

3M 2017 Results

VTG AG – On the track for the future

Dr. Heiko Fischer, CEO
Dr. Kai Kleeberg, CFO

May 4, 2017



Agenda



- 1 Highlights 3M 2017
- 2 Discussion of 3M 2017 figures
- 3 Outlook FY 2017
- 4 Financial Calendar 2017



Executive Summary

Highlights 3M 2017

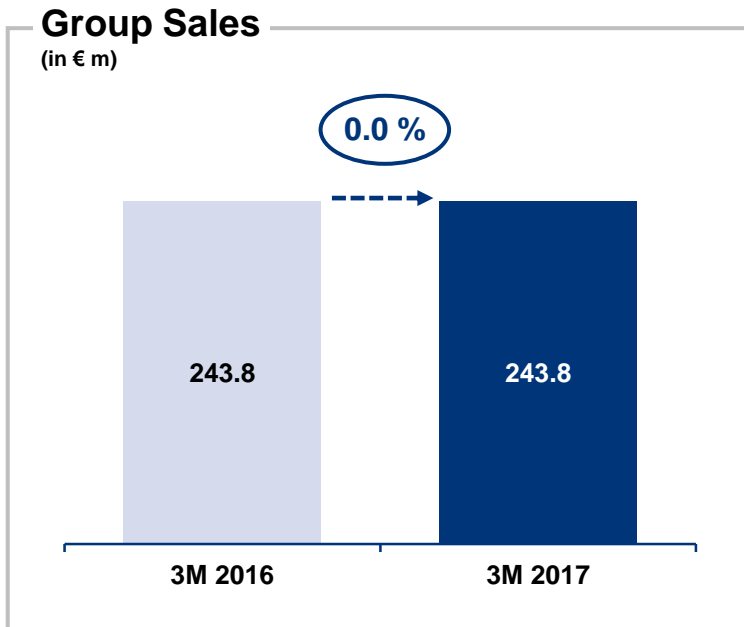
- Stable sales trend on Group level
- Logistics divisions perform well, but Railcar somewhat weaker
- Extraordinary R&M expenses burden EBITDA
- EBT and EPS further improved



Group figures

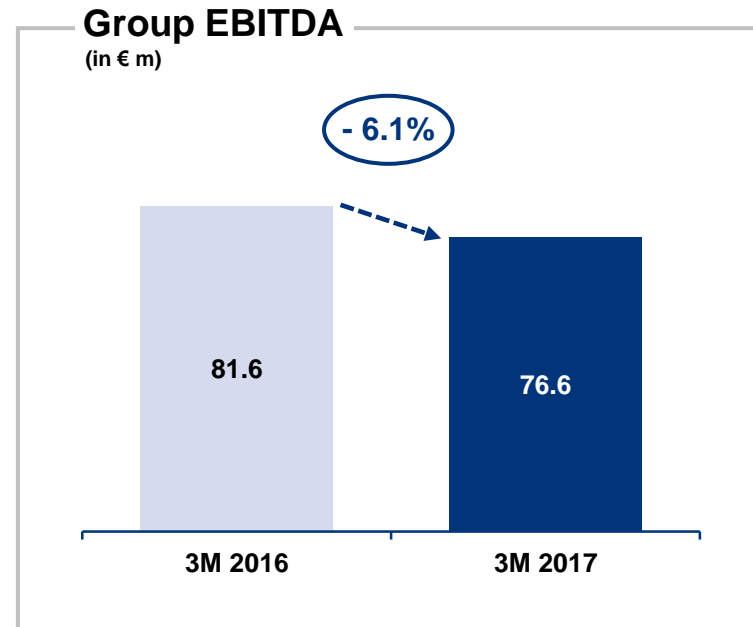
	3M 2016	3M 2017	Δ
Sales	243.8 m €	243.8 m €	0.0 %
EBITDA	81.6 m €	76.6 m €	- 6.1 %
EPS	0.30 €	0.33 €	+ 10.0 %
Utilization	90.6 %	90.3 %	- 0.3 PP

