# Financial Results Q3/2012

## VTG AG – Keeping industry moving

Hamburg, November 15th, 2012

Speakers:

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# Executive Summary Q3/2012

| | |
|---|---|
| **Group figures** | ▪ Sales of € 573.0 million (+2.6% compared to Q1-Q3/2011)<br>▪ EBITDA of € 128.3 million (Q1-Q3/2011: € 126.0 million) |
| **Business development** | **Railcar Division:**<br>▪ Slightly lower utilization of 90.0 % reflecting weaker economy<br>▪ Successfully managed insolvency effect of refinery customer<br>**Rail Logistics Division:**<br>▪ Division geared up for expansion but expected economic recovery did not happen<br>▪ Still challenging market environment, e.g. lower transport volumes in agro segment, but volumes from insolvent refinery customer came back in Q3<br>▪ Positive one-time effects in 2011 distort comparison<br>**Tankcontainer Logistics Division:**<br>▪ Demand for transports in general on satisfying level<br>▪ Competitive environment putting pressure on margins |
| **Outlook** | ▪ Confirming guidance for 2012 |

# VTG Group – Key figures

| (in € m) | Q1-Q3/2011 | Q1-Q3/2012 | Δ in % |
|---|---|---|---|
| Group sales | 558.3 | 573.0 | +2.6 |
| Railcar | 224.0 | 233.9 | +4.4 |
| Rail Logistics | 218.4 | 221.4 | +1.3 |
| Tank Container Logistics | 115.8 | 117.7 | +1.6 |
| Group EBITDA * | 126.0 | 128.3 | +1.8 |
| Railcar | 117.8 | 122.8 | +4.3 |
| Rail Logistics | 9.0*** | 6.6 | -26.3 |
| Tank Container Logistics | 9.3 | 8.8 | -5.9 |
| EBIT | 54.4 | 52.4 | -3.6 |
| EBT | 23.8** | 13.3 | -44.1 |
| Net income | 15.0** | 8.4 | -44.1 |
| Earnings per share (in €) | 0.64** | 0.33 | -48.4 |

- Lower EBIT mainly driven by higher depreciation of used wagon fleets
- Lower EBT mainly due to increased interest expenses from higher financial liabilities and enlarged credit lines and negative swap evaluation

* Group figures are calculated as sum of divisions plus Holding and consolidation layers.
** These items are adjusted with regard to the extraordinary expenses from the refinancing of the Group in 2011.
*** Includes one-off effects of € 1.8m.

# Analysis of (Net) Financial Result Q1-Q3/2012

## Split of interest expenses in € m

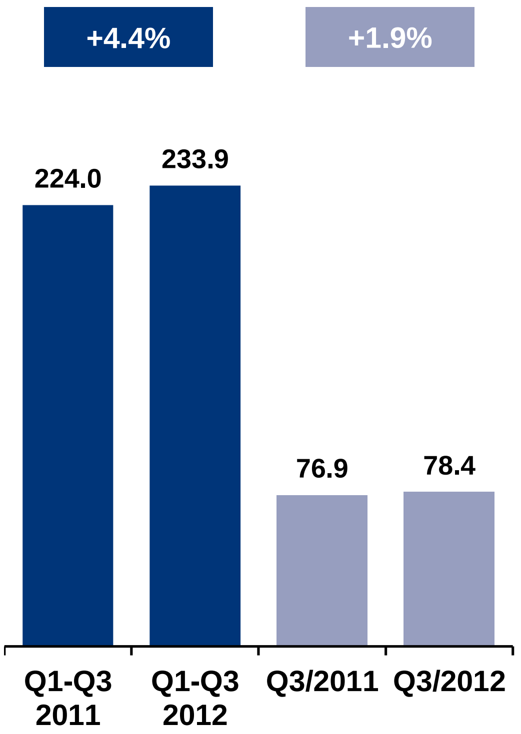
| | | | cash | non-cash |
|---|---|---|---|---|
| EBIT | | 52.4 | | |
| EBT | | 13.3 | | |
| Financial result | | **(39.2)** | | |
| Thereof: | | | | |
| ▪ interest exp. of financial debt | (27.0) | | ✓ | |
| ▪ interest exp. from credit lines | (2.3) | | ✓ | |
| | | **(29.3)** | | |
| ▪ swap cash effect (until 6/2015) | (3.9) | | ✓ | |
| ▪ swap valuation (m-t-m) (until 6/2015) | (2.9) | | | ✓ |
| | | **(6.8)** | | |
| ▪ transaction costs | (1.5) | | | ✓ |
| ▪ interest on pensions | (1.6) | | | ✓ |
| ▪ other financial result | 0.0 | | ✓ | |
| | | **(3.1)** | | |

