

**ANNUAL GENERAL MEETING
OF VOSSLOH AG**

MAY 19, 2021

FISCAL YEAR 2020

VOSSLOH GROUP

VERY SUCCESSFUL 2020 FISCAL YEAR DESPITE NUMEROUS CHALLENGES



Rail infrastructure with a high degree of resilience



Megatrends retain their relevance and increase demand for sustainable rail mobility



Huge thanks to all employees around the world!



2020 – a turning point in the history of Vossloh: Completing the transformation...



...and revision and refinement of the corporate strategy



2019 performance program shows significant effects

SALES

2020: €869.7 million

2019: €861.5 million¹

Orders received

2020: €915.5 million

2019: €866.7 million¹

EBIT MARGIN

2020: 6.6%²

2019: 6.1%³

¹ Excluding US switch business sold at the end of 2019.

² Including positive effect of €15.6 million.

³ Adjusted for one-time effects from the 2019 performance program.

FISCAL YEAR 2020 FINANCIAL INDICATORS

VOSSLÖH GROUP

SALES AND EARNINGS INCREASED SIGNIFICANTLY

KEY GROUP INDICATORS

		2019	2020
Orders received	€ mill.	866.7 ¹	915.5
Sales revenues	€ mill.	861.5 ¹	869.7
EBITDA/EBITDA margin (2019 adjusted)	€ mill./%	105.5/11.5	123.1/14.2
EBIT/EBIT margin (2019 adjusted)	€ mill./%	55.7/6.1	73.1/8.4
Net income	€ mill.	(136.8)	20.8
- of which attributable to shareholders of Vossloh AG	€ mill.	(139.7)	17.2
Earnings per share	€	(8.32)	0.98
- of which attributable to continuing operations	€	(4.13)	2.47
Free cash flow (including discontinued operations)	€ mill.	(42.4)	4.0
Free cash flow (core business)	€ mill.	2.4	58.1
Value added	€ mill.	(105.4)	12.4

¹ Excluding sales from the US switch business sold at the end of 2019.

KEY GROUP INDICATORS

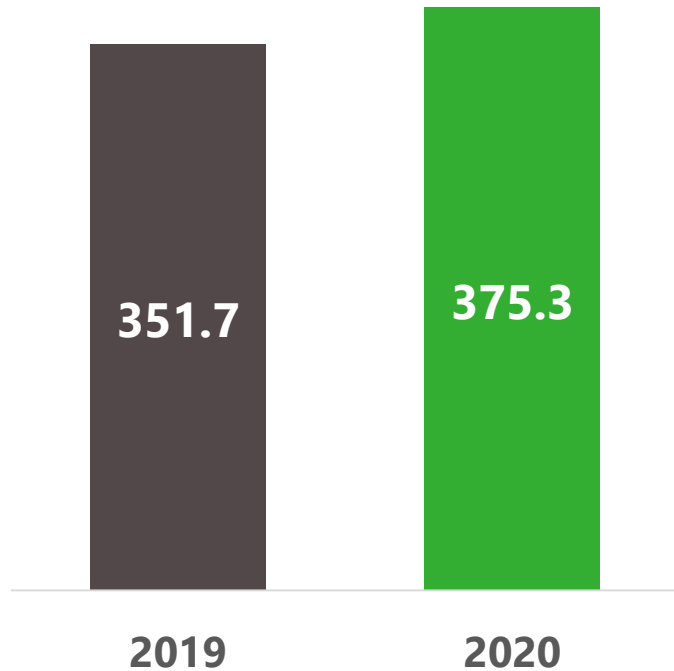
		12/31/2019 2019	12/31/2020 2020
Equity	€ mill.	403.6	414.5
Equity ratio	%	30.3	34.1
Net financial debt excluding leasing	€ mill.	321.3	307.4

