

**PRESENTATION VOSSLOH
M.M. WARBURG – SMALL CAP CONFERENCE**

MAY 23, 2024, LONDON



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

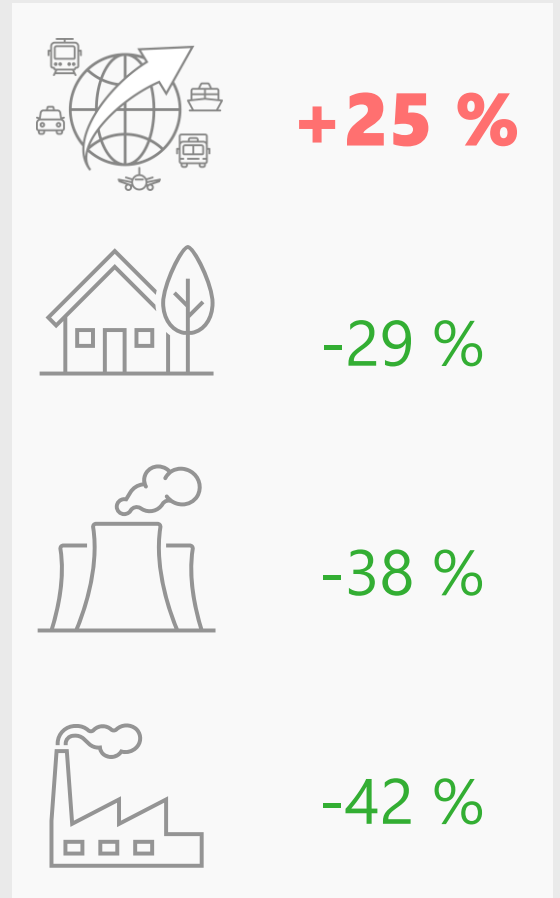
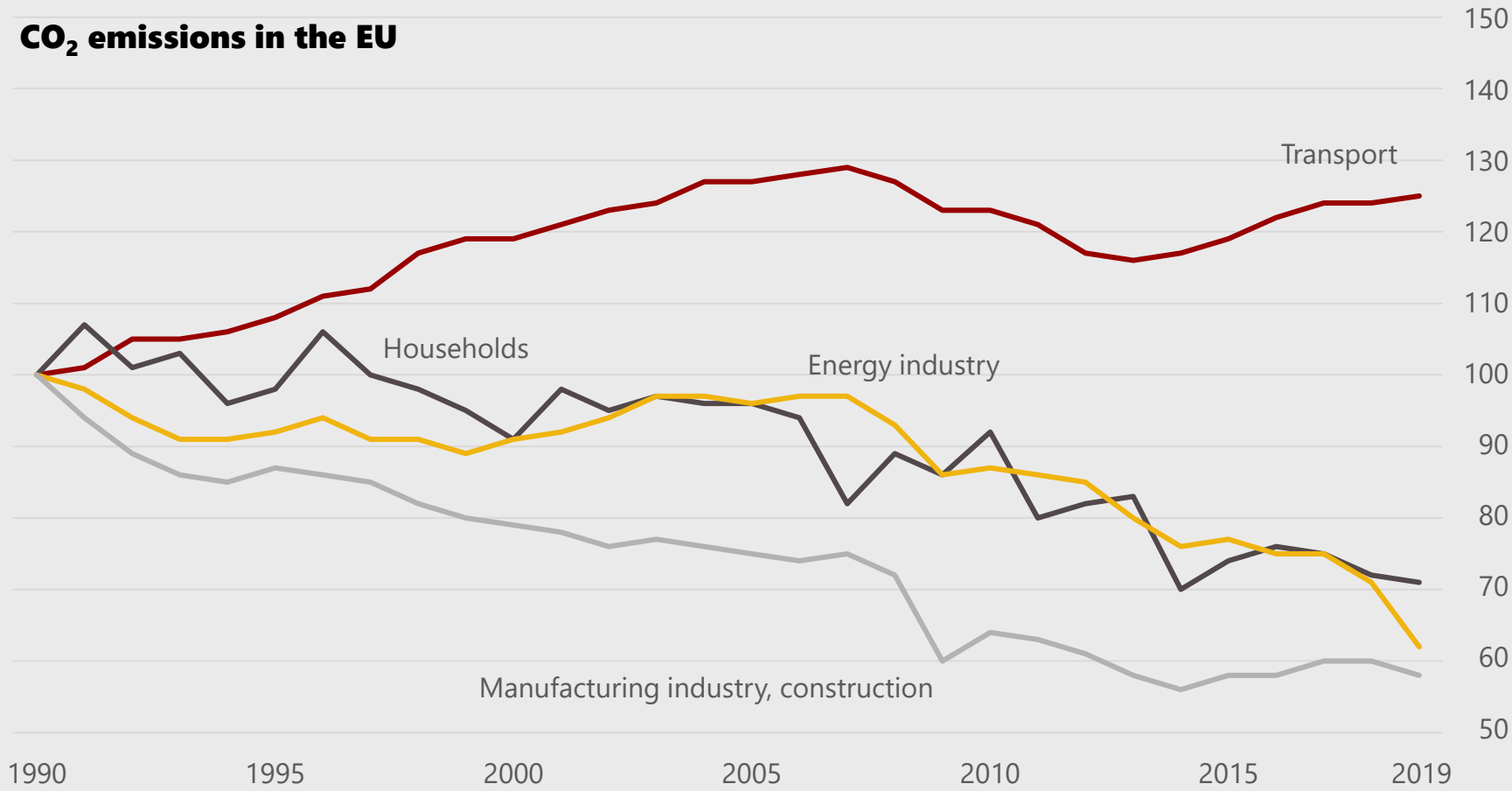
Digitalization including IoT, AI, Big Data & Data Analytics is a process of change for society, but will also lead to significant changes in the rail industry.

