



**COMMERZBANK & ODDO BHF CORPORATE CONFERENCE** 



# MEGATRENDS ARE DRIVING THE "SHIFT TO RAIL"

GROWING DEMAND FOR SUSTAINABLE MOBILITY



### **Population growth**

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



### **Urbanization**

Today, around 55% of people live in cities. By 2050, this proportion is expected to rise to 68%, which will lead to an increase in the volume of local transportation.



### **Globalization**

International trade flows will continue to increase. This requires efficient transportation systems.



### Sustainability

Rail is the mass transportation mode with the best CO<sub>2</sub> footprint and is therefore a key driver of green mobility.



Digitalization, including IoT, AI, big data, and data analytics, is a process of change for society and will also lead to significant changes in the railway industry.



# **RAIL INVESTMENT PROGRAMS WORLDWIDE**

THE RAILWAY IS EXPERIENCING A RENAISSANCE



### **Germany**

€500 billion Special Fund for Infrastructure and Climate Neutrality

€106.6 billion for rail infrastructure until 2029 in accordance with the 2025 draft budget **Record investment of €21.8 billion** planned for 2025



### Italy

€25 billion from the EU Recovery & Resilience Facility €1.5 billion "Complementary Fund"



### China

+50,000 km for the expansion of the entire rail network

+30,400 km for the expansion of high-speed lines





### India

### ~€120 billion

"Modi 3.0 Mega Plan" +40,000 km for the expansion of railroad lines along three economic corridors

~€18 billion for the Ahmedabad-Mumbai highspeed line (planned commissioning by April 2029)

### **USA**

### €1 Trillion

"Bipartisan Infrastructure Law"

€60 billion for the modernization of longdistance passenger transport

€82 billion for public transit traffic



### **Brazil**

~€50 Billion

approx. €15 billion from the PAC program for rail

>€30 billion from the SP rail program

and security-related areas such as infrastructure, is not yet included in the programs

Further upside potential: Additional NATO member state spending (1.5% of GDP), allocated to defense



### **Egypt**

~€46 billion

"Egypt Vision 2030" 2,000 km High Speed until 2030



**C**\*

# ~€180 billion

for the expansion of the rail network by 2053

+6,000 km

Expansion of the entire rail network

+4,300 km



### **Australia**

€69 billion Investment plan for infrastructure

€8 billion for domestic rail projects





Expansion of high-speed lines





# DIGITALIZATION AS A KEY TO OPTIMIZED USE OF EXISTING INFRASTRUCTURE

TRACK AVAILABILITY IS INCREASINGLY BECOMING THE FUTURE VALUE DRIVER FOR CUSTOMERS







EUROPEAN TRAIN
CONTROL SYSTEM (ETCS)

DIGITAL

**EFFICIENT MAINTENANCE** 



## **MAINTENANCE BECOMES PREDICTIVE**

REVOLUTIONIZING RAIL MAINTENANCE WITH AUTOMATION AND ARTIFICIAL INTELLIGENCE



- Maintenance to date: Experienced inspectors carry out regular visual inspections of tracks, signals, and rail vehicles
- Decisions are based on empirical rules derived from historical data and previous experience
- Maintenance work is planned based on time intervals or mileage



- Maintenance increasingly relies on automated systems that use sensors and AI for condition monitoring
- The rail infrastructure is monitored from three perspectives: from the track, from the train, and from outside
- Degradation models enable forecasts and simulations
- Maintenance is becoming condition-based and forward-looking







>100

Countries with Vossloh products



300,000+ km

of track ground with high-speed grinding



>4,300

employees



>40 production sites in 20 countries



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

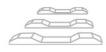


~50 million

tension clamps per year produced



**>4,000 switches** produced per year



>50 million concrete sleepers produced



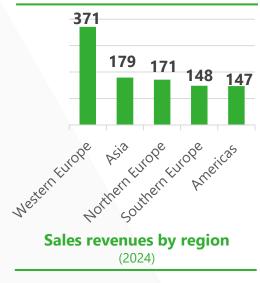
# **VOSSLOH IS TRUSTED BY CUSTOMERS WORLDWIDE**

