

**PRESENTATION VOSSLOH
ODDO BHF FORUM**

JANUARY 16, 2024



GLOBAL MEGATRENDS BOOST THE RAILROADS



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.



Globalization

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



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.



Sustainability

Rail is the mass transport mode with the best CO₂ footprint and thus a key driver of green mobility.



Digitalization

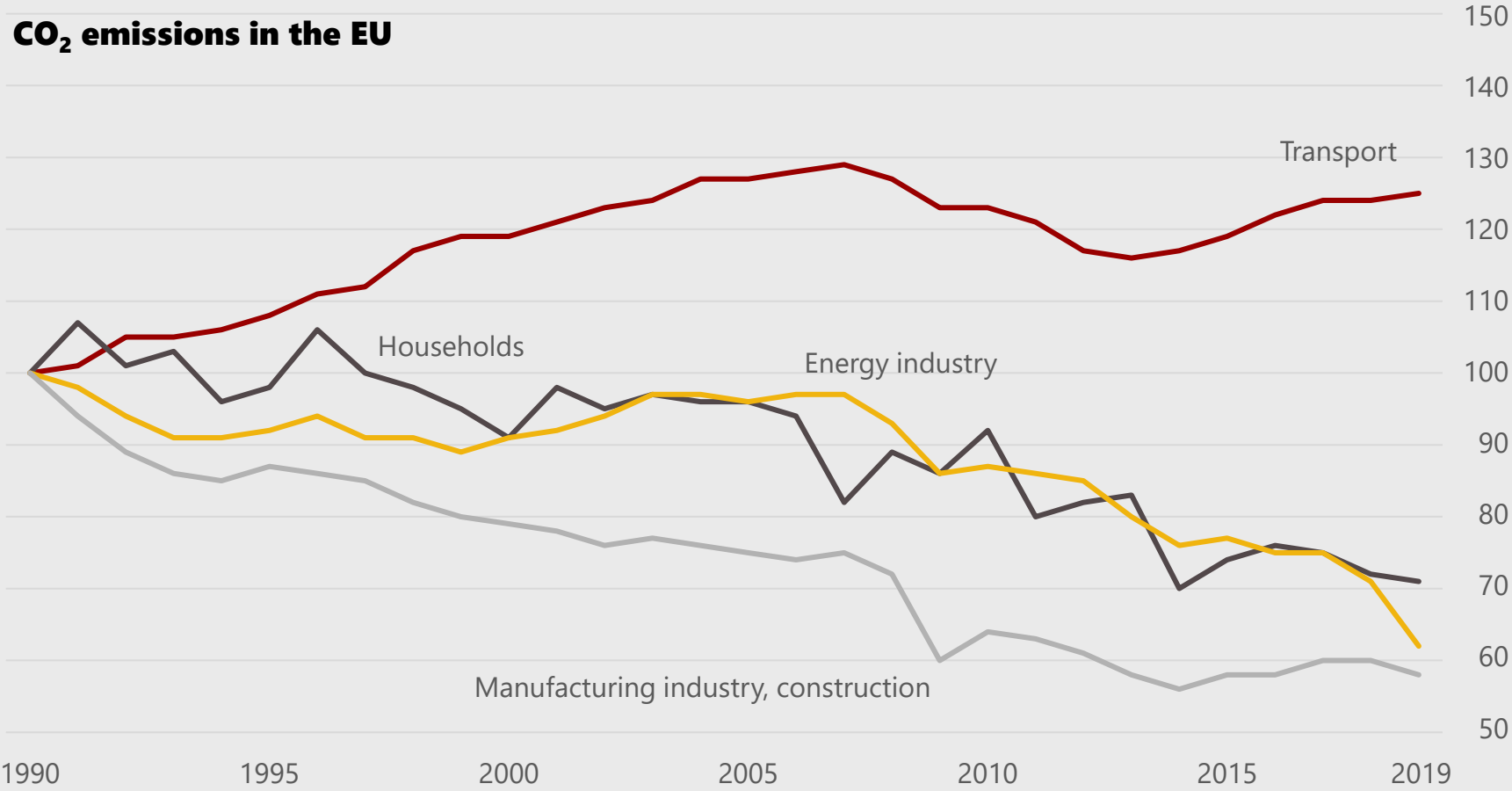
Digitalization including IoT, AI, Big Data & Data Analytics is a process of change for society, but will also lead to significant changes in the rail industry.

