

**QUARTERLY STATEMENT  
AS OF SEPTEMBER 30, 2023**

**WERDOHL, OCTOBER 26, 2023**



# DISCLAIMER

## NOTE

This presentation contains statements concerning the future business performance of the Vossloh Group that are based on assumptions and estimations from the Company management. If the assumptions that the projections are based on fail to occur, the actual results of the projected statements may differ substantially. Uncertainties include changes in the political, commercial, and economic climate, the actions of competitors, natural catastrophes, epidemics, legislative reforms, the effects of future case law, and fluctuations in exchange rates and interest rates. Vossloh and its Group companies, consultants, and representatives assume no responsibility for possible losses associated with the use of this presentation or its content. Vossloh assumes no obligation to update the forecast statements in this presentation.

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# VOSSLOH GROUP

VOSSLOH CONTINUES VERY STRONG BUSINESS PERFORMANCE IN Q3



## ORDER SITUATION

Orders received in Q3/2023 at €256.7 million (previous year: €269.0 million); orders received after nine months second highest figure in company history

Major region specific orders received in Q3/2023:

- Germany: Framework agreement for preventive maintenance using High Speed Grinding extended with Deutsche Bahn
- China: another major order for rail fastening systems in the high-speed sector
- Denmark: Expansion of market share in Danish switch market through long-term framework agreement with state rail network operator Banedanmark



## BUSINESS DEVELOPMENT

Sales in Q3/2023 of €325.3 million substantiates strong market environment, up by 16.3 percent year on year; sales after nine months reach record level of €925.9 million in infrastructure business

EBIT in Q3/2023 at €27.6 million, noticeably above prior year; EBIT after nine months at a very pleasing €76.9 million

Free cash flow (FCF) in Q3/2023 at €10.5 million (previous year: €(4.5) million); FCF after nine months at a strong €48.0 million and significantly improved on previous year (€(46.5) million)

Sales and earnings guidance for 2023 raised (see ad hoc announcement of October 19, 2023); average value of current sales forecast approximately 15 percent above previous year; mean value of the new EBIT guidance around 24 percent up year on year



## GERMAN SUSTAINABILITY AWARD 2023

German Sustainability Award, Europe's most important award for ecological and social commitment

Vossloh was selected from a large number of renowned companies and recognized with final participation as one of three pioneers in its industry for the transformation to more sustainability

Winners of the prestigious prize will be announced at the end of October 2023

# VOSSLOH GROUP

INNOVATIVE DIGITAL SOLUTIONS FOR THE FUTURE OF RAIL TRANSPORT



Vossloh connect facilitates customers access to a variety of innovative digital solutions; all combined on one platform ("one-stop shop platform") for the safer, efficient, and sustainable operation of rail infrastructure

With the support of digital applications from both Vossloh and selected external partners, customers have the opportunity, for example, to monitor their infrastructure condition in real-time

Customers have access to their condition data via Vossloh connect and sophisticated algorithms derive tailored recommendations for action from this data

Vossloh connect can significantly reduce the risk of accidents and disruptions, cut costs for emergency repairs, and significantly extend the service life of rail infrastructure



## ACQUISITION RAILWATCH-TECHNOLOGY

Expansion of digital monitoring portfolio through acquisition of extensive camera-based technology

By means of optical and acoustic sensors, for instance information on wheel damage, brake pads, train and wagon numbers is recorded

RailWatch technology will provide crucial insights into wheel-rail contact, which significantly influences the condition of the track over time

In addition to further developing the existing monitoring technology, RailWatch team will also work on other digital Group projects across all business units



## PARTNERSHIP WITH Predge

Predge is a Swedish data specialist focused on creating highly innovative solutions for predictive maintenance

Partnership focuses on switches, among the most technically complex and error-prone elements of the track, especially point machines

The goal is to develop a model that provides accurate failure predictions and thus valuable insights into impending failures

In the future, customers will be able to plan their maintenance activities more proactively, in greater detail and better, noticeably reduce the number of breakdowns, and thus significantly increase the availability of the track

# VOSSLOH GROUP

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

## KEY GROUP INDICATORS

1-9/2022 1-9/2023

		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

# VOSSLOH GROUP

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

KEY GROUP INDICATORS		1-9/2022	2022	1-9/2023
		9/30/22	12/31/22	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