## Comment

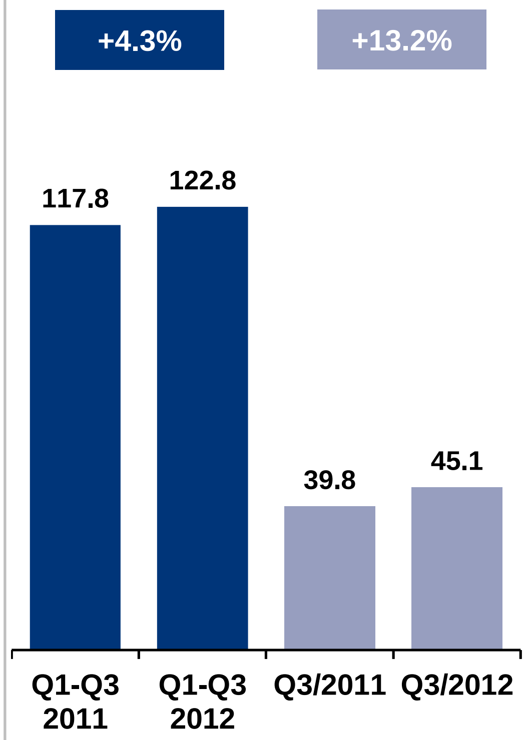
- Cash related interest expenses from credit financing and swap cash effect are € 30.9m representing an interest rate slightly below 6%
- Non-cash related interest expenses are € 6.0m
- All swap effects will expire mid of 2015

