

# Acquisition of AAE

*VTG AG – Growing together*

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

Conference Call on  
September 30, 2014



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# Press Release on September 29, 2014 – Key take aways



Press release

## Full-service for rail transport: VTG Aktiengesellschaft acquires railcar provider AAE, Ahaus Alstätter Eisenbahn Holding AG

- Wagon fleet increases from over 50,000 wagons to around 80,000
- Full-service railcar provider of all essential wagon segments created
- New strategic foothold: combined transport
- Additional principal shareholder brings stability and industry knowledge
- Financing via three pillars
- Significant increase in revenues, EBITDA grows by more than 75 percent

*Hamburg, September 29, 2014.* VTG Aktiengesellschaft (WKN: VTG999), one of the leading wagon hire and logistics companies in Europe acquires the wagon hire company AAE, Ahaus Alstätter Eisenbahn Holding AG. This merger enables VTG to strengthen its position as the largest private wagon hire company in Europe, with a fleet consisting of around 80,000 wagons. The main focus of the newly acquired fleet is on combined transport wagons which in turn rounds off VTG's wagon and service range in Europe and closes a vital gap in its product portfolio.

"Acquiring AAE represents a major strategic step forward for our company", explains Dr. Heiko Fischer, CEO of VTG Aktiengesellschaft. "The merger of two innovation leaders will lead to the establishment of the only single-source provider of all essential wagon segments for rail freight transportation throughout Europe. This will open us up to new customer groups and allow us to continue to address the market segment with the strongest growth potential. Both the shipping industry and rail companies can equally benefit from our products and services."

AAE is a leading provider as a rental company for combined transport services. "Combined" or "intermodal" transportation refers to all forwarding and transport operations which involve the same

- 1 Increasing VTG's wagon fleet from over 50,000 to about 80,000 rail cars
- 2 New strategic pillar: intermodal transport with excellent growth prospects
- 3 Strengthening of VTG's conventional freight rail cars
- 4 Administrative and purchasing synergies
- 5 Owner of AAE becomes one of the major shareholders of VTG; no take-over intended
- 6 Expected closing: first half of 2015

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## AAE – Company overview



### **AAE - one of Europe´s largest freight railcar lessors:**

- Leading operator for freight cars in intermodal transport
- Railcars in Europe and Russia
- Fleet of about 30,000 rail cars
- Founded in 1989
- Head Office: Baar, Switzerland
- Headcount: 100 (Europe), 35 (Russia)
- Owner: Mr. Andreas Goer

