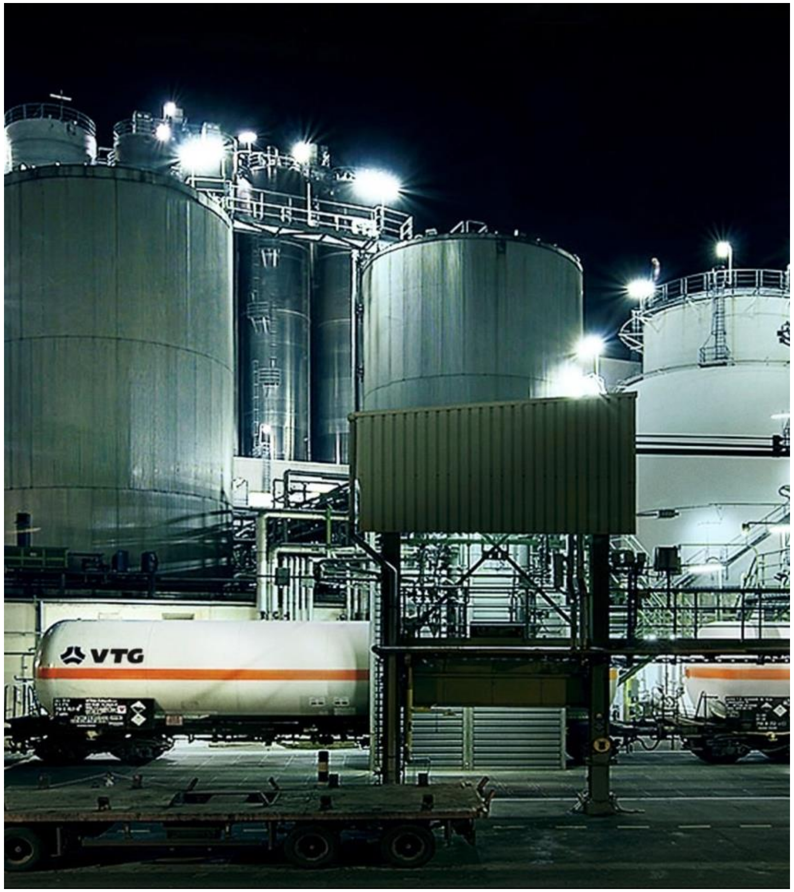
H1/2015 Results

VTG AG – Connecting worlds

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

August 27, 2015

Table of content



Executive Summary

Highlights H1 / 2015

- Sales and EBITDA significantly increased due to both the acquisition of AAE and better performance of VTG (old)
- Utilization of wagon fleet on previous year´s level
- Reorganization of Rail Logistics with positive impact on EBITDA
- Despite takeover of AAE investments below previous year

Group figures

	H1 / 2014	H1 / 2015
Sales	€ 404.7 million	€ 512.3 million
EBITDA	€ 90.2 million	€ 168.0 million
Investments	€ 106.6 million	€ 93.3 million
Utilization	90.2%	90.2%

Highlights by divisions

1 Railcar

- Integration of AAE on track:
  - New organizational structure
  - Realization of first synergies
- Utilization with 90.2 % on previous year´s level but slightly below Q1 2015
- Slightly increased order book to 2,500 (delivered until 2017)