# Railcar Division – Utilization at 90.0%

## Sales (in € m)




## EBITDA (in € m)

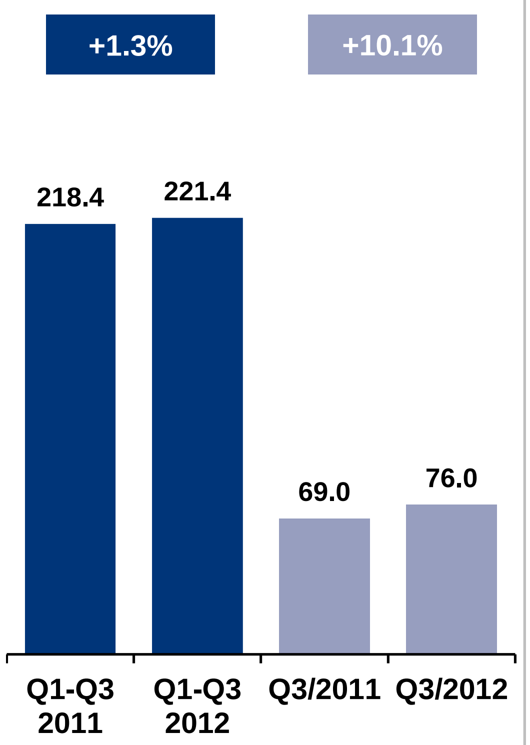



## Comment

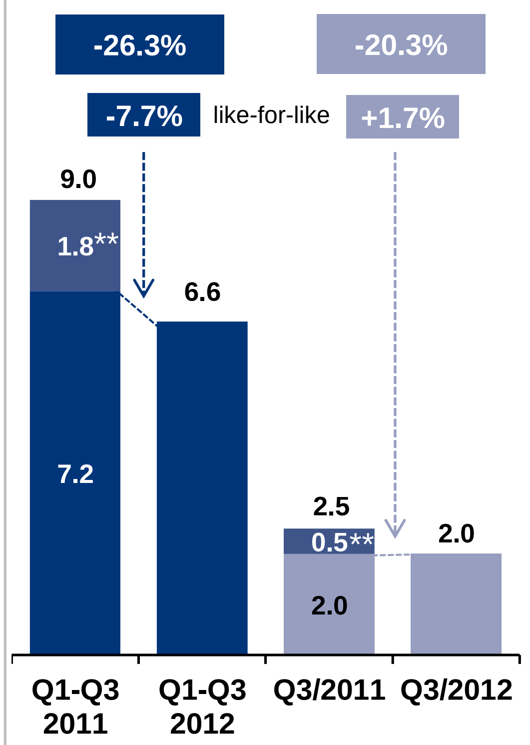
- Managed insolvency effect of refinery customer successfully
- Utilization still on a good level but slightly down to 90.0% (H1/2012: 90.6%) due to weaker economy
- Wagon fleet (54,100 wagons) increased by 300 net due to delivery of new-builds
- Effective cost control measures in place (especially maintenance and repair)
- EBITDA margins:
  - 52.5% (Q1-Q3/2011: 52.6%)
  - 57.5% (Q3/2011: 51.8%)

# Rail Logistics – Can only partially meet challenges

## Sales (in € m)




## EBITDA (in € m)




## Comment

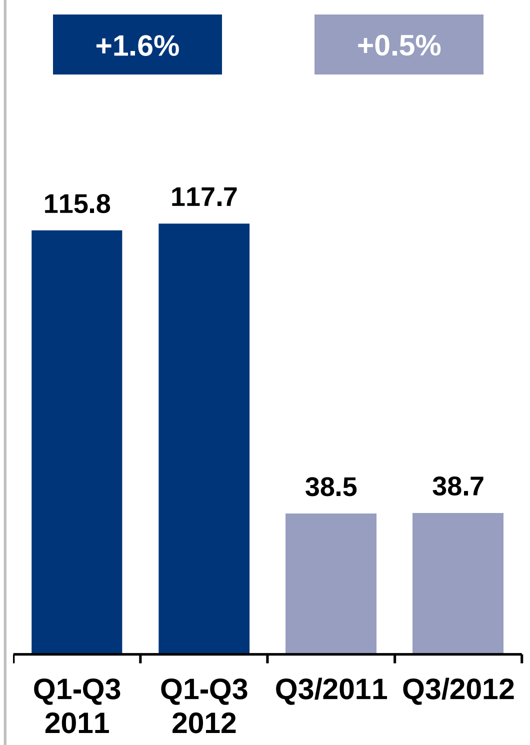
- Successful business development in market segments industrial goods and petrochemicals
- Lower EBITDA due to:
  - Decreasing transportation volumes in agro segment
  - Insolvency of refinery customers
  - Positive one-time effects in 2011
  - Pre-operating costs for growth strategy
- Lower EBITDA margins*:
  - 33.4% (Q1-Q3/2011: 48.0%) (Q1-Q3/2011: 38.4%**)
  - 31.0% (Q3/2011: 43.2%) (Q3/2011: 33.8%**)

* EBITDA margins calculated on gross profit.