### **Service offering:**

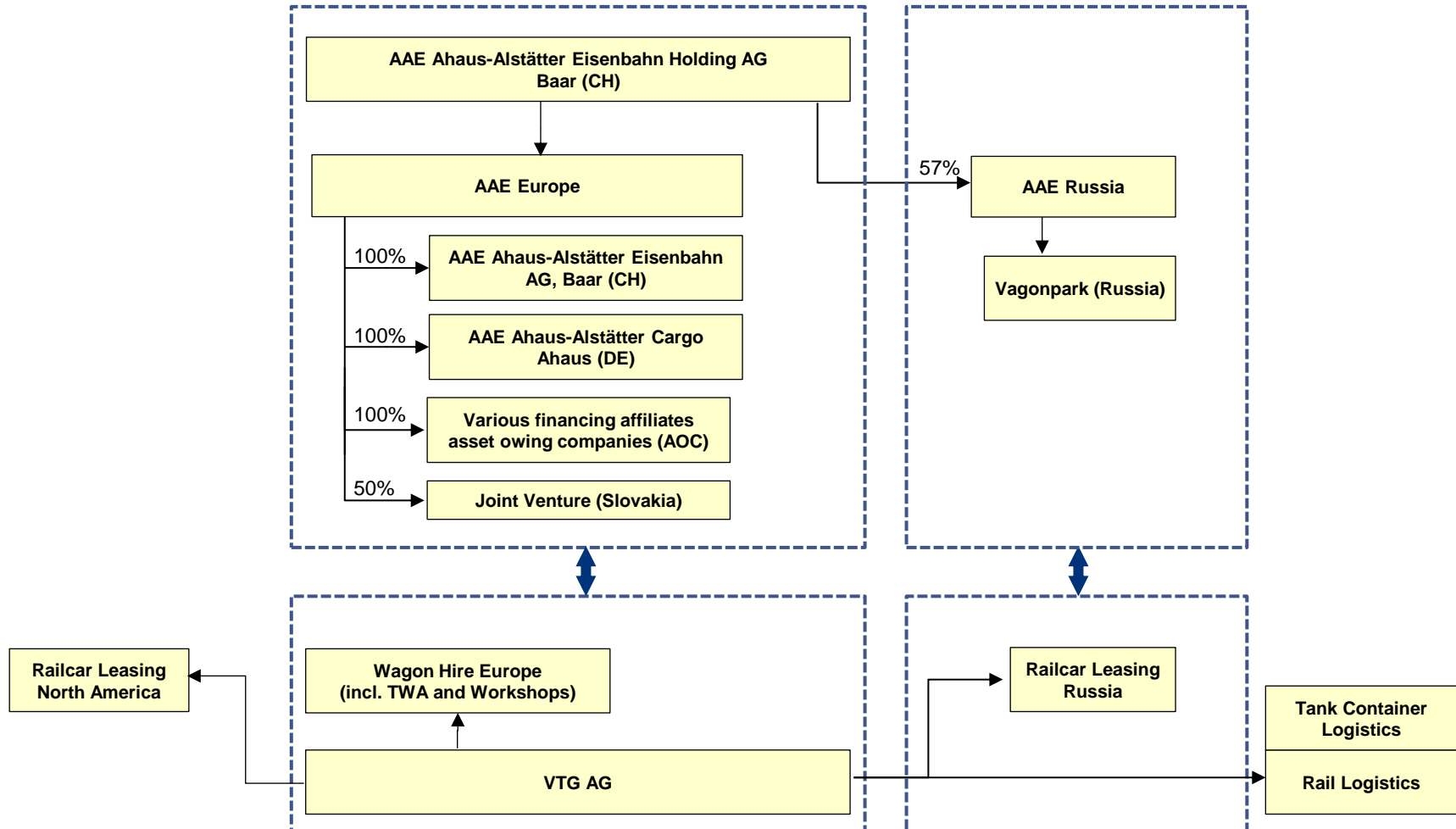
- From Dry (or Net) to Wet (or Full-Service) leasing of freight cars depending on optional levels of maintenance and spare parts services

*info*

### **Intermodal transport:**

*Transportation of goods in one and the same unit (container, replaceable container, trailer) by rail in combination with other carriers (road, sea).*

# Legal structure VTG / AAE (simplified)



# AAE – European-wide organization focused on intermodal wagons



## AAE's Regional Presence

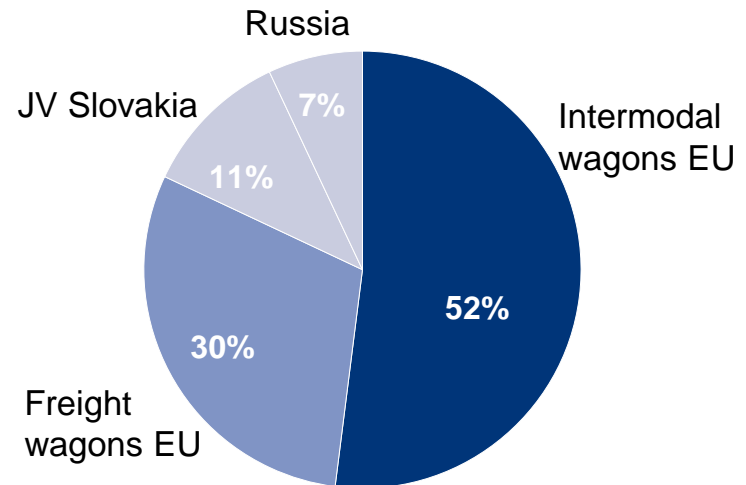


Customers in 24 European countries:

- Sales organization in nearly all European countries
- Joint venture in Russia for wagon hire activities in countries with broad gauge

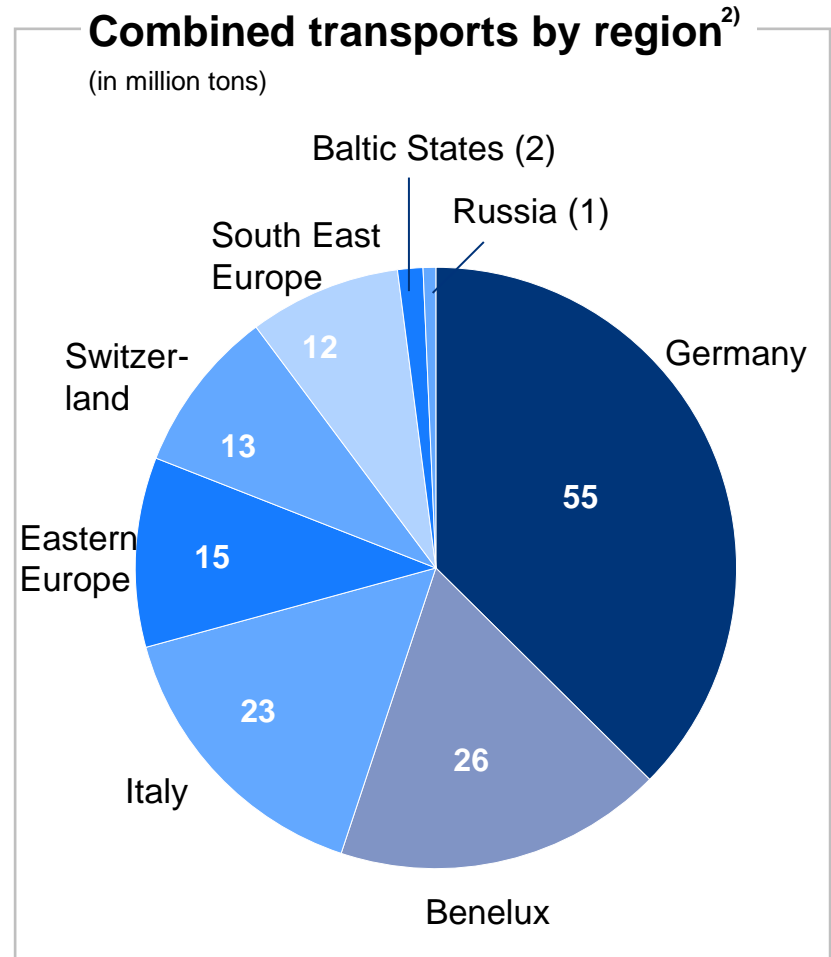
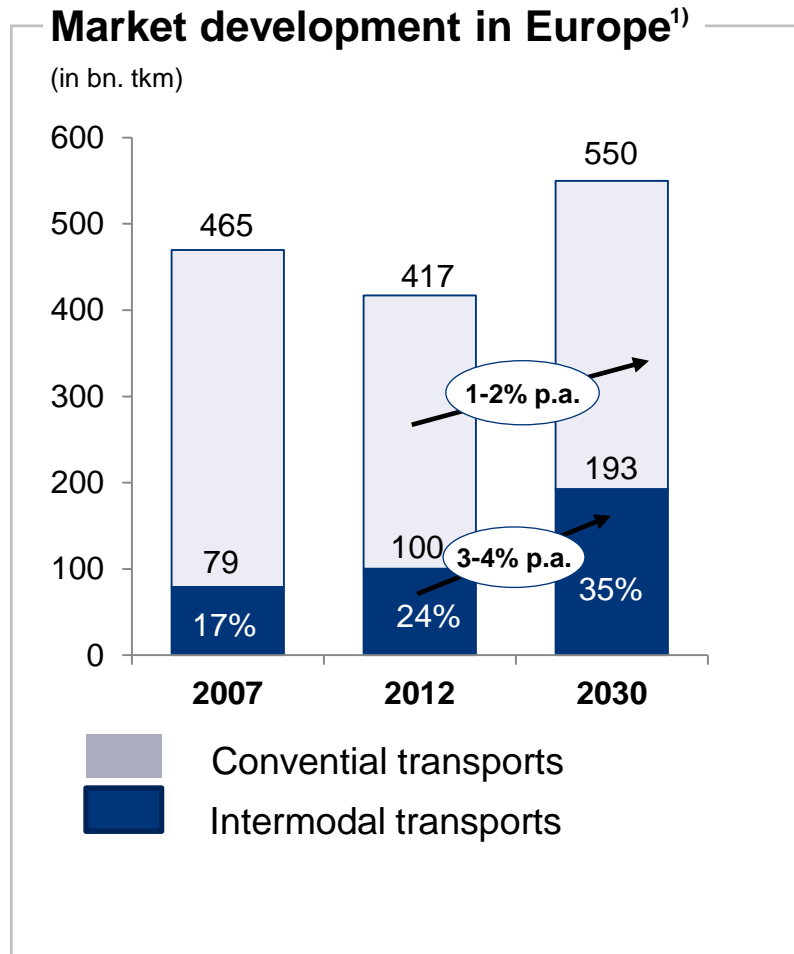
## AAE's Fleet Portfolio