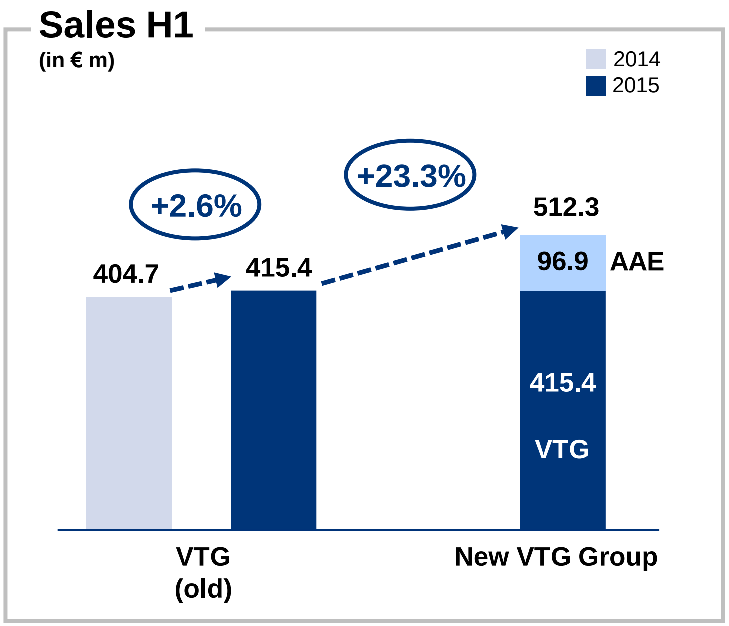
2 Rail Logistics

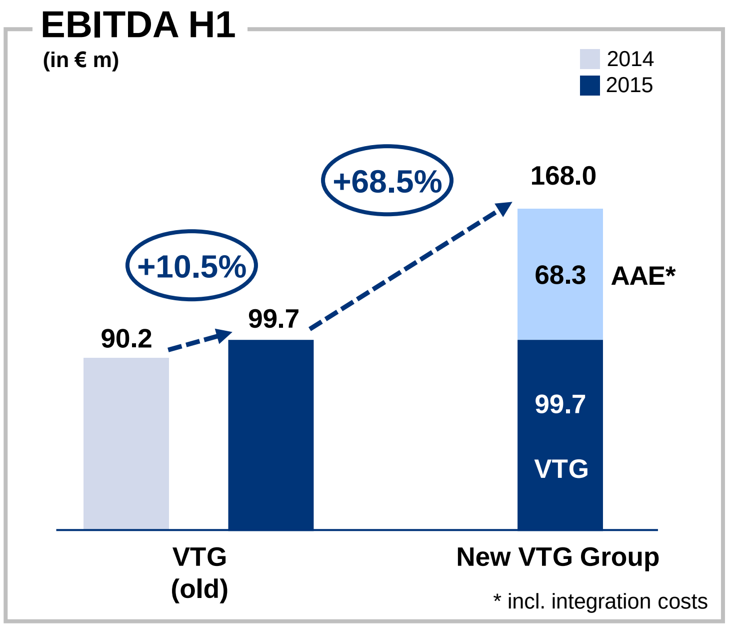
- Turnaround progresses – EBT close to break even
- Product mix improved
- Reduced cost structure leads to margin recovery

3 Tank Container Logistics

- Good development of oversea shipments – especially to Asia
- Strong US-Dollar supported sales and earnings
- Margin improved
- Sale of a non-consolidated company to streamline business

Split of Sales and EBITDA





Comment

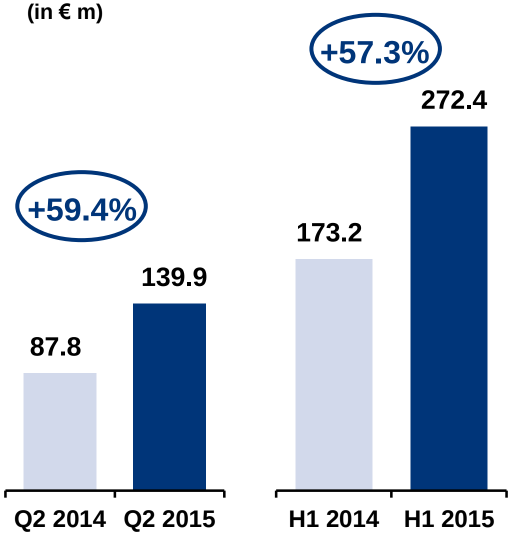
- AAE boosts sales to more than 500m €
- Positive trend even without AAE effect (+2.6 %)

Comment

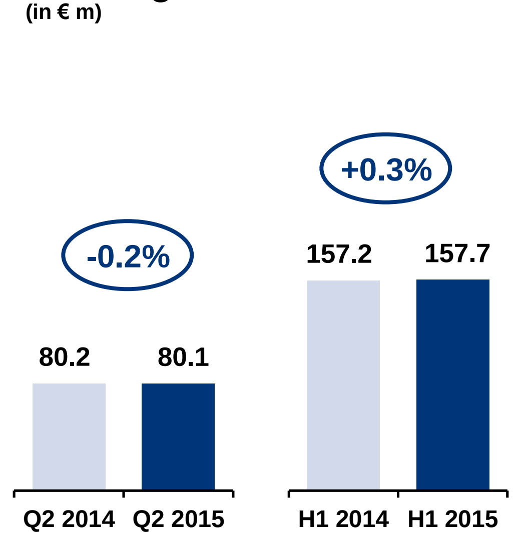
- Increased EBITDA as a result of positive sales development and the sale of assets
- EBITDA of AAE includes integration costs of 3 m €

