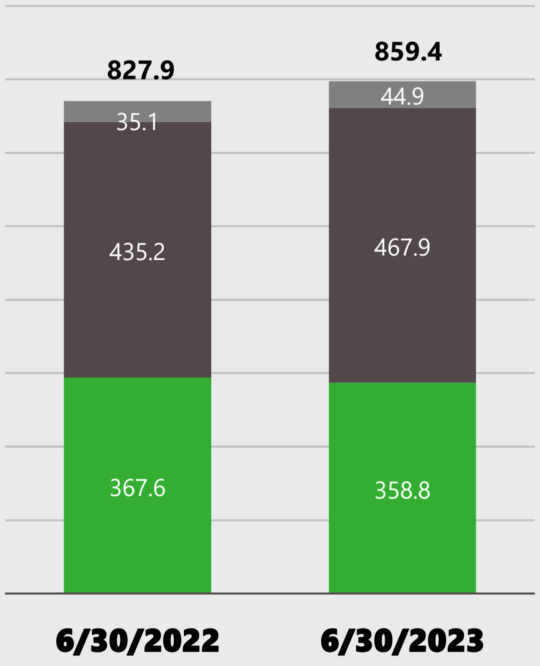
Net financial debt including lease liabilities down by €46.5 million compared with end of H1/2022; dividend, lease and interest payments more than offset by positive free cash flow of €107.4 million in the past 12 months

VOSSLOH 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

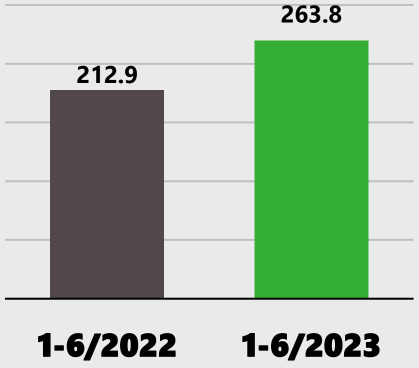
Orders received in H1/2023 on par with strong level of previous year, after Q1/2023 figure was still well below year-earlier level; H1/2022 figure had been particularly strong after several major orders were won in China and Egypt; in H1/2023, Vossloh mainly achieved higher orders received at Core Components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

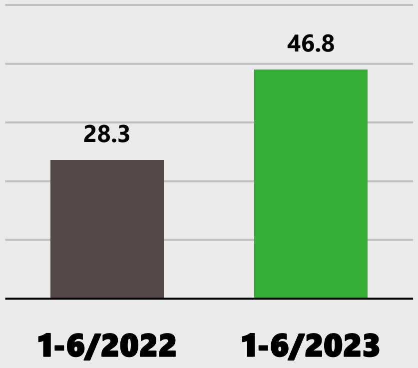
CORE COMPONENTS DIVISION

SIGNIFICANT SALES GROWTH ACHIEVED, EBIT MARGIN SUBSTANTIALLY IMPROVED AND ON A DOUBLE-DIGIT-LEVEL AGAIN

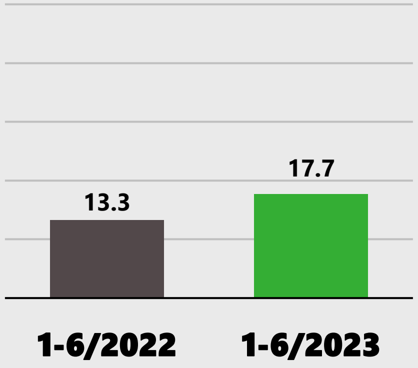
SALES REVENUES (in € mill.)



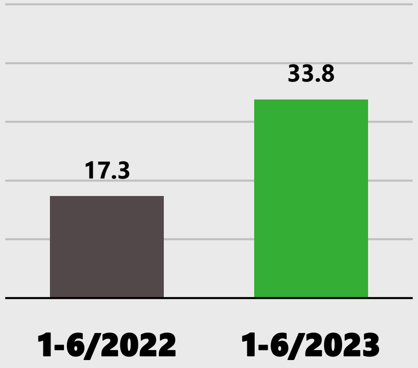
EBITDA (in € mill.)



