Quarterly statement
as of September 30, 2019

Werdohl, October 24, 2019

Grasping the future.
Shaping the future.

Disclaimer

Note:

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New composition of Executive Board, further details about performance program

Changes to Executive Board

- Oliver Schuster appointed as CEO, Dr. Karl Martin Runge appointed as additional member of the Executive Board
- Increased focus on achieving a sustainable improvement in profitability and strengthening self-financing power

Performance program

- Sale of largest Customized Modules subsidiary in the U.S.
- Further portfolio streamlining resolved, affecting companies in the Customized Modules division in the U.S. and South America
- Positive cash effect from performance program already in 2019, negative one-time effects (mainly booking effects) expected from todays perspective of around €85 million in 2019
- Sustainable annual savings of €15 – 20 million, majority already expected in 2020

Operating performance after nine months

- Sales 6.2 % higher than in the previous year, particularly due to acquisition in the Tie Technologies business unit; EBIT adjusted for one-time effects from the performance program (only EBIT and EBIT margin adjusted); slight decrease in adjusted EBIT, primarily due to lower EBIT contributions from Customized Modules
- Outlook for operating business in 2019 concretized; EBIT and EBIT margin expected to improve significantly in 2020

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Transformation almost complete, core business strengthened in China

Sale of Vossloh Locomotives

- Contract for the sale of Vossloh Locomotives to CRRC ZELC has been signed
- Purchase price subject to adjustment on closing date, projected to amount to a low single-digit million figure, additional revenues from sale of assets possible (up to €10 million)
- Additional burden on result from discontinued operations due to signing of selling contract in the third quarter, totaling around €35 million
- CRRC ZELC contractually obliged to take over all guarantees and warranties that Vossloh AG had taken on for the Locomotives business unit

Anyang joint venture

- Joint venture established with Anyang Railway Equipment Co., Ltd.; Vossloh holds 51 %, company expected to be fully consolidated at beginning of 2020
- Production of components for rail fastening systems, increased vertical integration for VFS in China
- Anyang Railway Equipment is a well-established company in China with over 600 employees
- Joint venture improves position in market segments conventional rail and urban transport in China

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Revenues significantly increased, net income burdened by one-time effects

Key Group indicators		1-9/2019	1-9/2018
Sales revenues	€ mill.	662.1	623.2
EBIT	€ mill.	(5.8)	35.2
Adjusted EBIT[1)]	€ mill.	31.9	-
EBIT margin (2019 adjusted[1)])	%	4.8	5.7
Net income	€ mill.	(85.4)	12.6
Earnings per share	€	(5.30)	0.57
Free cash flow[2)]	€ mill.	(70.8)	(45.3)
Capital expenditure	€ mill.	33.9	37.2
Value added	€ mill.	(57.3)	(8.9)

Notes

- **Sales revenues** above previous year, particularly due to stronger sales contributions from Core Components (also result of the Austrak acquisition in 2018)
- **EBIT** burdened by expenses of €37.7 million from the performance program (of which €8.3 million for staff reduction and €29.4 million related to unprofitable activities), **adjusted EBIT and EBIT margin** slightly below the previous year due to lower EBIT contributions from Customized Modules
- **Net income** burdened by effects of performance program and negative result from discontinued operations
- **Free cash flow** significantly negative, driven primarily by VL; substantial improvement expected in Q4/2019
- **Value added** impacted by expenses from performance program and increase in average capital employed, among other things due to first-time application of IFRS 16 and acquisitions in 2018

1) "Adjusted EBIT" corresponds to EBIT adjusted for one-time expenses from the performance program (expenses in connection with releasing employees, earnings effects from the module unprofitable or disadvantageous activities); see also slide 20
2) Includes the effects from discontinued operations; free cash flow comprises the cash flow from operating activities, investments in intangible assets and property, plant and equipment, and cash receipts and payments associated with companies accounted for using the equity method

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Equity ratio over 30% despite one-time effects

Key Group indicators		1-9/2019/ 9/30/2019	2018/ 12/31/2018	1-9/2018/ 9/30/2018
Equity	€ mill.	463.2	523.3	520.1
Equity ratio	%	32.7	41.4	42.9
Closing working capital	€ mill.	226.9	216.0	242.7
Average working capital intensity	%	26.6	25.2	25.8
Average capital employed	€ mill.	916.5	799.7	785.0
Closing capital employed	€ mill.	894.4	862.0	825.7
Net financial debt	€ mill.	388.7[1)]	307.3	287.4

