

**PRESENTATION ON THE
ANNUAL REPORT 2023
FRANKFURT, MARCH 21, 2024**

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Dr. Thomas Triska, CFO
Jan Furnivall, COO



DISCLAIMER

NOTE

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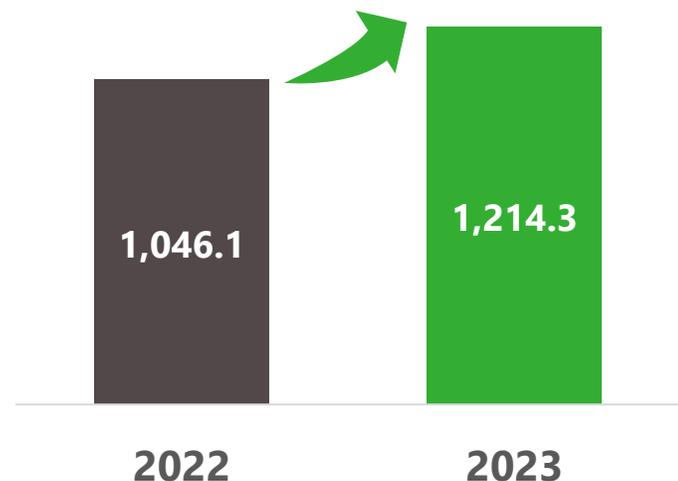
OLIVER SCHUSTER (CEO)

- ▶ **HIGHLIGHTS 2023**
- ▶ **FINANCIAL MID-TERM GROUP TARGETS FOR 2023 EXCEEDED OVERALL**

VOSSLOH GROUP: HIGHLIGHTS 2023

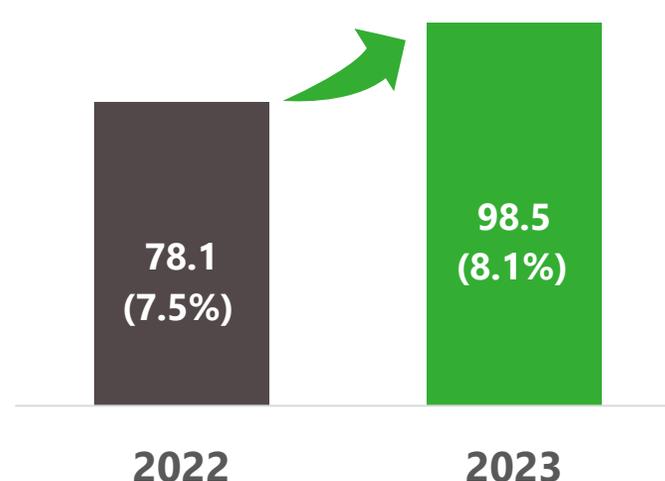
VOSSLOH AGAIN ACHIEVES STRONG SALES REVENUES AND EARNINGS GROWTH, FREE CASH FLOW SIGNIFICANTLY IMPROVED

Sales revenues (in € million)



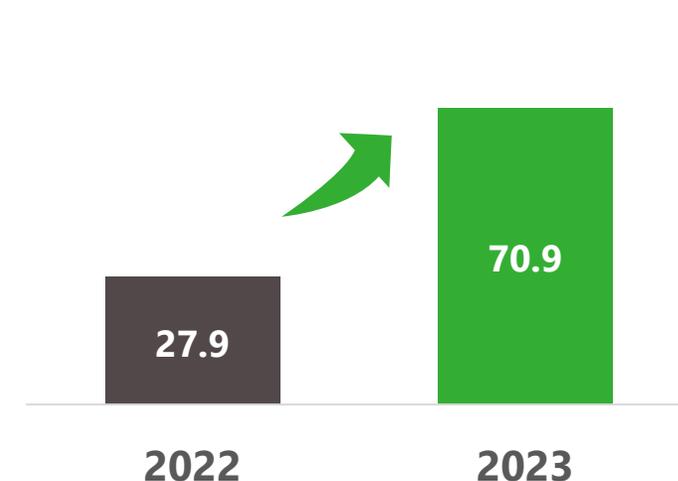
- / Sales revenues rise by 16.1% to new all-time high in rail infrastructure
- / All divisions with significant sales growth
- / Well above the original guidance range (€1.05 billion to €1.15 billion) and at the upper end of the most recently raised corridor (€1.175 billion to €1.225 billion)