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



CO₂ emissions compared to 1990

Source: European Environment Agency (EEA), Eurostat

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



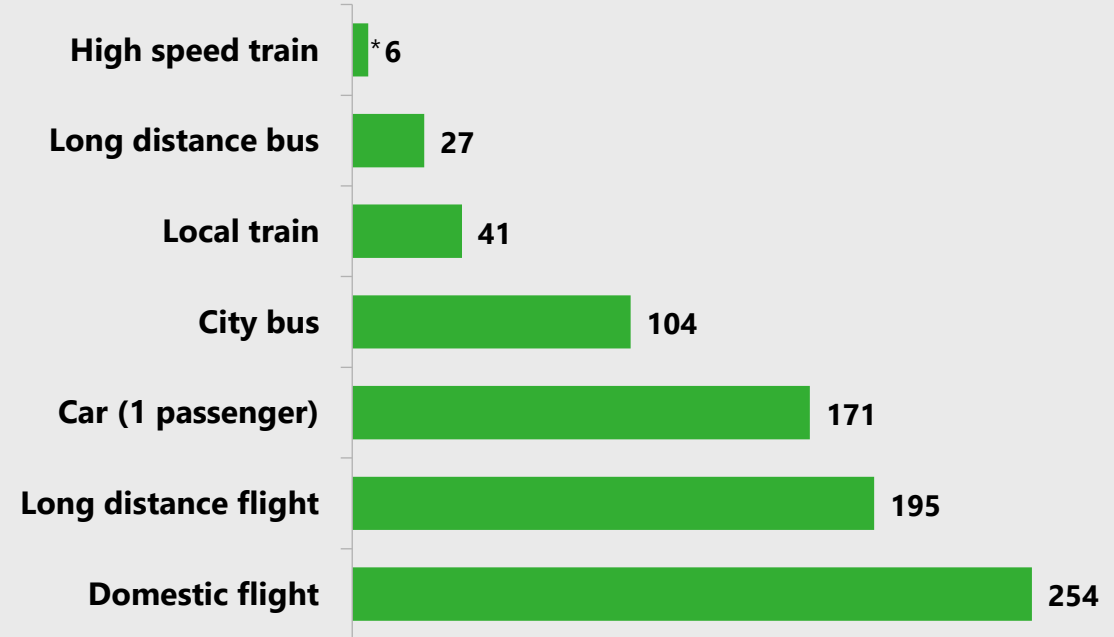
Improved
air quality



Extensive
Energy sovereignty



Low
External costs



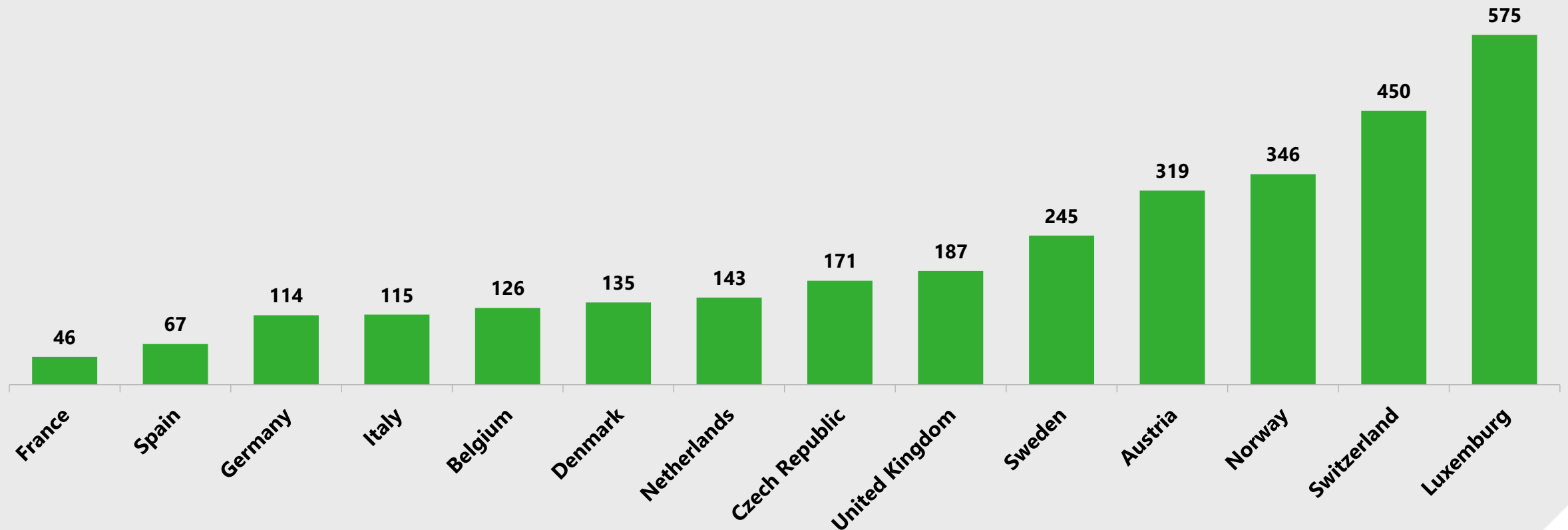
*Greenhouse gas emissions in grams per passenger kilometer
Source : BEIS / Defra Green house gas conversion factors 2019