Split of Group Sales and EBITDA



Comment

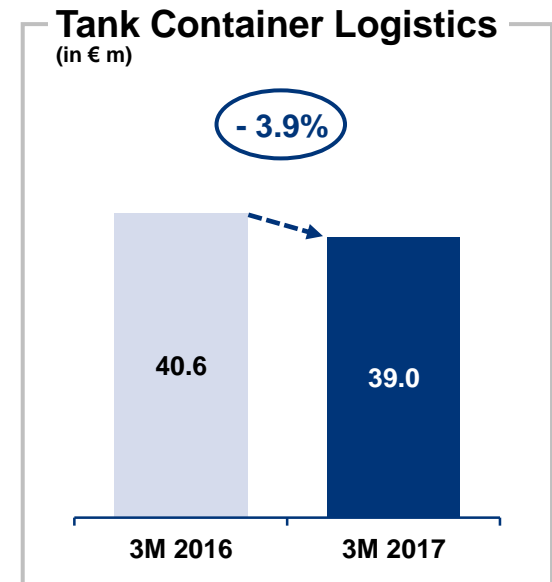
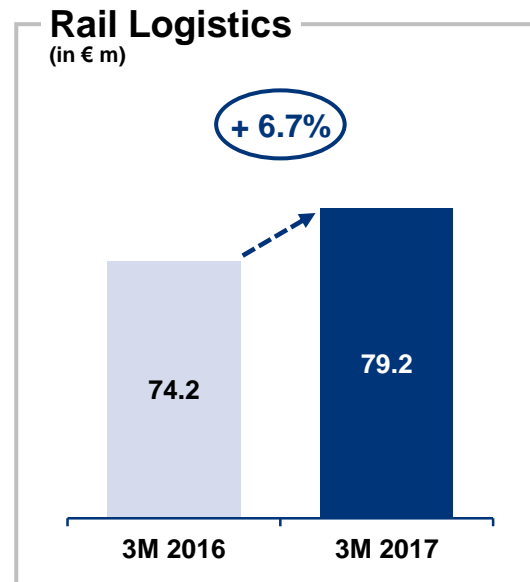
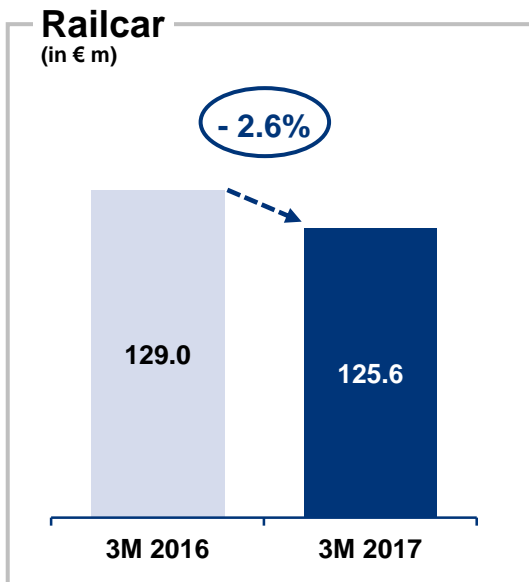
- Stable sales development on group level
- Railcar and Tank Container Logistics with slightly lower sales
- Rail Logistics sales well above previous year level



Comment

- EBITDA impacted by lower sales and extraordinary repair & maintenance expenses in Railcar
- Both logistics divisions with inspiring performance

Sales development by division



Comment

- Lower hire revenues, especially in intermodal and mineral oil sector
- Utilization at 90.3 % (03/2016: 90.6 % / 12/2016: 89.8 %) supported by smaller fleet size

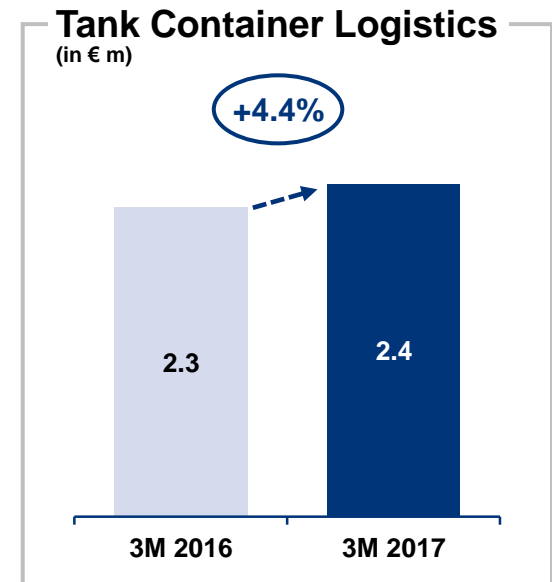
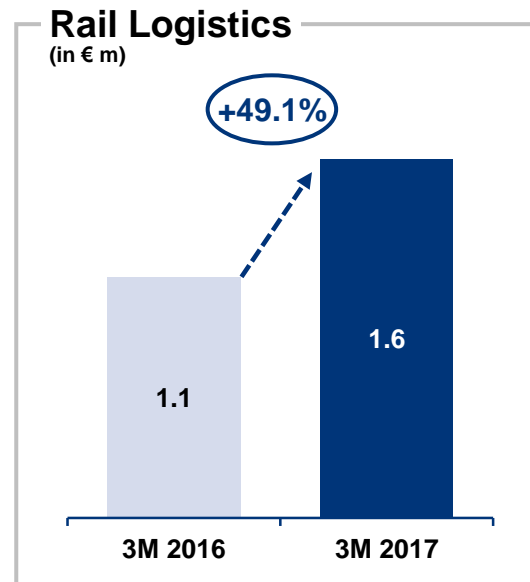
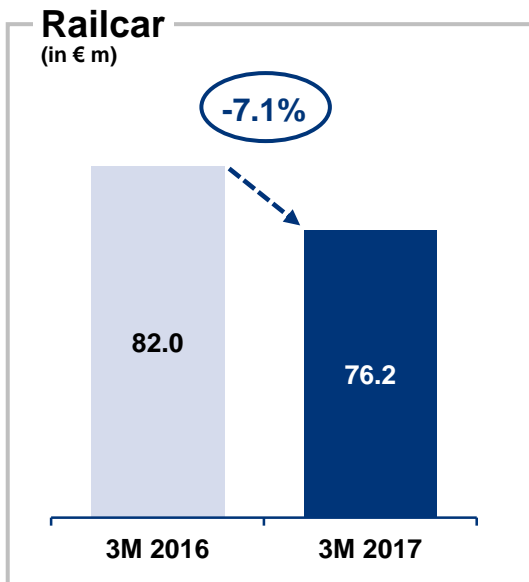
Comment