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

DNP 2023

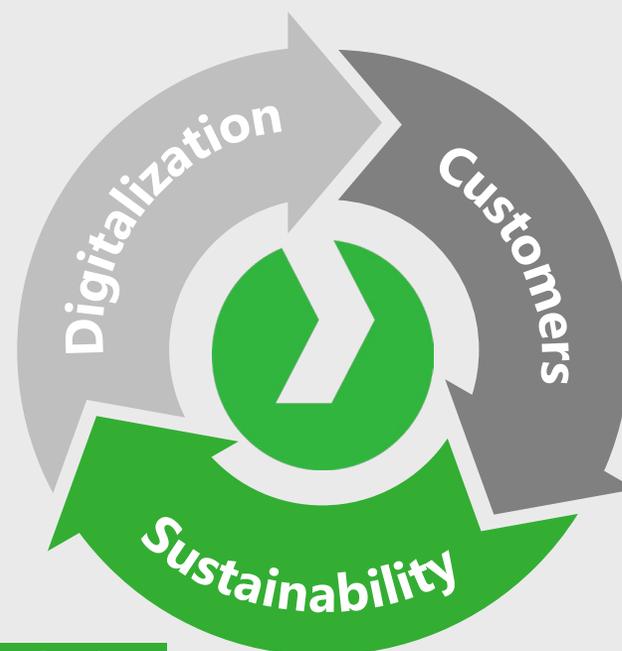
- ✓ Vossloh nominated for the German Sustainability Award 2023 (DNP)

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

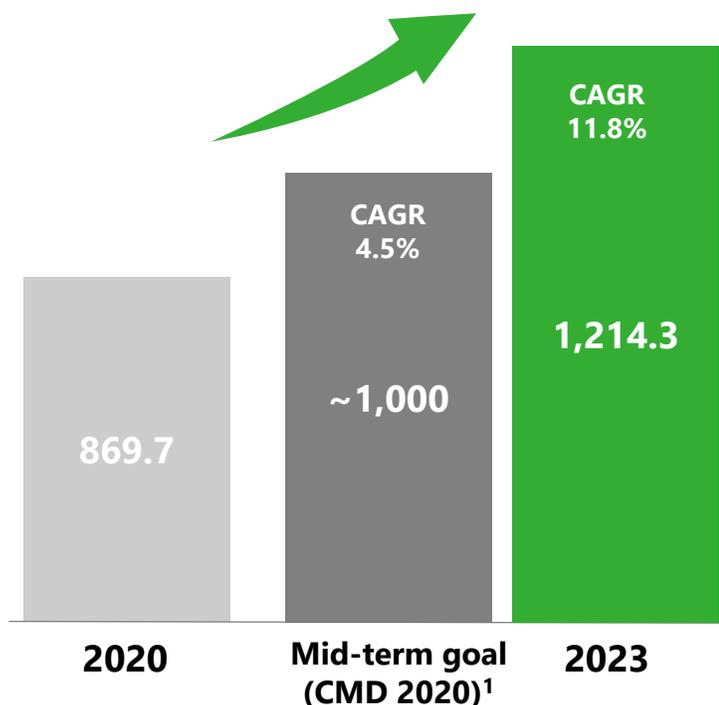
- ✓ The innovations presented, including many digital solutions, were aimed at reducing closure times and increasing the availability of tracks



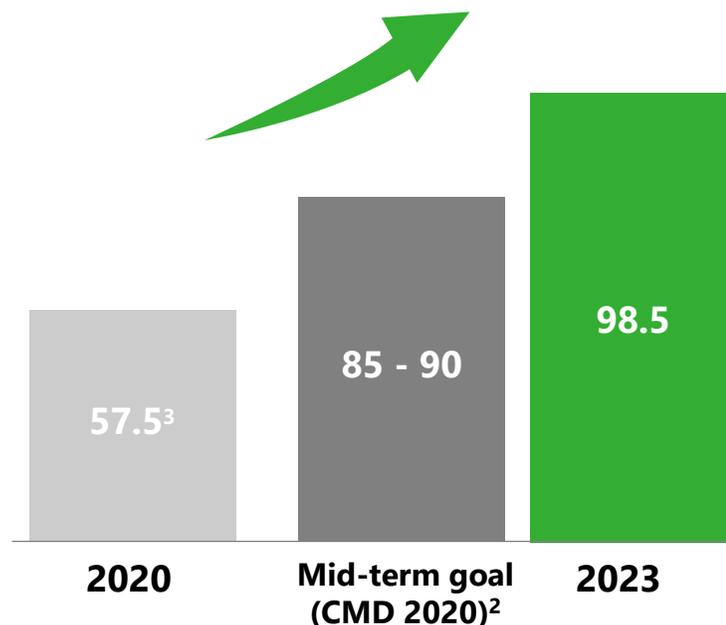
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STRATEGY REVIEW: MID-TERM TARGETS FOR SALES REVENUES AND ABSOLUTE EBIT CLEARLY EXCEEDED DESPITE DIFFICULT CONDITIONS

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.