**CORE COMPONENTS DIVISION
2020 FISCAL YEAR**

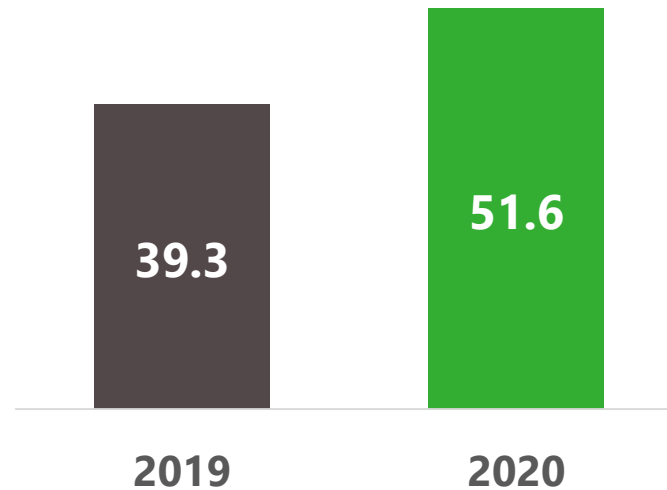
CORE COMPONENTS DIVISION, 2020 FY

SALES SIGNIFICANTLY HIGHER, INCREASE IN EBIT AND EBIT MARGIN DUE TO POSITIVE EFFECT

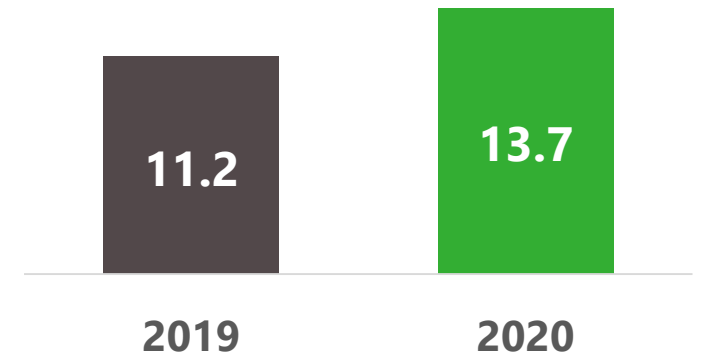
Sales (in € mill.)



EBIT¹ (in € mill.)



EBIT margin¹ (in %)



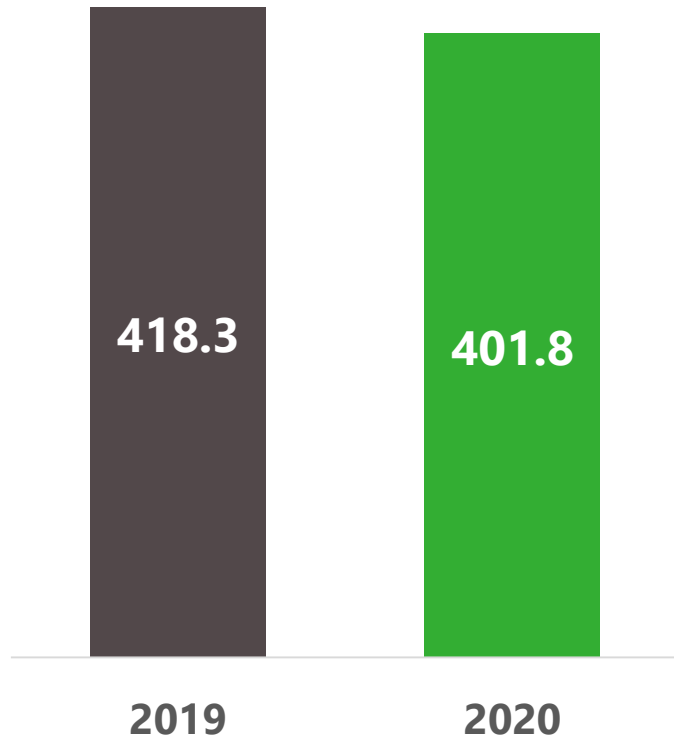
¹ Figures for previous year adjusted for one-time effects from the 2019 performance program and figure for 2020 including a positive book effect of €15.6 million