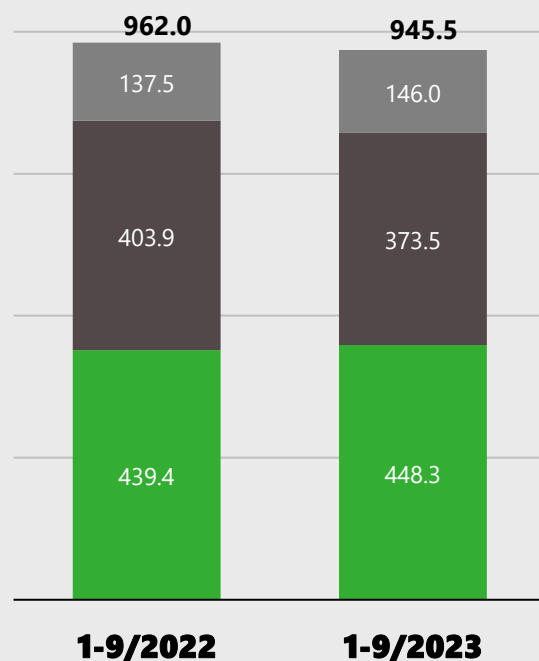
**Closing capital employed** noticeably lower than at the reporting date of the prior-year period due to significantly lower working capital despite higher capital expenditure

**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

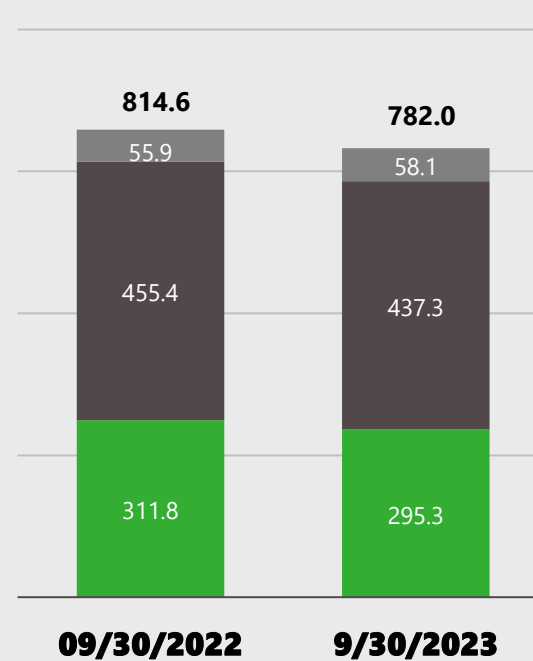
# VOSSLOH GROUP

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

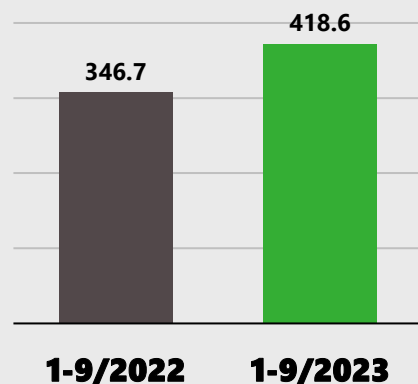
**Order backlog** 4.0 percent below previous year; Core Components down year on year, mainly lower order backlog at Vossloh Fastening Systems as expected; Customized Modules slightly below previous year, for instance lower order backlog in Poland and Portugal; Lifecycle Solutions slightly up, higher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

■ Core Components   ■ Customized Modules   ■ Lifecycle Solutions

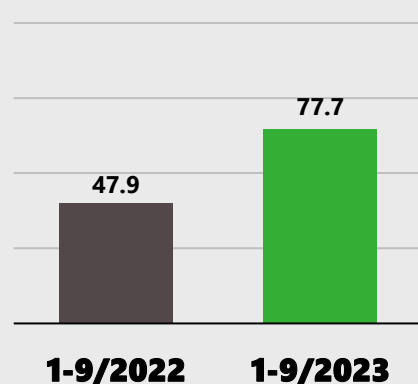
# CORE COMPONENTS DIVISION

SIGNIFICANT INCREASE IN SALES AND EBIT, EBIT MARGIN WELL INTO DOUBLE DIGITS

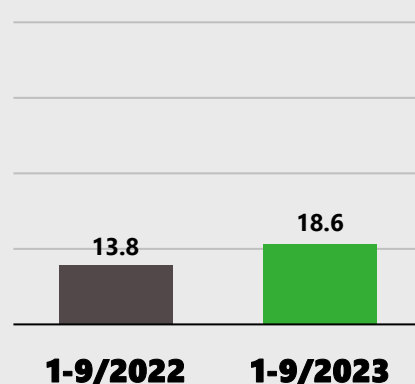
## SALES REVENUES (in € mill.)



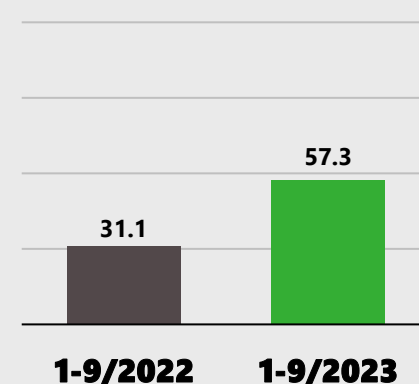
## EBITDA (in € mill.)