Sales development by division

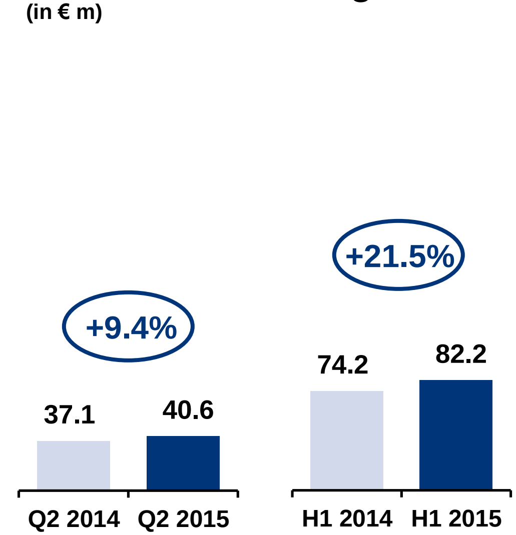
Railcar
(in € m)



Rail Logistics
(in € m)



Tank Container Logistics
(in € m)



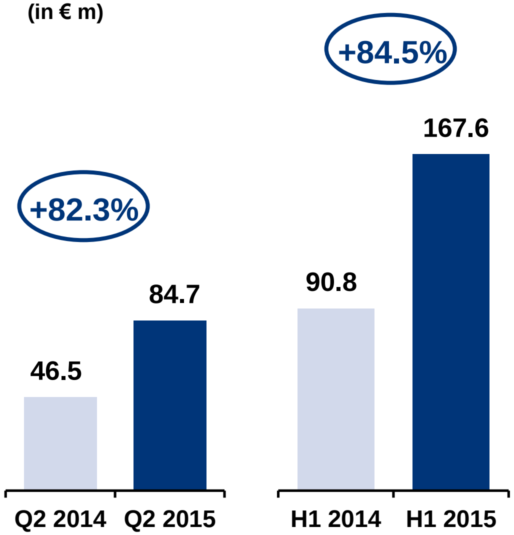
Comment
- Increase in sales mainly driven by AAE takeover
- Positive like-for-like development

Comment
- Division defended sales level in the first half 2015
- Further diversification into new industry segments
- Project business with good development

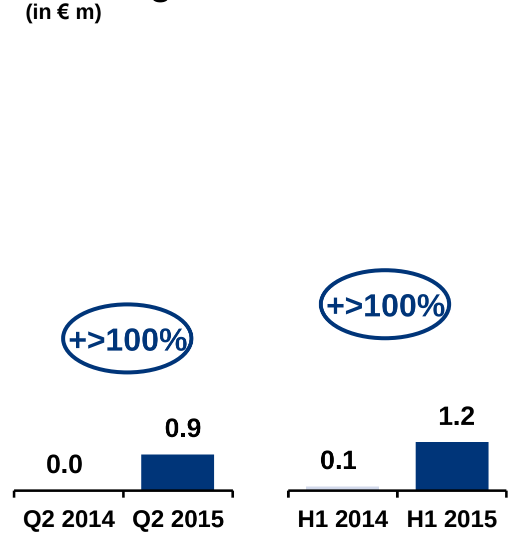
Comment
- Increasing sales due to improved shipments to Asia and into the US
- US-Dollar/EUR development with positive effect on sales