[number of wagons]



- **AAE's own fleet: about 23.960 wagons**
  - 15.170 wagons for intermodal transport
  - 8.790 standard freight wagons
  - 57% shareholding in 2.000 wagons (Russia)
  - Joint venture in 3.300 wagons (Slovakia)
- **Young fleet:**
  - Average age of appr. 15 years

# Combined transportation is a growing segment in the European railway market



1) DB Schenker Rail

2) AT Kearney (w/o France)



## AAE – Wagon portfolio I/III

### Intermodal 40'



Railcar for combined transport with a maximum loading weight of 72 t. Optimized for 20' tank and bulk containers or heavy 40' containers.

### Intermodal 60'



The most flexible "allround" railcar for combined transportation with an ideal loading weight of 70 t. Excellent for maritime containers, tank containers and swap-bodies.

### Intermodal 90'



This flexible car is ideally suited for loading of almost all types of containers. The loading weight of 106 t is extremely high for this type of car.

## AAE – Wagon portfolio II/III

### SLNPS25



The ACTS System (Roll-off Container Transport System) can be used on almost all loading tracks with hard surface road access. The standard rolloff containers can be pushed/pulled between wagon and truck in a singleman operation by means of a chain or hook system.

### Intermodal 80'



With a loading length of 80 feet this container car is ideally suited for the transport of 20' and 40' containers. With its high cargo weight of 107 t and its loading length, the Sggrss 80' provides the ideal weight/ loading length ratio.

### Intermodal 104' pocket-wagon TWIN



Multi-function wagon for megatrailer transport. The wagon has a height- adjustable cradle for even greater loading and unloading efficiency. It can also be used for standard trailers.

## AAE – Wagon portfolio III/III

### Flat wagon



A very flexible car for allround use e.g. for the transportation of heavy goods, steel products and manufactured products. The railcar is equipped with stanchions and collapsible sidewalls.

### Non-covered freight wagon



A modern open-top box car with steel floor, optimal loading weight of 65.5 t. This car is especially suited for the transportation of coal, briquettes, ore, stone and scrap.

### Flat wagon for coils



The Shimmnss wagon is an excellent solution on the market for transport of steel coils up to a maximum diameter of 2,250 mm. The wagon is very light with a tare weight of only 21.5 t.