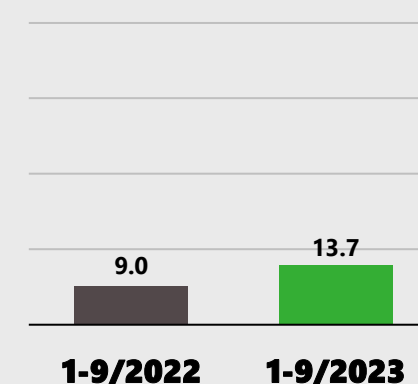
## EBITDA MARGIN (in %)



## EBIT (in € mill.)



## EBIT MARGIN (in %)



Sales revenues up by 20.7 percent year on year; both Vossloh Fastening Systems and Vossloh Tie Technologies with high growth rates

EBIT after nine months significantly higher year on year; mainly due to significantly higher sales revenues and higher-margin project mix

ROCE exceeds 20 percent mark; Value added tripled despite higher cost of capital due to higher cost of capital rate

## ROCE (in %)

1-9/2022	11.4
1-9/2023	22.9

## VALUE ADDED (in € mill.)

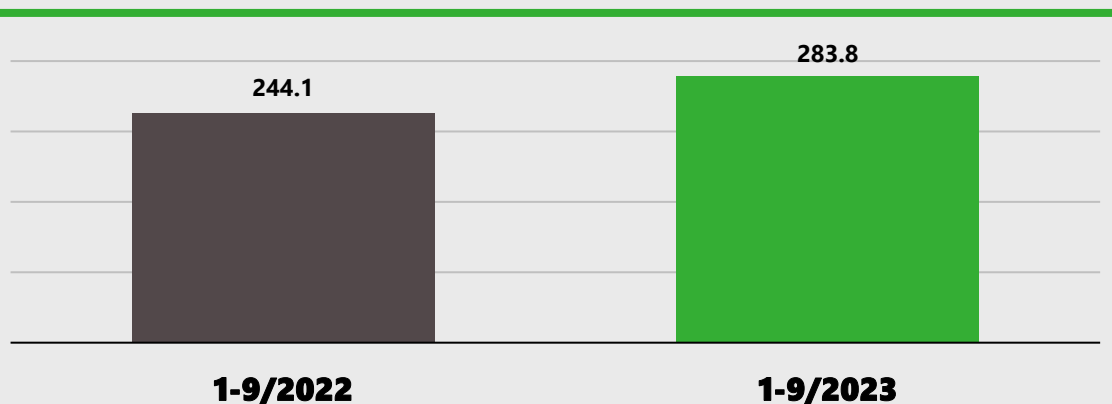
1-9/2022	11.9
1-9/2023	36.0



# FASTENING SYSTEMS BUSINESS UNIT

SALES AND VALUE ADDED AT A VERY HIGH LEVEL

## SALES REVENUES (in € mill.)

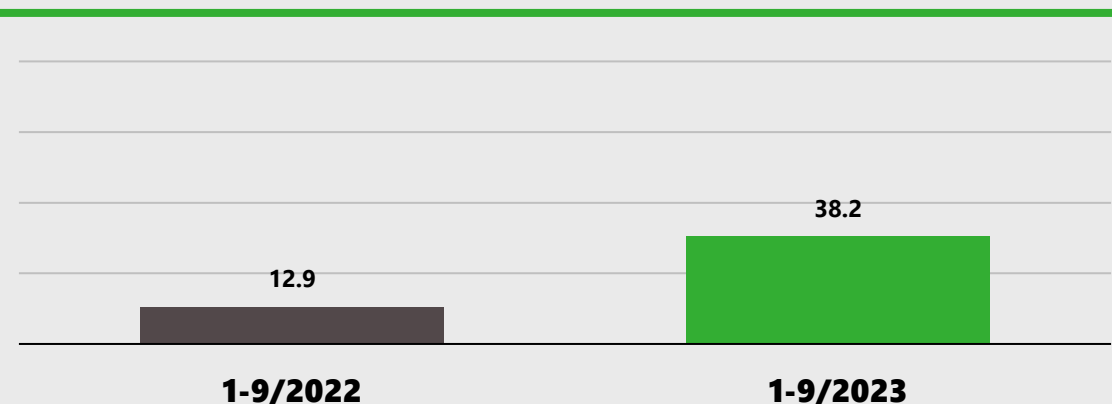


Orders received in prior year boosted by major order in Egypt worth approx. €40 million; difference to prior year reduced by further order in China in Q3 compared with Q2

Sales growth mainly in China, North America, and Germany

Value added increased to almost a triple, mainly due to higher sales revenues and a better project mix, especially in China and at the German site

## VALUE ADDED (in € mill.)



## ORDERS RECEIVED

(in € mill.)

