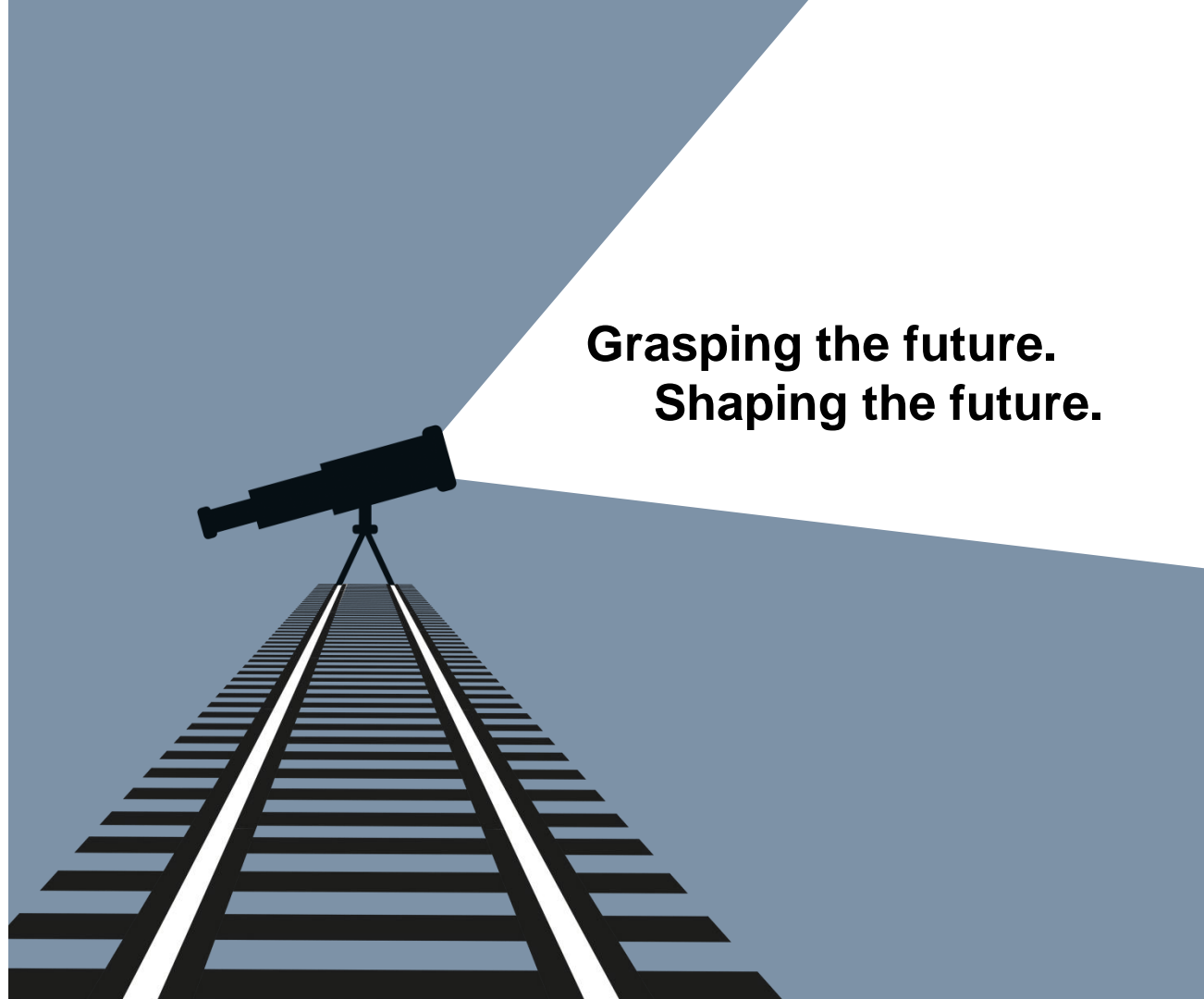




Quarterly statement
as of March 31, 2019

Werdohl, April 25, 2019

**Grasping the future.
Shaping the future.**



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: Grasping the future. Shaping the future.