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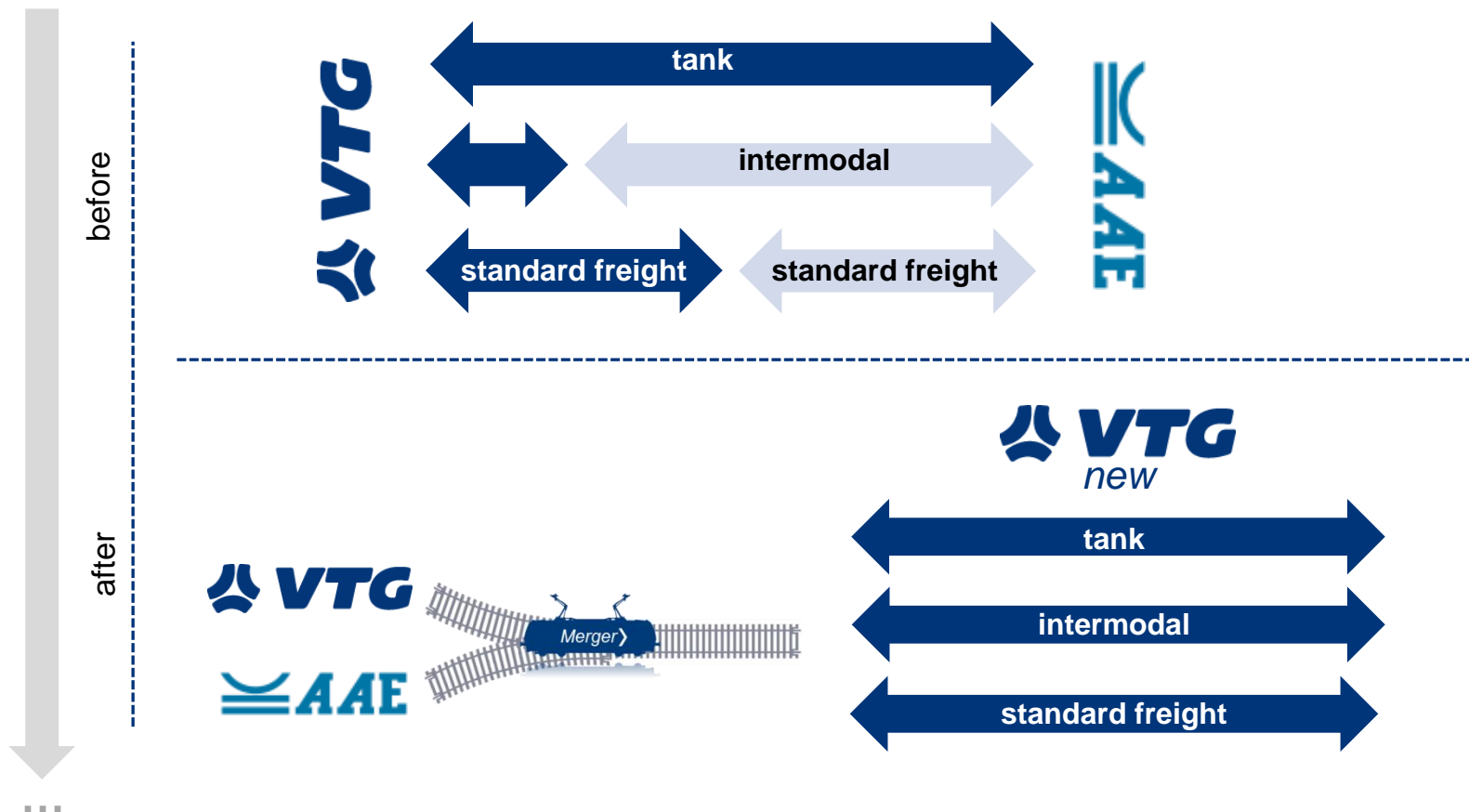
