




**QUARTERLY STATEMENT
AS OF MARCH 31, 2020**

WERDOHL, APRIL 30, 2020

A stylized graphic on the right side of the page. It features a dark blue road with a white center line and green borders, curving from the bottom left towards the right. In the background, there is a silhouette of a city skyline with various building heights and some trees in the foreground.

**Focused.
Dynamic.
Green.**

DISCLAIMER

NOTE

This presentation contains statements concerning the future business performance of the Vossloh Group that are based on assumptions and estimates 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, 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 contents. Vossloh assumes no obligation to update the forecast statements in this presentation.

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VOSSLOH GROUP: FOCUSED. DYNAMIC. GREEN.

GOOD START TO THE 2020 FISCAL YEAR



OPERATIONAL BUSINESS PERFORMANCE

Portfolio-adjusted sales of €177.5 million in the previous year increased to €182.9 million, with higher contributions especially from the Tie Technologies business unit

EBIT from operational business up despite initial negative impact of COVID-19; thanks to the positive earnings effect resulting from a business combination achieved in stages of a company in the Fastening Systems business unit, EBIT came to €16.5 million (previous year: €(0.6) million); 2019 performance program taking effect

Positive development in orders received continues; Group's book-to-bill ratio (ratio of orders received to sales) at a high level of 1.6; book-to-bill ratio greater than 1 in all business units



COVID-19 – CURRENT SITUATION

Employee protection policies and measures still in place; high proportion of worldwide administrative staff working from home; special safety precautions implemented at production sites

Stable position for Vossloh: highly crisis-resistant industry; railway industry systemically relevant in many countries (e.g. Germany, France, U.S.); most customers from the public sector; business based largely on maintenance and repairs

Individual sites affected by temporary restrictions and occasional production shutdowns; all key production sites are operating or ramping up again

Initial negative financial impact in Q1/2020 mainly in Customized Modules; further negative impact on earnings likely to come in the course of the year; dividend suspension proposed; further measures taken to secure liquidity



SALE OF VOSSLOH LOCOMOTIVES

Federal Cartel Office (Bundeskartellamt) approval issued without conditions; all contractual conditions have been met

Sale to be completed in the coming weeks

Sale secures the future of unprofitable locomotive business and ends the long-standing outflow of funds needed for further development of core business

VOSSLOH GROUP

DUE TO 2019 PERFORMANCE PROGRAM GOOD EARNINGS DEVELOPMENT IN FIRST QUARTER DESPITE COVID-19

KEY GROUP INDICATORS		1-3/2019	1-3/2020
Sales revenues	€ mill.	190.0 ¹	182.9
EBITDA/EBITDA margin	€ mill./%	12.2/6.4	28.8/15.7
EBIT/EBIT margin	€ mill./%	(0.6)/(0.3)	16.5/9.0
Net income	€ mill.	(22.5)	(2.6)
Earnings per share	€	(1.50)	(0.15)
Free cash flow ²	€ mill.	(52.0)	(50.2)
Capital expenditure	€ mill.	8.1	14.4
Value added	€ mill.	(17.6)	1.6

NOTES

Portfolio-adjusted **sales revenues** up by approx. 3 percent despite initial impact of COVID-19; increase in sales in Core Components and Lifecycle Solutions; Customized Modules on a par with previous year in portfolio-adjusted terms

Significant improvement in **EBIT** and **EBIT margin** compared with the previous year, particularly due to an earnings effect from a business combination achieved in stages of a company in the Fastening Systems business unit; marked improvement also in Customized Modules and Lifecycle Solutions

Net income up considerably over the previous year due to higher EBIT, on the other hand burdened by continued weak operating profitability and impairment in discontinued operations

Free cash flow in core business negative in Q1, as is typical for the season; nevertheless, marked improvement compared with the previous year from around €(41) million to current total of approximately €(20) million; free cash flow from discontinued operations of around €(30) million due to extensive processing of locomotives

Capital expenditure up considerably, particular increase in Lifecycle Solutions and Customized Modules divisions

¹Excluding sales from the U.S. businesses sold at the end of 2019, sales came to €177.5 million.

²Comprising effects from discontinued operations.

VOSSLOH GROUP

EQUITY SLIGHTLY LOWER THAN END OF 2019, INCREASE IN NET FINANCIAL DEBT MAINLY DUE TO DISCONTINUED OPERATIONS

KEY GROUP INDICATORS		1-3/2019	2019	1-3/2020
		3/31/2019	12/31/2019	3/31/2020
Equity	€ mill.	503.4	403.6	392.9
Equity ratio	%	34.9	30.3	28.6
Average working capital	€ mill.	237.9	227.2	185.3
Average working capital intensity	%	31.3	24.8	25.3
Closing working capital	€ mill.	259.9	180.3	190.3
Average capital employed	€ mill.	907.9	904.1	853.4
Closing capital employed	€ mill.	953.8	839.5	867.3
Net financial debt ¹	€ mill.	370.7	321.3	386.4

NOTES

Equity slightly lower than end of 2019; due to negative currency effects and slightly negative net income; equity ratio slightly lower also due to higher total assets (mainly increase in assets held for sale)

Average working capital intensity down considerably on previous year's quarter due to lower average working capital in Customized Modules

Increase in closing **capital employed** compared with the end of 2019, also due to higher working capital and expansion investments