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

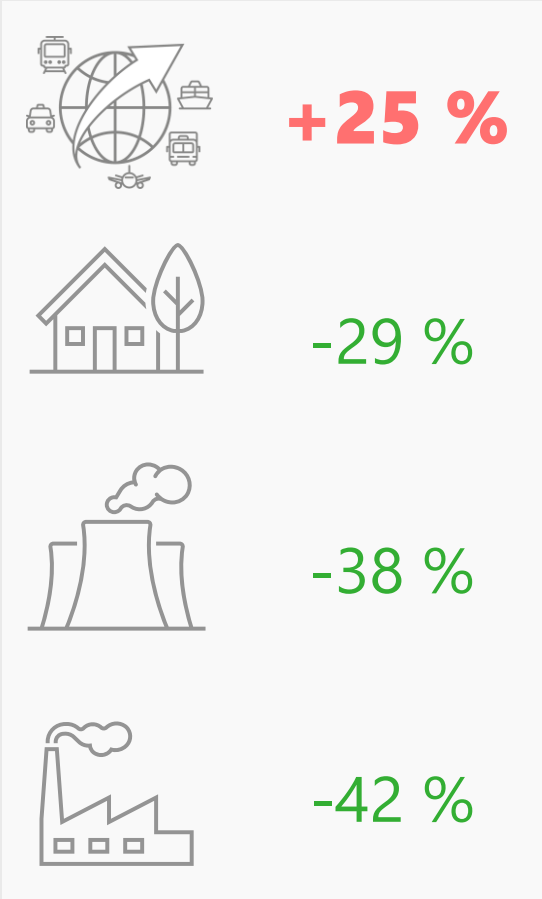
DECARBONIZATION IS THE KEY TO LIMITING GLOBAL WARMING

TRANSPORT WITH HIGHER CO₂ EMISSIONS THAN IN 1990

CO₂ emissions in the EU



Source: European Environment Agency (EEA), Eurostat



CO₂ emissions compared to 1990

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
CO₂ emissions



High
land use efficiency



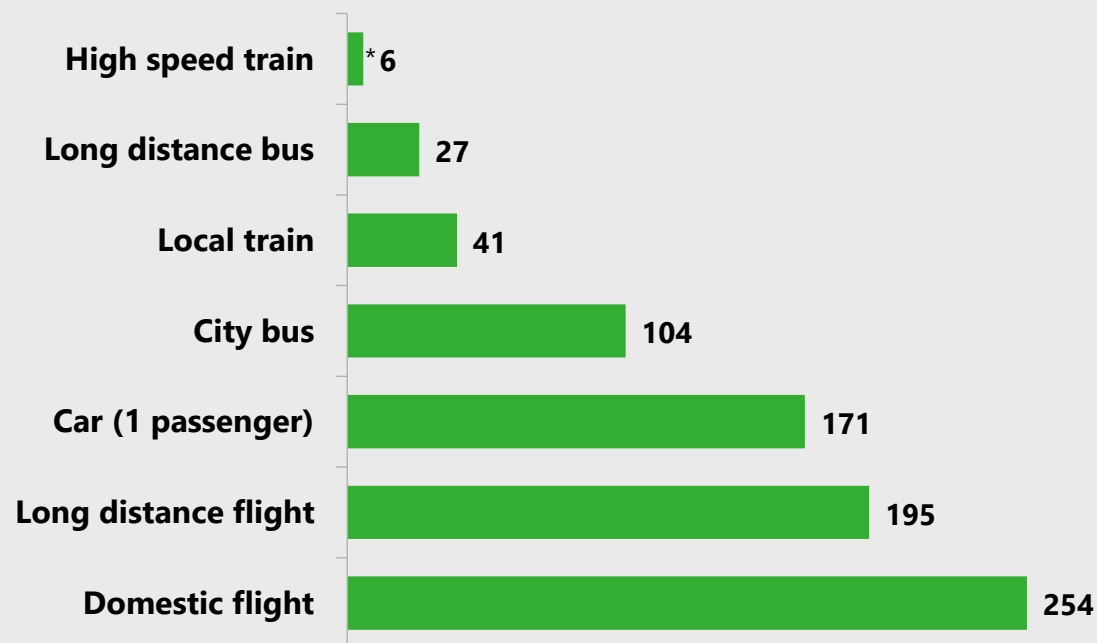
Improved
air quality



Extensive
Energy sovereignty



Low
External costs



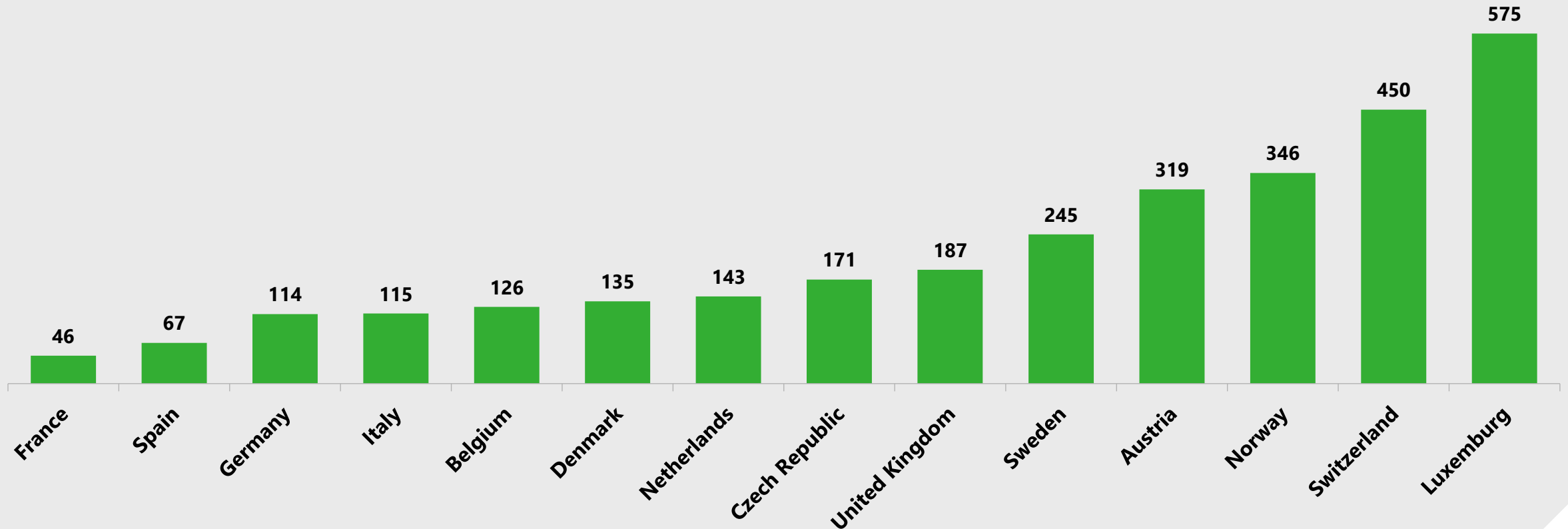
*Greenhouse gas emissions in grams per passenger kilometer
Source : BEIS / Defra Green house gas conversion factors 2019

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

...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

~€40 billion

additional **until 2027** for
maintenance and expansion of the
rail network



Italy

€25 billion

EU Recovery and Resilience
Facility

€1.5 billion

"Complementary Fund"



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



Egypt

~€46 billion

"Egypt Vision 2030"



Turkey

+6,000 km

Expansion of the entire rail
network

+4,300 km

Expansion of high-speed lines

GLOBAL TRENDS AND THEIR IMPLICATIONS

GLOBAL GROWTH OF RAIL AS A MODE OF TRANSPORT REQUIRES INNOVATIVE AND HIGHLY RELIABLE SYSTEM SUPPLIERS

Railroad undergoing global upheaval

- / Megatrends lead to a rail renaissance
- / Political will and capital expenditure after decades of neglecting the rail track
- / Focus on sustainability in society and on the customer side
- / Focus on life cycle instead of prices
- / Track availability as a key success criterion
- / Outsourcing of larger service packages increasing
- / Demand for new technologies and digital solutions