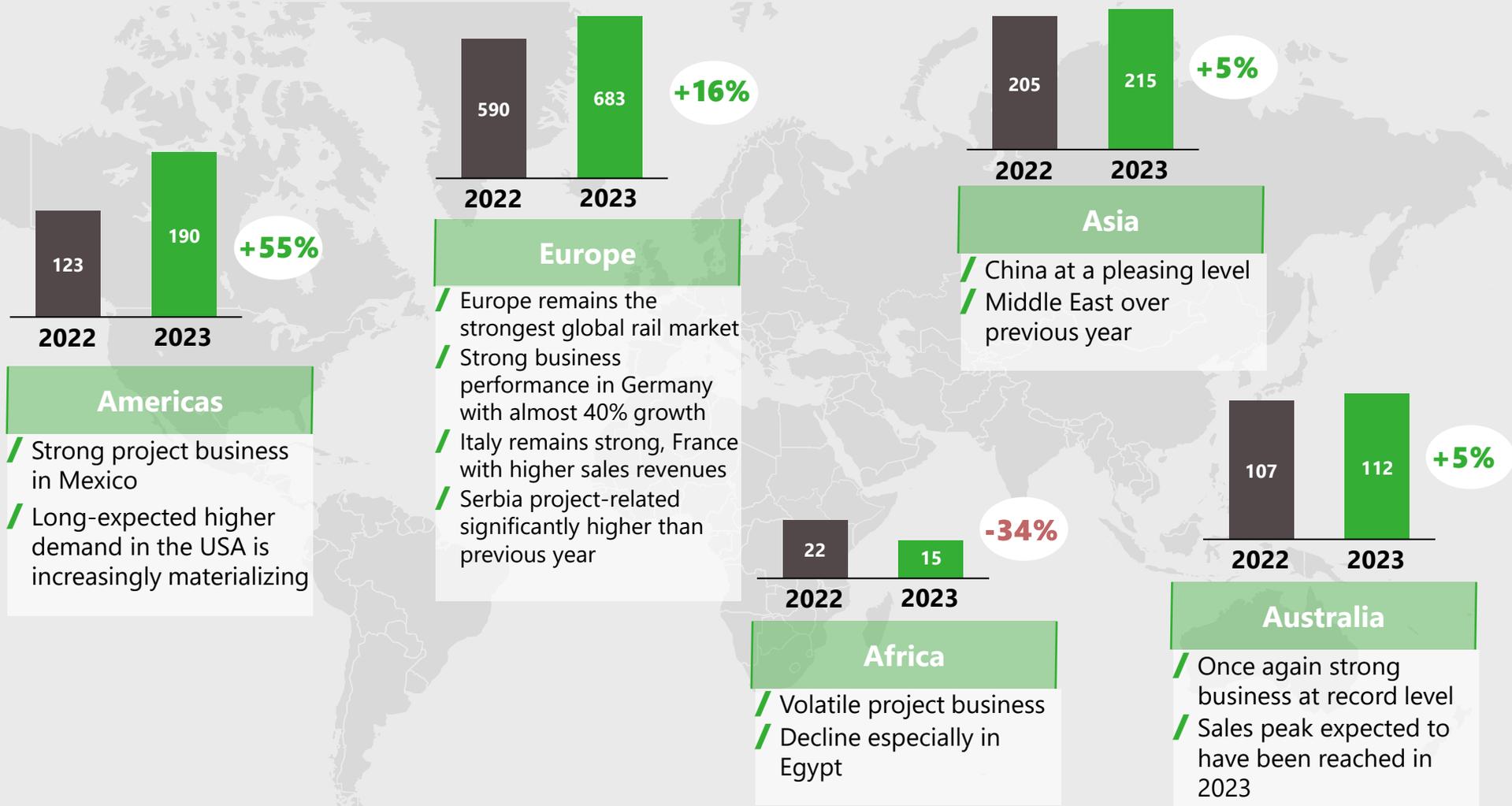
³ Reported EBIT 2020 adjusted for the effect of the transitional consolidation of a company in the Fastening Systems business unit.