- Acquisition of new business
- Rising demand for agricultural goods transportation and no major production downtimes at customers as compared to 2016

Comment

- Rising global transport volumes
- Sales decline yoy due to lower freight rates

EBITDA development by division



Comment

- Missing sales with direct impact on EBITDA
- Extraordinary R&M expenses in Q1
- EBITDA margin at 60.7 % (3M 2016: 63.6 %)

Comment

- Sales increase is accompanied by stable cost structure
- EBITDA margin* at 22.8 % (3M 2016: 16.1 %)

Comment

- Higher gross profit mitigated by somewhat higher costs
- EBITDA margin* therefore reduced to 29.3 % (3M 2016: 33.2 %)

* EBITDA margins calculated on gross profit (logistics divisions only)

Agenda

- 1 Highlights 3M 2017
- 2 Discussion of 3M 2017 figures
- 3 Outlook FY 2017
- 4 Financial Calendar 2017



Group key figures

Key figures

(in € m)	3M 2016	3M 2017	Δ
Sales	243.8	243.8	0.0 %
EBITDA	81.6	76.6	- 6.1%
EBIT	34.9	29.5	- 15.5 %
EBT	18.1	18.8	+ 3.6 %
Net income	11.8	12.7	+ 7.6 %
Net income to shareholders	8.7	9.6	+ 10.0 %
EPS in €	0.30	0.33	+ 10.0 %

Comment

- Sales on previous year level
- Sales decline and extraordinary R&M expenses in Railcar weight on operating profit
- EBT improved in spite of lower EBIT due to better financial result
- Earnings per share (EPS) further increased on the back of better EBT and a lower tax rate (32.5 % vs. 34.8 % in 3M 2016)

Financial result

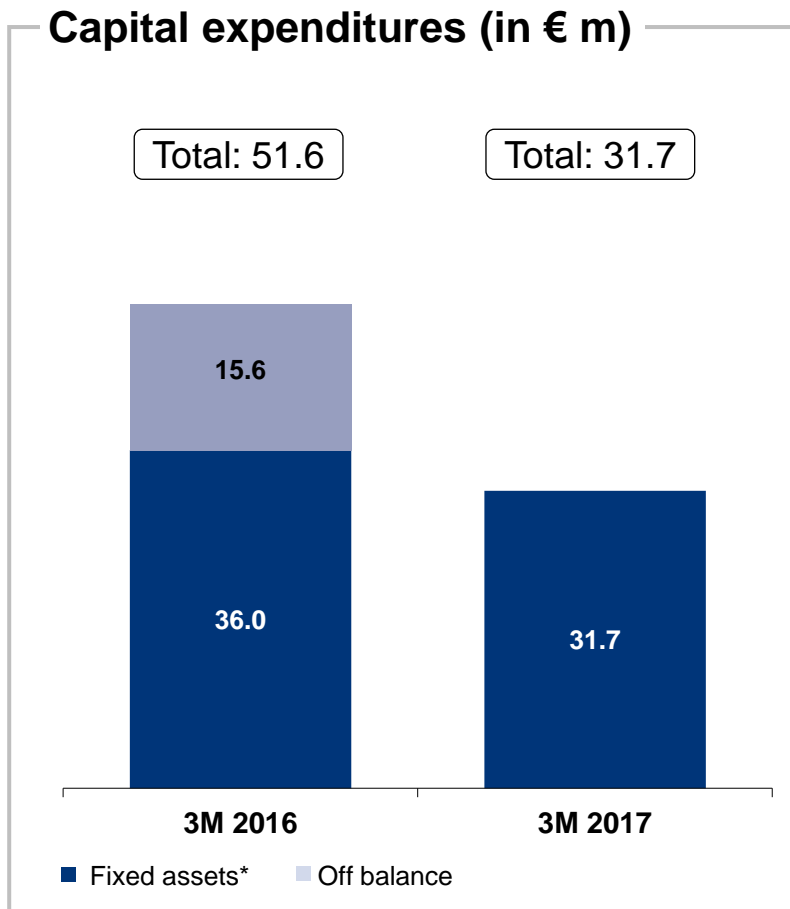
Split of financial result (in € m)