CUSTOMIZED MODULES DIVISION 2020 FISCAL YEAR

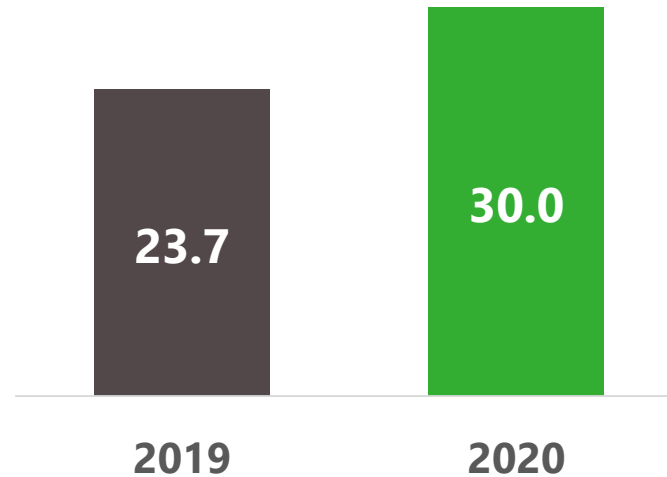
CUSTOMIZED MODULES DIVISION, 2020 FY

SALES BELOW PREVIOUS YEAR DUE TO THE PANDEMIC; EBIT AND EBIT MARGIN SIGNIFICANTLY IMPROVED

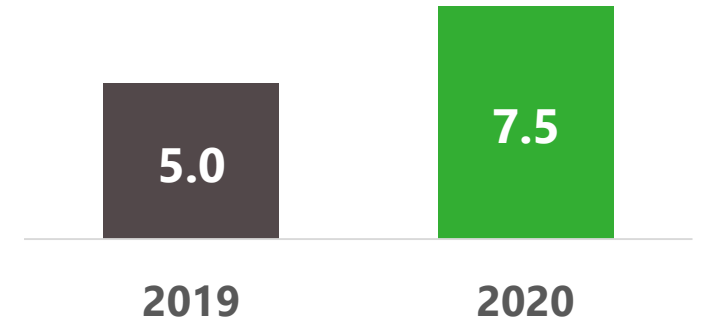
Sales¹ (in € mill.)



EBIT² (in € mill.)



EBIT margin² (in %)



¹ Figures for previous year excluding US switch business sold at the end of 2019.

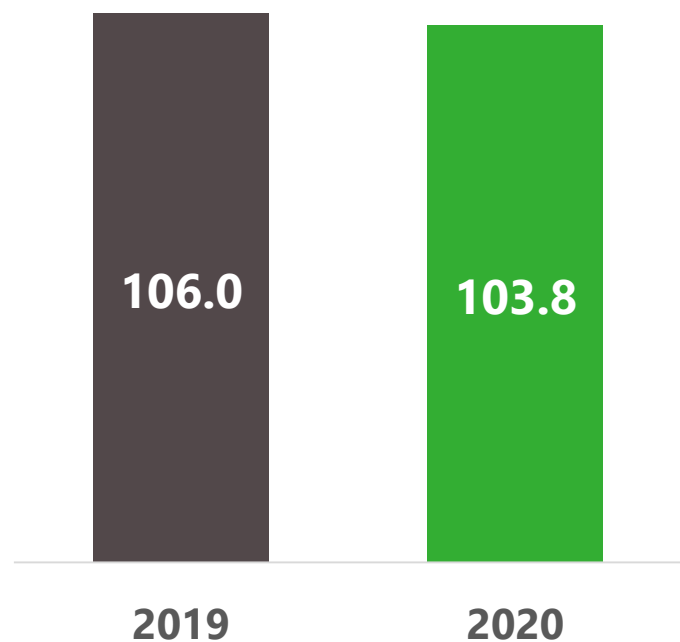
² Figures for previous year adjusted for one-time effects from the 2019 performance program.