**1-9/2022** 325.1

**1-9/2023** 304.0

## ORDER BACKLOG

(in € mill.)

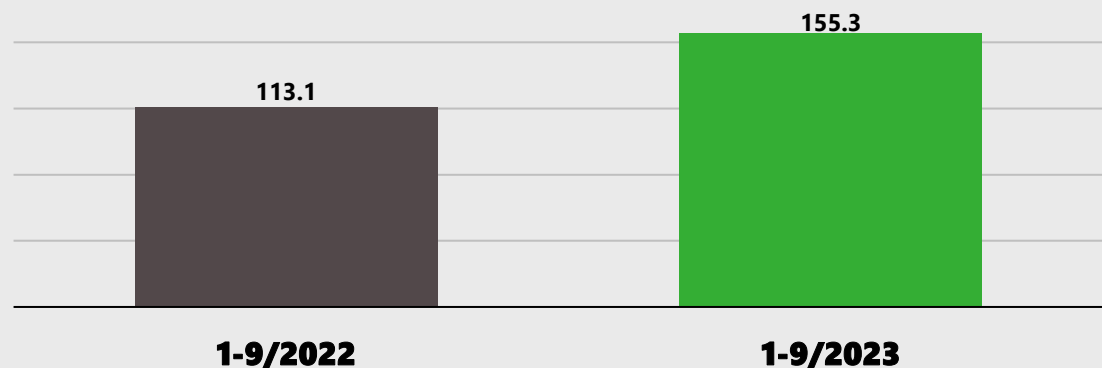
**9/30/2022** 235.8

**9/30/2023** 202.3

# TIE TECHNOLOGIES BUSINESS UNIT

SALES UP SIGNIFICANTLY, ESPECIALLY IN NORTH AMERICA; VALUE ADDED DOWN YEAR ON YEAR DUE TO HIGHER COST OF CAPITAL

## SALES REVENUES (in € mill.)

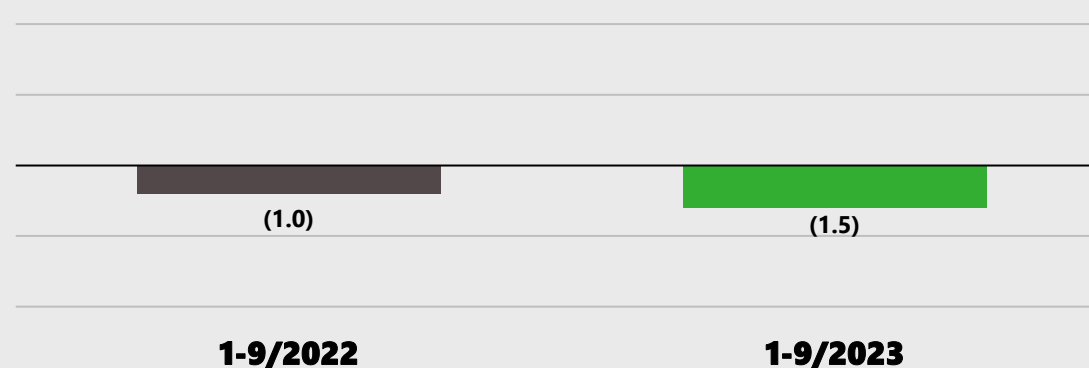


Orders received by 29.8 percent higher year on year; increase mainly due to strong project-related demand in Mexico

Sales up by 37.3 percent year on year, significant increase in sales in Mexico, plus higher sales also in the USA and Australia

Value added after nine months in reporting year lower than in previous year due to higher cost of capital; also impacted by high maintenance expenses at an Australian site and due to the write-down of a financial asset

## VALUE ADDED (in € mill.)



## ORDERS RECEIVED

(in € mill.)

**1-9/2022** 129.2

**1-9/2023** 167.6

## ORDER BACKLOG

(in € mill.)