An increasingly demanding role for suppliers

- / Innovations and application capability
- / System expertise as a prerequisite for holistic solutions to higher track availability
- / Taking on greater responsibility and work packages
- / Heavy-duty and maintenance-free products
- / Intelligent, condition-based & predictive maintenance using digital capabilities
- / Closer cooperation and reduction of interfaces
- / Unconditional customer and service orientation

▶ As a specialist for the rail track, Vossloh offers sustainable solutions - from a single source

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 perspective predictive maintenance
- ✓ Tailored maintenance solutions combined with digital expertise in all aspects of the rail track system

THE VOSSLÖH 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

*as of 7/31/2023

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



THE CORPORATE STRUCTURE

FOCUS ON THE RAIL TRACK

482.1



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)

456.1



Customized Modules

Project-specific adapted modular solutions

Business units:

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

136.0

Sales in € million, 2022



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

CORE COMPONENTS DIVISION

VOSSLÖH FASTENING SYSTEMS



Leading global supplier
of rail fastening systems



€341.3 million
Sales revenues in 2022,
of which over 90 percent
outside Germany



€43.7 million
EBIT 2022 of the
Core Components
division



260,000+ km track
equipped with
fastening systems of
Vossloh

- / State-of-the-art production for rail fastening systems at Werdohl location
- / Over 50 million tension clamps per year at the main production sites in Germany, China, Poland and the USA
- / Significant increase in vertical integration (plastics, screws)

- / 85+ countries with Vossloh system, 70 percent of lines in Europe equipped with Vossloh system
- / Highly elastic, maintenance-free, for ballasted and slab tracks
- / Products protected with more than 70 patents



CORE COMPONENTS DIVISION

VOSSLOH TIE TECHNOLOGIES

1

**Market leader in
Australia and North
America**



€156.3 million
Sales revenues in 2022



€43.7 million
EBIT 2022 of the
Core Components
division



40+ million
Produced concrete ties

Market share



70%

North
America



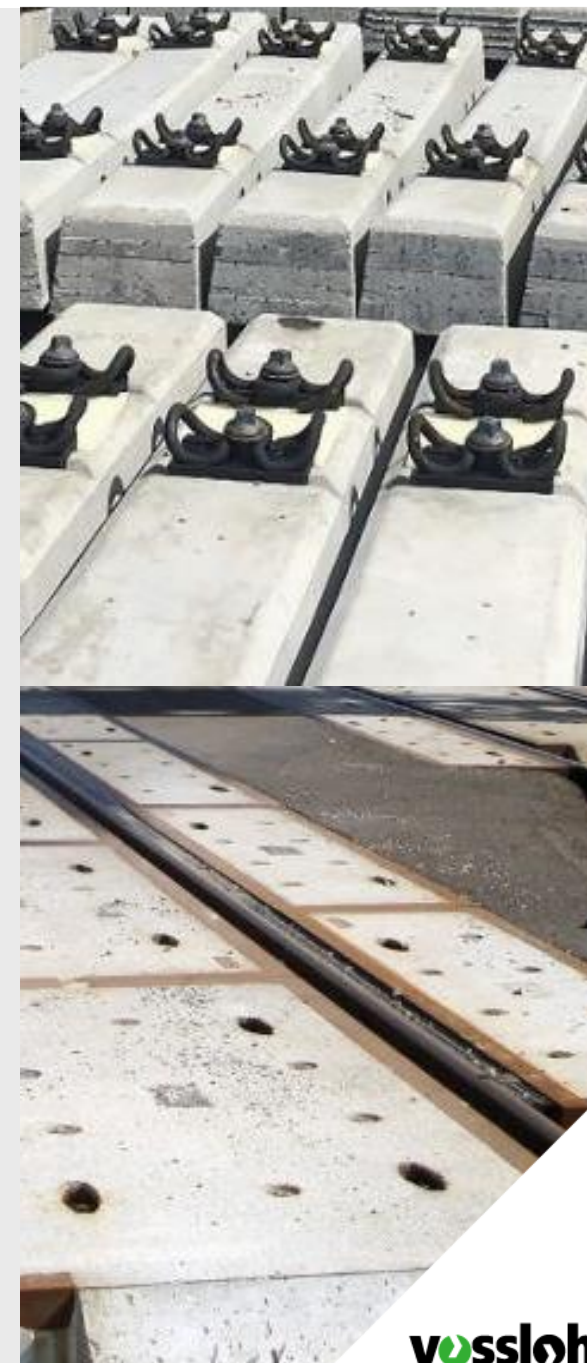
75%

Australia

/ 10 plants in North America and Australia
for concrete ties (track and switches) and
level crossing systems

/ Rocla Concrete Tie, Inc. has formed the Tie
Technologies business unit since 2017; 2018
acquisition of Austrak Pty Ltd.