Strong development of orders received continues in Q1/2019

Operating performance in the core business

- Group sales increased in the first quarter of 2019 as expected, particularly due to acquisitions at Vossloh Tie Technologies and Lifecycle Solutions
- EBIT and profitability slightly below the previous year, but within expectations
- Essential cornerstones of a performance program decided
- Outlook for 2019 with regard to the operating business and 2020 preview confirmed

Order situation continues to improve

- Long-term framework agreements signed in the Customized Modules division for Sweden (over €75 million) and Italy (€25 million)
- Orders received above the previous year in all divisions, at a record level in Customized Modules, in addition significant upturn in Core Components
- Book-to-bill ratio at a high 1.48 in Q1/2019
- Additional order intake expected for rail fasteners in China

Sales process Transportation

- Sales process of locomotives business: Intensive negotiations with several potential buyers continue
- Contract expected to be signed in the next months

Sales noticeably higher, net income significantly below previous year

Key group indicators		1-3/2018	1-3/2019
Sales revenues	€ mill.	178.3	190.0
EBIT	€ mill.	1.6	(0.6)
EBIT margin	%	0.9	(0.3)
Net income	€ mill.	1.4	(22.5)
Earnings per share	€	0.04	(1.50)
Free cash flow ¹⁾	€ mill.	(34.6)	(52.0)
Capital expenditure	€ mill.	5.8	8.1
Value added	€ mill.	(12.8)	(17.6)

Notes

- **Sales revenues** above the previous year, particularly due to stronger business development in Core Components (also as a result of the Austrak acquisition in 2018)
- **EBIT** and **EBIT margin** below the previous year due to lower earnings contributions from Customized Modules and Lifecycle Solutions; Core Components EBIT better than previous year
- **Net income** significantly below prior year; result from discontinued operations also burdened as a result of impairments
- **Free cash flow** significantly negative due to a seasonally typical increase in working capital
- **Value added** influenced by an increase in capital employed following acquisitions at the end of 2018 and first-time application of IFRS 16

1) Includes also the effects of 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

Net financial debt higher due to working capital increase in Q1

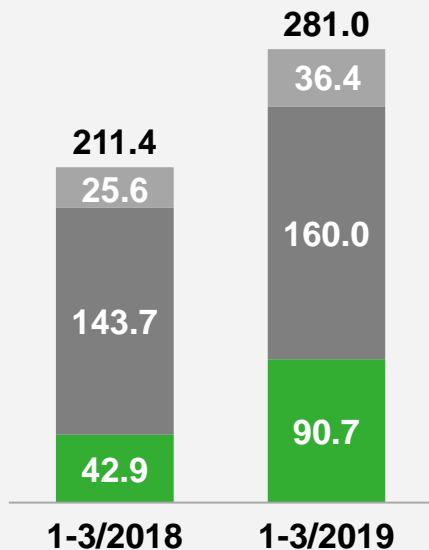
Key group indicators		1-3/2018/ 3/31/2018	2018/ 12/31/2018	1-3/2019/ 3/31/2019
Equity	€ mill.	527.1	523.3	503.4
Equity ratio	%	43.4	41.4	34.9
Average working capital	€ mill.	203.2	218.1	237.9
Average working capital intensity	%	28.5	25.2	31.3
Closing working capital	€ mill.	216.4	216.0	259.9
Average capital employed	€ mill.	768.6	799.7	907.9
Closing capital employed	€ mill.	778.5	862.0	953.8
Net financial debt ¹⁾	€ mill.	248.1	307.3	370.7

Notes

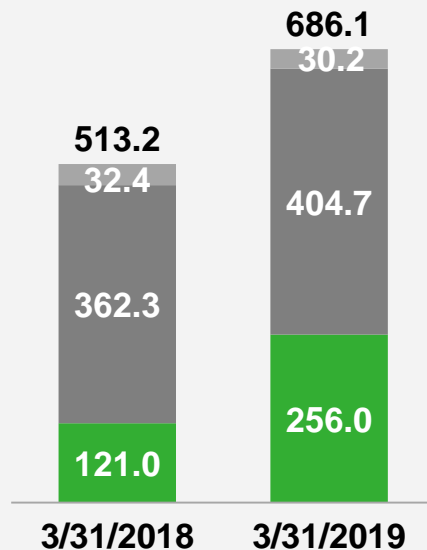
- **Equity** decreased primarily due to negative net income, equity ratio in addition affected by the balance sheet extension resulting from first-time application of IFRS 16
- Higher **average working capital intensity**, mainly because of higher average working capital in Core Components
- **Capital employed** above the previous year's quarter as a result of acquisitions end-2018; higher than at the end of the previous year due to IFRS 16 first-time application and higher working capital
- **Net financial debt** higher than at the end of the previous year, primarily due to seasonally driven negative free cash flow as well as interest payments

Orders received increased by more than 30 percent

Orders received (in € mill.)



Order backlog (in € mill.)