**LIFECYCLE SOLUTIONS DIVISION
2020 FISCAL YEAR**

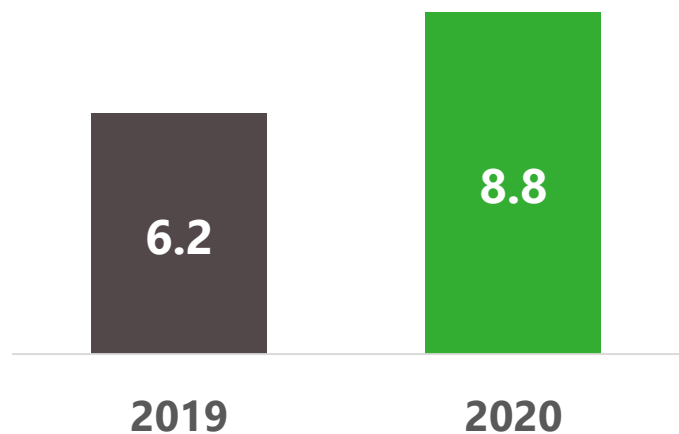
LIFECYCLE SOLUTIONS DIVISION, 2020 FY

SALES ON A PAR WITH THE PREVIOUS YEAR, EBIT AND EBIT MARGIN SIGNIFICANTLY INCREASED

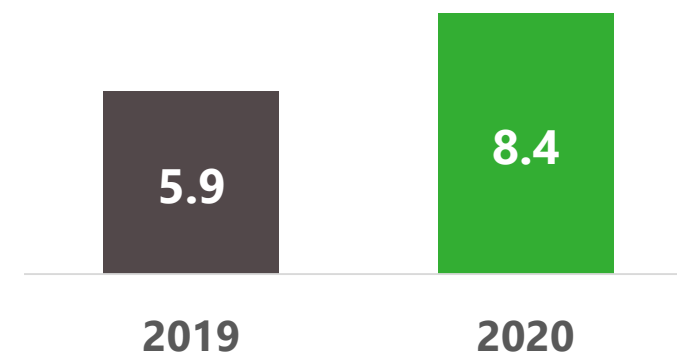
Sales (in € mill.)



EBIT¹ (in € mill.)



EBIT margin¹ (in %)



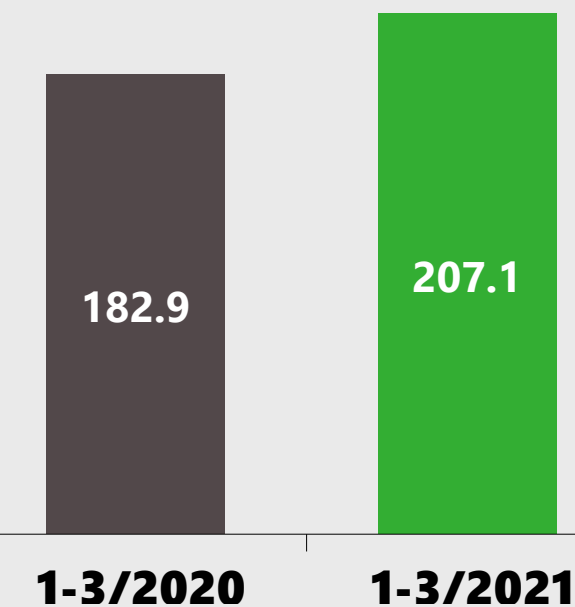
¹ Figures for previous year adjusted for one-time effects from the 2019 performance program.

**VOSSLOH GROUP
FIRST QUARTER 2021**

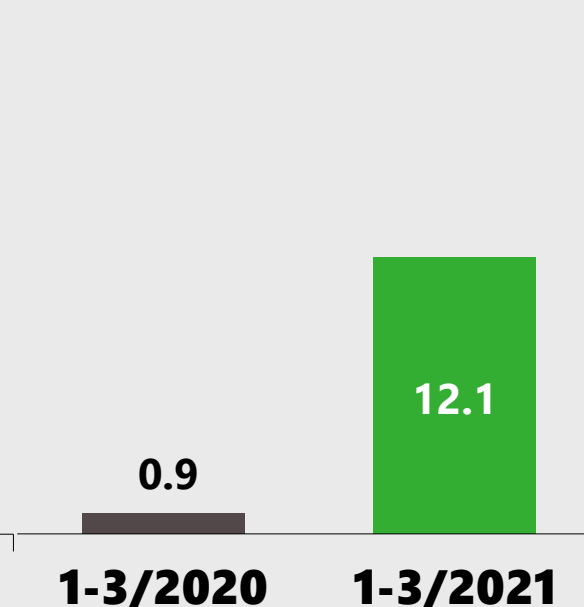
VOSSLÖH GROUP, Q1 2021

HIGHEST OPERATING RESULT IN TEN YEARS

SALES (in € mill.)