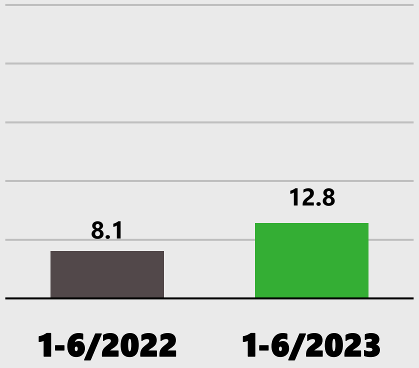
EBITDA MARGIN (in € mill.)



EBIT (in € mill.)



EBIT MARGIN (in %)



Sales revenues up 23.9 percent, both Fastening Systems and Tie Technologies business units are making major contributions to significant sales growth

EBIT noticeably improved in H1/2023; mainly due to considerably increased sales revenues and a higher-margin project mix

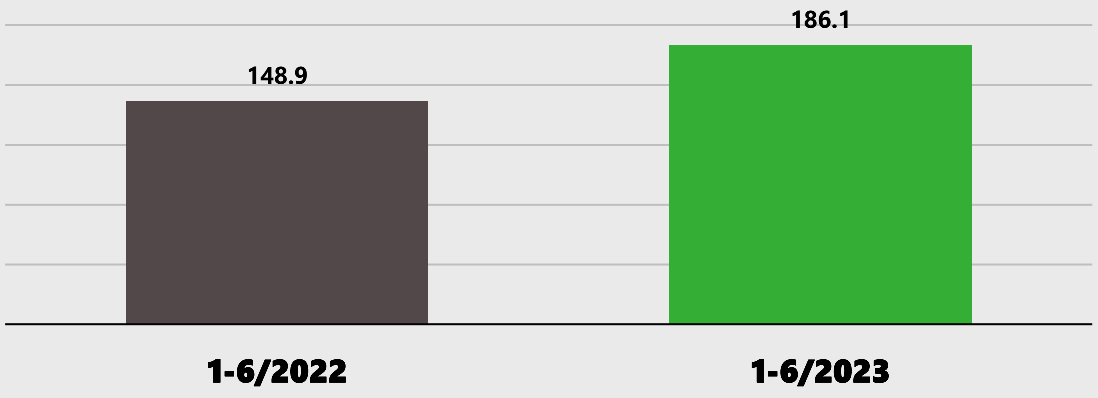
ROCE at high level, value added also clearly improved despite a higher weighted average cost of capital rate

ROCE (in %)	**1-6/2022**	9.8
	1-6/2023	19.8
VALUE ADDED (in € mill.)	**1-6/2022**	5.0
	1-6/2023	19.3

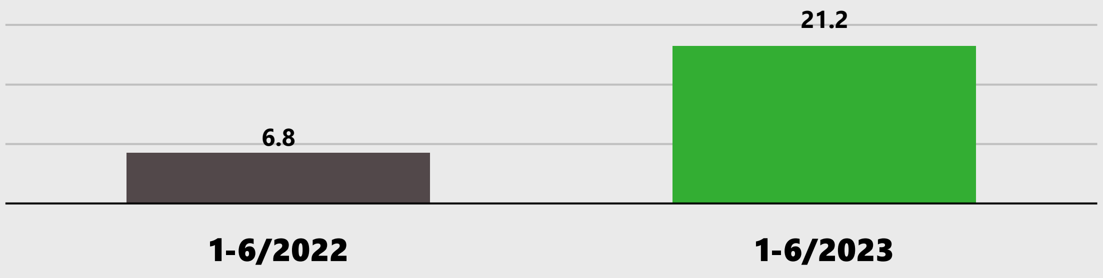
FASTENING SYSTEMS BUSINESS UNIT

SALES REVENUES AND VALUE ADDED SIGNIFICANTLY UP ON PREVIOUS YEAR

SALES REVENUES (in € mill.)



VALUE ADDED (in € mill.)