/ High synergy with rail fastening systems in
sales & development



CUSTOMIZED MODULES DIVISION

VOSSLOH SWITCH SYSTEMS



World leading manufacturer
around the system switches



€456.1 million
Sales revenues in 2022



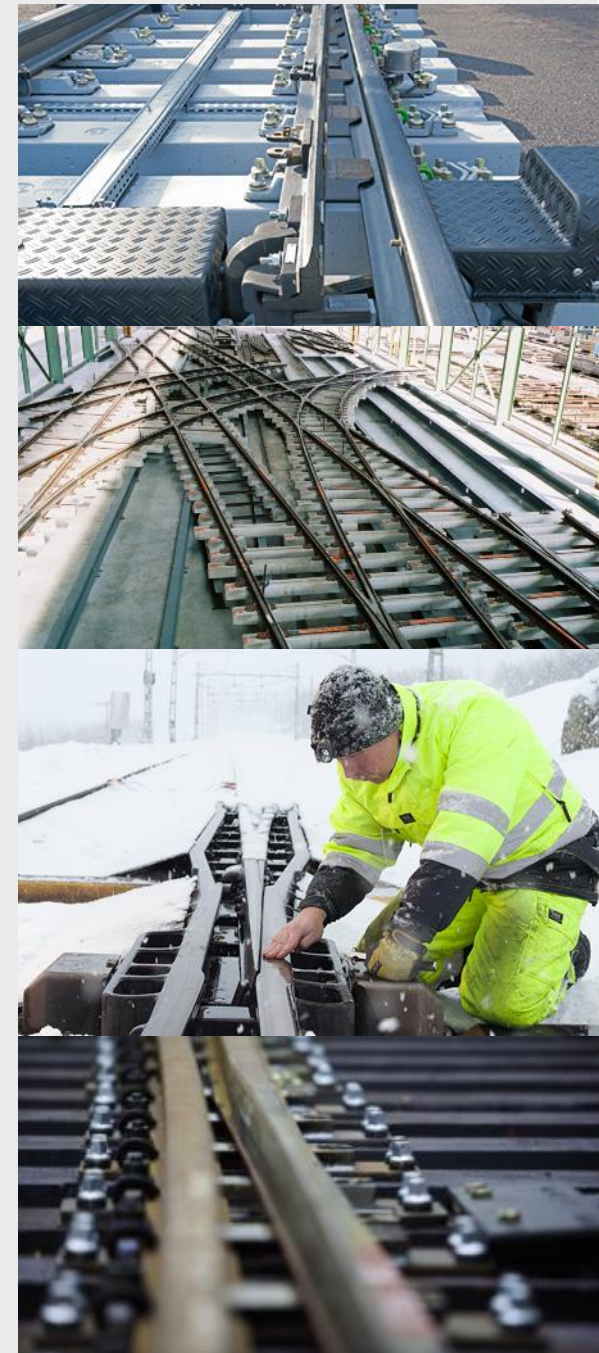
€37.1 million
EBIT 2022



**+4.000 switches &
+9.500 crossings**
manufactured per year

- / Vossloh has been producing switches for >100 years and is among the market & technology leaders
- / Single product for the site of use for maximum safety, durability and comfort
- / Product portfolio includes, among others, signaling technology, point machines, closure devices, and track monitoring systems

- / Production of complete turnouts and components at +20 locations in 15 countries
- / Supply of switches for all applications (incl. high-speed and heavy-haul) in 80+ countries
- / Vossloh holds the speed record of 560 km/h on a switch



LIFECYCLE SOLUTIONS DIVISION

VOSSLÖH RAIL SERVICES



Leading service provider for rail tracks in Europe



€136.0 million

Sales revenues in 2022



€11.5 million

EBIT 2022



The world's only supplier of the innovative High Speed Grinding process

- / Stationary welding plants for long rail preparation & logistics (complete lifecycle)
- / Broad portfolio of products and services for preventive and corrective rail and switch maintenance (including high-speed grinding)
- / Own machine park (largest milling fleet), own machine production