EBIT¹ (in € mill.)



KEY GROUP INDICATORS

		1-3/ 2020	1-3/ 2021
Orders received	€ mill.	291.9	260.0
Order backlog (on 3/31)	€ mill.	663.3	644.8
EBIT margin ¹	%	0.5	5.8
Net income	€ mill.	(2.6)	6.1
Free cash flow	€ mill.	(50.2)	(40.1)
Net financial debt excluding lease liabilities (on 3/31)	€ mill.	386.4	202.1

¹Figures for previous year including a positive book effect of €15.6 million for comparability purposes.

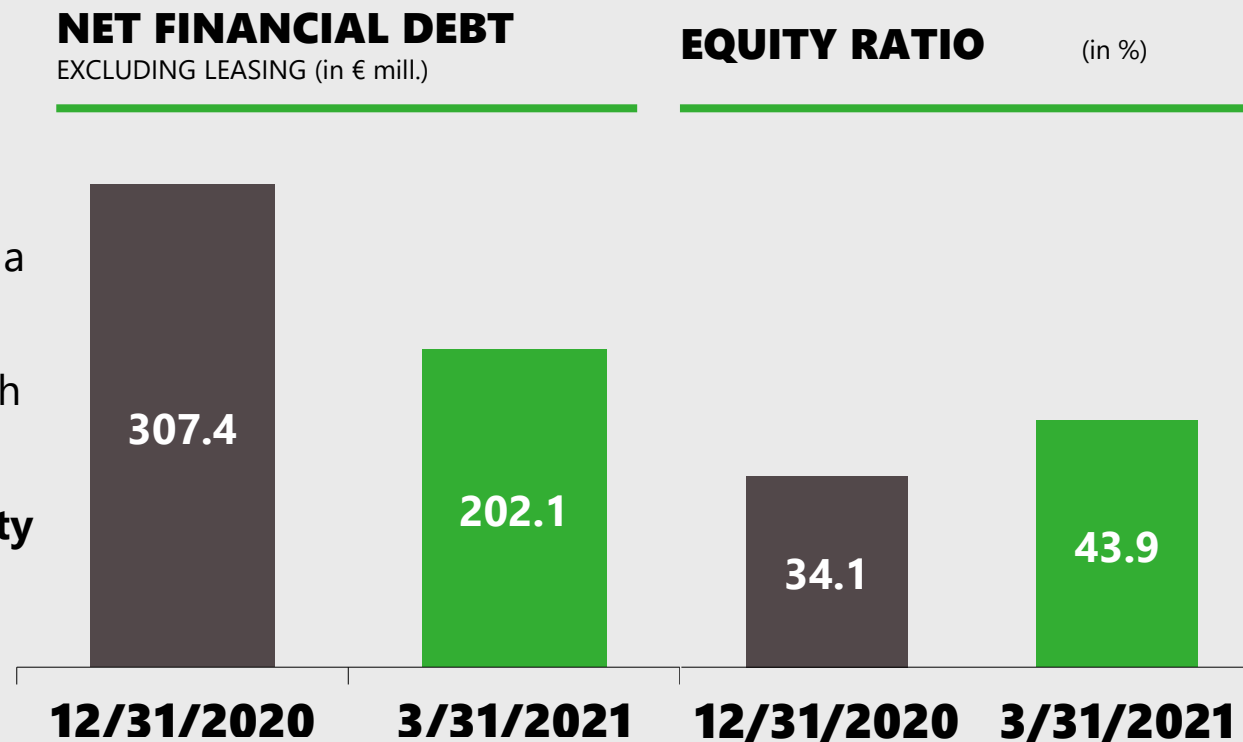
VOSSLOH GROUP, Q1 2021

HYBRID NOTE CONTRIBUTES TO IMPROVED EQUITY RATIO AND REDUCED NET FINANCIAL DEBT

/ Placement of a **sustainability-oriented hybrid note** with a volume of **€150 million** in Feb 2021