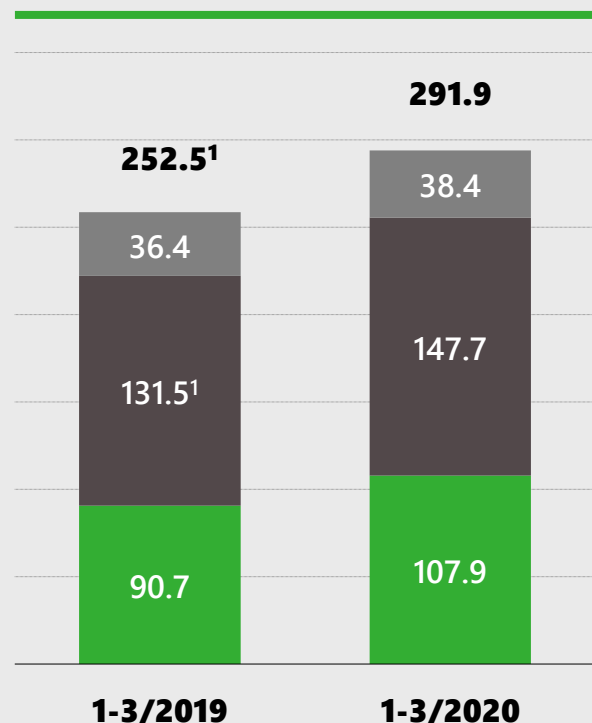
Net financial debt up slightly compared with the end of Q1 2019 despite positive FCF in core business of about €24 million in 12-month period; mainly due to negative FCF of about €(64) million from discontinued operations, interest, leasing and dividend payments affected; proceeds from capital increase in mid-2019 and the sale of businesses as part of the 2019 performance program had an offsetting effect

¹Net financial debt before application of IFRS 16. Taking into account IFRS 16, net financial debt would increase by €46.9 million on 3/31/2020.

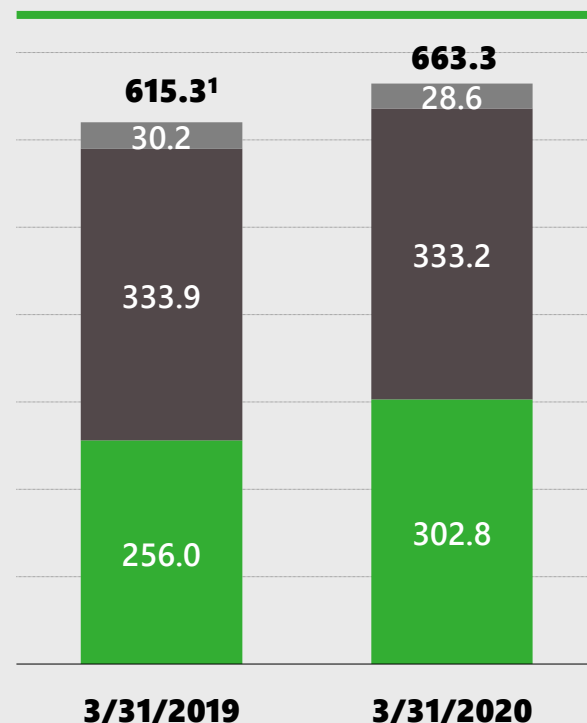
VOSSLOH GROUP

VERY ENCOURAGING PERFORMANCE IN ORDERS RECEIVED, BOOK-TO-BILL AT 1.6

ORDERS RECEIVED (in € mill.)



ORDER BACKLOG (in € mill.)



NOTES

Orders received up in all divisions, in Core Components largely due to good order situation at Vossloh Tie Technologies; orders received by Customized Modules also at a high level; book-to-bill ratio considerably greater than 1 in all divisions, with Group ratio of 1.6

Vossloh Group's **order backlog** up by 7.8 percent year-over-year; Tie Technologies business unit (Core Components) up considerably over the previous year; Customized Modules and Lifecycle Solutions more or less on par with prior year

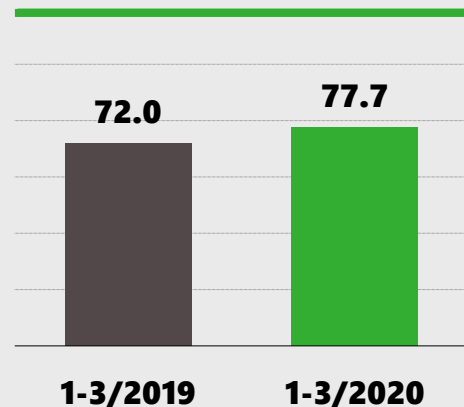
■ Core Components ■ Customized Modules ■ Lifecycle Solutions

¹For purposes of comparability, values are represented without U.S. businesses sold in 2019 (orders received adjusted by €28.5 million and order backlog adjusted by €70.8 million).

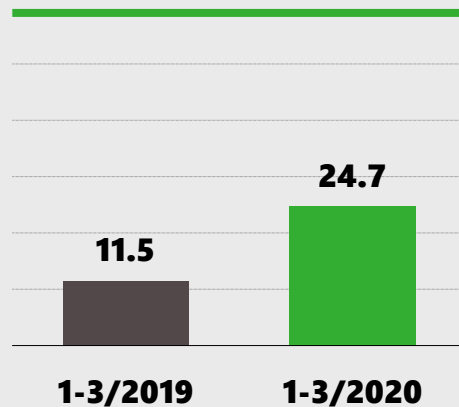
CORE COMPONENTS DIVISION

SALES UP BY 7.9 PERCENT OVER PREVIOUS YEAR, SIGNIFICANT POSITIVE INFLUENCE ON EARNINGS AND PROFITABILITY THROUGH EFFECT OF IAS 28

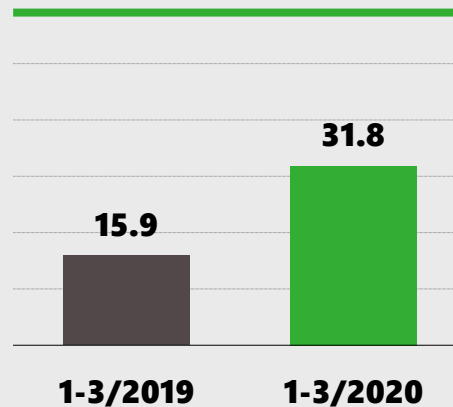
SALES (in € mill.)