- / Services currently offered in 15+ countries on 3 continents
- / VRS operates largest rail transport fleet in Europe with 500+ special wagons
- / Intelligent, condition-based maintenance as a goal
- / Greatest growth potential within the Vossloh Group

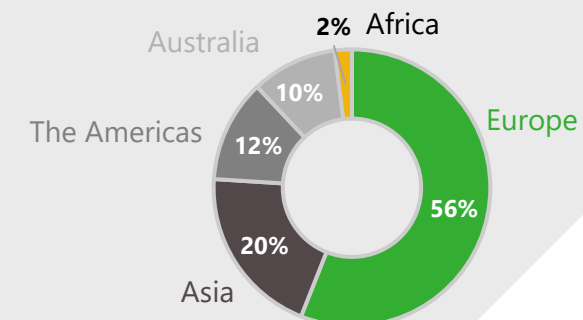


vossloh

WE ARE PARTNERS OF ALL MAJOR NETWORK OPERATORS ON FIVE CONTINENTS

A world map with green shading indicating countries where Vossloh products are used. Numerous logos of railway and infrastructure companies are placed over specific regions. In North America, logos for CN, BNSF Railway, and Amtrak are visible. In South America, logos for MetroRio, EFE, CCFC, and Adif are shown. In Europe, logos for BANE NOR, Finnish Transport Infrastructure Agency, Trafikverket, SNCF, DB, RFI, and VBA are present. In Africa, logos for ONCF, RATP DEV, SAR, Camrail, ETRAG, and Yapi Merkezi are displayed. In Asia, logos for SASAKETAN TIMUR MIDDLE, ADYGO, SASAKETAN TIMUR MIDDLE, PT KAI, CRCC, and China Railway are shown. In Australia, logos for Queensland Rail and ARTC are visible. A legend at the bottom indicates that green shading represents countries where Vossloh products are used.

(2022, Sales revenues in €million)