JAN FURNIVALL (COO)

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

VOSSLOH GROUP: SALES GROWTH PRIMARILY IN EUROPE AND THE AMERICAS

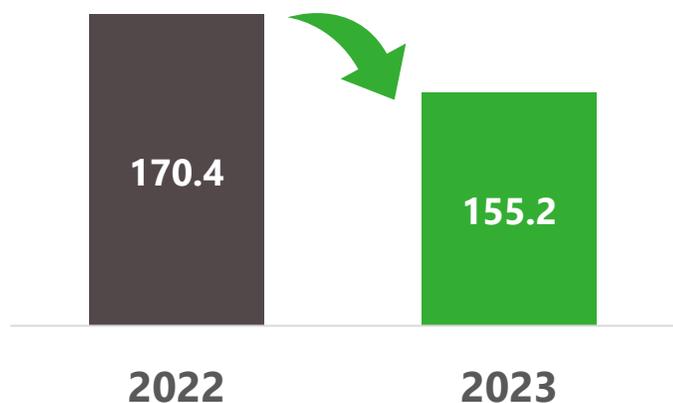
CONTINUED STRONG MARKET ENVIRONMENT DUE TO THE FUNDING OF RAIL AS THE MOST ENVIRONMENTALLY FRIENDLY MODE OF TRANSPORT



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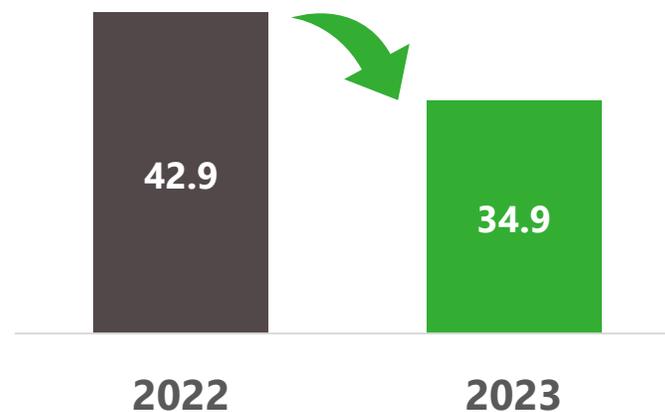
VOSSLOH CONTINUES STRONG SUSTAINABILITY PERFORMANCE IN 2023

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

DR. THOMAS TRISKA (CFO)

▶ **FINANCIAL DEVELOPMENT 2023**

VOSSLOH GROUP

SIGNIFICANT RISE IN SALES REVENUES AND EBIT, CONSIDERABLY IMPROVED FREE CASH FLOW

KEY GROUP INDICATORS

		2022	2023
Sales revenues	€ mill.	1,046.1	1,214.3
EBITDA / EBITDA margin	€ mill. / %	131.2 / 12.5	158.0 / 13.0
EBIT / EBIT margin	€ mill. / %	78.1 / 7.5	98.5 / 8.1
Net income	€ mill.	56.0	55.3
Earnings per share	€	2.38	2.21
Free cash flow	€ mill.	27.9	70.9
Capital expenditure	€ mill.	58.2	74.5
Value added	€ mill.	11.5	18.9
ROCE	%	8.2	10.5

NOTES

Sales revenues up by 16.1%; all divisions achieve strong sales growth, Lifecycle Solutions with strongest percentage growth

EBIT 26.2% higher year on year; Core Components in particular significantly up on the previous year, Customized Modules also with noticeably higher EBIT

Net income at previous year's level due to higher tax rate (exceptionally low in 2022 due to capitalization of deferred taxes) and higher interest expenses

Earnings per share slightly below prior year, dividend proposal of €1.05 per share corresponds to a payout ratio of 47.5%

Significant improvement in **free cash flow**, primarily due to higher operating profitability and first effects from the group-wide Cash4Growth initiative

Capital expenditure significantly above previous year's level; all divisions with noticeably higher capital expenditure, e.g. production site for composite ties and new turnout plant in Australia

Value added noticeably above previous year despite higher cost of capital

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POSITIVE EFFECTS FROM WORKING CAPITAL PROGRAM, NET FINANCIAL DEBT NOTICEABLY REDUCED

KEY GROUP INDICATORS		2022	2023
		12/31/2022	12/31/2023
Equity	€ mill.	625.1	638.5
Equity ratio	%	45.7	45.8
Average Working capital	€ mill.	218.1	209.4
Average Working capital intensity	%	20.8	17.2
Closing working capital	€ mill.	191.6	193.1
Fixed assets	€ mill.	731.6	746.1
Average Capital employed	€ mill.	950.6	937.2
Closing capital employed	€ mill.	923.2	939.2
Net financial debt (excl. lease liabilities)	€ mill.	197.6	182.9
Net financial debt	€ mill.	237.5	219.5

NOTES

Equity increased slightly as a result of the positive earnings performance; Equity ratio remains at a high level

No significant increase in **closing working capital** despite significant increase in sales of 16.1%; **average working capital intensity** subsequently improved by 3.6 percentage points; group-wide working capital program Cash4Growth launched in 2023 with first positive effects