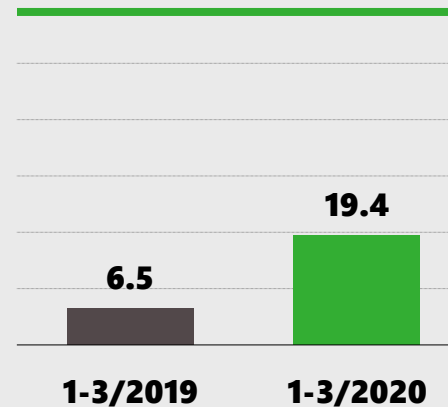
EBITDA (in € mill.)



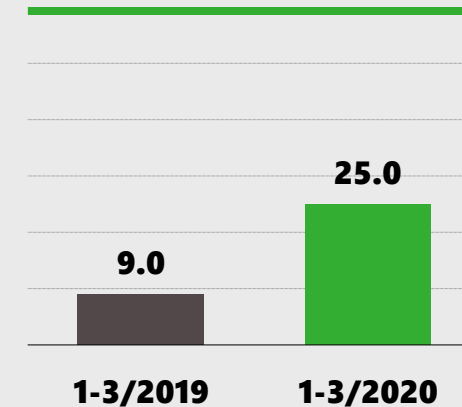
EBITDA MARGIN (in %)



EBIT (in € mill.)



EBIT MARGIN (in %)



Increase in sales (+7.9 percent) due to additional sales in Tie Technologies business unit in the U.S. and Australia

EBIT and EBIT margin up considerably thanks to a gain from adapting to the fair value of shares in Vossloh Anyang recognized in profit and loss, as part of a business combination achieved in stages of this Chinese JV according to IAS 28 (€+15.6 million); on the other hand start-up costs for concrete tie factories in Canada and Australia

(in %)

Period	ROCE (%)
1-3/2019	9.4
1-3/2020	25.4

ROCE

(in € mill.)

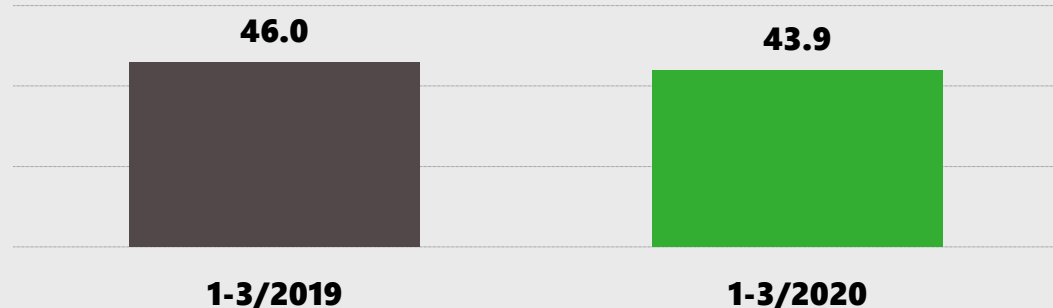
VALUE ADDED

Period	Value Added (€ mill.)
1-3/2019	1.3
1-3/2020	14.1

FASTENING SYSTEMS BUSINESS UNIT

SALES ALMOST UNCHANGED IN COMPARISON WITH PREVIOUS YEAR, VALUE ADDED UP CONSIDERABLY THANKS TO CONSOLIDATION EFFECT

SALES (in € mill.)

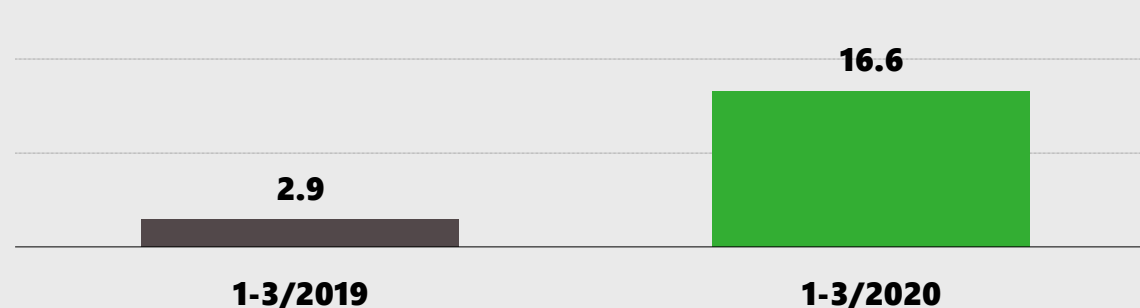


Project-related downturn in sales in Eastern Europe and China almost completely offset by higher sales in Tanzania, the Middle East and the U.S.

Value added up considerably on previous year thanks to the effect from the business combination achieved in stages; excluding this effect, slight decline due to sales development

Book-to-bill ratio at 1.05; considerable volume of orders received in Italy and the U.S.; high level of orders received for maintenance in China in the previous year

VALUE ADDED (in € mill.)



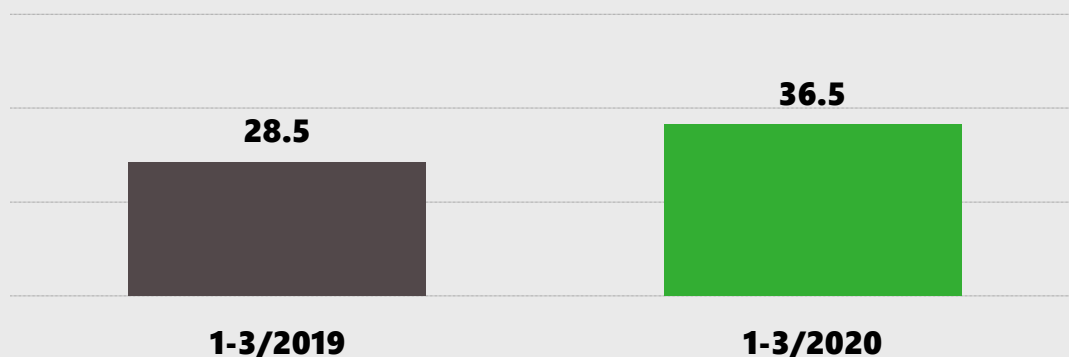
(in € mill.)	1-3/2019	61.3
ORDERS RECEIVED	1-3/2020	46.3

(in € mill.)	3/31/2019	206.4
ORDER BACKLOG	3/31/2020	184.8

TIE TECHNOLOGIES BUSINESS UNIT

SALES UP CONSIDERABLY, BOOK-TO-BILL AT 1.85

SALES (in € mill.)