Orders received in H1/2023 include major order won in China at the beginning of June 2023 (volume just under €50 million), several major orders won in China and Egypt in previous year (total volume of approx. €130 million)

Significantly higher sales revenues achieved in H1/2023, growth mainly due to sales increase in China, Mexico and Germany

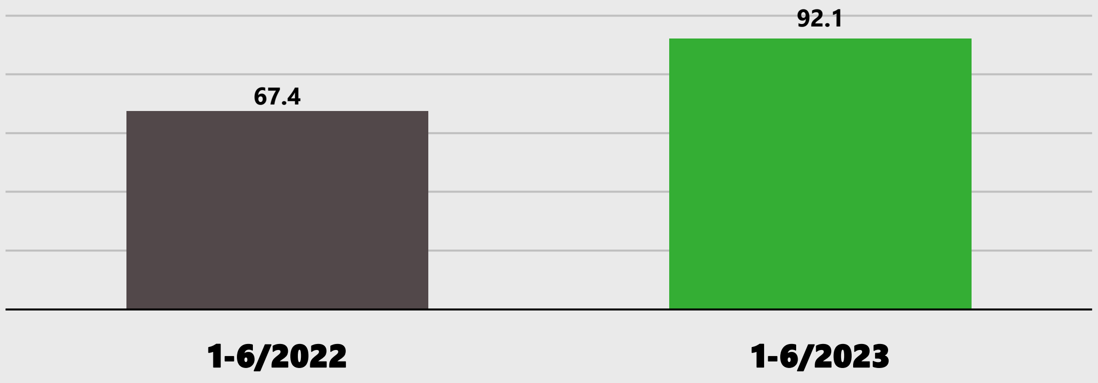
Value added more than tripled, mainly due to higher sales revenues and better project mix, particularly in China and at German site

ORDERS RECEIVED (in € mill.)	**1-6/2022**	274.1
	1-6/2023	233.6
ORDER BACKLOG (in € mill.)	**6/30/2022**	283.1
	6/30/2023	235.7

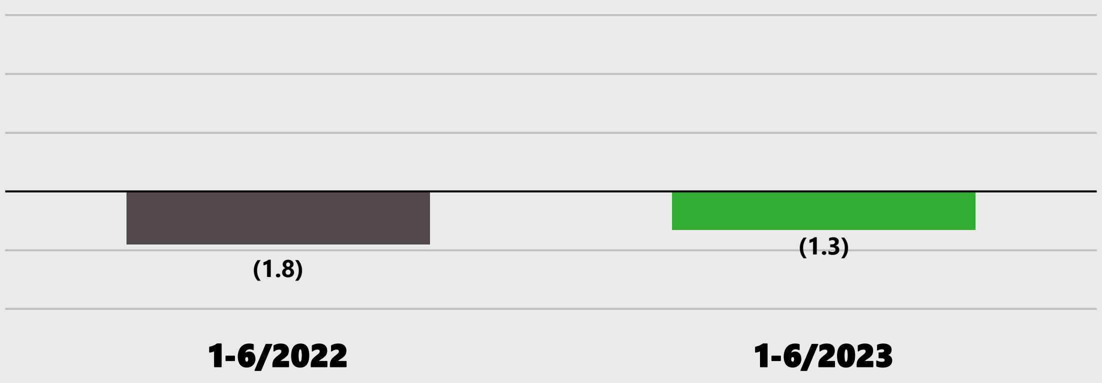
TIE TECHNOLOGIES BUSINESS UNIT

NOTICEABLE DEMAND REVIVAL IN NORTH AMERICA - VALUE ADDED IMPROVED DESPITE HIGHER COST OF CAPITAL IN THE BUSINESS UNIT

SALES REVENUES (in € mill.)



VALUE ADDED (in € mill.)



Orders received significantly higher year on year; major driver of the increase was an order won in Mexico; growth also achieved in the US

Sales 36.8 percent higher than in previous year; noticeable increase in sales thanks to higher call-offs by Class I companies in the US; higher sales also achieved in Mexico

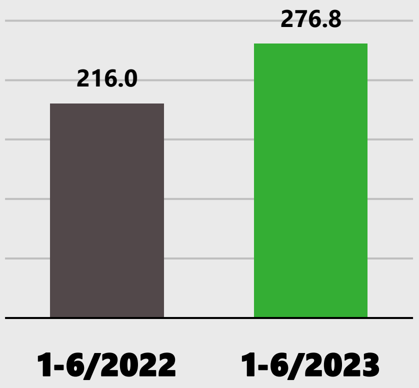
Value added in H1/2023 still slightly negative due to higher cost of capital, but significantly improved year on year; positive in Q2/2023 at €1.1 million