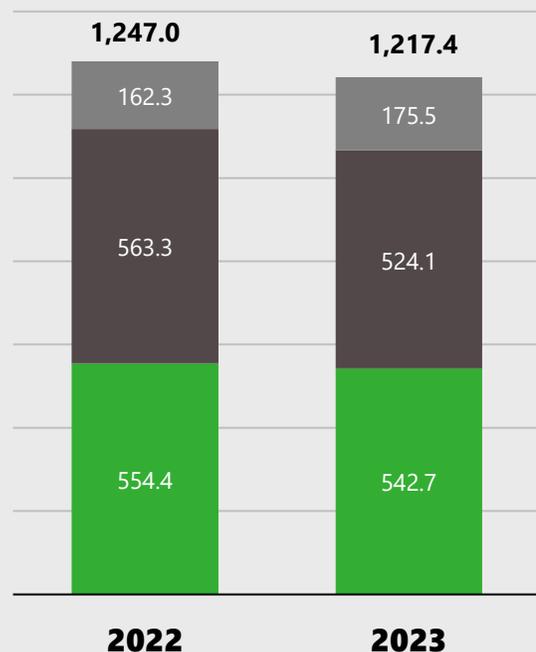
Closing capital employed increased compared to 12/31/2022 mainly due to higher capital expenditure, growth is attributable to Customized Modules and Lifecycle Solutions

Net financial debt incl. lease liabilities down by €18.0 million compared to year-end 2022, free cash flow 2023 exceeds dividend, lease and interest payments in total; new syndicated loan concluded at the beginning of 2024

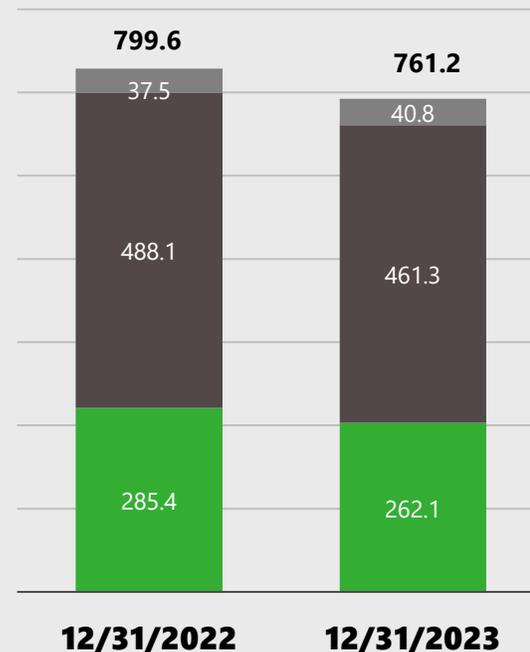
VOSSLOH GROUP

ORDER BACKLOG REMAINS WELL ABOVE HISTORICAL AVERAGE

ORDERS RECEIVED (in € million)



ORDER BACKLOG (in € million)



NOTES

Orders received mark the second-highest figure in the infrastructure business in the company's history, slightly below the record figure in the previous year; lower orders received in particular in Egypt, Australia, Italy and the Middle East region, but project-related notably higher orders received in Mexico; order situation in Western Europe remains positive, especially in Germany, with France also showing a noticeable improvement

Order backlog negatively impacted by exchange rate effects; nevertheless second-highest figure in the company's history at the end of a year achieved; Core Components below previous year, primarily lower order backlog in Australia; Customized Modules slightly below previous year, including lower order backlog in Italy and Serbia; Lifecycle Solutions slightly above previous year, higher order backlog primarily in Germany

■ Core Components ■ Customized Modules ■ Lifecycle Solutions

CORE COMPONENTS DIVISION

SIGNIFICANT INCREASE IN SALES REVENUES COMBINED WITH NOTICEABLY IMPROVED PROFITABILITY

SALES REVENUES

(in € million)



EBITDA

(in € million)



EBITDA MARGIN

(in %)



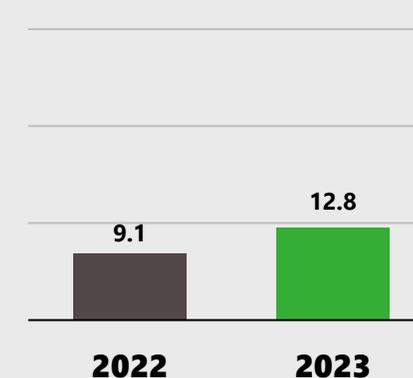
EBIT

(in € million)



EBIT MARGIN

(in %)