Notes

- **Equity** lower, particularly due to the negative net income and dividend payout; capital increase had positive effect
- **Closing working capital** down on 9/30 compared to previous year's figure due to reclassification of sold company CTM (effect of approximately €25 million) to assets held for sale
- **Closing capital employed** well above previous year (9/30), largely due to acquisitions in 2018 and application of IFRS 16; counteracted by reclassification of CTM
- **Net financial debt** significantly increased especially as a result of negative free cash flow; substantial decrease anticipated in Q4/2019 due to cash inflow from disposals and expected positive free cash flow

1) Net financial debt as of 9/30/2019 before application of IFRS 16. Taking into account IFRS 16, net financial debt increases by €48.5 million on 9/30/2019.

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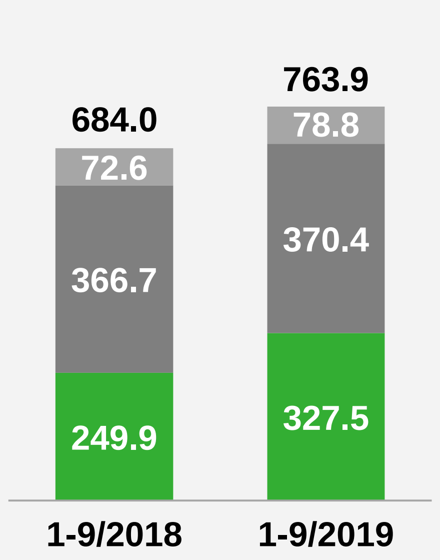
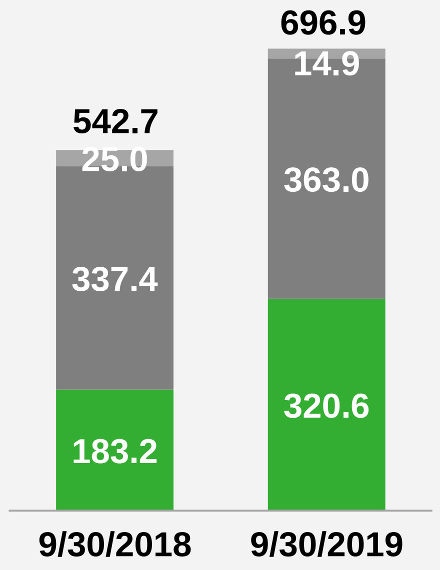
Substantial increase in orders received and order backlog

Orders received (in € mill.)



Order backlog (in € mill.)



Core Components | Customized Modules | Lifecycle Solutions

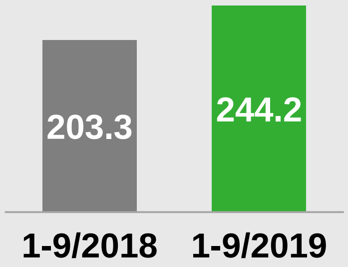
Notes

- **Orders received** up 11.7 % on the previous year, improved in all divisions compared to previous year; encouraging improvement in Tie Technologies business unit, particularly in Australia
- **Book-to-bill ratio** above 1 in all divisions, 1.15 for the Group
- **Order backlog:** Increase mainly due to major orders in China in the Fastening Systems business unit, at Vossloh Tie Technologies several contracts for mine projects in Australia included; sold unit CTM still contributing €68 million to order backlog of Customized Modules on 9/30

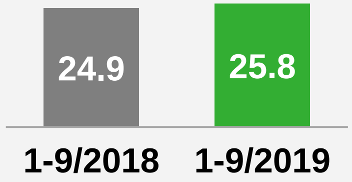
Core Components division

Sales significantly above previous year, adjusted EBIT margin still double digit

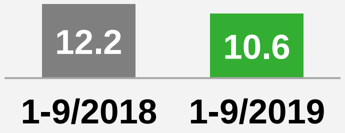
Sales (in € mill.)



EBIT (2019 adj.)
(in € mill.)