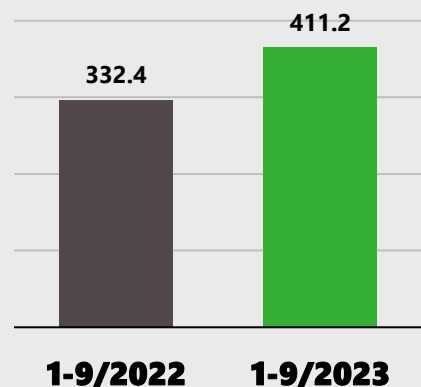
**9/30/2022** 83.5

**9/30/2023** 99.3

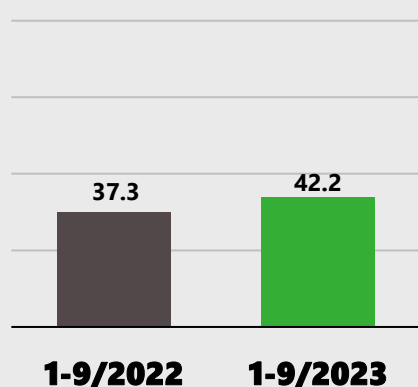
# CUSTOMIZED MODULES DIVISION

STRONG SALES GROWTH, EBIT ALSO WITH INCREASES

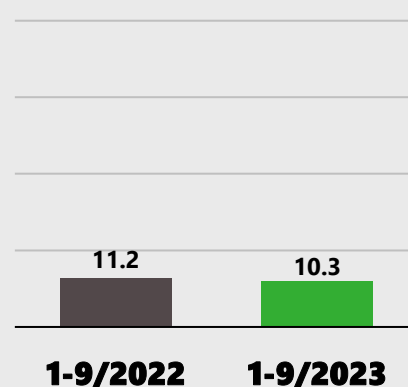
## SALES REVENUES (in € mill.)



## EBITDA (in € mill.)



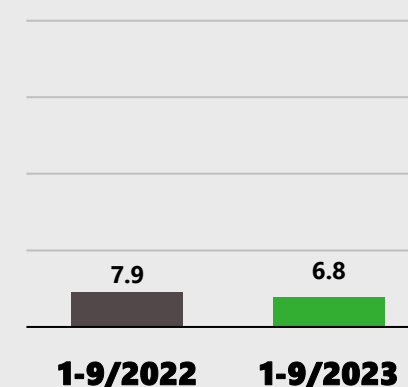
## EBITDA MARGIN (in %)



## EBIT (in € mill.)



## EBIT MARGIN (in %)



Orders received below high prior-year level, lower orders received in particular in Poland, Southern Europe, and Egypt; by contrast, strong increase in orders in Germany

Sales after nine months up by 23.7 percent year on year; continued strong sales development in Europe (particularly in Italy and Serbia), also higher sales in Mexico

EBIT increased in absolute terms, in particular thanks to higher earnings contributions from the sites in Luxembourg and Serbia; profitability lower than in the previous year due to the write-down of a financial asset and project-related follow-up costs

## ROCE (in %)

1-9/2022	9.2
1-9/2023	9.9

## VALUE ADDED (in € mill.)

1-9/2022	6.4
1-9/2023	4.1

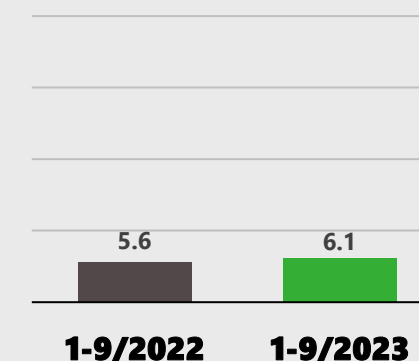
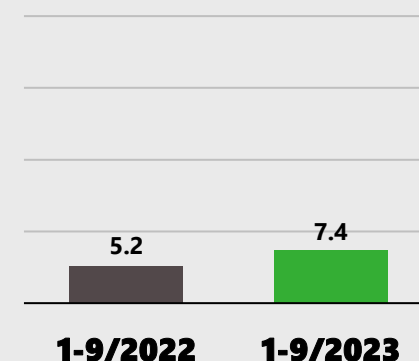
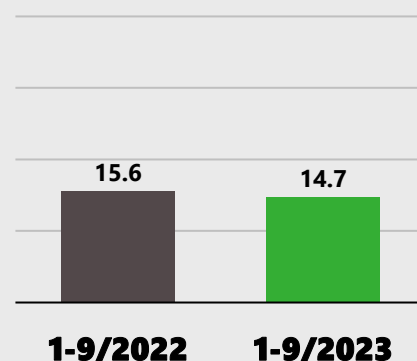
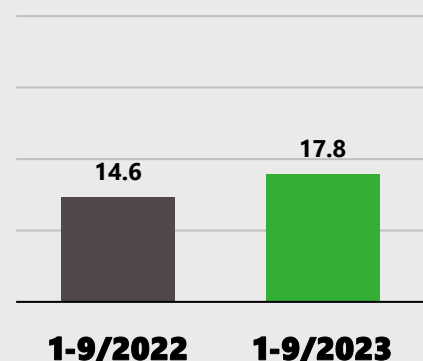
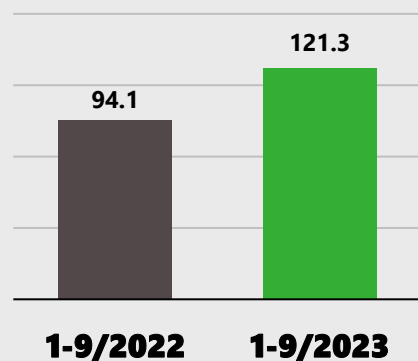
# LIFECYCLE SOLUTIONS DIVISION