Sales revenues up by 13.4% on the previous year; increase in sales mainly attributable to the Tie Technologies business unit

EBIT up by 59.5% on previous year; primarily due to increased sales revenues and higher-margin project mix; EBIT margin up 3.7 percentage points; previous year's figures were negatively impacted by a sharp rise in material and energy prices

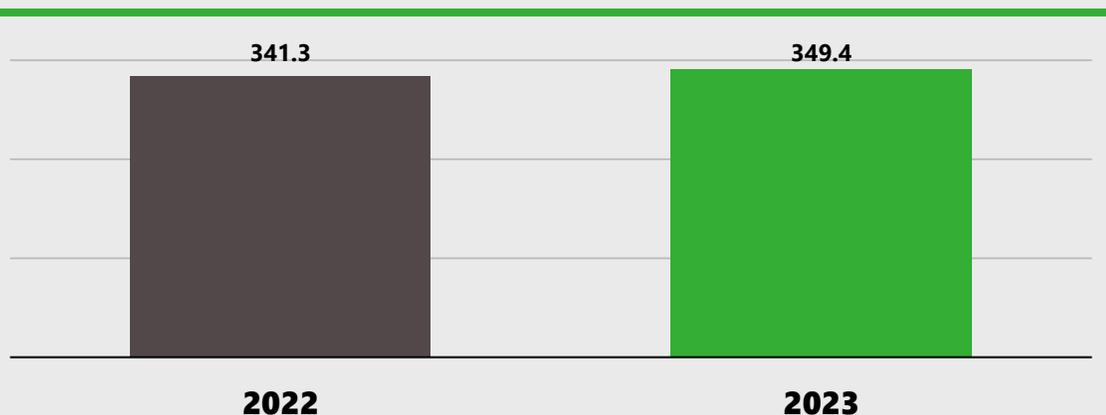
ROCE rises above the 20% mark; value added more than doubled despite higher cost of capital due to higher WACC

(in %)	2022	11.9
ROCE	2023	21.2
(in € million)	2022	18.0
VALUE ADDED	2023	41.8

FASTENING SYSTEMS BUSINESS UNIT

SALES REVENUES SLIGHTLY ABOVE PREVIOUS YEAR'S ALREADY HIGH FIGURE, VALUE ADDED SIGNIFICANTLY INCREASED

SALES REVENUES (in € million)

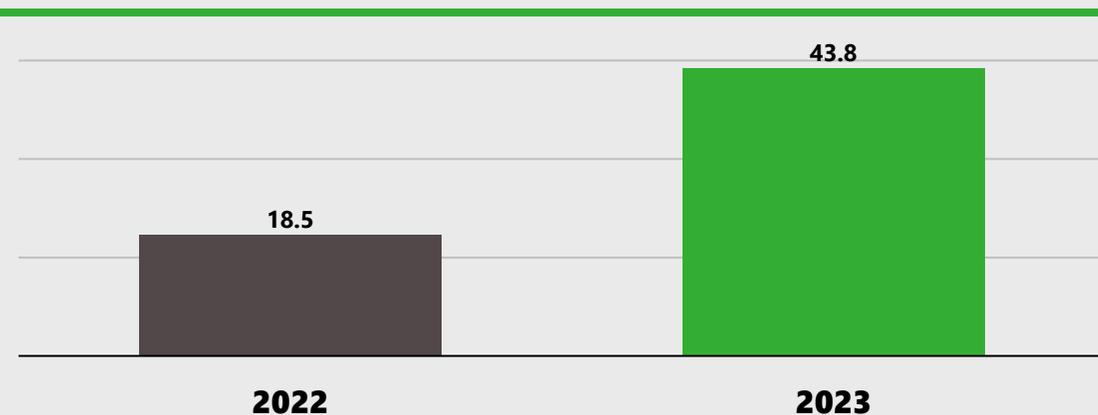


Orders received fell noticeably, previous year's figure boosted by order to supply rail fastening systems for the construction of a new high-speed line in Egypt

Higher sales revenues, particularly in Mexico, Germany, Italy and the Netherlands, more than compensated for declines in sales, especially in Australia and Egypt

Value added more than doubled, mainly due to a better project mix, particularly in China and at the German site; previous year's figure was burdened by significantly higher procurement prices

VALUE ADDED (in € million)