EBIT margin (2019 adj.)
(in %)



- Significant increase in sales almost exclusively due to additional sales generated by Vossloh Tie Technologies
- Adjusted EBIT up slightly compared to previous year, primarily due to EBIT contributions from Austrak and rail fastening system business in North America; Vossloh Fastening Systems expected to do significantly more business in Asia in Q4
- One-time effects from the performance program after the first nine months of 2019: €0.9 million

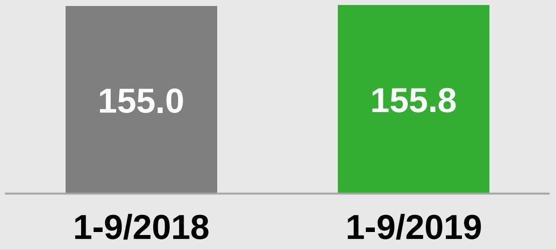
ROCE (in %)	**1-9/2019:**	**11.9**
	1-9/2018:	**15.2**

Value added (in € mill.)	**1-9/2019:**	**9.3**
	1-9/2018:	**12.6**

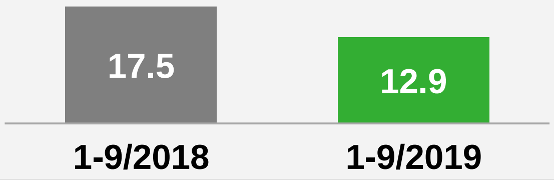
Fastening Systems business unit

Sales at the previous year’s level, book-to-bill ratio at 1.15

Sales (in € mill.)



Value added (in € mill.)



- Sales almost unchanged; noticeable decreased sales in Asia (China, Thailand) and Poland compensated for by significantly higher sales in North America and Russia
- Value added lower than previous year, mainly as a result of lower earnings contributions from China and negative one-time effects from the performance program
- Order backlog well above the previous year, particularly due to increase in orders received in China, but also with improvements in North America and Russia contributing to a lesser extent

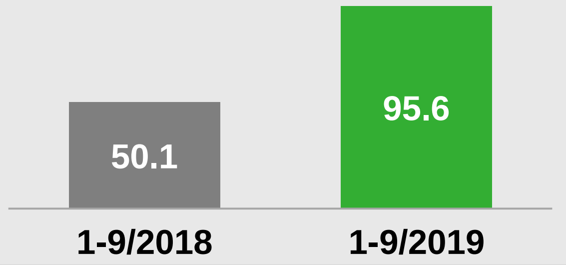
Orders received (in € mill.)	**1-9/2019:**	**180.0**
	1-9/2018:	**192.3**

Order backlog (in € mill.)	**9/30/2019:**	**215.2**
	9/30/2018:	**137.6**

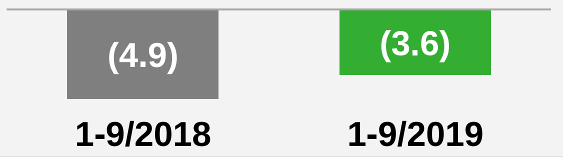
Tie Technologies business unit

Sales and orders received well above previous year also due to acquisitions

Sales (in € mill.)



Value added (in € mill.)



- Significant increase in sales, primarily due to acquisition in Australia (increase of €28 million), alongside substantial increase in sales in the USA and Canada (CN framework agreement)
- Value added improved despite negative effects from the purchase price allocation and burdens from the performance program and start-up costs at the new plant in Canada
- Orders received significantly higher, primarily due to substantial orders won in Australia; also well above the previous year in the USA; high book-to-bill ratio of 1.59

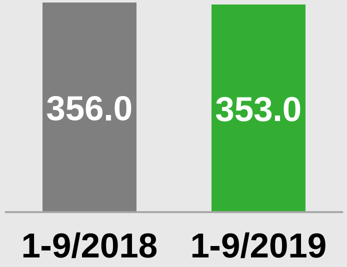
Orders received (in € mill.)	**1-9/2019:**	**152.2**
	1-9/2018:	**59.3**

Order backlog (in € mill.)	**9/30/2019:**	**107.1**
	9/30/2018:	**45.5**

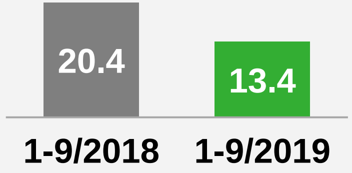
Customized Modules division

Sales at previous year’s level, adjusted EBIT margin lower than previous year

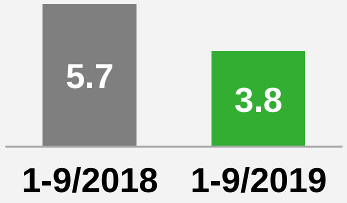
Sales (in € mill.)