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

- / **CO₂ 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

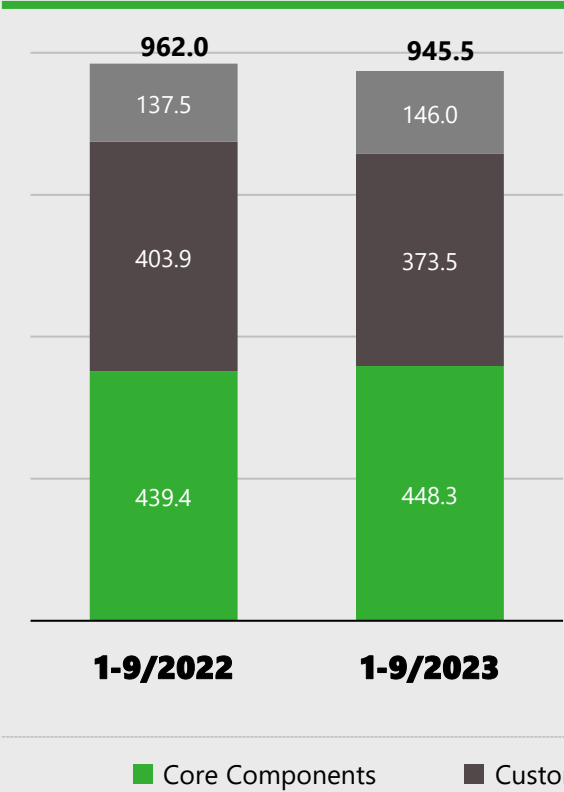
Q3 2023



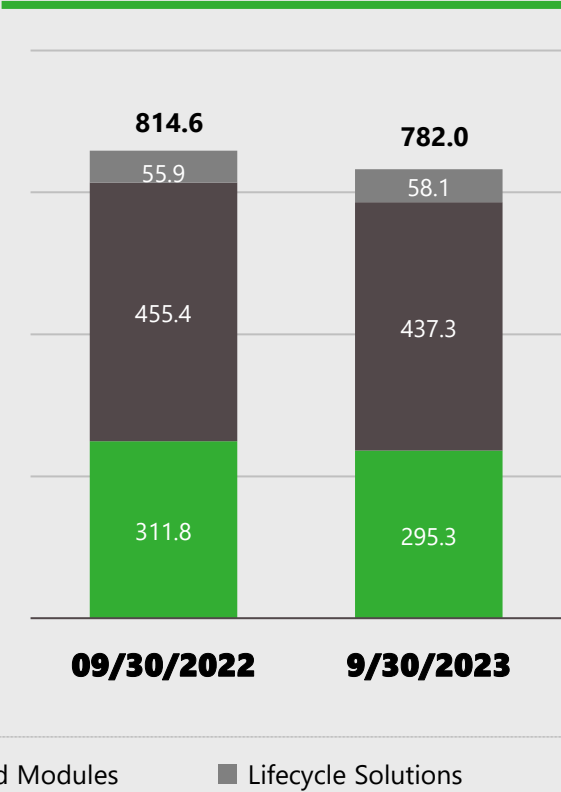
VOSSLOH GROUP

ORDER BACKLOG REMAINS WELL ABOVE HISTORICAL AVERAGE

ORDERS RECEIVED (in € mill.)



ORDER BACKLOG (in € mill.)



NOTES

Orders received reach second-highest level in a nine-month period in the company's history, slightly down from previous year's record figure; previous year boosted by major orders from Egypt; continuing positive trend, particularly in Western Europe

Order backlog 4.0 percent below previous year; Core Components down year on year, mainly lower order backlog at Vossloh Fastening Systems as expected; Customized Modules slightly below previous year, for instance lower order backlog in Poland and Portugal; Lifecycle Solutions slightly up, higher order backlog in Germany and the Netherlands

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SALES AND EBIT SIGNIFICANTLY ABOVE PREVIOUS YEAR, CONTINUED POSITIVE DEVELOPMENT IN FREE CASH FLOW

KEY GROUP INDICATORS

1-9/2022 1-9/2023

Sales revenues	€ mill.	756.2	925.9
EBITDA / EBITDA margin	€ mill. / %	92.8 / 12.3	122.2 / 13.2
EBIT / EBIT margin	€ mill. / %	55.0 / 7.3	76.9 / 8.3
Net income	€ mill.	38.8	43.9
Earnings per share	€	1.62	1.68
Free cash flow	€ mill.	(46.5)	48.0
Capital expenditure	€ mill.	29.7	38.9
Value added	€ mill.	5.2	17.2

NOTES

Sales revenues up by 22.4 percent; all divisions achieve sales growth rates above 20 percent, strongest percentage growth at Lifecycle Solutions

EBIT significantly higher year on year, all divisions contributing to increase, Core Components in particular significantly higher year on year; **EBIT margin** up by 100 basis points

Net income up year on year due to strong operating earnings performance despite higher interest and tax expense; tax rate in previous year positively affected by write-up of deferred tax assets

Free cash flow also reflects positive performance and is significantly higher than a year earlier; increase mainly due to improved EBIT and significantly lower working capital build-up

Capital expenditure significantly higher year on year mainly due to high increase in Q3/2023; all divisions increase capital expenditure year on year

Value added mainly due to strong EBIT development despite higher cost of capital (8.5 percent vs. 7.0 percent in previous year) significantly higher than previous year

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WORKING CAPITAL PROGRAM ESTABLISHED, NET FINANCIAL DEBT SIGNIFICANTLY REDUCED COMPARED WITH SEPTEMBER 30, 2022

KEY GROUP INDICATORS		1-9/2022 9/30/22	2022 12/31/22	1-9/2023 9/30/23
Equity	€ mill.	625.0	625.1	636.3
Equity ratio	%	43.6	45.7	45.0
Working capital (average)	€ mill.	215.7	218.1	211.5
Working capital intensity (average)	%	21.4	20.8	17.1
Closing working capital	€ mill.	258.7	191.6	213.5
Capital employed (average)	€ mill.	947.3	950.6	936.3
Closing capital employed	€ mill.	997.6	923.2	940.4
Net financial debt (excl. lease liabilities)	€ mill.	253.5	197.6	202.8
Net financial debt	€ mill.	292.6	237.5	239.0