SIGNIFICANTLY HIGHER SALES REVENUES ALONG WITH SLIGHTLY IMPROVED EBIT MARGIN

**SALES REVENUES** (in € mill.) **EBITDA** (in € mill.)

**EBITDA MARGIN** (in %) **EBIT** (in € mill.)

**EBIT MARGIN** (in %)



Orders received up by 6.2 percent year on year due to significantly higher orders in Germany and the Netherlands, lower orders received from China

Sales revenues up by 28.9 percent to record level after nine months, mainly due to the framework agreement signed last year with Deutsche Bahn for preventive rail maintenance (High Speed Grinding) and in Track Supply (mainly in Germany)

EBIT significantly improved year on year, mainly due to higher EBIT contributions from the maintenance business (High Speed Grinding and milling)

**ROCE**  
(in %)

**1-9/2022** 3.4

**1-9/2023** 4.5

**VALUE ADDED**  
(in € mill.)

**1-9/2022** (5.4)

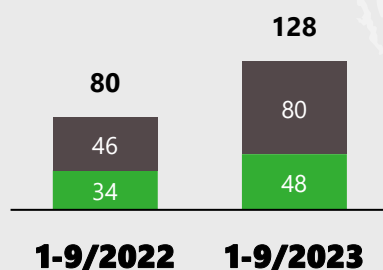
**1-9/2023** (6.5)

# VOSSLOH GROUP

SALES REVENUES UP SIGNIFICANTLY, ESPECIALLY IN EUROPE, NORTH AMERICA, AND ASIA

## AMERICAS

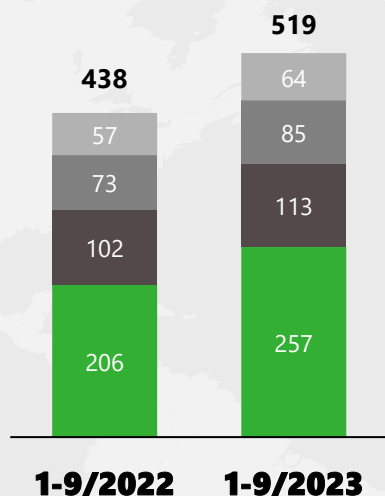
(in € mill.)



■ USA ■ Rest of Americas

## EUROPE

(in € mill.)

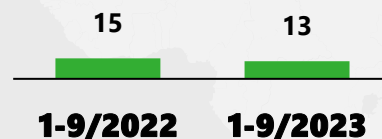


■ Western Europe ■ Northern Europe  
■ Southern Europe ■ Eastern Europe

Western Europe: higher sales in Germany and the Netherlands; Northern Europe: higher sales in Sweden; Southern Europe: strong increase in Italy; Eastern Europe: higher sales in Serbia

## AFRICA

(in € mill.)

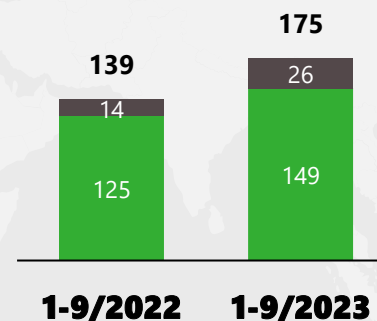


■ Africa

Lower sales revenues in Egypt (CM) almost offset by higher sales revenues in Liberia (CM)

## ASIA INCL. MIDDLE EAST

(in € mill.)

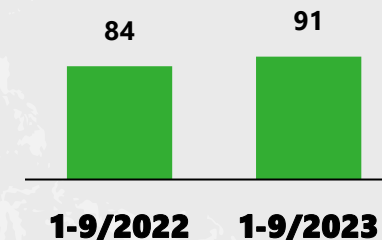


■ Asia ■ Middle East

Increase in Asia mainly due to higher sales revenues in China (VFS)

## AUSTRALIA

(in € mill.)



■ Australia

Sales revenues in Australia up year on year thanks to CM

# VOSSLOH GROUP: OUTLOOK

OUTLOOK FOR THE CURRENT FINANCIAL YEAR 2023 RAISED ON OCTOBER 19

## Sales revenues

**2022: €1,046.1 million**

**Expectation 2023: €1.175 billion to €1.225 billion**

/ All divisions will contribute to the forecast sales growth. At Group level, sales growth is again expected to be in the double-digit percentage range.

## Value added

**2022: €11.5 million**    **Expectation 2023: €14 million to €20 million**

/ The weighted average cost of capital before taxes (WACC) relevant for internal management was increased to 8.5 percent for the financial year 2023 (previous year: 7.0 percent) as a result of interest rate developments. Despite the increase, the value added is expected to rise noticeably in 2023.