EBIT (2019 adj.)
(in € million)



EBIT margin (2019 adj.)
(in %)



- Lower sales in Poland and the UK, partially compensated by higher sales in loss-making North American market
- Lower EBIT contributions from operational business, mainly due to French management company and companies in UK and Poland; Sweden on the other hand improved; high EBIT contributions expected from operational business in Q4
- One-time effects from the performance program after the first nine months of 2019: €30.5 million

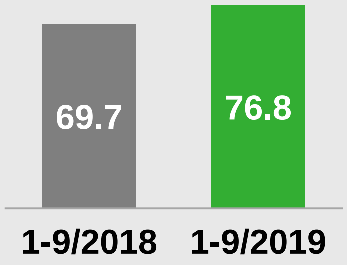
ROCE (in %)	**1-9/2019:**	**(5.0)**
	1-9/2018:	**6.3**

Value added (in € mill.)	**1-9/2019:**	**(42.7)**
	1-9/2018:	**(3.8)**

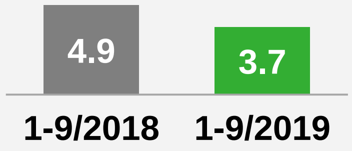
Lifecycle Solutions division

Sales significantly higher than previous year, adjusted EBIT down on previous year

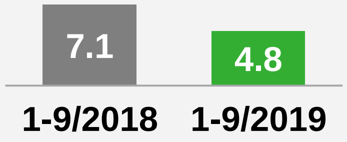
Sales (in € mill.)



EBIT (2019 adj.)
(in € million)



EBIT margin (2019 adj.)
(in %)



- Framework agreement signed for corrective maintenance in Netherlands
- Increased sales, especially in the Milling and Logistics segments
- Adjusted EBIT mainly due lower EBIT contribution from sale of vehicles below previous year; additional earnings contributions from vehicle sales expected in Q4
- One-time effects from performance program after nine months of 2019: €3.8 million
- Value added primarily burdened by one-time effects from the performance program and application of IFRS 16 for the first time, in addition to adjusted EBIT performance

ROCE (in %)	**1-9/2019:**	**(0.1)**
	1-9/2018:	**4.8**

Value added (in € mill.)	**1-9/2019:**	**(10.4)**
	1-9/2018:	**(2.8)**

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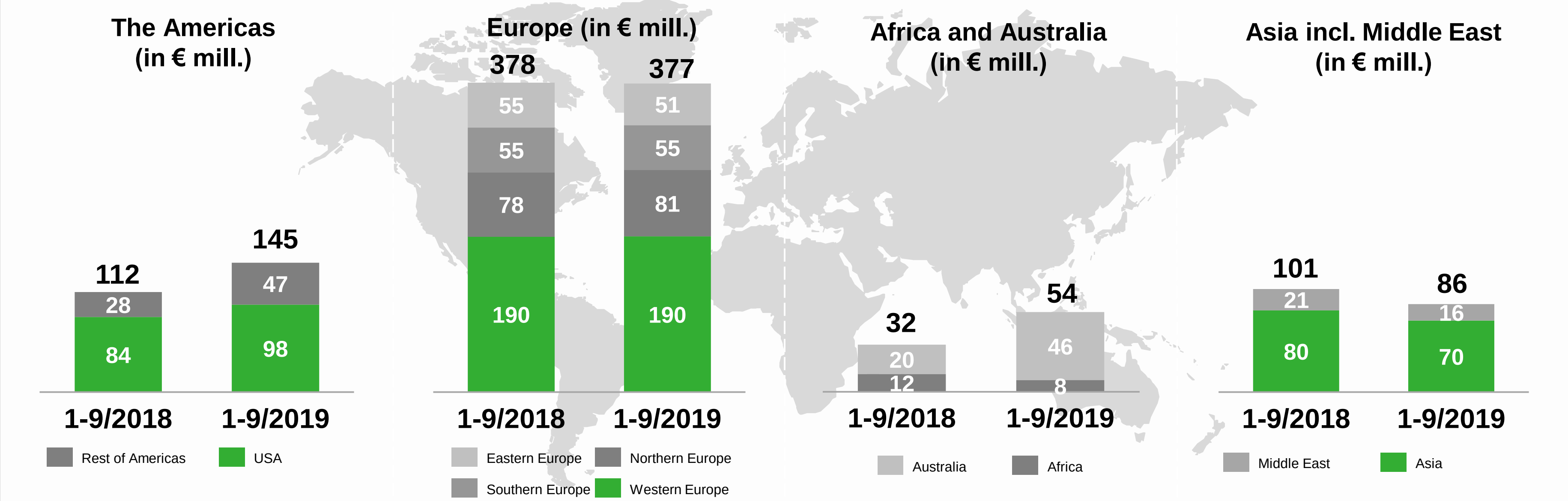
Sales increases primarily in Australia and North America