ORDERS RECEIVED (in € mill.)	**1-6/2022**	94.6
	1-6/2023	133.7
ORDER BACKLOG (in € mill.)	**6/30/2022**	93.2
	6/30/2023	128.8

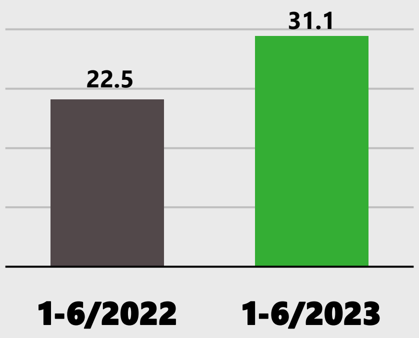
CUSTOMIZED MODULES DIVISION

PROFITABLE GROWTH IN THE FIRST HALF OF 2023

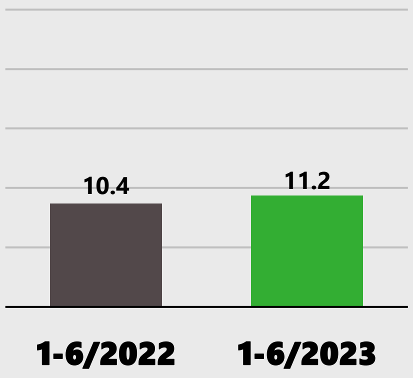
SALES REVENUES (in € mill.)



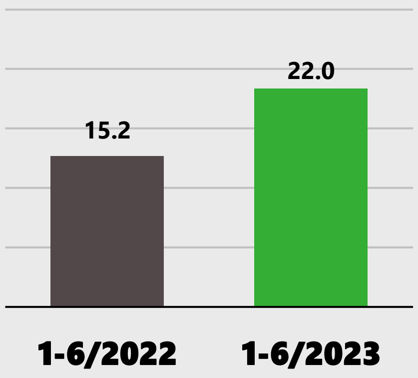
EBITDA (in € mill.)



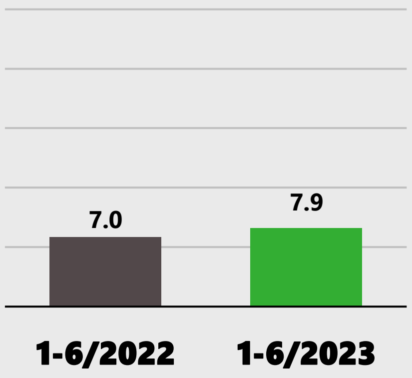
EBITDA MARGIN (in %)



EBIT (in € mill.)



EBIT MARGIN (in %)



Orders received at high prior-year level: higher orders from Serbia, France, Switzerland and Germany, but lower orders received mainly in Poland and Egypt; order backlog up year on year, clear increases mainly at the sites in France, Serbia and Luxembourg

Sales revenues significantly above previous year's level (+28.1 percent), strong sales development achieved in Europe in particular (+25.6 percent), above prior year's level especially in Italy, Serbia and Sweden, notable sales increase also achieved in Mexico

EBIT also clearly improved year on year; for instance, due to higher earnings contributions from the sites in Luxembourg and Serbia

ROCE (in %)	**1-6/2022**	8.0
	1-6/2023	11.7
VALUE ADDED (in € mill.)	**1-6/2022**	2.0
	1-6/2023	5.9

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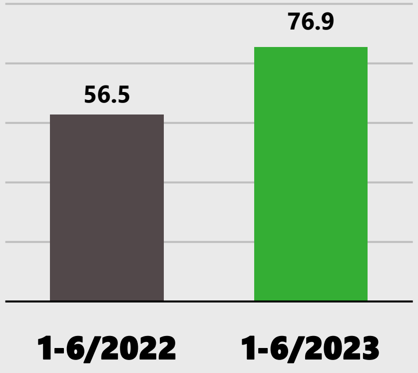
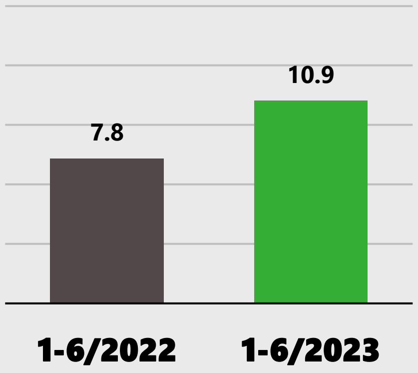
LIFECYCLE SOLUTIONS DIVISION