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

~€30 billion

additional for maintenance and expansion of the rail network in the coming years



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 VOSSLOH GROUP 2023



€1.214 billion
Sales revenues



100+
Countries with Vossloh
products and services



€98.5 million
EBIT



around **€803 million**
Market capitalization*



40+ production
sites in roughly 30
countries



around **4,000**
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 end of March 2024

THE CORPORATE STRUCTURE

FOCUS ON THE RAIL TRACK

546.7



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)

537.4



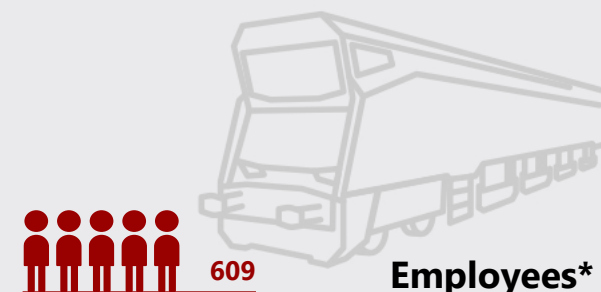
Customized Modules

Project-specific adapted modular solutions

Business units:

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

163.5



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 2023

CORE COMPONENTS DIVISION

VOSSLÖH FASTENING SYSTEMS



Leading global supplier
of rail fastening systems



€349.4 million
Sales revenues in 2023,
of which over 90 percent
outside Germany



€69.8 million
EBIT 2023 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

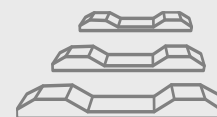
**Market leader in
Australia and North
America**



€224.1 million
Sales revenues in 2023

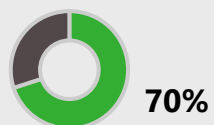


€69.8 million
EBIT 2023 of the
Core Components
division



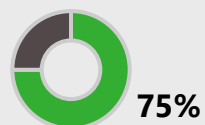
40+ million
Produced concrete ties

Market share



70%

North
America



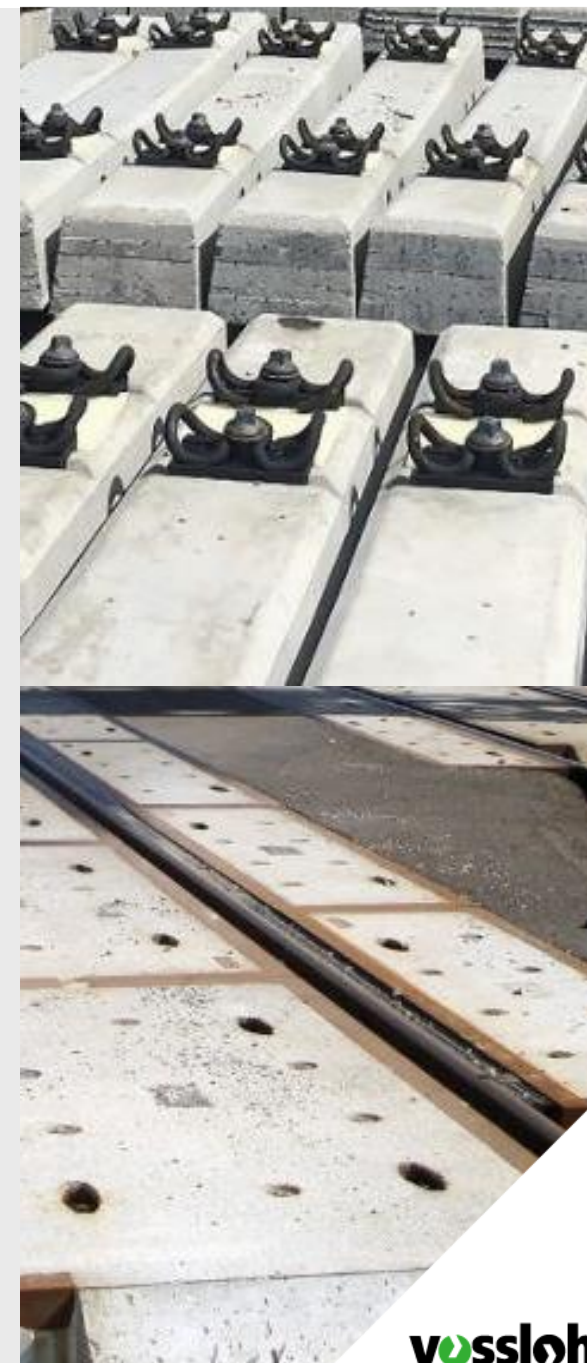
75%

Australia

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

/ Roclac 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



€537.4 million
Sales revenues in 2022



€42.7 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



€163.5 million
Sales revenues in 2023



€11.6 million
EBIT 2023



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 20 countries on 3 continents
- VRS operates largest rail transport fleet in Europe with 500+ special wagons
- Provider of intelligent, condition-based maintenance
- Greatest growth potential within the Vossloh Group