Particularly significant increase in sales in the USA, Canada and Mexico

Slightly lower sales in Eastern Europe compensated through higher sales in Northern Europe

Sales in Australia increased due to the acquisition of Austrak

Mainly decrease in sales in China and Thailand, countered primarily by increased sales in India and Israel

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Outlook

General framework

- Negative one-time effects 2019 from today's perspective of approximately €85 million (primarily booking effects), positive cash effect in 2019 resulting from performance program
- Sustainable annual savings of €15 million – 20 million, majority already in 2020 for the first time
- Higher visibility of deliveries in China after winning a number of major projects, deliveries will begin in Q4/2019 with the majority in 2020

Outlook for 2019 with regard to the operational business

- Forecast **sales** range **€900 – 1,000 million: Sales higher than 2018** in the Core Components and Lifecycle Solutions divisions, primarily due to the acquisitions of Austrak and the milling business
- **Adjusted EBIT** expected in the lower third of the forecast range of **€50 – 60 million** among others due to weaker business performance of sold company CTM
- **Value added** also expected to be significantly below the negative previous year's value particularly due to one-time expenses from the performance program

Looking ahead to 2020

- Forecast **sales** range now **€900 – 1,000 million** after portfolio streamlining
- Forecast **EBIT** range **€65 – 80 million,** corresponding to significant improvement in **EBIT margin** of around **2 percentage points**