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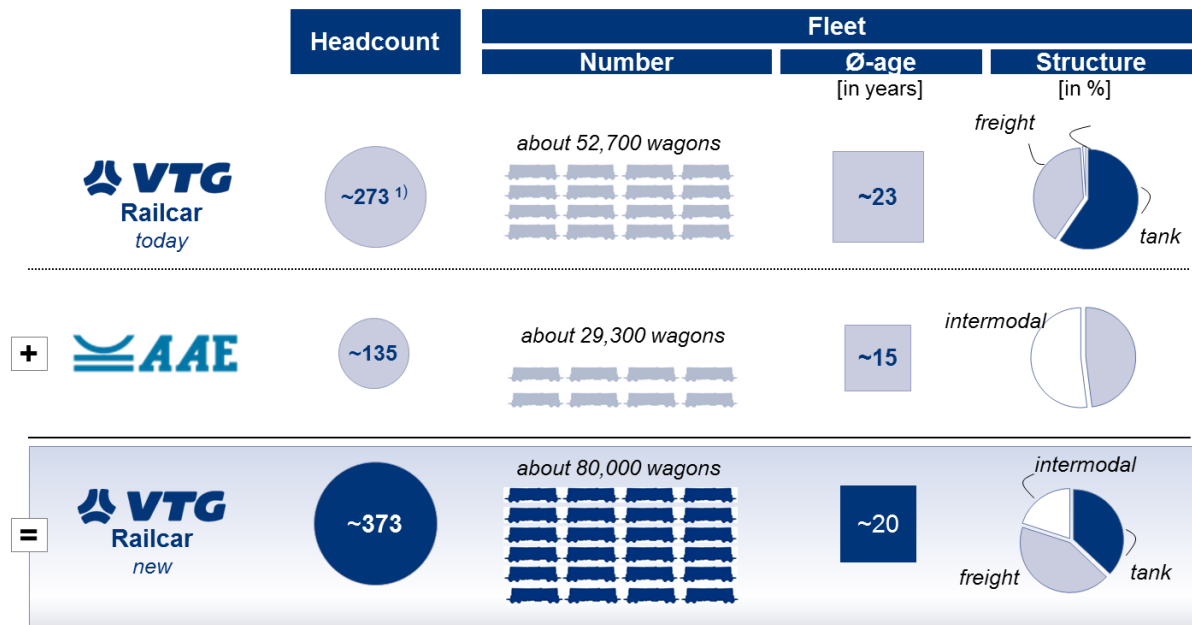
# Strategic fit – European market & fleet portfolio