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

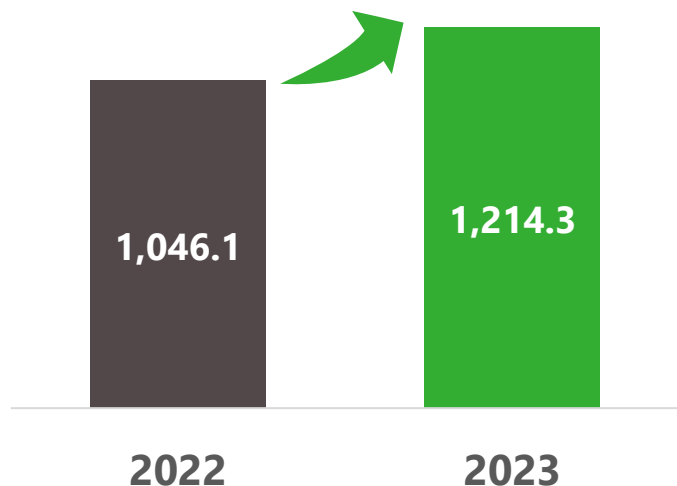
- / **CO₂ intensity reduced by 18.7 percent** (compared to 2022), and around **46 percent lower** than in 2017
- / **100 percent of sales revenues taxonomy-eligible** and **63 percent of sales revenues taxonomy-aligned, leading in Germany**
- / Member of the UN Global Compact

▶ **HIGHLIGHTS 2023**

VOSSLOH GROUP: HIGHLIGHTS 2023

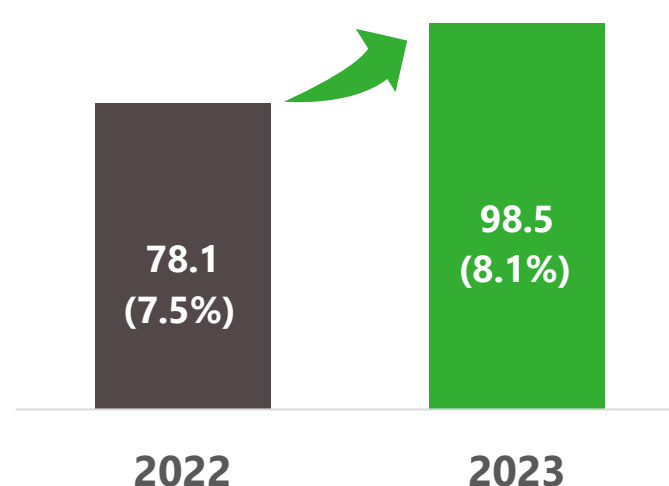
VOSSLOH AGAIN ACHIEVES STRONG SALES REVENUES AND EARNINGS GROWTH, FREE CASH FLOW SIGNIFICANTLY IMPROVED

Sales revenues (in € million)



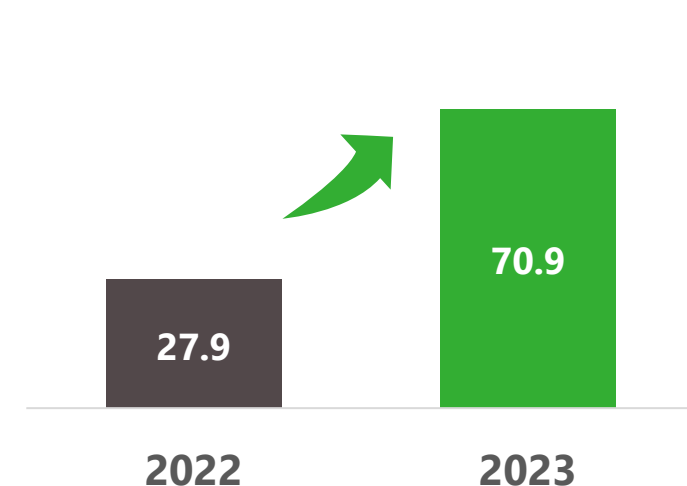
- / Sales revenues rise by 16.1% to new all-time high in rail infrastructure
- / All divisions with significant sales growth
- / Well above the original guidance range (€1.05 billion to €1.15 billion) and at the upper end of the most recently raised corridor (€1.175 billion to €1.225 billion)

EBIT (in € million) / EBIT margin



- / EBIT increases significantly by 26.2%
- / Well above the original guidance range (€79 million to €88 million) and at the upper end of the most recently raised corridor (€94 million to €100 million)
- / Return on capital employed (ROCE) in the double-digit range at 10.5%

Free cash flow (in € million)



- / Free cash flow increases significantly by €43.0 million
- / Higher earnings key driver for sustainably higher free cash flows
- / In addition, first successes of the **group-wide Cash4Growth initiative**, which aims to achieve a sustainable reduction in working capital
- / Dividend proposal increased to €1.05 per share (prior year: €1.00) due to positive business performance

VOSSLOH GROUP: HIGHLIGHTS 2023

VOSSLOH EXPANDS ITS PIONEERING ROLE AS A PROVIDER OF INNOVATIVE RAIL INFRASTRUCTURE SOLUTIONS

Vossloh connect

- Cloud-based "One-stop shop platform" launched
- Numerous internal and external innovative digital solutions
- 2024 further expansion

Ballast monitoring by SMV

- SMV in use to recognize necessary tamping work on the ballast in the switch area in advance

Partnership with PREDGE

- Strategic partnership focuses on predictive maintenance of point machines

Acquisition RailWatch

- Digital expertise greatly expanded
- Wheel-rail contact is crucial for the condition of rail infrastructure

Establishing series production for composite tie

- Environmentally friendly alternative to wooden tie treated with tar oil
- Start of series production in 2024

Expansion of Smart HSG technology in Germany

- Deutsche Bahn is increasingly relying on unique smart HSG technology
- Framework agreement extended in 2024



Switch business in Germany strengthened

- Framework agreement signed for at least 600 switches, for the first time for complete switches with fixed delivery quantities