Financial calendar and contact information

How to reach us

Financial calendar

▪ March 19, 2020	Annual Report 2019
▪ May 27, 2020	Annual General Meeting

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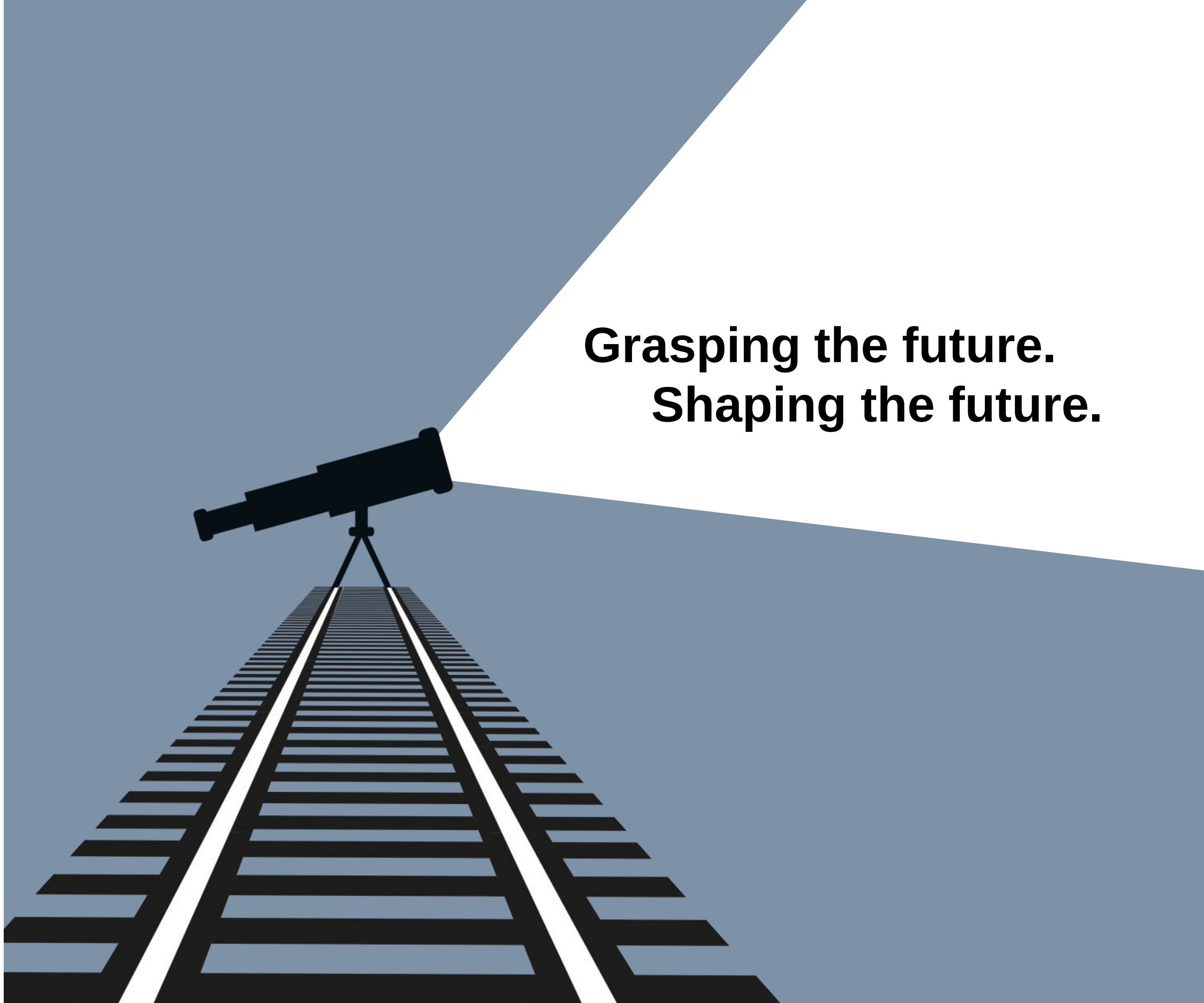
Thank you for your time.

Q&A



Notes

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Income statement

€ mill.	1-9/2019	1-9/2018
Sales revenues	662.1	623.2
Cost of sales	(535.9)	(481.5)
General administrative and selling expenses	(119.6)	(108.6)
Research and development costs	(7.7)	(8.1)
Other operating result	(6.5)	8.0
Operating result	**(7.6)**	**33.0**
Income from investments in companies accounted for using the equity method	4.4	0.9
Other net financial result	(2.6)	1.3
Earnings before interest and taxes (EBIT)	**(5.8)**	**35.2**
Interest income	0.7	0.5
Interest expenses	(16.8)	(10.7)
Earnings before taxes (EBT)	**(21.9)**	**25.0**
Income taxes	(2.1)	(9.5)
Result from continuing operations	**(24.0)**	**15.5**
Result from discontinued operations	(61.4)	(2.9)
Net income	**(85.4)**	**12.6**
thereof attributable to shareholders of Vossloh AG	**(87.7)**	**9.2**
thereof attributable to noncontrolling interests	2.3	3.4
Earnings per share		
Basic/diluted earnings per share (in €)	(5.30)	0.57
thereof attributable to continuing operations	(1.59)	0.76
thereof attributable to discontinued operations	(3.71)	(0.19)

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Balance sheet

Assets (€ mill.)	9/30/2019	12/31/2018	9/30/2018
Intangible assets	290.9	301.3	280.8
Property, plant and equipment	295.0	268.6	224.9
Investment property	2.1	2.2	2.5
Investments in companies accounted for using the equity method	73.0	66.2	65.8
Other noncurrent financial instruments	6.6	7.7	9.3
Other noncurrent assets	3.3	4.3	3.7
Deferred tax assets	18.5	13.4	20.0
Noncurrent assets	**689.4**	**663.7**	**607.0**
Inventories	193.8	174.8	182.6
Trade receivables	201.9	212.6	207.5
Contract assets	13.1	6.9	9.0
Income tax assets	5.6	7.6	5.3
Other current financial instruments	27.3	27.9	21.2
Other current assets	30.4	18.2	16.1
Short-term securities	0.0	0.5	0.5
Cash and cash equivalents	36.4	48.7	52.8
Current assets	**508.5**	**497.2**	**495.0**
Assets held for sale	218.9	104.5	111.4
Assets	**1,416.8**	**1,265.4**	**1,213.4**