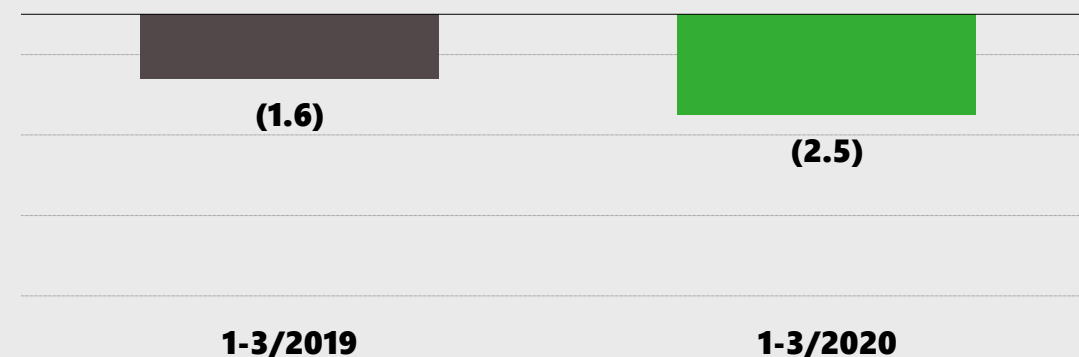


Increase in sales largely due to higher sales contributions in Australia as a result of processing of substantial order backlog (e.g. Rio Tinto order), higher sales also generated in the U.S. (e.g. project in Florida)

Value added negatively affected by start-up costs for concrete tie factories in Canada and Australia and ongoing effects from purchase price allocation

Book-to-bill ratio at very high level of 1.85; high level of orders received in the U.S. in the transit business and for the Florida project, among others; continued positive development in Australia as well; order backlog more than doubled

VALUE ADDED (in € mill.)



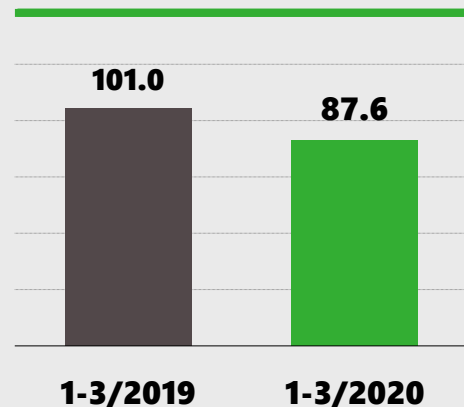
(in € mill.)	1-3/2019	32.0
ORDERS RECEIVED	1-3/2020	67.5

(in € mill.)	3/31/2019	54.0
ORDER BACKLOG	3/31/2020	123.9

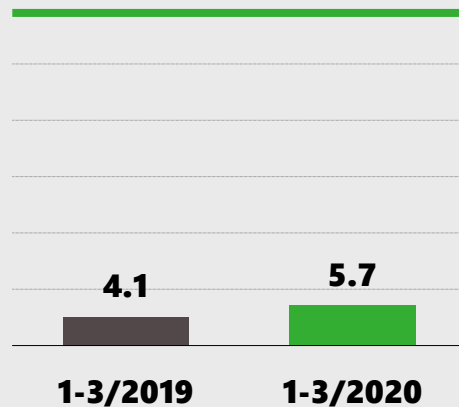
CUSTOMIZED MODULES DIVISION

PORTFOLIO-ADJUSTED SALES¹ ON A PAR WITH PREVIOUS YEAR DESPITE COVID-19, MARKED IMPROVEMENT IN EARNINGS AND PROFITABILITY

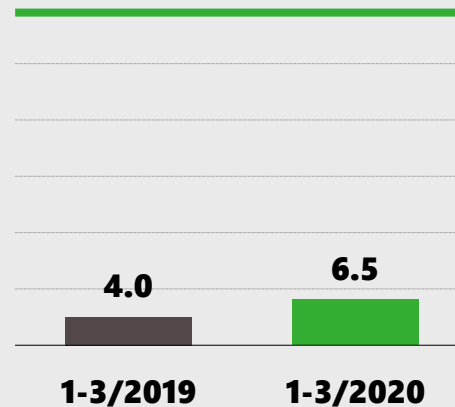
SALES (in € mill.)



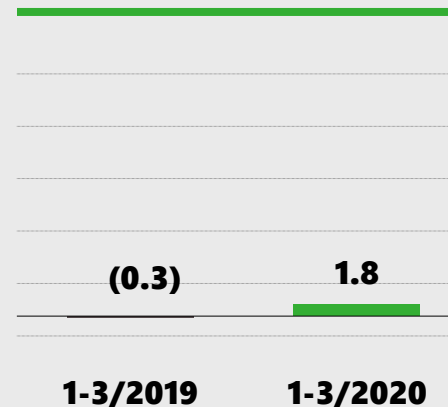
EBITDA (in € mill.)



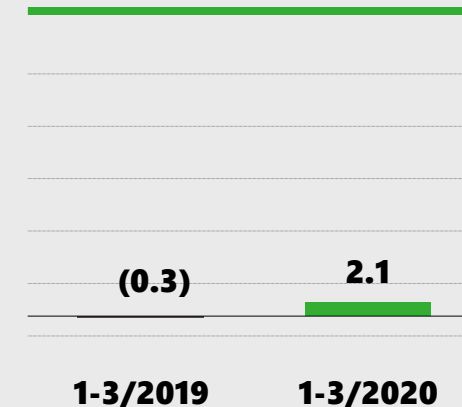
EBITDA MARGIN (in %)



EBIT (in € mill.)