Strengthening position in Denmark

- Significant increase in market share in switch business in Denmark
- Framework agreement signed for four years with a sales volume of around €40 million

CO₂ emissions reduced

- ~2,500 t CO₂ reduced despite significant increase in sales

Major orders in China

- Two orders with a total volume of €70 million won in the Fastening Systems business unit for the construction of new high-speed lines

Innovation Day with Deutsche Bahn

- The innovations presented, including many digital solutions, were aimed at reducing closure times and increasing the availability of tracks

Investments in photovoltaics

- Capacity up to 6,300 MWh/year

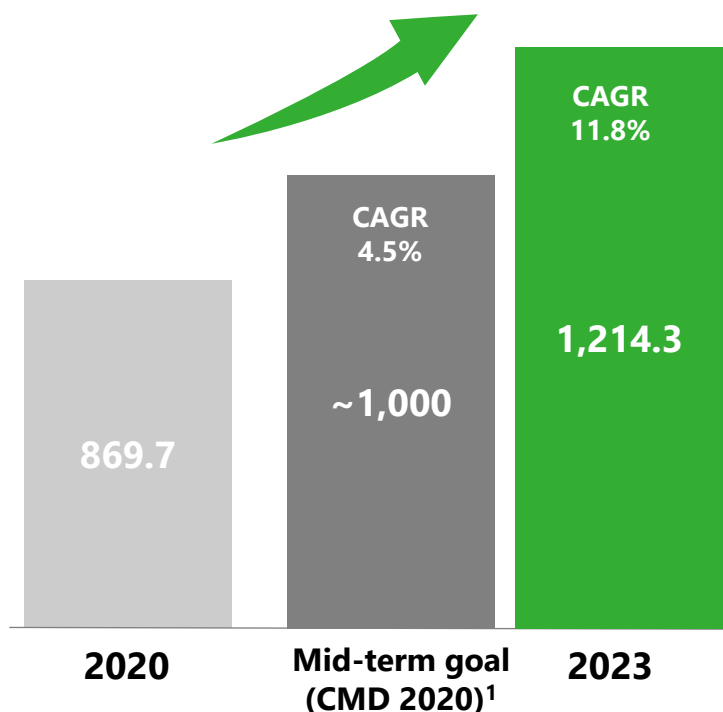
DNP 2023

- Vossloh nominated for the German Sustainability Award 2023 (DNP)

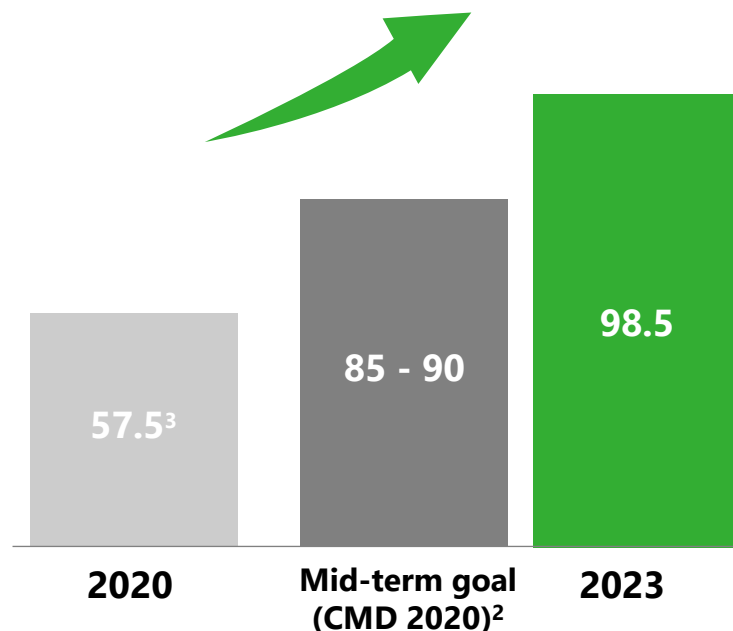
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STRATEGY REVIEW: MID-TERM TARGETS FOR SALES REVENUES AND ABSOLUTE EBIT CLEARLY EXCEEDED DESPITE DIFFICULT CONDITIONS

SALES REVENUES (in € million)



EBIT (in € million)



NOTES

- Targeted annual sales growth (2020 to 2023) of 4%-5% significantly exceeded at over 10%
- Absolute EBIT 2023 significantly higher than estimated at the time; implementation of strategy extremely successful; operating EBIT increased by more than €40 million, operating EBITDA by more than €50 million compared to 2020
- Performance all the more remarkable in view of the numerous global crises in recent years

¹ The CAGR of 4.5% corresponds to the mean value of the communicated mid-term sales growth target of 4% to 5% p.a. by the end of 2020.