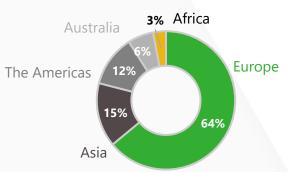
WE ARE PARTNERS OF ALL MAJOR NETWORK OPERATORS ON FIVE CONTINENTS

### A selection of customers we support



# **TOP Regions Countries** (2024, Sales revenues in €million)





# PERFECTLY POSITIONED TO BENEFIT FROM GLOBAL MEGATRENDS



BRIGHT PROSPECTS IN THE RAIL INFRASTRUCTURE GROWTH MARKET FOR VOSSLOH

### Shift to rail

- Global megatrends will provide strong tailwinds in the coming decades
- Sustainability favors clean modes of transport

### **Unique positioning**

- Comprehensive portfolio and understanding of the rail system
- ▶ Global market presence and customer access
- Solutions for higher track availability

# Track availability is key

With increasing traffic density, track availability is becoming a key success factor for rail networks

Superior products and more efficient maintenance solutions are needed to increase track availability

New business models and digital solutions are required



UNIQUELY BROAD PORTFOLIO FOR RAIL TRACK







We are MANUFACTURER

We are MAINTAINER

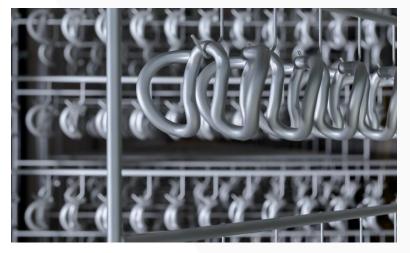
We are **DIGITAL** 



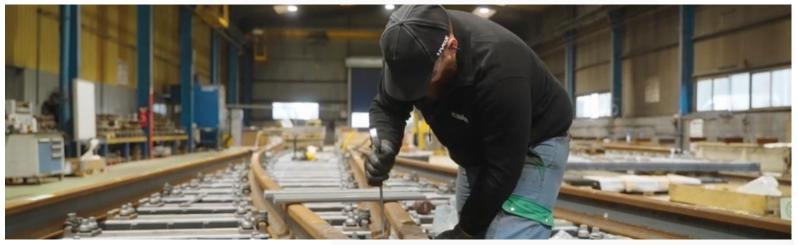
**OUTSTANDING IN HARDWARE AND TECHNOLOGY** 

### We are manufacturer

- Leading market positions
- ▶ Comprehensive hardware portfolio
- Covers all areas of application
- > Technology leadership
- ▶ Unique focus on the rail track
- Systemic understanding









PREVENTIVE, CORRECTIVE, TAILORED TO YOUR NEEDS FOR THE PERFECT RAIL TRACK

### We are maintainer

- ▶ Broad service portfolio for rail
- Tailor-made (corrective and preventive) maintenance
- No. 1 in Germany for track supply
- > European market leader in rail milling
- Unique High Speed Grinding technology









WE CONNECT THE REAL WORLD WITH THE DIGITAL WORLD

### We are digital

- Over 120 digital experts in action
- Cloud-based real-time monitoring
- Comprehensive 360-degree understanding of the track
- Condition-based and predictive maintenance
- Data-driven insights for product innovation