/ The hybrid note is recognized as **equity** in accordance with IFRS

/ The hybrid note provides the necessary **financial flexibility** for ambitious **growth targets**



CORPORATE STRATEGY

HIGH LEVEL OF RAIL INFRASTRUCTURE AVAILABILITY REQUIRED

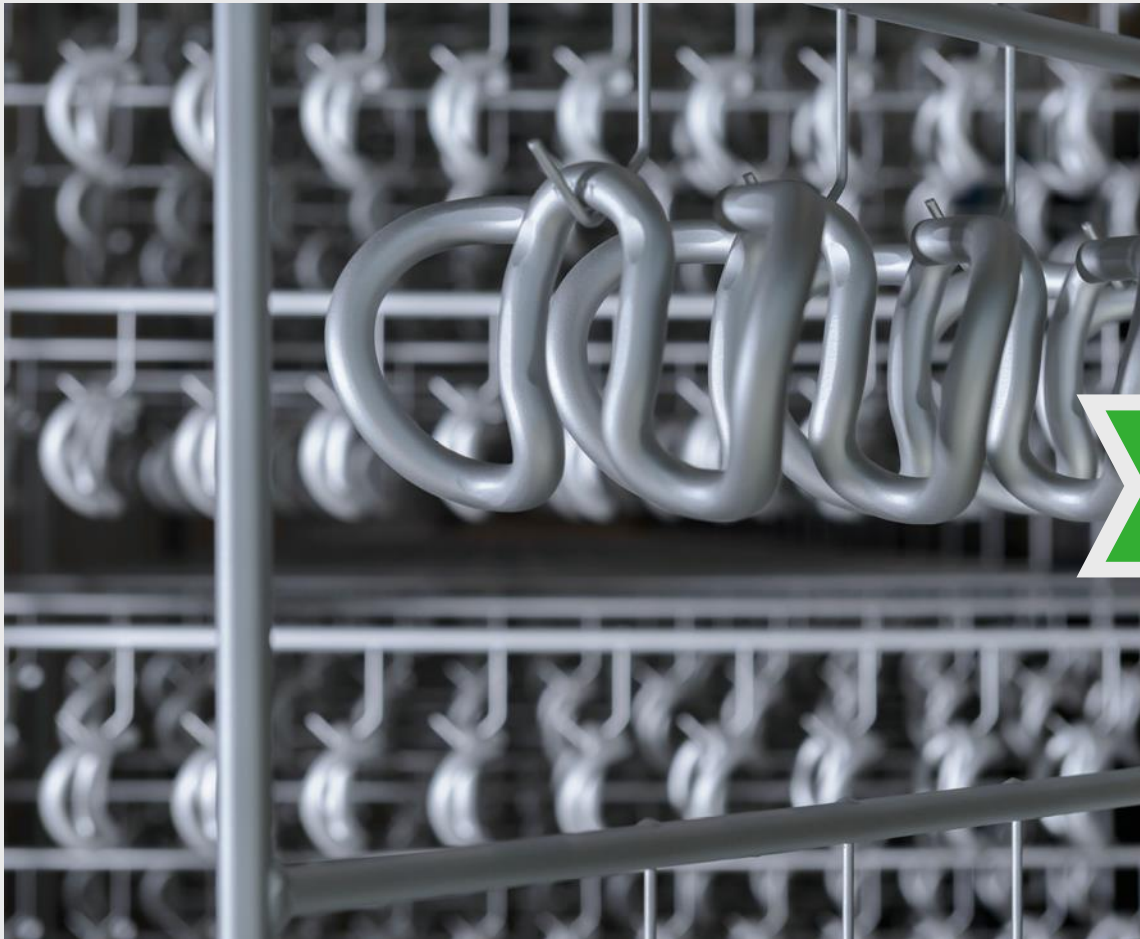
MEGATRENDS DRIVING INCREASE IN RAIL TRAFFIC