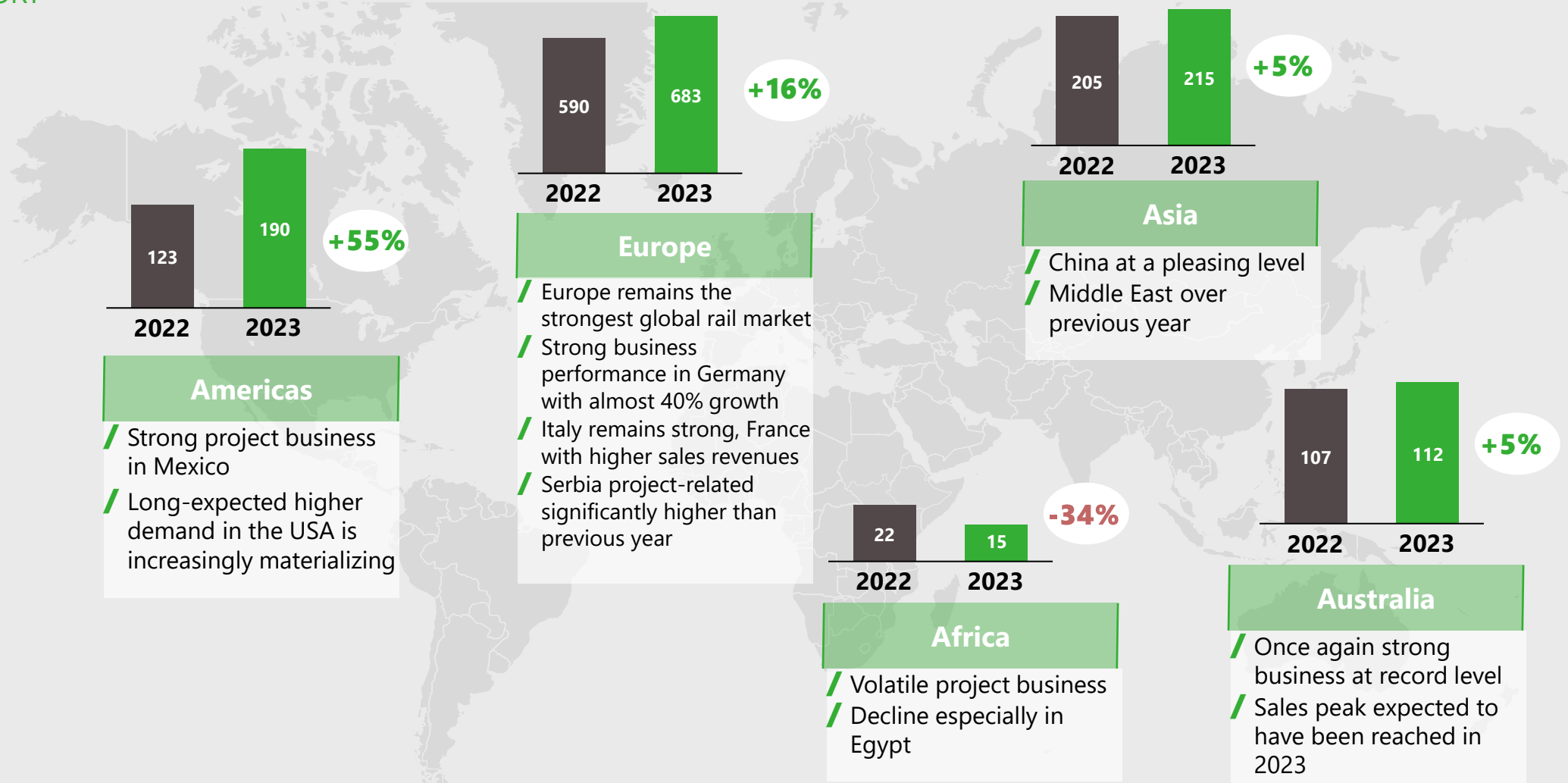
² Absolute EBIT is based on the mid-term margin target communicated at the end of 2020.

³ Reported EBIT 2020 adjusted for the effect of the transitional consolidation of a company in the Fastening Systems business unit.

- ▶ **SALES DEVELOPMENT BY REGION**
- ▶ **SUSTAINABILITY PERFORMANCE 2023**

VOSSLOH GROUP: SALES GROWTH PRIMARILY IN EUROPE AND THE AMERICAS

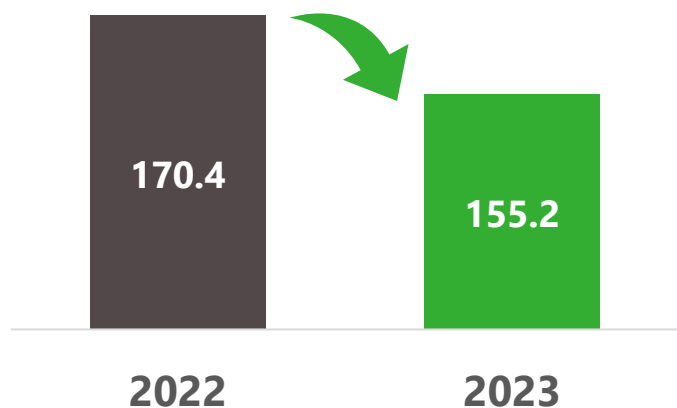
CONTINUED STRONG MARKET ENVIRONMENT DUE TO THE FUNDING OF RAIL AS THE MOST ENVIRONMENTALLY FRIENDLY MODE OF TRANSPORT



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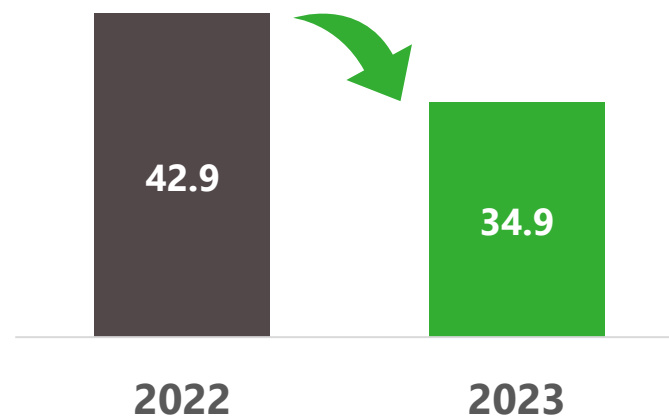
VOSSLOH CONTINUES STRONG SUSTAINABILITY PERFORMANCE IN 2023