1 New full range operator in Europe for all important wagon segments



# Strategic fit – European market & fleet portfolio

## 2 AAE's fleet complements VTG's fleet very well

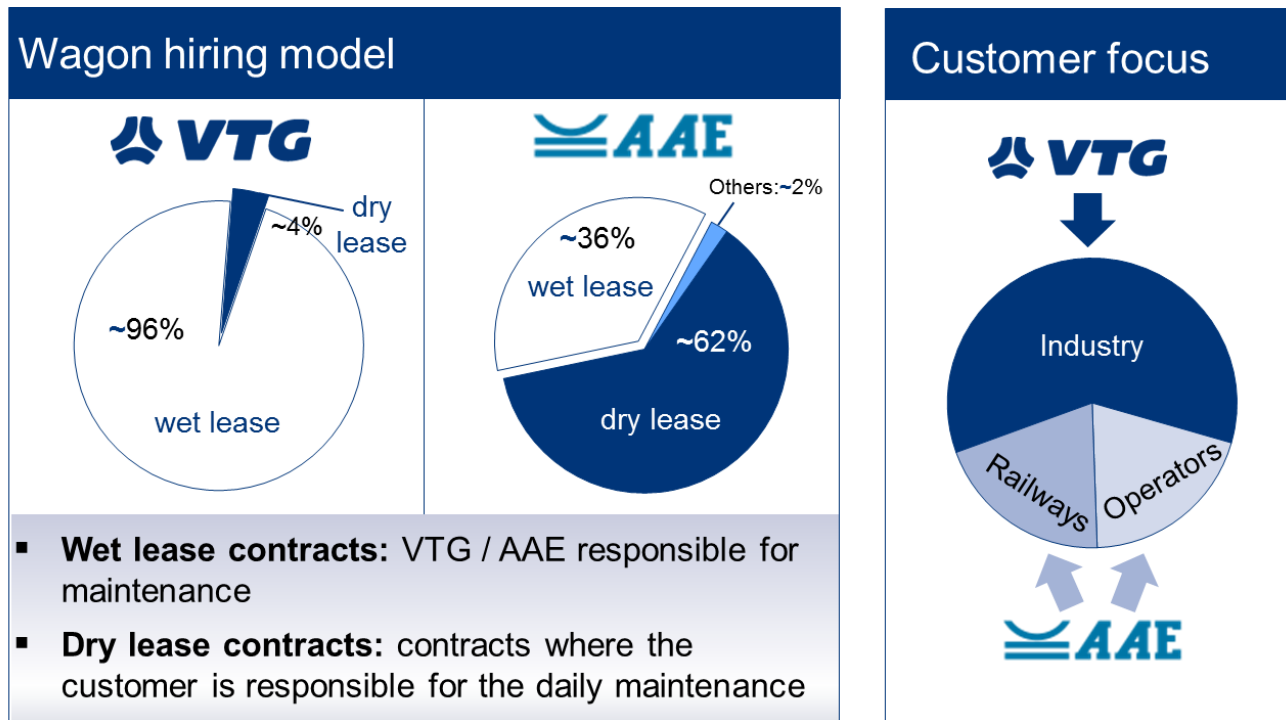


## 3 Intermodal transport is the strongest growing segment in the European railway market

1) Without workshops

# Strategic fit – Hiring model & customer base

## 4 Complementary hiring model and customer base






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## Strategic fit – Synergies



### 5 Leadership in innovation & increasing competences

#### A Innovation Leadership

- Tank: LNG, valves ... 
- Intermodal: TWIN II ... 
- General cargo (Shimmns...) 

#### B Increasing know-how / competences

- Sales know-how: Transfer of AAE's strong sales expertise in freight and intermodal wagons
- Technical know-how: Transfer of AAE's experience in wagons with high kilometric performance

- ➔ Essential improvement of service & product portfolio
- ➔ Efficient management and operation of fleet portfolio
- ➔ Administration and procurement synergies

...






## Strategic fit – Financials



### 6 Acquisition of AAE will boost VTG's earnings and asset base

[in € m]

#### P&L 2013

	 <b>VTG</b> Group	 <b>VTG</b> Railcar Division	 <b>AAE</b>
Sales	784	333	~200
EBITDA	184	181	~150
EBITDA margin		54%	~70%

#### Balance Sheet 2013

Tangible fixed assets	1,070		~1,000
Total assets	1,551		~1,100
Net debt	(804)		~(890)
Leverage (net debt/EBITDA)	4.4x		~6.0x

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# Purchase price contains a capital increase, vendor loan and a cash payment