SIGNIFICANTLY HIGHER SALES REVENUES WITH SUBSTANTIALLY IMPROVED PROFITABILITY

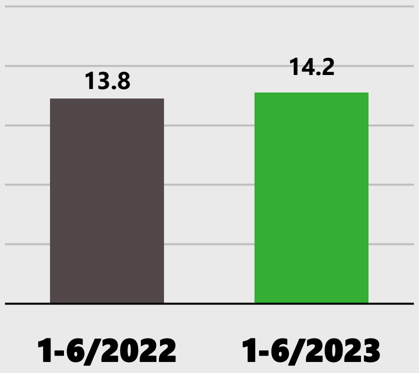
SALES REVENUES (in € mill.)



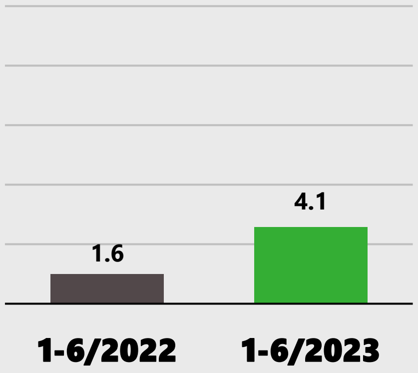
EBITDA (in € mill.)



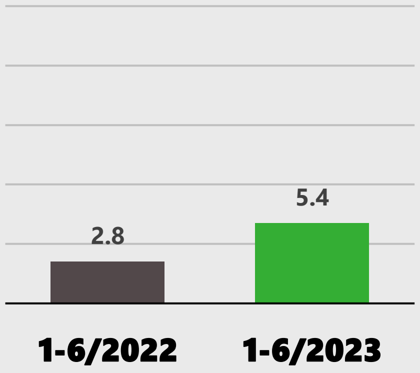
EBITDA MARGIN (in %)



EBIT (in € mill.)



EBIT MARGIN (in %)



Orders received up 11.5 percent year on year, in particular due to considerable increase in orders in Germany and the Netherlands

Sales increase of 35.9 percent mainly due to the framework agreement signed last year with Deutsche Bahn for preventive rail maintenance (High Speed Grinding) and from dispositions of maintenance machines

EBIT and EBIT margin significantly improved year on year, mainly due to higher EBIT contributions from maintenance activities (HSG and milling) and increased machine divestments

ROCE (in %)	**1-6/2022**	1.6
	1-6/2023	3.8
VALUE ADDED (in € mill.)	**1-6/2022**	(5.4)
	1-6/2023	(5.1)

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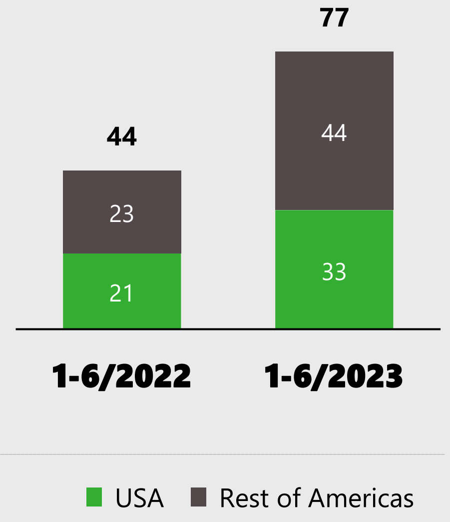
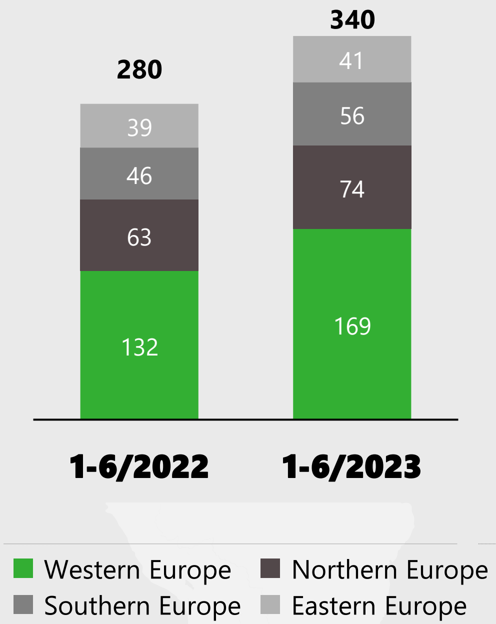
SIGNIFICANT INCREASE IN SALES, PARTICULARLY IN EUROPE, NORTH AMERICA AND ASIA

AMERICAS
(in € mill.)