EBIT MARGIN (in %)



Drop in sales primarily due to loss of sales from sold U.S. businesses, comparable sales on a par with prior year despite initial effects from the temporary closure of production sites due to COVID-19

Marked improvement in earnings and profitability despite initial impact of COVID-19; previous year included losses from businesses in the U.S. that have since been sold; higher earnings contributions from Italy and Sweden

Book-to-bill ratio at 1.69; in particular, more orders received in Poland and Serbia

¹Excluding sales from the U.S. businesses sold at the end of 2019, sales came to €88.5 million.

(in %)
ROCE

1-3/2019 (0.3)

1-3/2020 2.0

(in € mill.)
VALUE ADDED

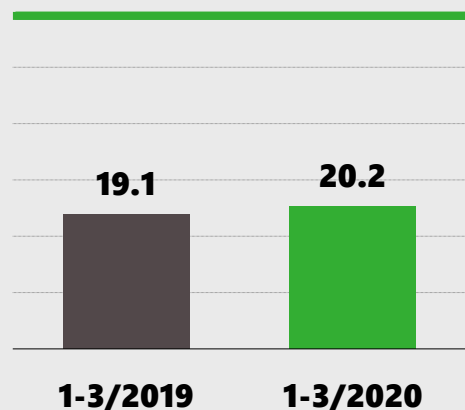
1-3/2019 (8.8)

1-3/2020 (4.6)

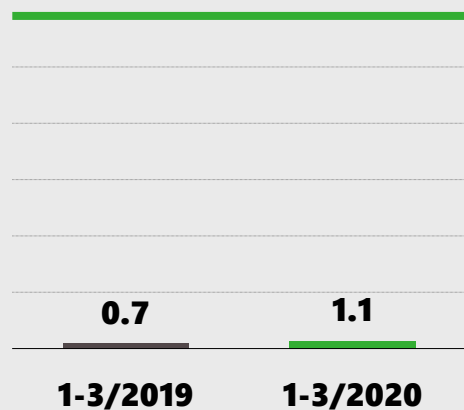
LIFECYCLE SOLUTIONS DIVISION

HIGHER SALES, IMPROVEMENT IN EARNINGS AND PROFITABILITY

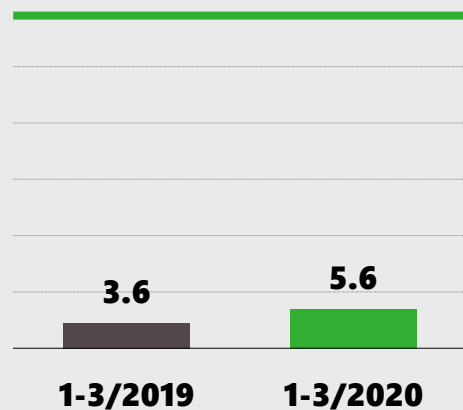
SALES (in € mill.)



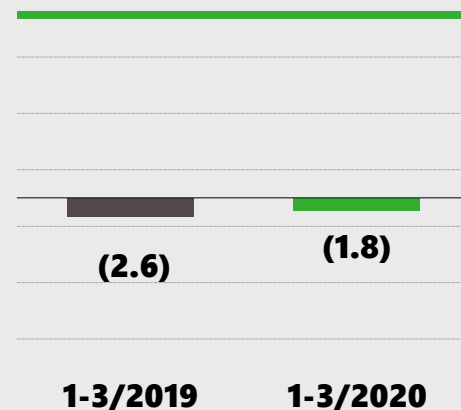
EBITDA (in € mill.)



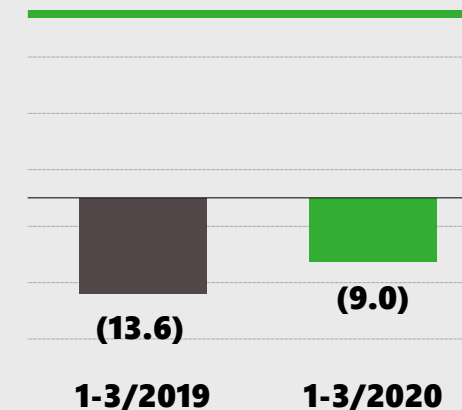
EBITDA MARGIN (in %)



EBIT (in € mill.)



EBIT MARGIN (in %)



Higher sales in the area of logistics and good utilization levels in welding plants make particular contribution to sales growth (+6.0 percent)

EBIT and EBIT margin negative, as is typical for the season, but up on previous year; higher earnings contributions from logistics and stationary welding, countered by lower earnings contributions from machine sales

Book-to-bill ratio at 1.9; good level of orders received in Sweden (Flexis), Germany (mainly stationary welding and logistics), and in the Netherlands (milling)

(in %)

ROCE

1-3/2019 (5.7)

1-3/2020 (4.0)

(in € mill.)