- / Shifting a significant amount of traffic onto the rail network is necessary to limit global warming
- / Numerous investment programs launched worldwide to promote rail-based mobility, such as:
 - US investment program of USD 165 billion
 - Expansion of Chinese high-speed network from 39,000 kilometers to 70,000 kilometers by 2035
 - €6 billion at a federal level alone in Australia by 2028
 - €86 billion in Germany by 2030
 - €28 billion in Italy by 2023
 - 2021 designated as “European Year of Rail” by the EU Commission
- / Systemic understanding of rail tracks combined with growing digital expertise is the key to success

VOSSLOH GROUP: STRATEGY

DEEP AND COMPREHENSIVE UNDERSTANDING OF RAILWAY PHYSICS IS A KEY SUCCESS FACTOR (I/II)



Group strategy is composed of three main pillars:

- / Strengthening the existing product and service business
- / Expanding the service business to include digital-based, smart maintenance solutions
- / Sustainability and efficiency

First pillar: Strengthening the product and service business

- / Continuous reduction of production costs
- / Targeted measures to increase sales volume
- / Complementary expansion of the product portfolio
- / Focus on few, selected innovation topics

VOSSLÖH GROUP: STRATEGY

DEEP AND COMPREHENSIVE UNDERSTANDING OF RAILWAY PHYSICS IS A KEY SUCCESS FACTOR (II/II)



Second pillar: Expanding the service business to include digital-based, smart maintenance solutions

- / Guarantor of maximum track availability
- / Condition data of maintenance machines and of sensors on the track form the basis for increased maintenance efficiency
- / Development of digital expertise by setting up our own resources and through strong partnerships (e.g. collaboration with Deutsche Bahn Systemtechnik)
- / Initial successes achieved in Sweden (adding sensors to 1,000 switches) and France (maintenance agreements for tram networks in Le Havre and Valenciennes)
- / Own cloud-based platform to collect and evaluate condition data set up and developed on an ongoing basis

VOSSLOH GROUP: STRATEGY

EVEN STRONGER FOCUS ON SUSTAINABILITY AS WELL AS OPTIMIZATION OF PROCESSES AND STRUCTURES



Third pillar: Sustainability and efficiency

- / Sustainability factors play an increasingly important role, also in calls for tenders
- / Sustainability is firmly established in Vossloh's value system
- / Central department for sustainability set up
- / Top ratings by leading ESG agencies
- / CO₂ emissions reduced by more than 10 percent between 2017 and 2019 (significance for 2020 unclear due to COVID-19)
- / Group-wide standardizing of particularly important IT applications

OUTLOOK

VOSSLOH GROUP: OUTLOOK AND MEDIUM-TERM AMBITIONS

SIGNIFICANT INCREASE IN OPERATIONAL PROFITABILITY EXPECTED

OUTLOOK 2021¹

Sales

2020: €869.7 million **2021E: €850 million to €925 million**

EBITDA margin

2020: 12.4 percent² **2021E: 13 to 14 percent**

EBIT margin

2020: 6.6 percent² **2021E: 7 to 8 percent**

MEDIUM-TERM AMBITIONS

Sales growth

4–5% p.a. on average; significantly higher than the average market growth anticipated by relevant market studies

Strengthening profitability

Medium-term two-digit EBIT margins planned for all divisions,
Long-term two-digit EBIT margin for the Group, this corresponds to an EBITDA margin of approximately 16 percent.



¹ The outlook for the 2021 fiscal year is not subject to any material new unplanned impacts related to the COVID-19 pandemic.

² Without the effect of the transitional consolidation of a Chinese company in the amount of €15.6 million; corresponds to an EBIT and EBITDA margin of approximately 1.8 percent.



Enabling green mobility

Annual General Meeting of Vossloh AG

May 19, 2021

**THANK YOU FOR
YOUR ATTENTION!**