Notes

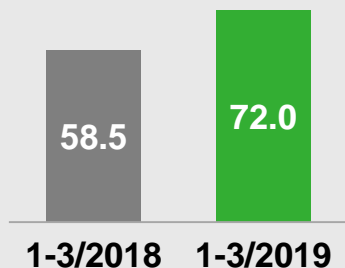
- Orders received** increased in all divisions; significantly improved order situation in both business units of the Core Components division; Customized Modules exceeds the high figure in the previous year by 11.3 percent; outstanding high number of orders received by Lifecycle Solutions in Q1/2019; book-to-bill ratio in the Group at 1.48
- Order backlog** of the Vossloh Group 33.7 percent higher at the end of Q1/2019 than in the previous year: Increase also attributable in part to three major orders in China from 2018 (€85 million) in the Fastening Systems business unit

■ Core Components
 ■ Customized Modules
 ■ Lifecycle Solutions

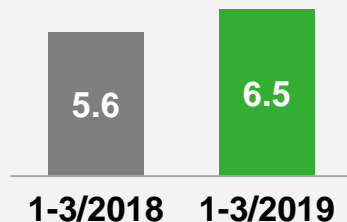
Core Components division

Sales and EBIT above the previous year

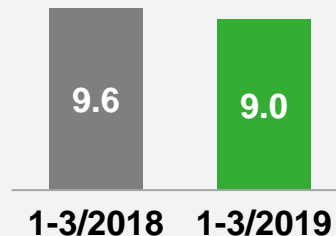
Sales (in € mill.)



EBIT (in € mill.)



EBIT margin (in percent)



- Sales in the first quarter of 2019 23.2 percent higher than in the previous year; increase primarily attributable to Vossloh Tie Technologies and, to a lesser extent, Vossloh Fastening Systems
- EBIT slightly above the previous year due to higher sales; EBIT margin burdened by effects from the purchase price allocation following the acquisition of Austrak
- Value added at the previous year's level, despite higher average capital employed due to the Austrak acquisition and the first-time application of IFRS 16

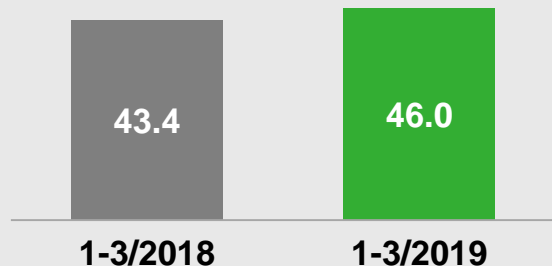
ROCE (in percent)	1-3/2019:	9.4
	1-3/2018:	10.2

Value added (in € mill.)	1-3/2019:	1.3
	1-3/2018:	1.5

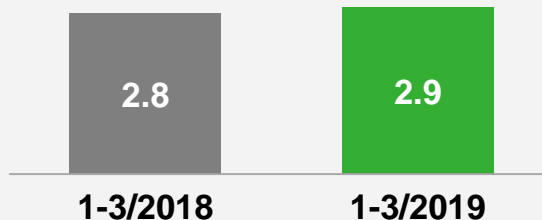
Fastening Systems business unit

Sales and value added slightly above the previous year

Sales (in € mill.)



Value added (in € mill.)



- Sales 6.1 percent above the previous year, particularly due to improved business development in the US and Russia; in contrast, slightly lower sales contributions from Poland and Italy
- Slight increase in value added despite higher average capital employed as a result of higher working capital
- Order backlog more than doubled compared to the previous year, particularly due to very good order development in China; book-to-bill at 1.33 (previous year: 0.81)

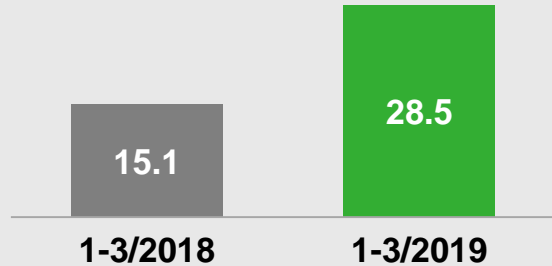
Orders received (in € mill.)	1-3/2019:	61.3
	1-3/2018:	35.3

Order backlog (in € mill.)	3/31/2019:	206.4
	3/31/2018:	92.3

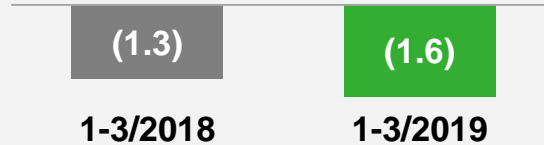
Tie Technologies business unit

Sales significantly increased also due to acquisitions

Sales (in € mill.)



Value added (in € mill.)