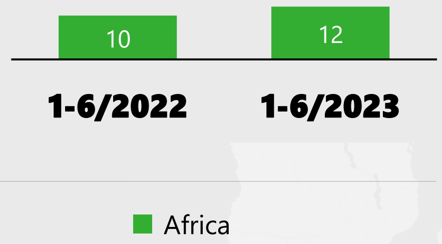
Sales revenues up year on year, especially in Mexico at CM and CC; noticeable increase also in the US, particularly at VTT

EUROPE
(in € mill.)



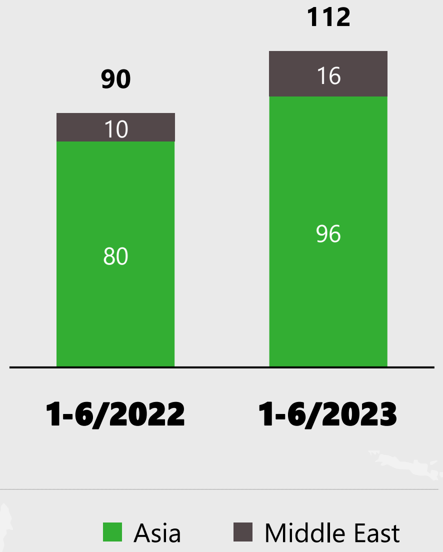
Sales +22.0 percent; Western Europe: higher sales in Germany; Northern Europe: sales in Sweden increase; Southern Europe: Italy with noticeable increase in sales; Eastern Europe: higher sales in Serbia

AFRICA
(in € mill.)



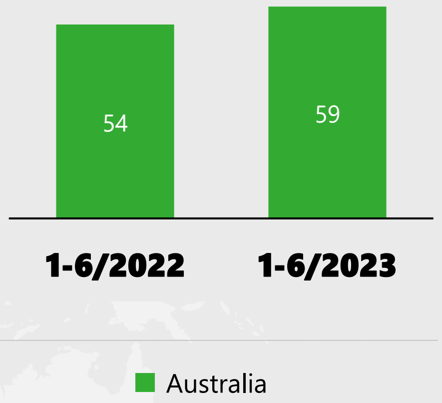
Lower sales revenues in Egypt (CM) more than offset mainly by higher sales revenues in Liberia (CM)

ASIA INCL. MIDDLE EAST
(in € mill.)



Increase in Asia mainly due to higher sales revenues in China (VFS)

AUSTRALIA
(in € mill.)



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

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VOSSLOH GROUP: OUTLOOK

GUIDANCE CONFIRMED FOLLOWING RAISED SALES AND EARNINGS FORECAST IN JUNE 2023

Sales revenues

2022: €1,046.1 million **Guidance 2023: €1.125 billion to €1.2 billion**

/ All divisions will contribute to the forecast sales growth. In percentage terms, the strongest growth is expected in the Lifecycle Solutions division. Strong sales growth again expected at Group level, likely to be again in the double-digit percentage range.

Value added

2022: €11.5 million **Guidance 2023: €5 million to €12 million**

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

EBIT

2022: €78.1 million **Guidance 2023: €87 million to €94 million**

/ A notable increase in EBIT is also expected for the financial year 2023, despite the continuing high level of procurement costs for energy and materials and significantly rising personnel costs. As with sales revenues, all divisions are expected to contribute to the increase in EBIT. Based on the average of the sales forecast, the EBIT margin is expected to range between 7.5 percent and 8.1 percent.

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FINANCIAL CALENDAR AND CONTACT INFORMATION

HOW YOU CAN REACH US

Financial calendar 2023

/ October 26, 2023	Quarterly statement as of September 30, 2023
/ March 2024	Annual Report 2023

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Q&A

THANK YOU FOR YOUR TIME.

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