Equity and liabilities (€ mill.)	9/30/2019	12/31/2018	9/30/2018
Capital stock	49.8	45.3	45.3
Additional paid-in capital	190.5	146.5	146.7
Retained earnings and net income	215.4	318.7	308.6
Accumulated other comprehensive income	(1.5)	2.0	1.4
Equity excluding noncontrolling interests	**454.2**	**512.5**	**502.0**
Noncontrolling interests	9.0	10.8	18.1
Equity	**463.2**	**523.3**	**520.1**
Pension provisions	22.6	22.1	22.8
Other noncurrent provisions	17.5	17.0	20.2
Noncurrent financial liabilities	284.1	267.9	252.2
Other noncurrent liabilities	15.6	7.4	2.0
Deferred tax liabilities	7.7	7.1	4.4
Noncurrent liabilities	**347.5**	**321.5**	**301.6**
Other current provisions	43.4	36.4	39.0
Current financial liabilities	189.4	88.6	88.5
Current trade payables	112.0	139.2	119.4
Current income tax liabilities	1.3	1.8	5.5
Other current liabilities	108.5	84.0	80.2
Current liabilities	**454.6**	**350.0**	**332.6**
Liabilities related to assets held for sale	151.5	70.6	59.1
Equity and liabilities	**1,416.8**	**1,265.4**	**1,213.4**

Assets and liabilities classified as held for sale consist of the Locomotives business unit and one group company in the Customized Modules division (CTM) for which a sale has been contractually agreed.

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Reconciliation of EBIT to adjusted EBIT

€ mill.	1-9/2019
EBIT	**(5.8)**
Core Components	0.9
Customized Modules	30.5
Lifecycle Solutions	3.8
Holding companies	2.5
Adjusted EBIT	**31.9**

The adjustment encompasses one-time effects arising from the performance program. These are mainly anticipated in the elements related to reducing the number of employees (costs for employee redundancies) and unprofitable/disadvantageous activities. One-time effects totaled €37.7 million in the first nine months of the fiscal year. The amount of €8.3 million is attributed to the element related to reducing the number of employees (primarily provisions for severance payments). The amount of €29.4 million is attributed to the element related to unprofitable/disadvantageous activities (mainly booking effects to do with the sale of the company CTM).

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Key figures (1/2)

		Core Components		Fastening Systems		Tie Technologies	
		1-9/2019	1-9/2018	1-9/2019	1-9/2018	1-9/2019	1-9/2018
Sales revenues	€ mill.	244.2	203.3	155.8	155.0	95.6	50.1
EBIT (2019 adjusted)	€ mill.	25.8	24.9				
EBIT margin (2019 adjusted)	%	10.6	12.2				
Average working capital	€ mill.	89.7	68.7				
Average working capital intensity	%	27.6	25.3				
Average capital employed	€ mill.	278.0	218.4				
ROCE	%	11.9	15.2				
Value added	€ mill.	9.3	12.6	12.9	17.5	(3.6)	(4.9)
Orders received	€ mill.	327.5	249.9	180.0	192.3	152.2	59.3
Order backlog (as of 9/30)	€ mill.	320.6	183.2	215.2	137.6	107.1	45.5
Capital expenditure	€ mill.	19.6	8.2	9.7	4.0	9.9	4.2
Depreciation/amortization	€ mill.	(14.5)	(11.9)	(5.8)	(5.1)	(8.7)	(6.8)

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Key figures (2/2)