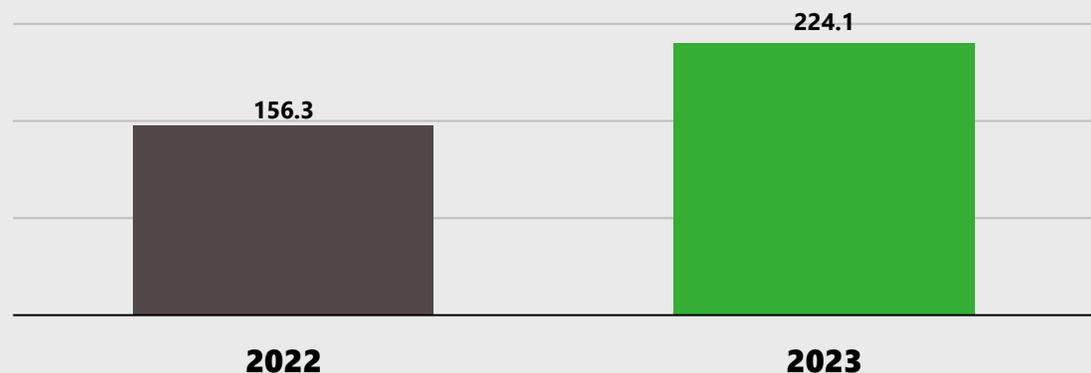
(in € million)	2022	391.8
ORDERS RECEIVED	2023	356.1

(in € million)	12/31/2022	199.1
ORDER BACKLOG	12/31/2023	189.2

TIE TECHNOLOGIES BUSINESS UNIT

SIGNIFICANTLY HIGHER SALES REVENUES ACHIEVED, VALUE ADDED BELOW PREVIOUS YEAR DUE TO HIGHER COST OF CAPITAL

SALES REVENUES (in € million)

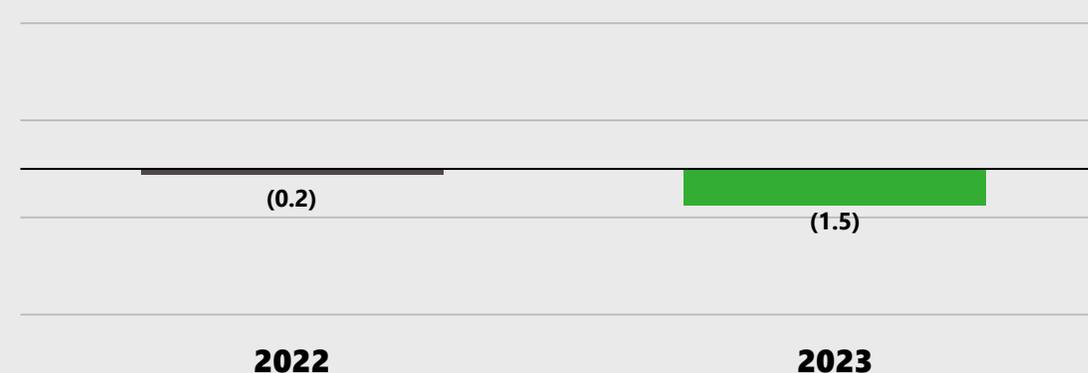


Orders received reach historic high and are up by 20.1% on the previous year; increase is largely due to strong project-related demand in Mexico

Sales revenues also reach a record level and are up by 43.3% on the previous year, significant increase in sales in Mexico, higher sales also in the USA thanks to higher call-offs by the Class I companies

Value added negative and below previous year due to higher costs of capital; also burdened by higher maintenance expenses at an Australian location and due to the impairment of an investment

VALUE ADDED (in € million)



(in € million)	2022	178.0
ORDERS RECEIVED	2023	213.9

(in € million)	12/31/2022	89.5
ORDER BACKLOG	12/31/2023	76.7

CUSTOMIZED MODULES DIVISION

SALES REVENUES REACH ALL-TIME HIGH, EBIT SIGNIFICANTLY ABOVE PREVIOUS YEAR

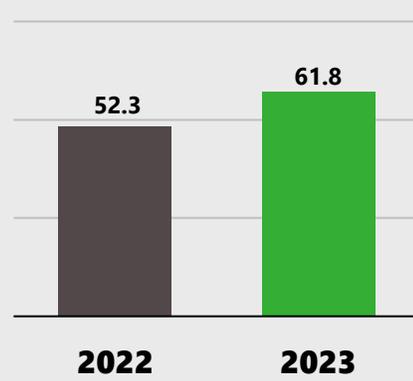
SALES REVENUES

(in € million)



EBITDA

(in € million)



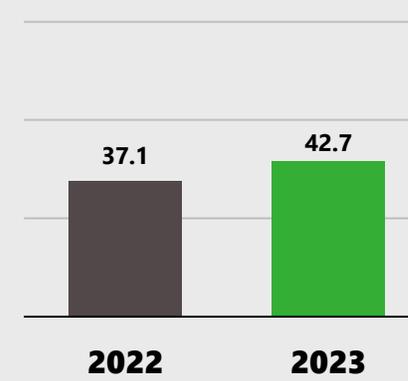
EBITDA MARGIN

(in %)