## EBIT

**2022: €78.1 million**

**Expectation 2023: €94 million to €100 million**

/ A significant increase in EBIT is forecast for the financial year 2023. The expected increase is mainly attributable to the Core Components division. Based on the mean value of the sales forecast, the EBIT margin is expected to range between 7.8 percent and 8.3 percent.



# FINANCIAL CALENDAR AND CONTACT INFORMATION

## HOW YOU CAN REACH US

### Financial calendar 2024

- / March 2024 Annual Report 2023
- / April 2024 Interim statement as of March 31, 2024
- / May 2024 Annual General Meeting

### Contact information for investors:

Dr. Daniel Gavranovic

E-mail: [investor.relations@vossloh.com](mailto:investor.relations@vossloh.com)

Phone: +49 (0) 23 92 / 52-609

Fax: +49 (0) 23 92 / 52-219



### Contact information for the media:

Andreas Friedemann

E-mail: [presse@vossloh.com](mailto:presse@vossloh.com)

Phone: +49 (0) 23 92 / 52-608

Fax: +49 (0) 23 92 / 52-219



# NOTES



# VOSSLOH GROUP

## INCOME STATEMENT

€ mill.	1-9/2022	1-9/2023
Sales revenues	756.2	925.9
Cost of sales	(590.1)	(693.3)
General administrative and selling expenses	(117.2)	(151.3)
Allowances and write-ups of financial assets	0.8	(1.2)
Research and development costs	(5.9)	(7.5)
Other operating income	13.6	12.7
Other operating expense	(5.1)	(8.3)
<b>Operating result</b>	<b>52.3</b>	<b>77.0</b>
Income from investments in companies accounted for using the equity method	2.6	5.6
Other financial income	0.1	0.6
Other financial expense	0.0	(6.3)
<b>Earnings before interest and taxes (EBIT)</b>	<b>55.0</b>	<b>76.9</b>
Interest income	(0.1)	1.7
Interest expense and similar expense	(7.3)	(14.9)
<b>Earnings before taxes (EBT)</b>	<b>47,6</b>	<b>63,7</b>
Income taxes	(9.8)	(20.8)
<b>Result from continuing operations</b>	<b>37.8</b>	<b>42.9</b>
Result from discontinued operations	1.0	1.0
<b>Net income</b>	<b>38.8</b>	<b>43.9</b>
<b>thereof attributable to shareholders of Vossloh AG</b>	<b>28.4</b>	<b>29.4</b>
thereof attributable to hybrid capital investors	4.5	4.5
thereof attributable to noncontrolling interests	5.9	10.0
<b>Earnings per share</b>		
Basic/diluted earnings per share (in €)	1.62	1.68
thereof attributable to continuing operations	1.56	1.62
thereof attributable to discontinued operations	0.06	0.06

# VOSSLOH GROUP

## BALANCE SHEET

Assets in € mill.	9/30/2022	12/31/2022	9/30/2023
Intangible assets	352.7	345.0	345.1
Property, plant, and equipment	322.4	326.4	324.3
Investment properties	7.1	1.3	1.0
Investments in companies accounted for using the equity method	52.1	49.4	49.1
Other noncurrent financial instruments	8.8	13.7	12.0
Other noncurrent assets	3.2	1.5	1.5
Deferred tax assets	12.5	17.1	17.3
<b>Noncurrent assets</b>	<b>758.8</b>	<b>754.4</b>	<b>750.3</b>
Inventories	259.1	236.5	258.2
Trade receivables	272.4	228.0	248.5
Contract assets	11.1	1.4	4.3
Income tax assets	9.3	8.9	12.1
Other current financial instruments	19.9	15.5	13.7
Other current assets	37.7	28.9	41.3
Short-term securities	1.5	2.3	1.1
Cash and cash equivalents	64.7	76.8	66.7
<b>Current assets</b>	<b>675.7</b>	<b>598.3</b>	<b>645.9</b>
Assets held for sale	-	16.1	16.4
<b>Assets</b>	<b>1,434.5</b>	<b>1,368.8</b>	<b>1,412.6</b>

Equity and liabilities in € mill.	9/30/2022	12/31/2022	9/30/2023
Capital stock	49.9	49.9	49.9
Additional paid-in capital	190.5	190.4	190.5
Retained earnings and net income	185.7	199.0	219.5
Hybrid capital	148.2	148.3	148.3
Accumulated other comprehensive income	15.4	10.3	(0.1)
<b>Equity excluding noncontrolling interests</b>	<b>589.7</b>	<b>597.9</b>	<b>608.1</b>
Noncontrolling interests	35.3	27.2	28.2
<b>Equity</b>	<b>625.0</b>	<b>625.1</b>	<b>636.3</b>
Pension provisions/provisions for other post-employment benefits	35.1	21.9	22.5
Other noncurrent provisions	16.9	17.5	23.8
Noncurrent financial liabilities	308.7	267.4	166.3
Noncurrent trade payables	0.0	1.7	0.0
Other noncurrent liabilities	5.4	10.4	4.6
Deferred tax liabilities	7.9	9.4	9.3
<b>Noncurrent liabilities</b>	<b>374.0</b>	<b>328.3</b>	<b>226.5</b>
Other current provisions	56.7	52.7	65.7
Current financial liabilities	50.3	49.2	140.5
Current trade payables	162.7	167.3	178.1
Current income tax liabilities	7.8	9.8	14.2
Other current liabilities	158.0	126.6	141.8
<b>Current liabilities</b>	<b>435.5</b>	<b>405.6</b>	<b>540.3</b>
Liabilities related to assets held for sale	-	9.8	9.5
<b>Equity and liabilities</b>	<b>1,434.5</b>	<b>1,368.8</b>	<b>1,412.6</b>