		Customized Modules		Lifecycle Solutions	
		1-9/2019	1-9/2018	1-9/2019	1-9/2018
Sales revenues	€ mill.	353.0	356.0	76.8	69.7
EBIT (2019 adjusted)	€ mill.	13.4	20.4	3.7	4.9
EBIT margin (2019 adjusted)	%	3.8	5.7	4.8	7.1
Average working capital	€ mill.	132.8	136.5	14.6	12.4
Average working capital intensity	%	28.2	28.8	14.3	13.4
Average capital employed	€ mill.	453.9	430.0	183.8	137.6
ROCE	%	(5.0)	6.3	(0.1)	4.8
Value added	€ mill.	(42.7)	(3.8)	(10.4)	(2.8)
Orders received	€ mill.	370.4	366.7	78.8	72.6
Order backlog (as of 9/30)	€ mill.	363.0	337.4	14.9	25.0
Capital expenditure	€ mill.	6.1	17.5	8.0	11.2
Depreciation/amortization	€ mill.	(31.7)	(9.8)	(9.8)	(4.5)

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Cash flow statement[1)]

€ mill.	1-9/2019	1-9/2018
Earnings before interest and taxes (EBIT)	(5.8)	35.2
EBIT from discontinued operations	(60.6)	(2.9)
Amortization/depreciation/impairment losses (less write-ups) of noncurrent assets	103.6	28.0
Change in noncurrent provisions	2.8	(1.4)
Gross cash flow	**40.0**	**58.9**
Income taxes paid	(6.8)	(11.4)
Change in working capital	(73.0)	(47.6)
Other changes	(1.6)	(10.0)
Cash flow from operating activities	**(41.4)**	**(10.1)**
Investments in intangible assets and property, plant and equipment	(26.9)	(35.3)
Investments in companies accounted for using the equity method	(2.6)	0.0
Cash-effective dividends from companies accounted for using the equity method	0.1	0.1
Free cash flow	**(70.8)**	**(45.3)**

1) Also includes effects from discontinued operations.

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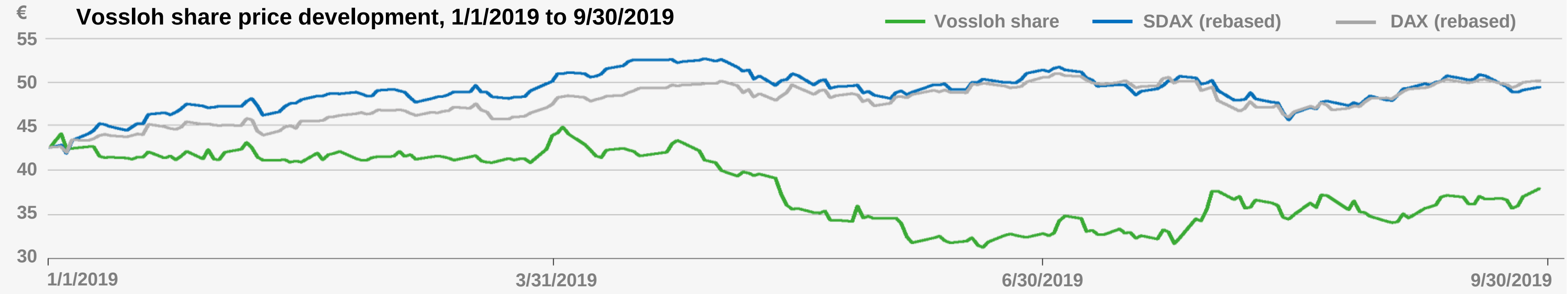
Employees

	Closing date		Average	
Employees[1]	**9/30/2019**	**9/30/2018**	**1-9/2019**	**1-9/2018**
Core Components	888	789	892	782
Customized Modules	2,351	2,409	2,388	2,403
Lifecycle Solutions	558	517	564	500
Vossloh AG	60	64	63	63
Total	**3,857**	**3,779**	**3,907**	**3,748**

[1] Due to the ongoing realization of the measurement program a further noticeable decline in workforce will be expected until the end of 2019.

Vossloh Group

Price performance, share information and shareholder structure



Information on the Vossloh share	
ISIN	DE0007667107
Trading locations	Xetra, Düsseldorf, Frankfurt, Berlin, Hamburg, Hanover, Stuttgart, Munich
Number of outstanding shares on 9/30/2019	17,564,180
Share price (9/30/2019)	€ 37.80
High price/low price January to September 2019	€ 44.85/€ 31.00
Market capitalization (9/30/2019)	€663.9 million
Reuters code	VOSG.DE
Bloomberg code	VOS GR

Shareholder structure in %