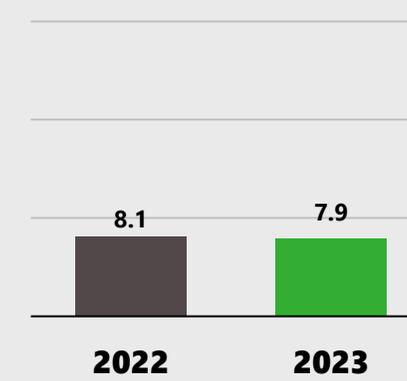
EBIT

(in € million)



EBIT MARGIN

(in %)



Orders received at the second-highest level in the company's history, only behind the previous year's record, lower orders received in particular in the Middle East and Italy, but noticeable growth in France and Germany

Sales revenues up by 17.8% on the previous year at a new all-time high; strong sales growth in Europe (particularly in Italy, Serbia and Germany)

EBIT increased by 14.8%, in particular thanks to higher earnings contributions from the locations in Luxembourg, Poland and France; EBIT margin was only slightly below the previous year despite the impairment of an investment and project-related follow-up costs

(in %)	2022	9.9
ROCE	2023	11.2
(in € million)	2022	10.8
VALUE ADDED	2023	10.4

LIFECYCLE SOLUTIONS DIVISION

SALES REVENUES RISE TO NEW RECORD LEVEL, EBIT ALMOST UNCHANGED AT PREVIOUS YEAR'S LEVEL

SALES REVENUES

(in € million)



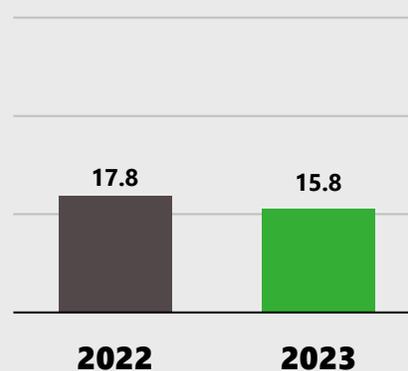
EBITDA

(in € million)



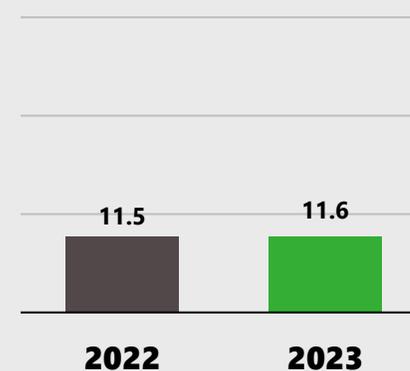
EBITDA MARGIN

(in %)



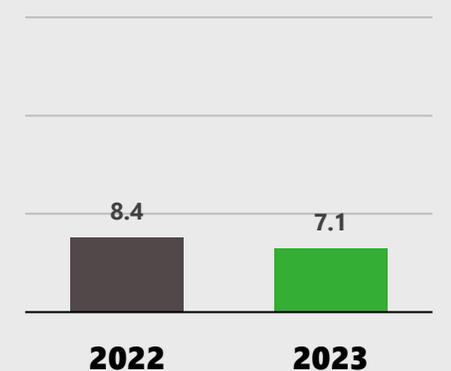
EBIT

(in € million)



EBIT MARGIN

(in %)



Orders received at record level, up by 8.1% year on year due to significantly higher orders in Germany and the Netherlands

Sales revenues rise by 20.3% to a new high, mainly due to the framework agreement signed last year for preventive rail maintenance (High Speed Grinding) with Deutsche Bahn and in the Track Supply area (mainly in Germany)

EBIT remains at the previous year's level; while EBIT in particular from preventive and corrective maintenance services (high-speed grinding and milling) increased noticeably, EBIT contributions from machine sales in particular were down on the previous year

(in %)

ROCE

2022

5.6

2023

5.3

(in € million)

VALUE ADDED

2022

(2.9)

2023

(7.1)

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%).



FINANCIAL CALENDAR AND CONTACTS

HOW TO REACH US

Financial calendar 2024

- / April 25, 2024 Interim statement as of March 31, 2024
- / May 15, 2024 Annual General Meeting
- / July 25, 2024 Semi-annual report as of June 30, 2024
- / October 31, 2024 Interim statement as of September 30, 2024

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Q&A

**THANK YOU FOR YOUR
ATTENTION.**