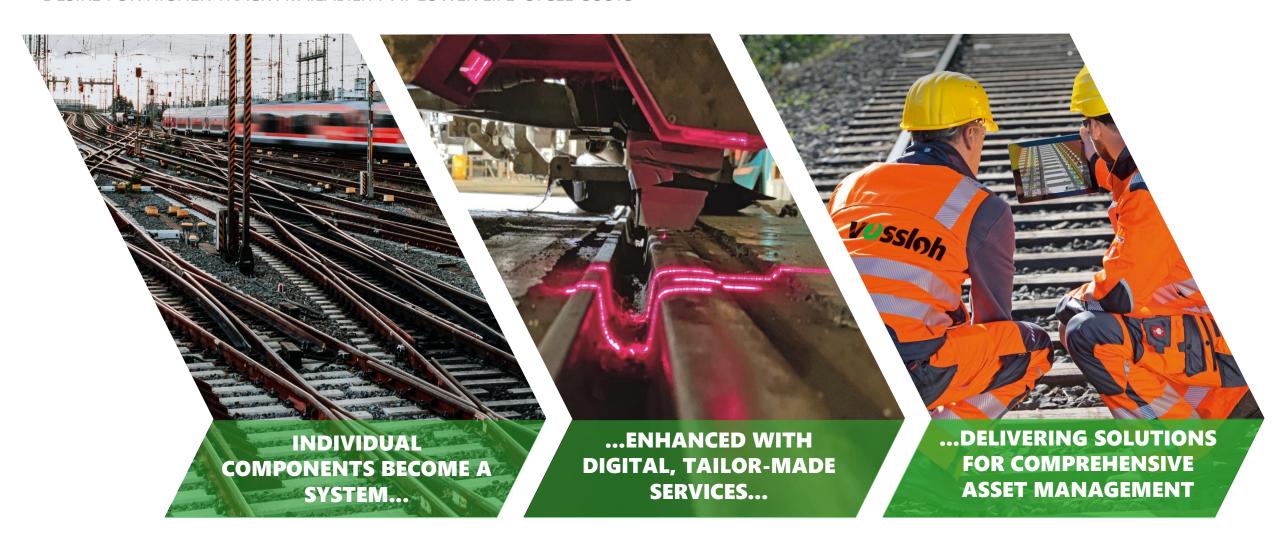




# THE SYSTEM HOUSE APPROACH TAKES CHANGING CUSTOMER NEEDS INTO ACCOUNT



DESIRE FOR HIGHER TRACK AVAILABILITY AT LOWER LIFE-CYCLE COSTS





# **UNIQUE WORLDWIDE FOCUS ON RAIL INFRASTRUCTURE**

**OUR BUSINESS UNITS** 



### **CORE COMPONENTS**

Industrially manufactured series products for rail infrastructure projects



**Fastening Systems** 

of tracks in Europe





Werdohl,

### **Tie Technologies**

85+ countries and 70% Market leader in North America equipped with Vossloh (70% market share) and Australia (75%)



#### **CUSTOMIZED MODULES**

Project-specific modular solutions







#### **Switch Systems**

One of the world's leading manufacturer of switch systems with over 100 years of experience; delivery of switches to over 80 countries



#### LIFECYCLE SOLUTIONS

Specialized services for the entire lifecycle of rails and switches







Hamburg

#### **Rail Services**

World's only provider of the innovative High Speed Grinding technology; largest rail transport fleet in Europe with 520 special wagons

systems



# WE ASSUME RESPONSIBILITY

LONG-TERM SUCCESS REQUIRES A BALANCE BETWEEN ECONOMIC, SOCIAL, AND ENVIRONMENTAL INTERESTS



### Sustainability as a corporate value

- **Enabling green mobility** as a guiding principle
- Central component of the group strategy
- Positive contribution and sustainable business model as a goal



### Positive view of stakeholders

- Increasing importance of ESG criteria in customer tenders
- **Employees** demand purpose and positive contribution
- > Winner of the German Sustainability Award 2024
- ▶ Top ratings from renowned ESG agencies Ecovadis (Gold, Top 4%), ISS ESG (Prime, Top 25%), MSCI ESG (AA) (Top 30%)