EBITDA development by division

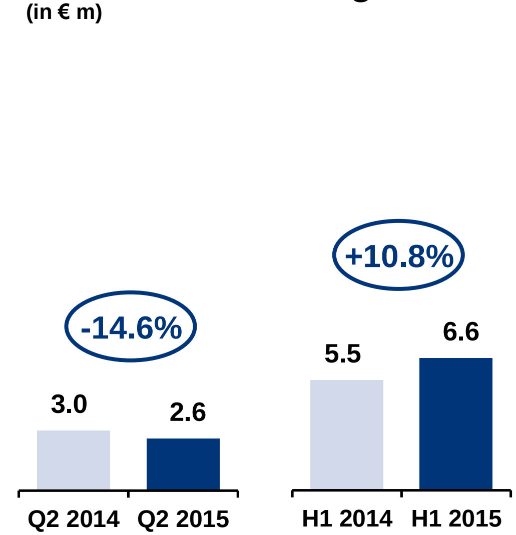
Railcar
(in € m)



Rail Logistics
(in € m)



Tank Container Logistics
(in € m)



Comment
- Acquisition of AAE main driver of EBITDA development
- Like-for-like earnings also up
- EBITDA margin at 61.5 % compared to 52.4 % last year

Comment
- Strong increase in EBITDA as a result of progressing reorganization
- EBITDA margin* significantly improved to 8.9 % (H1/2014: 0.7 %)

Comment
- EBITDA of Q2 2014 positively affected by extra-ordinary income (+0.5 m €)
- YTD development positive with better margin* of 49.2 % compared to 46.1 % H1 2014

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

Group key figures

Key figures

(in € m)	H1/ 2014	H1/ 2015	Δ
Sales	404.7	512.3	+26.6 %
EBITDA	90.2	168.0	+86.2 %
EBIT	38.0	71.4	+88.1 %
EBT	12.4	28.2	+126.8 %
Net income	7.8	18.1	+130.4 %
Net income to shareholders	8.6	12.1	+41.4%
EPS in € (reported)	0.40	0.42	+0.02 €
Key figures (adjusted)			
EBT (adj.)	12.4	29.9	+140.4 %
Net income to shareholders (adj.)	8.6	13.2	+52.3 %
EPS in € (adj.)	0.40	0.46	+0.06 €

Comment

- Strong increase in all key figures
- Positive one-time effects from sales of a non-consolidated affiliate and a wagon portfolio
- Negative one-time effects from integration cost of AAE and unfavorable currency development
- Net effects from one-offs in Q1 partially offset by better development in Q2
- First measures taken to improve tax rate – new expectation for 2015: 36 %
- Acquisition of AAE already EPS accretive after six months

Breakdown of extraordinary effects

Bridge to adjusted EBT

(in € m)	Q1 2015	Q2 2015	H1 2015
EBT (reported)	**8.9**	**19.3**	**28.2**
Currency (financial result)	*+3.5*	*-1.6*	*+1.9*
Integration costs	*+1.5*	*+1.5*	*+3.0*
Gain from sale of assets	*-2.0*	*-1.3*	*-3.3*
EBT (adjusted)	**11.9**	**17.9**	**29.9**

Split of D & A

(in € m)	H1 2015
EBITDA	**168.0**
Depreciation of fixed assets	*87.8*
PPA 2005	*4.1*
PPA AAE	*3.8*
Other PPA	*0.9*
EBIT	**71.4**

Comment

- Negative one-offs from Q1 partly offset by one-offs in Q2:
  - Q1: -3.0 m €
  - Q2: +1.4 m €
- First half EBT now closer to underlying business

Comment

- Approximately 9 % of D&A are attributed to PPAs
- PPA 2005 running until 2021, reduced to ~5 m € p.a. from 2018 onwards
- PPAs are evenly distributed throughout the year

Financial result

Split of financial result (in € m)