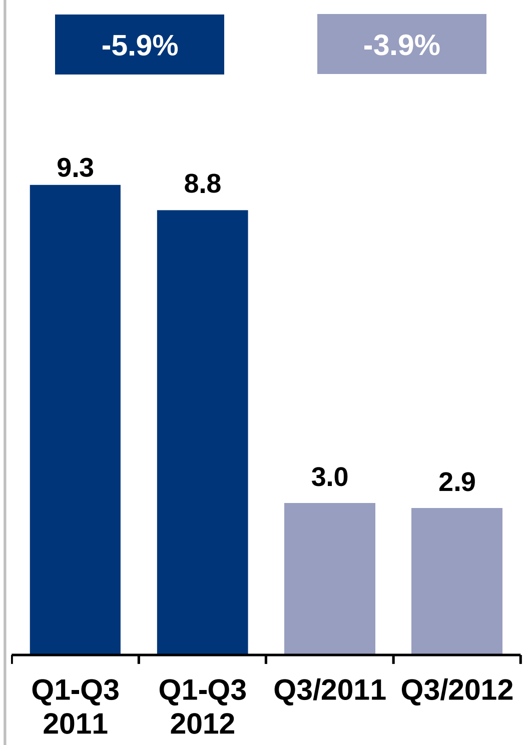
** EBITDA without one-time effects: Q1-Q3/2011 = € 7.2m; Q3/2011 = € 2.0m. Consequently, EBITDA margins: Q1-Q3/2011 = 38.4%; Q3/2011 = 33.8%.

# Tank Container Logistics – Competitive environment influences business development

## Sales (in € m)




## EBITDA (in € m)



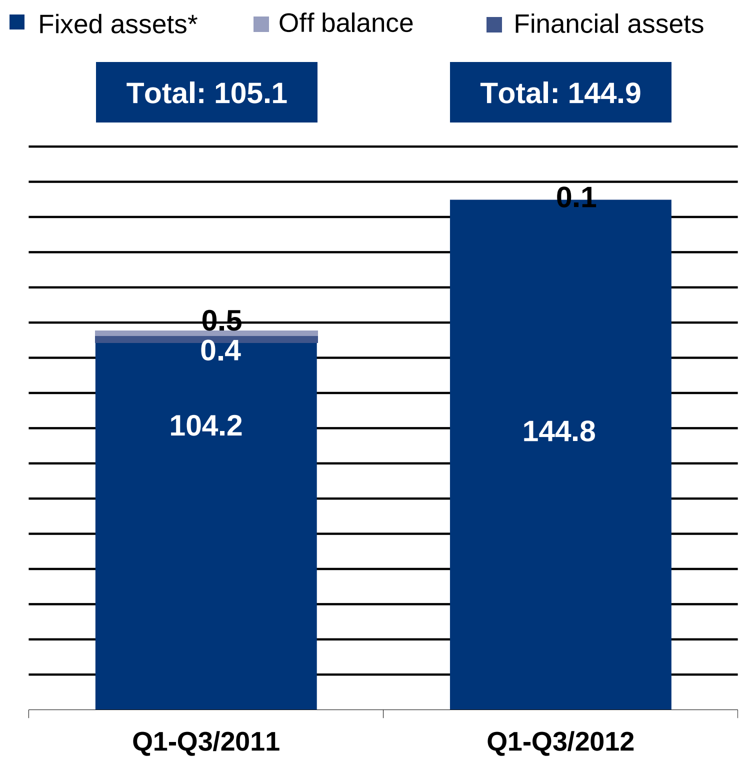

## Comment

- Strong demand from Russia and Eastern Europe compensated slightly lower demand from countries in Southern Europe which are affected by European national debt crisis
- Tank container fleet as of September 30, 2012: 10,100 units (September 30, 2011: 9,970 tank containers)
  - Less volume partly: more and/or longer empty legs
- Defending EBITDA margins* in an intensified competitive environment:
  - 46.6% (Q1-Q3/2011: 48.5%)
  - 46.9% (Q3/2011: 46.6%)

* EBITDA margins calculated on gross profit.