### **Group-wide sustainability strategy**

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



### **Sustainability in facts & figures**

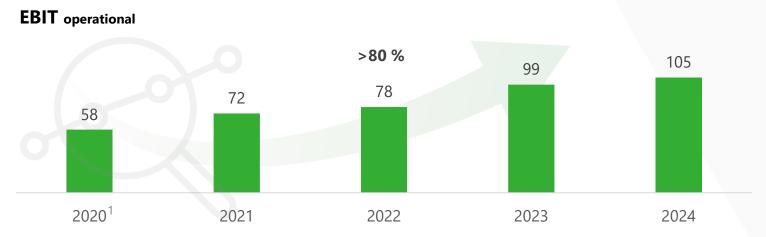
- **CO<sub>2</sub> intensity reduced by >50%** (compared to 2017)
- 100% of revenues EU taxonomy eligible and67% of sales are taxonomy aligned
- **Zero accident strategy**: accident frequency reduced by a further 13% in 2024
- 90% sustainable strategic procurement volume targeted



# VOSSLOH IS BENEFITTING TREMENDOUSLY FROM THE **IMPLEMENTATION OF THE STRATEGY SINCE 2020**

SIGNIFICANT SALES AND FBIT GROWTH SINCE 2020





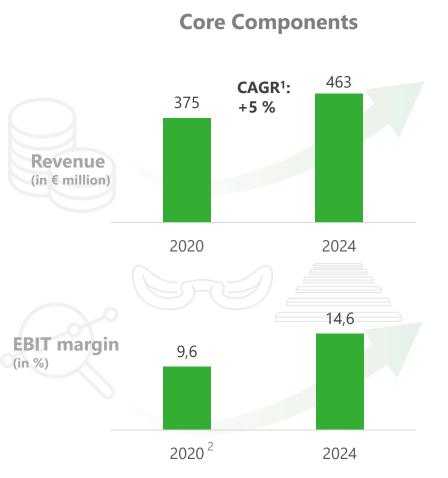
- **2**020 as a **starting point for a new era**: performance program implemented, divestment rolling stock finalized, strategy redefined
- At CMD December 2020, mid-term targets of 4 5 % revenue growth for the Group and a double-digit **EBIT margin at the division level** were communicated
- In total group sales increased by ~40 % (CAGR: 9 %) from 2020 until 2024 and EBIT growth in total at more than 80%
- This has been achieved in a **complex market** environment of the past years (Covid pandemic, war in Ukraine, energy crisis, etc.) that also led to significant energy and material price increases

<sup>&</sup>lt;sup>1</sup> Excluding a positive one-time effect of the transitional consolidation of a company in the Fastening Systems business unit of approx. €16 million

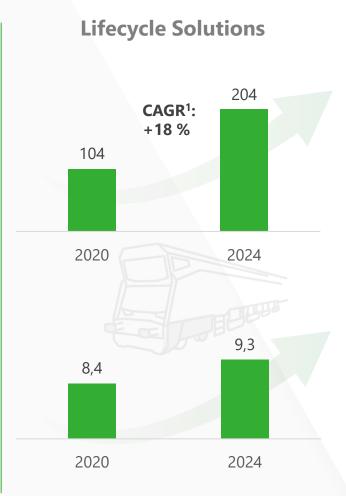


# SIGNIFICANT IMPROVEMENTS REALIZED IN THE DIVISIONS

MID-TERM EBIT MARGIN LEVEL OF 10 PERCENT FOR ALL DIVISIONS ALMOST ACHIEVED







<sup>&</sup>lt;sup>1</sup> CAGR 2024 vs. 2020

<sup>&</sup>lt;sup>2</sup> Excluding a positive one-time effect of the transitional consolidation of a company in the Fastening Systems business unit of approx. €16 million

<sup>17</sup> Presentation Vossloh



# **DRIVING GROWTH THROUGH STRATEGIC ACQUISITIONS**

FROM STRATEGY TO SUCCESS

- After a successful divestment of the former Transportation division, Management has implemented an M&A strategy, which included a comprehensive review of targets that are attractive to strengthen Vossloh
- > Recently, the full and focused M&A pipeline paid of with several acquisitions including the blockbuster acquisition of Sateba