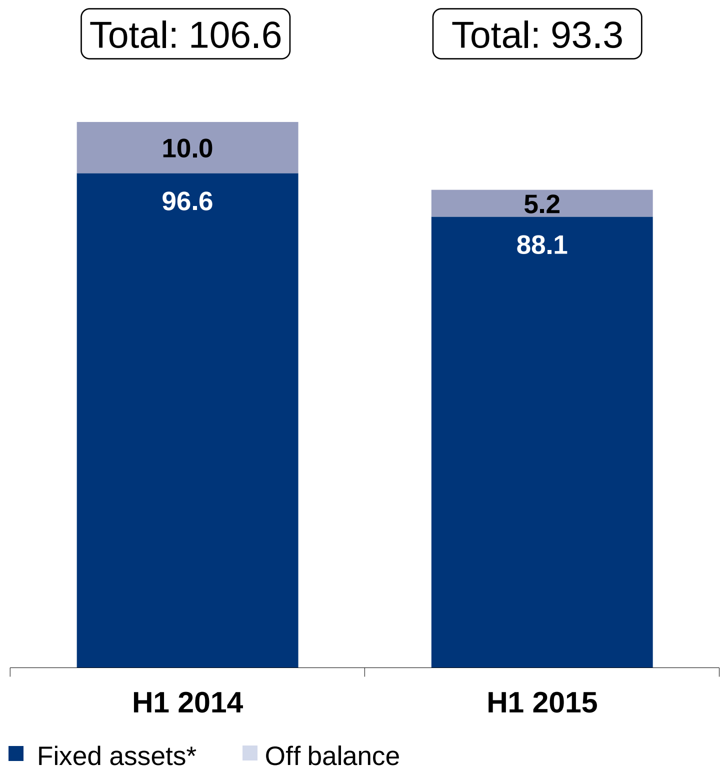
		H1 / 2014	H1 / 2015
EBIT		38.0	71.4
EBT		12.4	28.2
Financial result		**(25.5)**	**(43.2)**
Thereof:			
interest exp. of financial debt		(18.5)	(32.5)
interest exp. from credit lines		(0.8)	(0.9)
		(19.3)	**(33.4)**
swap cash effect (VTG)	Expired 6/2015	(3.6)	(3.5)
swap valuation (VTG) (m-t-m)		(0.4)	(0.0)
Swap valuation (AAE)		-	(0.9)
		(4.0)	**(4.5)**
transaction costs		(1.0)	(2.1)
interest on pensions		(0.9)	(0.7)
other financial result		(0.3)	(2.5)
		(2.2)	**(5.3)**

Comment

- With a higher indebtedness following the AAE acquisition financial result increased
- Expenses for **ineffective VTG swap** already decreased in the first half 2015 and expired in June
- Negative Q1 effect from **ineffective AAE swaps** partially offset in Q2
- After the VTG swaps expired average interest rate now slightly below 5 %

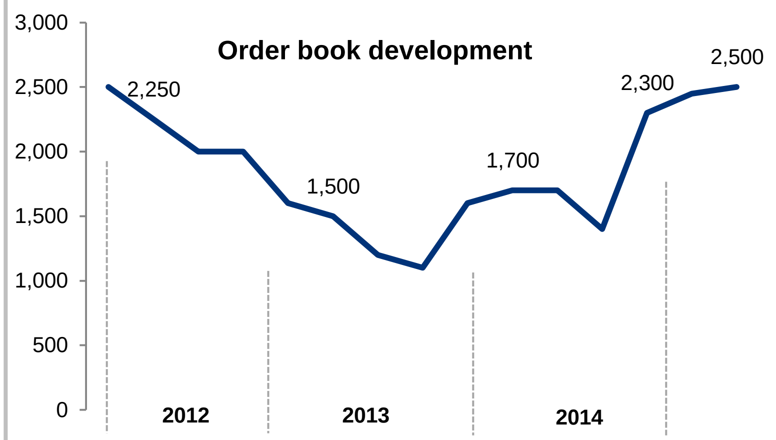
Capex – Below prior year level

Capital expenditures (in € m)



Comment

- Order book slightly increased to 2,500 wagons compared to year end 2014:
  - 1,500 wagons for European market (to be delivered in 2015/2016)
  - 1,000 wagons for North American market (to be delivered in 2017)



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

VTG Group – Operating cash flow and Net debt

Cash flow

(in € m)	Q1/15	Q2/15	H1/15
Operating cash flow (rep.)	**93.2**	**46.4**	**139.6**
-VAT timing difference	**10.0**	**-10.0**	**0**
Operating cash flow (adj.)	**83.2**	**56.4**	**139.6**
Payments for fixed assets	-42.5	-37.5	-80.0
Disposal of fixed assets	33.9	13.3	47.2
Financial assets AAE (net)	19.4	-	19.4
Others	2.3	-12.2	-9.9
Total investing cash flow	**13.1**	**-36.4**	**-23.3**
Free cash flow (rep.)	**96.3**	**20.0**	**116.3**
Disposal of fixed assets	-33.9	-5.7	-39.6
Financial assets AAE (net)	-19.4	-	-19.4
Free cash flow (adj.)	**43.0**	**14.3**	**57.3**