Energy intensity (MWh/€ million)



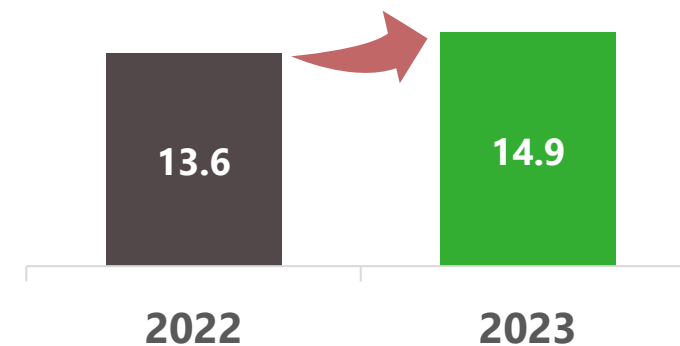
- / Energy intensity **reduced by 9.0%** compared to 2022
- / Greatest **savings in gas and electricity consumption**, primarily through efficiency improvements

CO_{2e} intensity (t CO_{2e}/€ million)



- / CO_{2e} intensity (Scope 1 and 2) **reduced by 18.7%** compared to 2022, already **around 46% lower** than in 2017
- / CO_{2e} emissions **reduced by around 2,500 tons** in absolute terms (corresponds to approx. 5.6%) despite 16.1% increase in sales
- / Decline due to efficiency improvements and a steadily increasing share of **green electricity**



Accident frequency (LTAFR)



- / Lost Time Accidents Frequency Rate (key figure for the frequency of accidents) **increased by 9.6%**
- / After significant improvement in the previous year, still **second-best result** in the last five years
- / Occupational safety as a focus topic with **intensified measures**

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EU TAXONOMY AND EXTERNAL RATINGS UNDERLINE SUSTAINABLE COMMITMENT

EU taxonomy	100% taxonomy-eligible sales revenues	63% taxonomy- aligned sales revenues	Leading in Germany
ESG rating	Scale	Score	
ISS ESG 	A+ to D-	B- (Prime Status)	Top 10% in its industry
MSCI 	AAA to CCC	AA	Top 30% in its industry
ecovadis	0 to 100	93rd percentile	Top 7% of all rated companies

▶ **FINANCIAL OVERVIEW Q1/2024**

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VERY POSITIVE EARNINGS PERFORMANCE IN THE FIRST QUARTER OF 2024

KEY GROUP INDICATORS		1-3/2023	1-3/2024
Sales revenues	€ mill.	256.3	268.8
EBITDA / EBITDA margin	€ mill. / %	26.9 / 10.5	31.0 / 11.5
EBIT / EBIT margin	€ mill. / %	14.0 / 5.5	17.9 / 6.7
Net income	€ mill.	4.8	10.6
Earnings per share	€	0.07	0.39
Free cash flow	€ mill.	(27.5)	(19.9)
Capital expenditure	€ mill.	9.4	10.4
Value added	€ mill.	(6.0)	(4.9)
ROCE	%	6.0	7.5

NOTES

Sales revenues up by 4.9 percent, strongest absolute growth in the Customized Modules division

EBIT and **EBIT margin** are also above the previous year's high figures, with Core Components in particular showing a significant improvement in earnings and profitability, Customized Modules also improved noticeably

Net income as a result of the operating improvement and lower interest and tax expenses more than doubled compared to previous year; **Earnings per share** increased notably

Free cash flow negative in the first quarter, as is typical for the season; improved year on year, in particular due to higher operating earnings power

Capital expenditure slightly above previous year's level; distinct rise in Capital expenditure expected over the course of the year, primarily due to the construction of new plants in Australia and Sweden in the Customized Modules division

Value added still negative at the start of the year, as expected; improved year on year despite higher cost of capital of 9.5 percent (previous year: 8.5 percent); significant improvement in **ROCE**, ROCE excluding goodwill already in double-digit percentage range in Q1

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NET FINANCIAL DEBT SIGNIFICANTLY LOWER COMPARED TO THE END OF Q1/2023

KEY GROUP INDICATORS		1-3/2023	2023	1-3/2024
		3/31/23	12/31/23	3/31/24
Equity	€ mill.	626.3	638.5	649.8
Equity ratio	%	44.5	45.8	46.9
Average working capital	€ mill.	214.6	209.4	213.7
Average working capital intensity	%	20.9	17.2	19.9
Closing working capital	€ mill.	237.7	193.1	234.2
Average capital employed	€ mill.	943.0	937.2	958.9
Closing capital employed	€ mill.	962.9	939.2	978.5
Net financial debt (excl. lease liabilities)	€ mill.	234.6	182.9	202.3
Net financial debt	€ mill.	273.4	219.5	239.2

NOTES

Equity increased noticeably compared to the end of Q1/2023; Equity ratio remains at a high level

Closing working capital increased substantially compared to year-end 2023, as is typical for the season, in particular due to higher receivables; in total below the comparable prior-year figure despite sales growth; **Average working capital intensity** improved by one percentage point compared to Q1/2023

Closing capital employed increased noticeably compared to the end of 2023 due to the higher working capital; increase in **Average capital employed** mainly due to higher fixed assets compared to the previous year