VALUE ADDED

1-3/2019 (6.0)

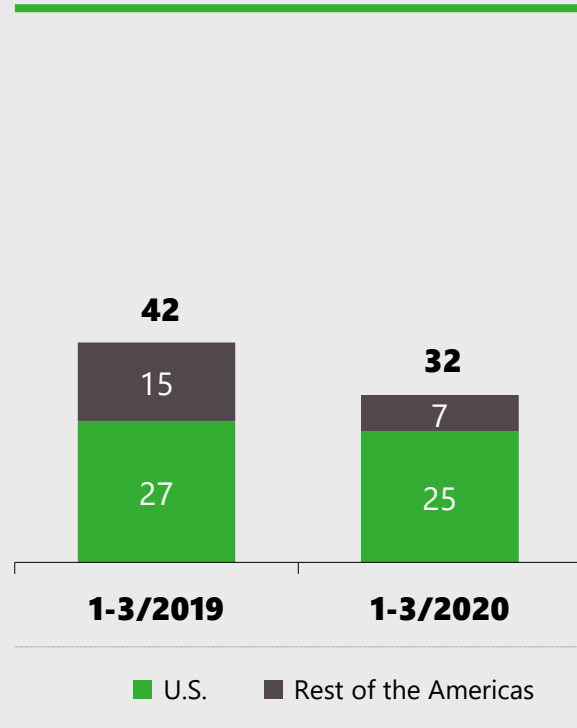
1-3/2020 (5.0)

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HIGHER SALES IN AUSTRALIA AND THE MIDDLE EAST PARTLY OFFSET LOWER SALES IN THE AMERICAS AND ASIA

(in € mill.)

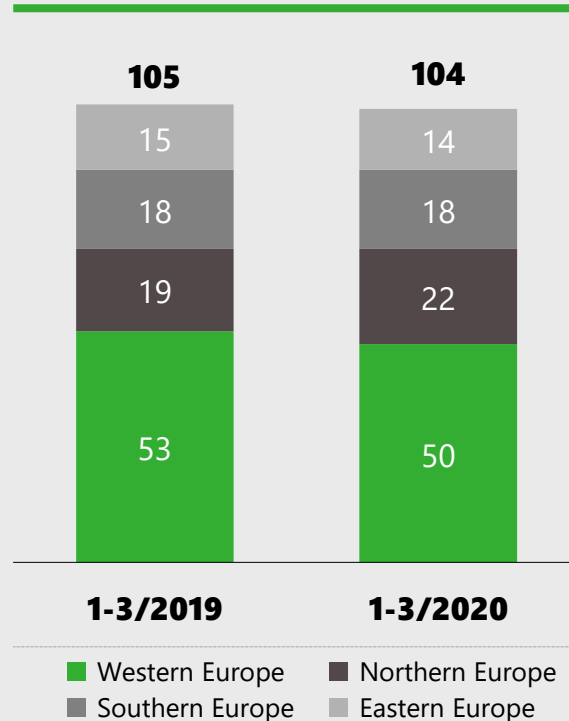
THE AMERICAS



Lower sales in CM in the U.S. due to portfolio-related factors partially offset by higher sales at VTT and VFS; also lower sales contributions from Canada

(in € mill.)

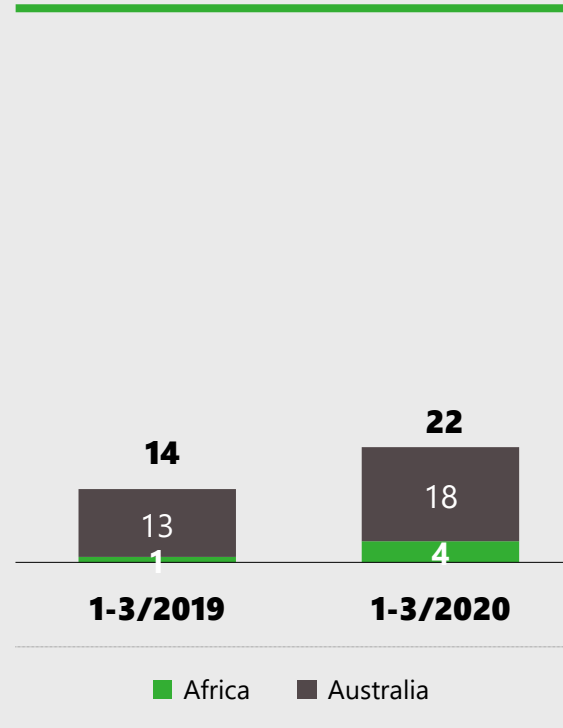
EUROPE



Lower sales in Western Europe (in particular France) offset by higher sales in Northern Europe (in particular Finland)

(in € mill.)

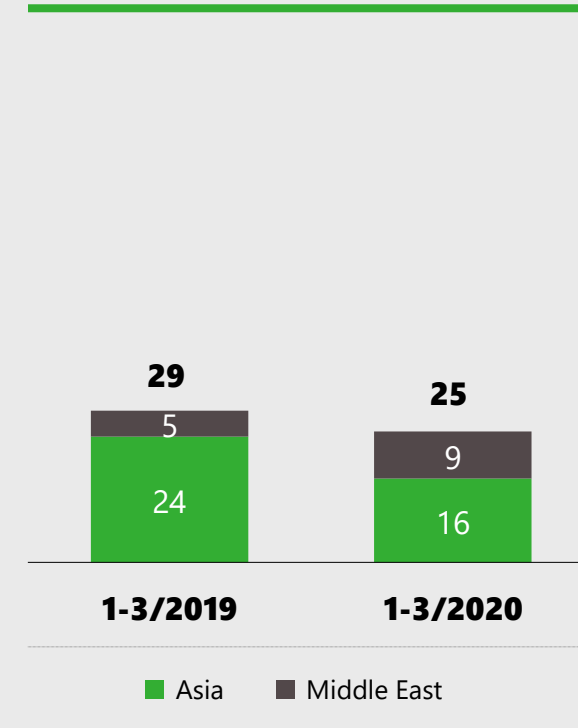
AFRICA & AUSTRALIA



Sales in Australia higher thanks to VTT; higher contributions from Africa (in particular Tanzania)

(in € mill.)