Historical Free cash flow

(in € m)	2012	2013	2014
FCF	-36.2	9.1	-11.2

Net debt

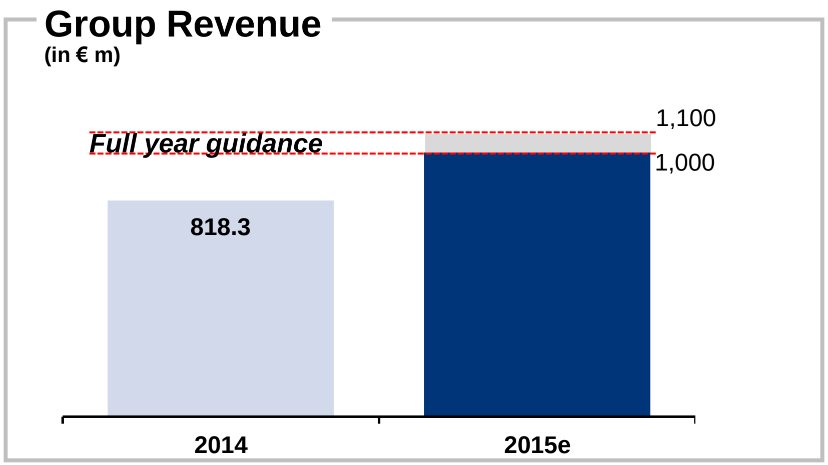
(in € m)	31.12.2014	30.06.2015
Net debt	(829.3)	(1,689.7)
Net debt adjusted (incl. pensions)	(893.9)	(1,759.8)
Net debt adj./EBITDA*	4.7	5.2

* Calculated on average of EBITDA guidance range for 2015.

Comment

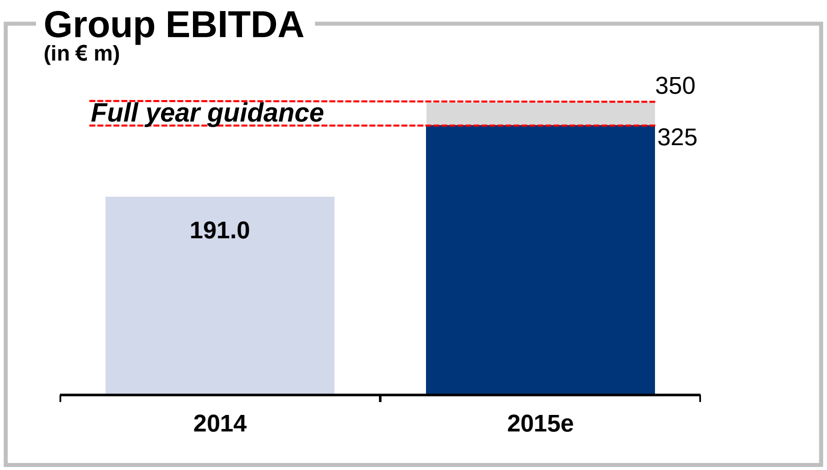
- AAE acquisition resulting in strong op. cash flow
- Breakdown of op. cash flow into single quarters shows large difference of 46.8 m € due to:
  1. VAT timing difference (Q1)
  2. Tax payments (Q2)
  3. High prepayments for investments (Q2)
- Free cash flow even adjusted by positive one-offs well above last year
- As expected: leverage up to slightly above 5x

Group guidance FY 2015 confirmed [1)]



Group revenue incl. AAE for 2015 expected to range between € 1.0 – 1.1bn

unchanged



Group EBITDA incl. AAE for 2015 expected to range between € 325 – 350m

unchanged

[1)] incl. AAE Group

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.

Questions & Answers

Save the date 2015

Financial Calendar 2015:

February	Preliminary Results FY 2014
April 14th	Annual Report FY 2014
April 14th	Analyst Conference
May 21st	Interim Report for the 1st Quarter 2015
May 29th	Annual General Meeting, Hamburg
August 27th	Half-Yearly Financial Results 2015
November 19th	Interim Report for the 3rd Quarter 2015

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