### **Divestments**





**((K))** KNORR-BREMSE



Vossloh Electrical Systems Vossloh Locomotives

2015

2017

2019-20

2017

2018

2021

2023

2024

2025

**SATEBA** 



**STRABAG** Rail Milling









**Acquisitions** 



<sup>1</sup> Closing of the transaction expected in the coming months





# THE ACQUISITION OF SATEBA COMPLETES THE PORTFOLIO IN EUROPE

STRENGTHENING GROWTH AND SUPPORTING THE SHIFT OF TRAFFIC TO RAIL

### **Product portfolio**

#### **RAIL TIES AND BEARERS**

- Monoblock ties
- Twin-block ties
- Bearers
- Specific products (e.g., high attenuation ties

### RAIL ADJACENT PRODUCTS

- Catenary poles foundations
- Level crossings
- ▶ Fastening systems (France)
- Platforms Connected objects
- Infrastructure projects:
  Arches and tunnel segments

### **Key Statistics**

~€350m

10

~1,000

19

4m

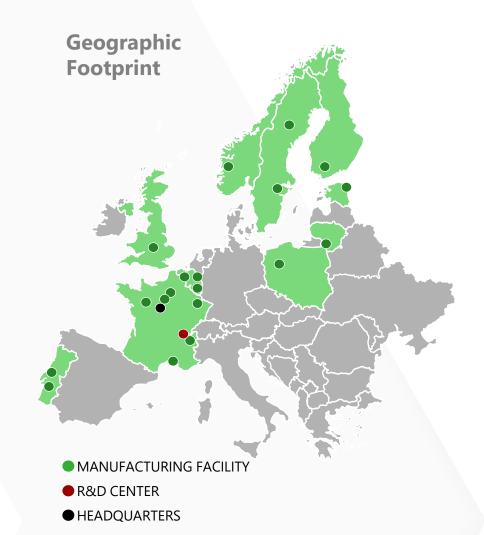
FY24 Revenue

Countries with locations

Employees (end of FY2024)

Manufacturing sites

Tie capacity p.a.





# **VOSSLOH'S FINANCIAL AMBITION FOR THE FUTURE**

NEW GROUP SALES TARGET OF MORE THAN €2 BILLION TO BE REACHED LATEST BY 2030

	Vossloh 2024	Vossloh 2030	
Sales	€1.21 billion	>€2 billion	
EBIT margin	8.7 percent	≥10 percent	
Working Capital intensity	17.7 percent	<15 percent	

- UNIFE forecasts increasing market demand for Vossloh, with an inflation-adjusted growth rate of 1.7 % while SCI anticipates a growth rate of 4.0%
- > Sustainable average organic sales growth of 5 %+ expected
- **)** Growth supported by **active role** in a consolidating market
- The long-term profitability goal of achieving a double-digit EBIT margin should be reached by 2030 at the latest
- This trajectory leads to an **annual EBIT exceeding €200 million**, highlighting Vossloh's robust growth potential
- > Along with EBIT development, significant increase in Value Added expected
- ▶ The Cash4Growth working capital program is set to support higher free cashflow generation going forward
- The acquisition of **Sateba will actively support** reaching our working capital goals





FINANCIAL OVERVIEW H1/2025



## **VOSSLOH GROUP**

STRONG EBIT DEVELOPMENT IN Q2/2025

KEY GROUP INDICATORS		1-6/2024	1-6/2025	
Sales revenues	€ mill.	560.9	582.6	
EBITDA / EBITDA margin	€ mill. / %	75.4 / 13.4	74.2 / 12.7	
EBIT / EBIT margin	€ mill. / %	49.5 / 8.8	44.9 / 7.7	
Net income	€ mill.	40.1	34.7	
Earnings per share	€	1.96	1.50	
Free cash flow	€ mill.	(4.7)	(44.2)	
Capital expenditure	€ mill.	25.5	30.0	
Value added	€ mill.	3.6	(2.5)	
ROCE	%	10.2	9.0	

### **NOTES**

**Sales revenues** up 3.9 percent in H1/2025 thanks to strong Q2/2025, above prior-year level especially in Northern Europe and North Africa; Customized Modules and Lifecycle Solutions with noticeable higher sales