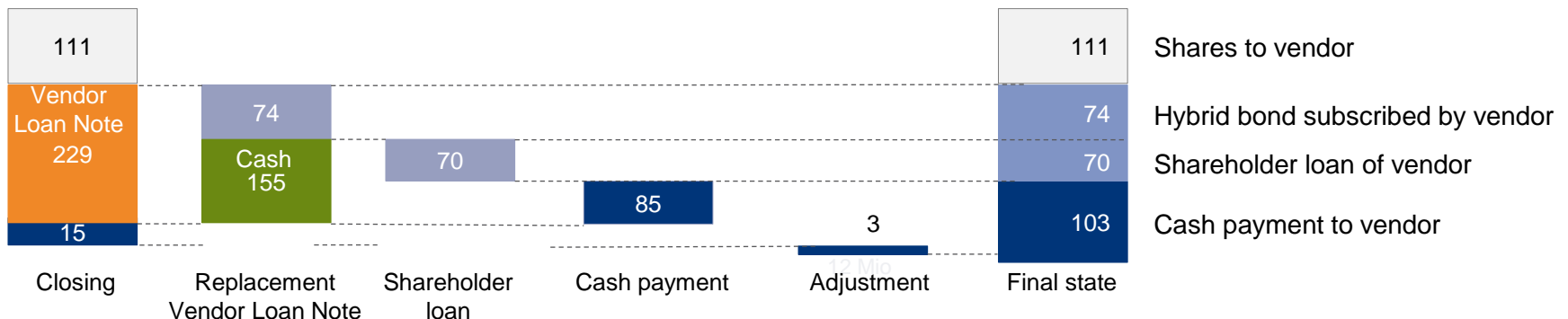


## Components of the purchase price

<b>1</b>	7.367.330 new shares from a capital increase amounting to 111 € m (calculated at an average share price of 15 €/share) <sup>1)</sup>	111 € m
<b>2</b>	Cash payment	15 € m
<b>3</b>	Purchase price adjustment mechanism	3 € m
<b>4</b>	Non-tradable Vendor Loan Note treated as equity	229 € m
	Asap replaced by a tradable hybrid bond of at least 230 € m	<b>358 € m</b>
	→ 74 € m signed by the vendor	
	→ 155 € m cash to vendor	
	→ Thereof 70 € m redeposit as shareholder loan	

1) Based on an average share price of the recent past.  
Share price at closing 29.9.: € 13.50

## Bridge to purchase price components (in € m)

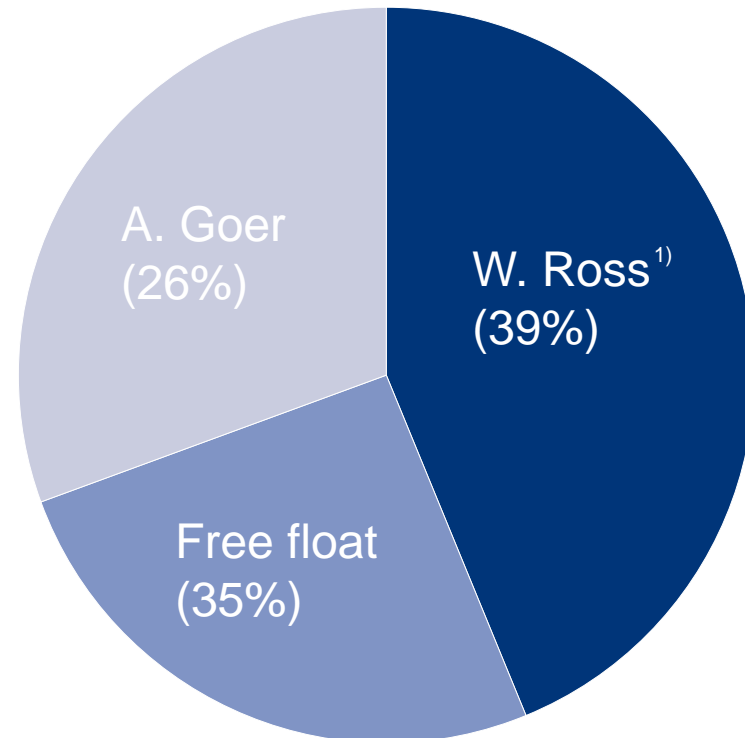


## Financing of transaction

### 2 Financing of AAE-Group

- ▶ AAE's maturity profile shows a healthy mix of short-, mid- and long-term financing
- ▶ VTG has an excellent relationship to majority of AAE's debt sponsors
- ▶ The combined creditor portfolio of VTG and AAE does not lead to larger risk concentration
- ▶ Commitment of banks and noteholders to support transaction and continue the credit commitment
- ▶ Bridge financing available if necessary
- ▶ All existing financial covenants from VTG and AAE will be met

### 3 Shareholder structure after closing



1) Based on the latest announcements

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# Questions & Answers



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## Save the date 2014

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### Financial Calendar 2014:

- February 19<sup>th</sup> Preliminary Results FY 2013
- March 25<sup>th</sup> Annual Report FY 2013
- March 25<sup>th</sup> Analyst Conference, Hamburg
- May 15<sup>th</sup> Interim Report for the 1st Quarter 2014
- June 5<sup>th</sup> Annual General Meeting, Hamburg
- August 21<sup>st</sup> Half-Yearly Financial Results 2014
- November 13<sup>th</sup> Interim Report for the 3<sup>rd</sup> Quarter 2014

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