Net financial debt increased compared to year-end, in particular due to the seasonally negative Free cash flow in Q1/2024, but markedly improved compared to the end of Q1/2023

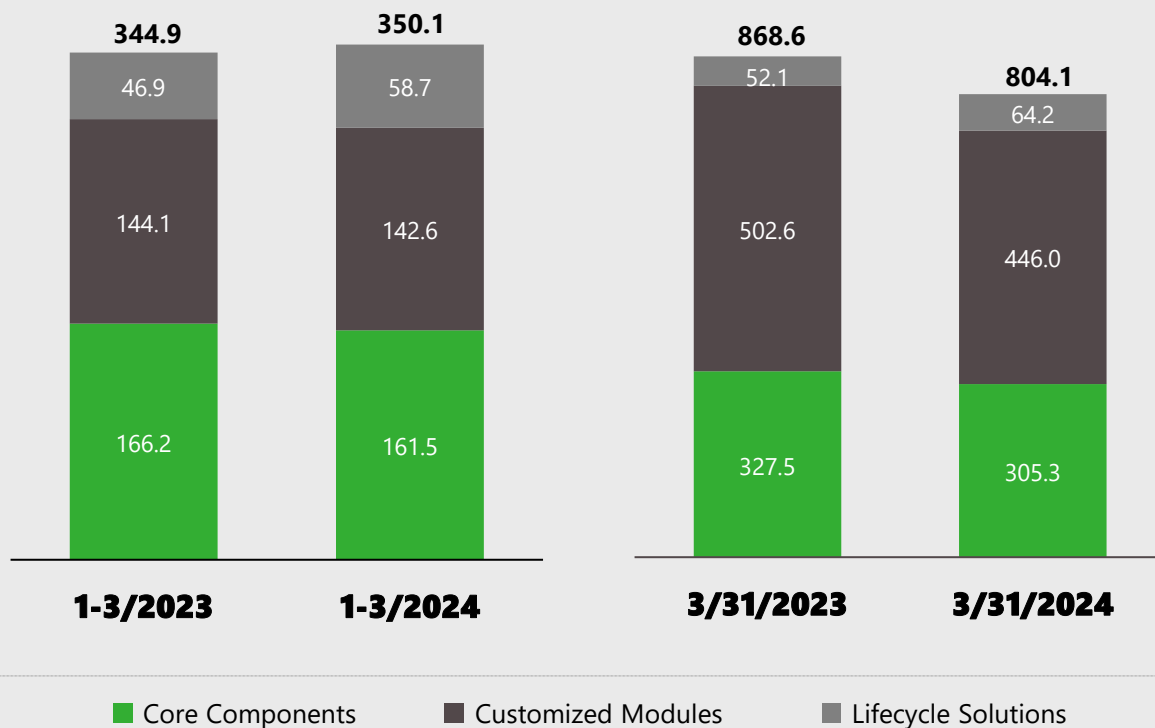
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ORDERS RECEIVED IN Q1/2024 AGAIN AT RECORD LEVEL

ORDERS RECEIVED (in € mill.)

ORDER BACKLOG (in € mill.)

NOTES



Orders received in the first quarter of 2024 exceed high prior-year level; in particular higher orders received in the USA (VTT), Italy (CM and VFS), Canada (VTT) and China (LS); in contrast, lower orders received in Mexico (VTT and VFS), Australia (VTT and CM) and Serbia (CM); Book-to-bill at 1.30

Order backlog exceeds €800 million, below previous year but nevertheless above historical average; previous year's figure still included over €35 million in orders from the Signalling Systems activities of the Customized Modules division, which were sold at the beginning of March; in addition, the decline in Customized Modules is primarily due to a lower order backlog in Serbia following the completion of a new construction project; Core Components also declined, mainly due to the realization of the Mexico project in the course of 2023; Lifecycle Solutions, on the other hand, noticeably above previous year, in particular due to high orders received in China and Northern Europe

VOSSLOH GROUP: OUTLOOK

VOSSLOH EXPECTS NOTICEABLE INCREASE IN EARNINGS IN 2024

Sales revenues

2023: €1.21 billion

Outlook 2024: €1.16 billion to €1.26 billion

/ Despite the expiry of some major projects for new lines, mainly in Mexico and Serbia, which contributed to exceptionally strong sales growth in 2023, Vossloh expects sales in 2024 - based on the mean value of the sales guidance - to be roughly on a par with the previous year based on overall positive market demand.

Value added

2023: €18.9 million

Outlook 2024: €7.5 million to €22.5 million

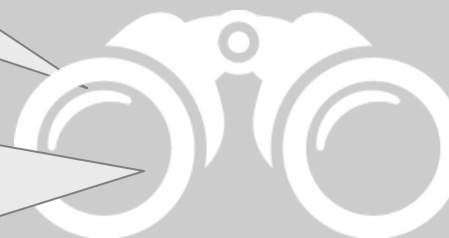
/ The weighted average cost of capital before taxes (WACC) relevant for internal management will be raised to 9.5% in the 2024 financial year (2023: 8.5%) as a result of the general interest rate trend.

EBIT

2023: €98.5 million

Outlook 2024: €100 million to €115 million

/ A further increase in EBIT is forecast for the 2024 financial year. The expected growth is attributable to the Customized Modules and Lifecycle Solutions divisions. Based on the mean value of the sales guidance, the forecast corridor for the EBIT margin is between 8.3% and 9.5% (2023: 8.1%).





Q&A

**THANK YOU FOR YOUR
ATTENTION!**