# Capex – Reflecting substantial new-build deliveries

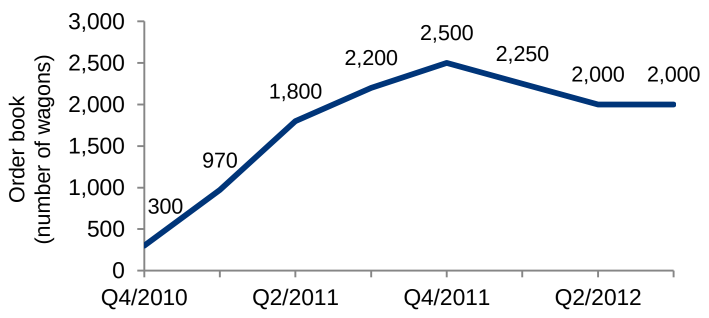
## Capital expenditures (in € m)




## Comment

- Increased capex in 2012 mainly includes investments for new-builds to:
  - Expand wagon fleet
  - Preserve and modernize wagon fleet
- Order book (approx. 2,000 wagons) at Q2/2012 level: new orders from customers are on the same level as deliveries of new rail cars:

**Order book as of September 30, 2012**




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

# Operating cash flow above previous year‘s level

| (in € m) | Q1-Q3/2011 | Q1-Q3/2012 |
|---|---|---|
| Cash and cash equivalents at the beginning of the period | 48.7 | 98.4 |
| Cash flows from operating activities | 99.5 | 102.8 |
| Cash flows used in investing activities | (87.3) | (119.6) |
| Cash flows from financing activities | 616.6 | 40.0 |
| Cash flows used in financing activities | (534.6) | (47.3) |
| Other changes in cash and cash equivalents | 0.9 | 1.0 |
| Cash and cash equivalents at the end of the period | 143.8 | 75.3 |

# Net debt/EBITDA ratio on a comfortable level

| (in € m) | 30.09.2011 | 31.12.2011 | 31.03.2012 | 30.06.2012 | 30.09.2012 |
|---|---|---|---|---|---|
| Cash and Cash Equivalents | 143.8 | 98.4 | 87.4 | 45.9 | 75.3 |
| Liabilities to Credit Institutions | (212.5) | (207.9) | (207.4) | (203.5) | (242.3) |
| US Private Placement (US PP) | (490.9) | (485.1) | (491.1) | (485.7) | (492.2) |
| Liabilities from Finance Lease | (20.5) | (19.3) | (17.2) | (15.2) | (13.5) |
| Other Financial Assets and Liabilities | 7.0 | 9.1 | 8.9 | 9.0 | (8.3) |
| **Net debt** | (573.1) | (604.8) | (619.4) | (649.5) | (664.4) |
| Net debt adjusted (incl. pensions) | (621.3) | (651.1) | (667.9) | (701.5) | (717.8) |
| **Net debt adj./EBITDA** | 3.7 | 3.9 | 3.8* | 4.1* | 4.2* |

* Calculated on lower end of guidance.

# Outlook FY 2012 – Guidance confirmed

## Outlook 2012

### Business development

- Utilization in **Railcar Division** is expected to remain on current high level
- Further deliveries of new-build wagons expected with only limited impact on earnings in 2012
- Business growth in **Rail Logistics Division** is expected to be more restrained than in 2011
- Competitive environment should be reflected in **Tank Container Logistics'** business development

### Guidance FY 2012

- Confirming guidance for
  - Sales: lower half of the range (€760 – 800m)
  - EBITDA: lower end of the range (€170 – 178m)

# Save the date 2013

**Preliminary financial calendar 2013:**

| | |
|---|---|
| ▪ February | Preliminary Results FY 2012 |
| ▪ March 25$^{th}$ | Annual Report FY 2012 |
| ▪ May 16$^{th}$ | Interim Report for the 1$^{st}$ Quarter 2013 |
| ▪ May 16$^{th}$ | Analyst Conference |
| ▪ May 23$^{rd}$ | Annual General Meeting, Hamburg |
| ▪ August 15$^{th}$ | Half-Yearly Financial Results 2013 |
| ▪ November 15$^{th}$ | Interim Report for the 3$^{rd}$ Quarter 2013 |

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