# VOSSLOH GROUP

## KEY PERFORMANCE INDICATORS

		Core Components		Fastening Systems		Tie Technologies		Customized Modules		Lifecycle Solutions	
		1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023
Sales revenues	€ mill.	346.7	418.6	244.1	283.8	113.1	155.3	332.4	411.2	94.1	121.3
EBITDA	€ mill.	47.9	77.7					37.3	42.2	14.6	17.8
EBITDA margin	%	13.8	18.6					11.2	10.3	15.6	14.7
EBIT	€ mill.	31.1	57.3					26.2	28.1	5.2	7.4
EBIT margin	%	9.0	13.7					7.9	6.8	5.6	6.1
Working capital (average)	€ mill.	122.6	104.3					74.5	78.2	22.6	33.0
Working capital intensity (average)	%	26.5	18.7					16.8	14.3	18.1	20.4
Capital employed (average)	€ mill.	364.9	333.1					378.3	377.4	202.8	218.2
ROCE	%	11.4	22.9					9.2	9.9	3.4	4.5
Value added	€ mill.	11.9	36.0	12.9	38.2	(1.0)	(1.5)	6.4	4.1	(5.4)	(6.5)
Orders received	€ mill.	439.4	448.3	325.1	304.0	129.2	167.6	403.9	373.5	137.5	146.0
Order backlog (reporting date 9/30)	€ mill.	311.8	295.3	235.8	202.3	83.5	99.3	455.4	437.3	55.9	58.1
Capital expenditure	€ mill.	11.9	13.9	7.1	9.9	4.8	4.0	8.2	10.6	7.6	10.7
Depreciation/amortization	€ mill.	(16.9)	(20.4)	(7.9)	(9.8)	(9.0)	(10.6)	(11.1)	(14.0)	(9.4)	(10.5)

# VOSSLOH GROUP

## CASH FLOW STATEMENT

€ mill.	1-9/2022	1-9/2023
Earnings before interest and taxes (EBIT)	55.0	76.9
EBIT from discontinued operations	1.0	1.0
Amortization/depreciation/impairment losses/reversal of impairment losses of noncurrent assets	37.8	45.6
Change in noncurrent provisions	3.5	7.0
<b>Gross cash flow</b>	<b>97.3</b>	<b>130.5</b>
Income taxes paid	(16.8)	(20.1)
Change in working capital	(82.9)	(22.0)
Other changes	(20.1)	(4.5)
<b>Cash flow from operating activities</b>	<b>(22.5)</b>	<b>83.9</b>
Investments in intangible assets and property, plant, and equipment	(24.7)	(36.9)
Cash-effective dividends from companies accounted for using the equity-method	0.7	1.0
<b>Free cash flow</b>	<b>(46.5)</b>	<b>48.0</b>

# VOSSLOH GROUP

## EMPLOYEES

	Reporting date		Average	
	9/30/2022	9/30/2023	1-9/2022	1-9/2023
<b>Employees</b>				
Core Components	932	1,041	914	1,032
Customized Modules	2,247	2,289	2,240	2,281
Lifecycle Solutions	545	626	543	602
Vossloh AG	68	79	67	78
<b>Group</b>	<b>3,792</b>	<b>4,035</b>	<b>3,764</b>	<b>3,993</b>

# VOSSLOH GROUP

## SHARE PRICE PERFORMANCE, INFORMATION ON SHARE DATA, AND SHAREHOLDER STRUCTURE

Vossloh share price development 12/31/2022 to 9/30/2023



### Information on the Vossloh share

ISIN	DE0007667107
Trading locations	Xetra, Tradegate, Düsseldorf, Frankfurt, Berlin, Hamburg, Hanover, Stuttgart, Munich
Number of shares outstanding at 9/30/2023	17,564,180
Share price (9/30/2023)	€39.50
Price high/low January to September 2023	€44.65 / €37.20
Market capitalization (9/30/2023)	€693.8 mill.
Reuters code	VOSG.DE
Bloomberg code	VOS:GR

### Shareholder structure in %.