ASIA INCL. MIDDLE EAST



Lower sales mainly in China and Malaysia, offset by higher sales in Israel and the United Arab Emirates

VOSSLOH GROUP, OUTLOOK¹

NOTICEABLE INCREASE IN PROFITABILITY EXPECTED IN 2020

Sales

2019: €916.4 million

2020 forecast: €900 million to €1 billion

/ Missing sales due to the exit from the American switch business are expected to be compensated by significantly higher sales, especially at Vossloh Fastening Systems and Vossloh Tie Technologies

Value added

2019: €(105.4) million

2020 forecast: €0 to €15 million

/ In 2020, a return to positive value added levels is expected as a result of improved profitability and lower average capital employed; WACC down from 7.5 percent to 7.0 percent due to the persistently low interest rate level

EBITDA margin

2019 (adjusted): 11.5 percent

2020 forecast: 12 to 13 percent

EBIT margin

2019 (adjusted): 6.1 percent

2020 forecast: 7 to 8 percent

/ Increase in profitability in particular due to improvements resulting from the performance program; operational profitability still expected to increase in Customized Modules and Lifecycle Solutions; slight drop in operational profitability at Core Components due to COVID-19 is more than offset by the effect from a business combination achieved in stages



¹Based on current knowledge and a careful risk assessment, and with reference to the obvious uncertainties regarding the further impact of the COVID-19 pandemic.

FINANCIAL CALENDAR AND CONTACT INFORMATION

HOW YOU CAN REACH US

Financial calendar 2020

- / May 27, 2020 Virtual Annual General Meeting
- / July 30, 2020 Interim report as of June 30, 2020
- / October 29, 2020 Quarterly statement as of September 30, 2020

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Focused.
Dynamic.
Green.

A stylized illustration on the left side of the slide. It features a blue cityscape with various building silhouettes in the background. In the foreground, there are dark blue silhouettes of trees. A road with a white center line and green borders curves from the bottom left towards the center. The entire illustration is set against a white background that transitions into a grey background on the right.

Q&A

**THANK YOU FOR
YOUR TIME.**

NOTES

VOSSLOH GROUP

INCOME STATEMENT

€ mill.	1-3/2019	1-3/2020
Sales revenues	190.0	182.9
Cost of sales	(155.0)	(147.4)
General administrative and selling expenses	(36.0)	(33.4)
Allowances for financial assets	(0.0)	(0.2)
Research and development costs	(2.6)	(2.3)
Other operating result	2.3	0.6
Operating result	(1.3)	0.2
Income from investments in companies accounted for using the equity method	0.7	0.7
Other net financial result	0.0	15.6
Earnings before interest and taxes (EBIT)	(0.6)	16.5
Interest income	0.3	1.8
Interest and similar expenses	(6.1)	(5.9)
Earnings before taxes (EBT)	(6.4)	12.4
Income taxes	1.4	4.8
Result from continuing operations	(5.0)	17.2
Result from discontinued operations	(17.5)	(19.8)
Net income	(22.5)	(2.6)
thereof attributable to shareholders of Vossloh AG	(23.9)	(2.7)
thereof attributable to noncontrolling interests	1.4	0.1
Earnings per share		
Basic/diluted earnings per share (€)	(1.50)	(0.15)
thereof attributable to continuing operations	(0.40)	0.97
thereof attributable to discontinued operations	(1.10)	(1.12)

VOSSLOH GROUP

BALANCE SHEET

Assets (€ mill.)	3/31/2019	12/31/2019	3/31/2020
Intangible assets	304.0	280.1	295.5
Property, plant and equipment	313.0	296.8	301.7
Investment properties	2.3	1.8	1.8
Investments in companies accounted for using the equity method	66.9	74.6	71.6
Other noncurrent financial instruments	7.8	6.0	6.4
Other noncurrent assets	3.4	4.0	3.9
Deferred tax assets	18.1	17.7	25.5
Noncurrent assets	715.5	681.0	706.4
Inventories	207.5	152.1	166.4
Trade receivables	223.3	212.8	204.3
Contract assets	12.1	5.0	7.1
Income tax assets	7.3	5.8	6.5
Other current financial instruments	41.9	29.6	32.0
Other current assets	29.5	25.8	29.0
Short-term securities	0.4	0.0	0.0
Cash and cash equivalents	36.9	56.7	44.0
Current assets	558.9	487.8	489.3
Assets held for sale	168.9	162.6	177.8
Assets	1,443.3	1,331.4	1,373.5

Equity and liabilities (€ mill.)	3/31/2019	12/31/2019	3/31/2020
Capital stock	45.3	49.9	49.9
Additional paid-in capital	146.5	190.4	190.4
Retained earnings and net income	295.2	158.7	153.5
Accumulated other comprehensive income	3.8	(4.8)	(14.0)
Equity excluding noncontrolling interests	490.8	394.2	379.8
Noncontrolling interests	12.6	9.4	13.1
Equity	503.4	403.6	392.9
Pension provisions/provisions for other post employment benefits	31.1	33.2	35.1
Other noncurrent provisions	8.1	10.5	8.3
Noncurrent financial liabilities	397.8	385.8	440.2
Noncurrent trade payables	0.0	1.4	0.0
Other noncurrent liabilities	10.9	10.6	3.3
Deferred tax liabilities	7.9	7.9	8.6
Noncurrent liabilities	455.8	449.4	495.5
Other current provisions	39.5	59.4	57.7
Current financial liabilities	66.3	41.3	37.2
Current trade payables	129.8	132.8	124.9
Current contract liabilities	0.0	0.2	0.0
Current income tax liabilities	2.3	4.4	3.5
Other current liabilities	102.9	91.7	109.9
Current liabilities	340.8	329.8	333.2
Liabilities related to assets held for sale	143.3	148.6	151.9
Equity and liabilities	1,443.3	1,331.4	1,373.5