**EBIT** in H1/2025 benefited not only from strong operating performance but also from a positive accounting effect of €3.5 million from the transitional consolidation of a Chinese joint venture; still below the prior-year level partly due to project-related lower deliveries in the China business

**Net income** and **Earnings per share** below prior year, but as in prior year, benefiting from tax income from the capitalization of deferred taxes on tax loss carryforwards at a high level

**Capital expenditure** up on previous year; key drivers are the new switch plant in Sweden in the Customized Modules division and implementation of the groupwide ERP project

**Free cash flow** considerably lower than in the same period last year; significantly positive free cash flow expected in H2/2025

**ROCE** and **Value added** as a result of EBIT development below prior year



# **VOSSLOH GROUP**

WORKING CAPITAL INTENSITY IMPROVED YEAR-ON-YEAR

KEY GROUP INDICATORS		1-6/2024 <b>6/30/24</b>	1-12/2024 <b>12/31/24</b>	1-6/2025 <b>6/30/25</b>
Equity	€ mill.	660.3	751.9	760.5
Equity ratio	%	47.3	50.4	50.0
Average working capital	€ mill.	220.3	213.7	213.1
Average working capital intensity	%	19.6	17.7	18.3
Closing working capital	€ mill.	219.6	174.4	248.5
Fixed assets	€ mill.	749.5	792.8	775.0
Average capital employed	€ mill.	966.3	969.7	997.6
Closing capital employed	€ mill.	969.1	967.2	1,023.5
Net financial debt (excl. leasing)	€ mill.	210.8	88.7	162.4
Net financial debt	€ mill.	247.0	137.6	209.2

### **NOTES**

**Equity** slightly up compared with year-end 2024

**Closing working capital** increased due to a noticeable rise in receivables compared with the previous year, while **Average working capital intensity** declined year-on-year and is well below the 20 percent mark

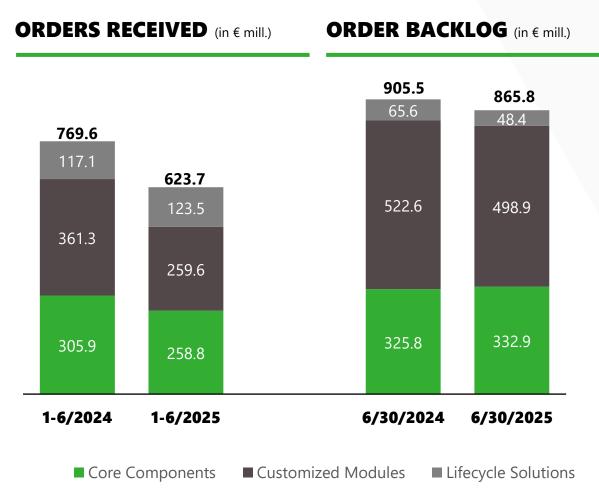
**Capital employed** increased mainly due to higher working capital and the full consolidation of the Chinese joint venture

**Net financial debt** down year-on-year, mainly due to proceeds from the capital increase in November 2024; significantly higher than at the end of 2024 mainly due to a seasonally negative free cash flow in the first half of the year



# **VOSSLOH GROUP**

ORDERS RECEIVED BELOW RECORD LEVEL OF PREVIOUS YEAR, GOOD BOOK-TO-BILL RATIO WELL ABOVE 1



### **NOTES**

**Orders received** in H1/2025 considerably below the exceptionally high prior-year level, book-to-bill ratio remains above 1 (1.07); orders received mainly in China and North America (CC) below high prior-year level, also noticeably lower in the Africa and Middle East region (CM); by contrast, Vossloh generated higher order intake mainly in the United Kingdom (CC) and Singapore (CC, CM)

**Order backlog** below prior-year level but on a high level; Core Components slightly above prior year, mainly thanks to the major order in the UK; Customized Modules down slightly; Lifecycle Solutions also below prior year

(Due to the high number of framework agreements, the "order backlog" figure is of limited significance; the order volume of framework agreements won is generally not recognized in orders received until the respective call-offs are received)





THANK YOU FOR YOUR ATTENTION.