NOTES

Equity significantly increased compared with end of Q3/2022; equity ratio remains at high level

Closing working capital around €45 million below comparative figure at end of Q3/2022 despite significant sales growth; **working capital intensity (average)** well below 20% mark and noticeably improved year on year; project to sustainably reduce working capital launched in Q2/2023

Closing capital employed noticeably lower than at the reporting date of the prior-year period due to significantly lower working capital despite higher capital expenditure

Net financial debt incl. lease liabilities down by €53.6 million compared with end of Q3/2022; dividend, lease, and interest payments significantly exceeded by positive free cash flow of €122.4 million in the past 12 months

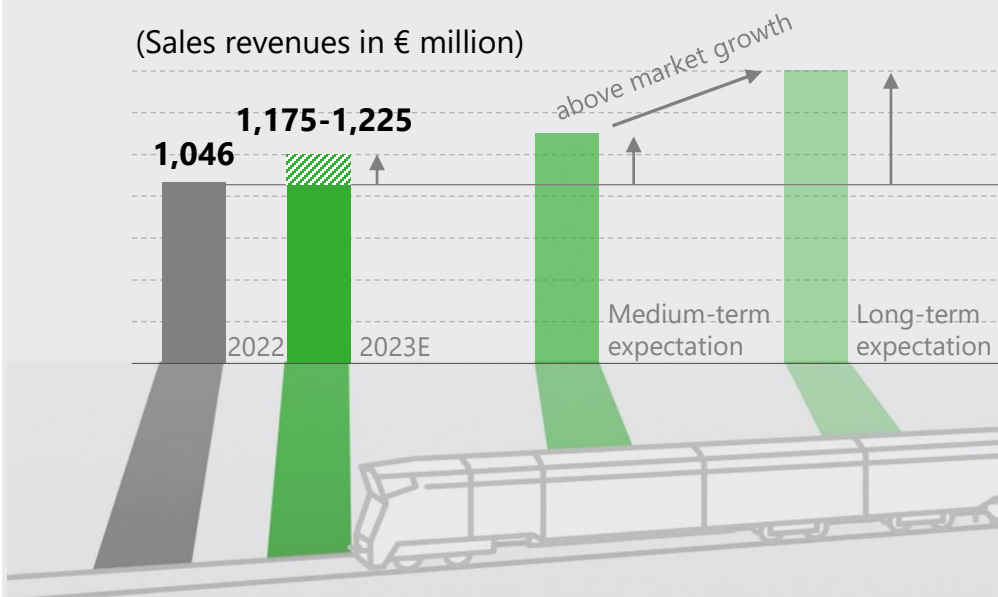
OUTLOOK



OUTLOOK

FURTHER SALES GROWTH TARGETED WITH INCREASING PROFITABILITY

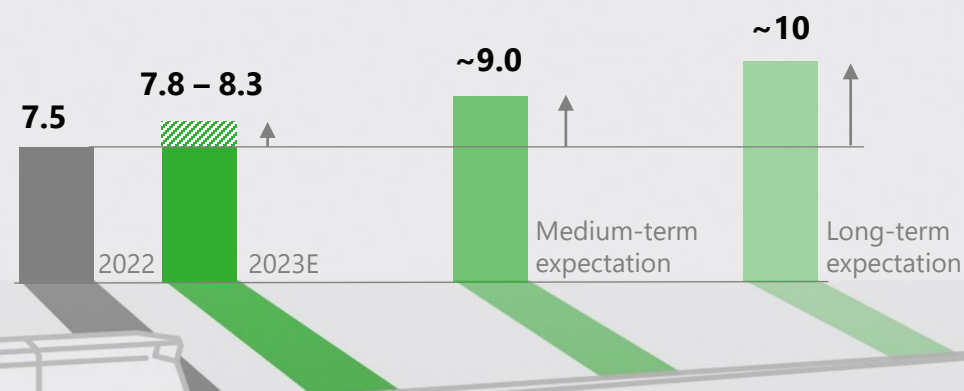
(Sales revenues in € million)



Sales revenues

- / Organic sales growth expected to exceed forecast market growth
- / Focus on additional growth through acquisitions and cooperations

(EBIT margin in percent)



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



Q&A

**THANK YOU FOR YOUR
ATTENTION!**