VOSSLOH GROUP

KEY PERFORMANCE INDICATORS

		Core Components		Fastening Systems		Tie Technologies		Customized Modules		Lifecycle Solutions	
		1-3/2019	1-3/2020	1-3/2019	1-3/2020	1-3/2019	1-3/2020	1-3/2019	1-3/2020	1-3/2019	1-3/2020
Sales revenues	€ mill.	72.0	77.7	46.0	43.9	28.5	36.5	101.0	87.6	19.1	20.2
EBITDA	€ mill.	11.5	24.7					4.1	5.7	0.7	1.1
EBITDA margin	%	15.9	31.8					4.0	6.5	3.6	5.6
EBIT	€ mill.	6.5	19.4					(0.3)	1.8	(2.6)	(1.8)
EBIT margin	%	9.0	25.0					(0.3)	2.1	(13.6)	(9.0)
Average working capital	€ mill.	93.9	95.9					132.4	76.1	16.3	15.3
Average working capital intensity	%	32.6	30.8					32.8	21.7	21.3	18.9
Average capital employed	€ mill.	276.1	306.6					453.3	362.9	180.5	182.7
ROCE	%	9.4	25.4					(0.3)	2.0	(5.7)	(4.0)
Value added	€ mill.	1.3	14.1	2.9	16.6	(1.6)	(2.5)	(8.8)	(4.6)	(6.0)	(5.0)
Orders received	€ mill.	90.7	107.9	61.3	46.3	32.0	67.5	131.5 ¹	147.7	36.4	38.4
Order backlog (3/31)	€ mill.	256.0	302.8	206.4	184.8	54.0	123.9	333.9 ¹	333.2	30.2	28.6
Capital expenditure	€ mill.	4.3	4.8	2.7	3.0	1.6	1.8	1.1	3.5	2.7	5.8
Depreciation/amortization	€ mill.	(5.0)	(5.2)	(2.0)	(2.0)	(3.0)	(3.3)	(4.4)	(3.9)	(3.3)	(2.9)

¹For the purpose of comparability, values are represented without US-businesses sold in 2019 (orders received adjusted by €28.5 million and order backlog adjusted by €70.8 million).

VOSSLOH GROUP

CASH FLOW STATEMENT¹

€ mill.	1-3/2019	1-3/2020
Earnings before interest and taxes (EBIT)	(0.6)	16.5
EBIT from discontinued operations	(18.7)	(16.5)
Amortization/depreciation/impairment losses (less write-ups) of noncurrent assets	22.8	32.3
Change in noncurrent provisions	0.7	(0.4)
Gross cash flow	4.2	31.9
Income taxes paid	(2.0)	(3.8)
Change in working capital	(43.3)	(42.3)
Other changes	(3.8)	(22.3)
Cash flow from operating activities	(44.9)	(36.5)
Investments in intangible assets and property, plant and equipment	(7.1)	(13.6)
Investments in companies accounted for using the equity method	0.0	(0.1)
Free cash flow	(52.0)	(50.2)

¹Also includes effects from discontinued operations.

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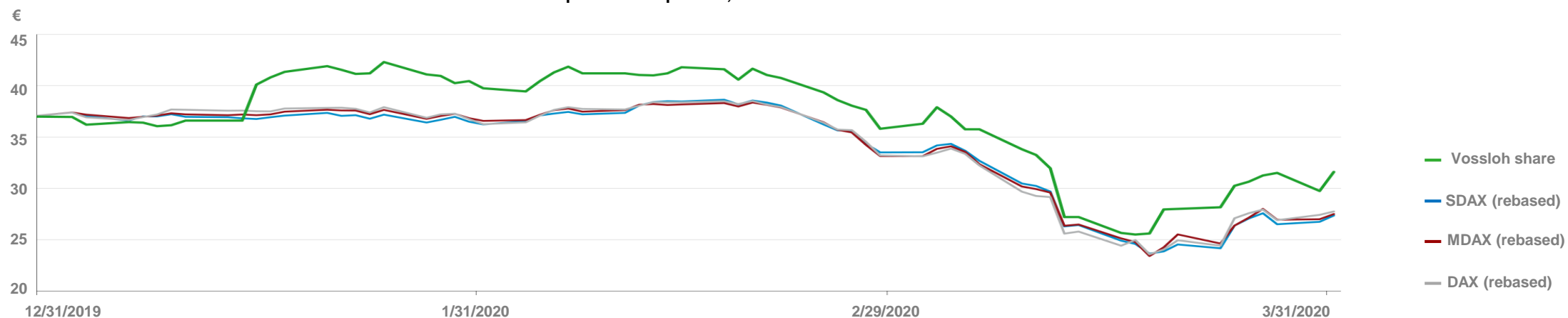
EMPLOYEES

	Closing date		Average	
	3/31/2019	3/31/2020	1-3/2019	1-3/2020
Employees				
Core Components	879	911	877	910
Customized Modules	2,382	1,992	2,382	1,984
Lifecycle Solutions	552	507	546	518
Vossloh AG	63	60	63	60
Total	3,876	3,470	3,868	3,472

VOSSLOH GROUP

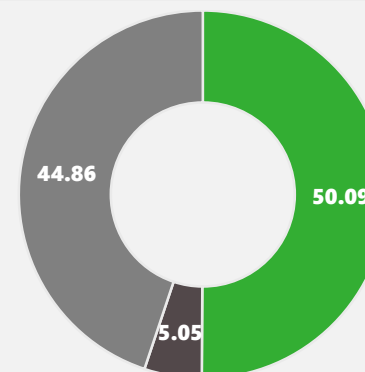
PRICE PERFORMANCE, SHARE INFORMATION AND SHAREHOLDER STRUCTURE

Vossloh share price developments, 12/31/2019 to 3/31/2020



Information on the Vossloh share

ISIN	DE0007667107
Trading locations	Xetra, Düsseldorf, Frankfurt, Berlin, Hamburg, Hanover, Stuttgart, Munich
Number of shares outstanding on 3/31/2020	17,564,180
Share price (3/31/2020)	€31.60
High price/low price, January to March 2020	€42.50/€23.60
Market capitalization (3/31/2020)	€555.0 million
Reuters code	VOSG.DE
Bloomberg code	VOS:GR



Shareholder structure in %

- Heinz Hermann Thiele
- Franklin Mutual Advisers
- Others