	3M 2016	3M 2017
EBIT	34.9	29.5
EBT	18.1	18.8
Financial result	- 16.8	- 10.7
Thereof:		
interest expenses of financial debt	- 13.5	- 13.4
interest expenses from credit lines	- 0.7	- 0.5
Total interest expenses	- 14.1	- 13.9
transaction costs	- 0.8	-0.8
Swap effects	- 3.2	1.9
FX effects	1.5	2.3
interest on pensions	- 0.3	- 0.3
other financial result	0.1	0.1
Other financial result	- 2.7	3.2

Comment

- Financial result further improved
- Slightly lower interest expenses due to amortization of loans
- Rising interest rates with positive impact on valuation of ineffective AAE swaps
- Positive effect from Ruble valuation
- Average interest rate still around 4% (incl. swaps)

Capex – rising order book



* Capex for fixed assets, including intangible assets and capitalization of revision costs

VTG Group – Operating cash flow and Net debt

Cash flow

(in € m)	3M 2016	3M 2017
Operating cash flow	+ 66.3	+ 50.0
Payments for fixed assets	- 36.3	- 35.1
Disposal of fixed assets	+ 1.8	+ 29.1
Others	- 3.1	+ 0.2
Investing cash flow	- 37.6	- 5.8
Free cash flow	+ 28.7	+ 44.2

Net debt

(in € m)	31.12.2016	31.03.2017
Net debt	1,660.4	1,645.1
Net debt adjusted (incl. pensions)	1,731.4	1,716.1
Net debt adj./EBITDA*	5.0	5.0

* Calculated on EBITDA 2016

Comment

- Operating cash flow reduced due to lower EBITDA and purchase of wagons designated for resale (10.5 m €)
- Cash flow from investing activities is strongly influenced by sale and lease back of a wagon portfolio acquired in 2016
- Free cash flow remains on a high level

Agenda

- 1 Highlights 3M 2017
- 2 Discussion of 3M 2017 figures
- 3 Outlook FY 2017
- 4 Financial Calendar 2017



FY 2017 outlook




For VTG Group slight increase in sales and EBITDA expected


Railcar

Stable sales and EBITDA development expected

- Current market environment with no significant growth drivers
- Utilization to stay at previous year level with slight fluctuations
- 6 m € one-off from 2016 will be compensated by full-year effect of 2016 investments

Segment outlook

Revenue 


EBITDA 


Rail Logistics

Slight increase in sales and EBITDA expected

- Strengthening of sales activities with continued focus on high margin business
- Further efficiency measures to be taken

Segment outlook

Revenue 


EBITDA 


Tank Container Logistics

Slight increase in sales and EBITDA expected

- Slight increase in transport volume expected
- Margin improvement due to investment in own containers

Segment outlook

Revenue 

EBITDA 

Disclaimer

This presentation contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of VTG Aktiengesellschaft. Forward-looking statements shall not be construed as a promise for the materialization of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting VTG Aktiengesellschaft, and other factors. VTG Aktiengesellschaft does not assume any obligations to update any forward-looking statements.

This document and the information contained herein are for information purposes only and do not constitute a prospectus or an offer to sell or a solicitation of an offer to buy any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “Securities Act”) or the laws of any state of the United States, and may not be offered, sold or otherwise transferred in the United States absent registration or pursuant to an available exemption from registration under the Securities Act. VTG Aktiengesellschaft does not intend to register any securities referred to herein in the United States.

Save the date 2017

Financial Calendar 2017:

- March 7 Preliminary Results FY 2016
- April 6 Annual Report FY 2016
- April 6 Analyst Conference, Hamburg
- May 4 Quarterly Statement Q1 2017
- June 8 Annual General Meeting, Hamburg
- August 29 Half-Yearly Financial Results 2017
- November 9 Quarterly Statement Q3 2017

Contact Investor Relations



Christoph Marx

Head of Investor Relations

Phone: +49 40 2354 1351

Fax: +49 40 2354 1350

Email: christoph.marx@vtg.com

Alexander Drews

Investor Relations Manager

Phone: +49 40 2354 1352

Fax: +49 40 2354 1350

Email: alexander.drews@vtg.com



VTG Aktiengesellschaft, Nagelsweg 34, 20097 Hamburg, Germany