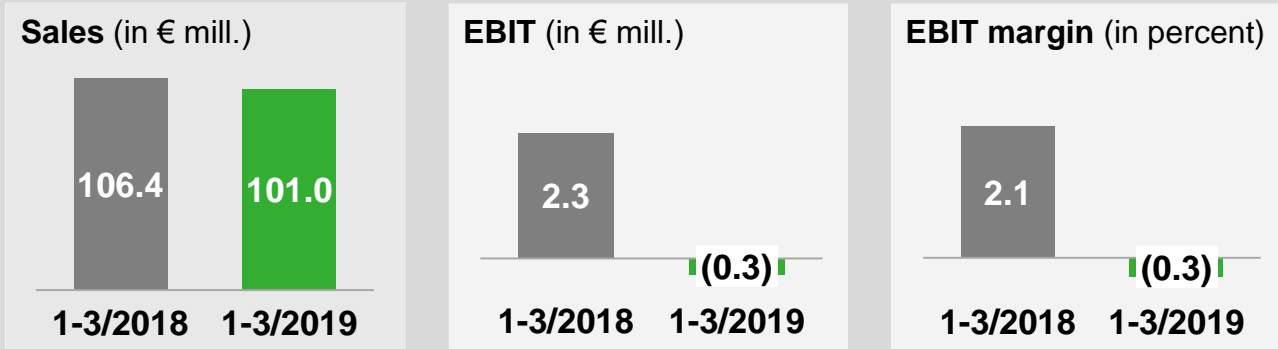
- Higher sales, particularly due to the acquisition of Austrak at the end of 2018 (+ €7.4 million); also an increase in sales from deliveries under the framework agreement with CN
- Value added affected by goodwill from the acquisitions of Rocla and Austrak
- Orders received significantly higher compared to the previous year, book-to-bill of 1.12 (previous year: 0.50)

Orders received (in € mill.)	1-3/2019:	32.0
	1-3/2018:	7.6

Order backlog (in € mill.)	3/31/2019:	54.0
	3/31/2018:	28.7

Customized Modules division

Sales and EBIT still below prior year, orders received at a very high level



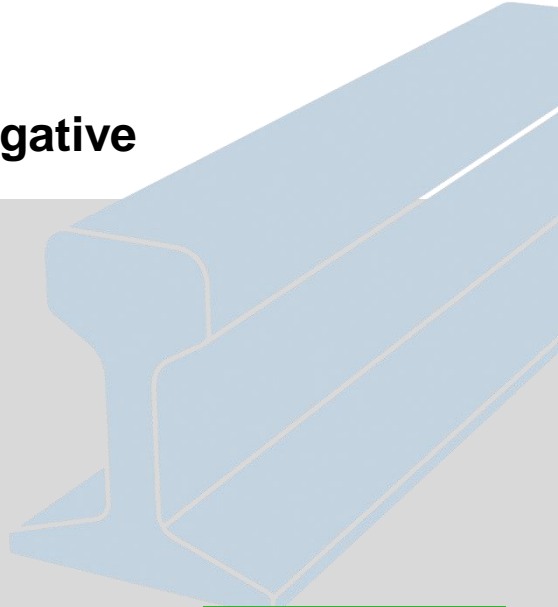
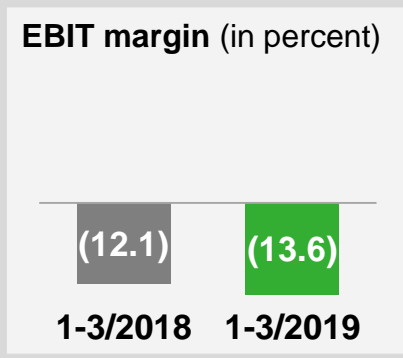
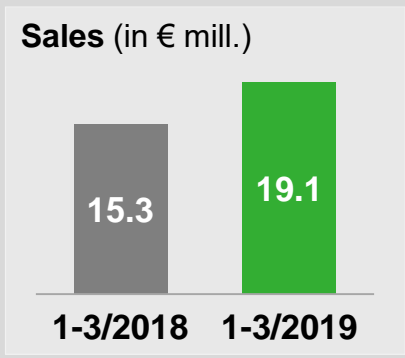
- Sales slightly below the previous year; lower sales from the Netherlands, Poland and Germany only partially offset by higher sales in India and Italy
- EBIT below the previous year in the first quarter of 2019 due to slightly lower sales and weaker business development in the US; also initial negative impact from employee layoffs
- Orders received at a record level in the first quarter, particularly due to additional orders from the Netherlands, the US and Singapore

ROCE (in percent)	1-3/2019:	(0.3)
	1-3/2018:	2.2

Value added (in € mill.)	1-3/2019:	(8.8)
	1-3/2018:	(5.6)

Lifecycle Solutions division

Sales significantly higher, EBIT seasonally typical still negative

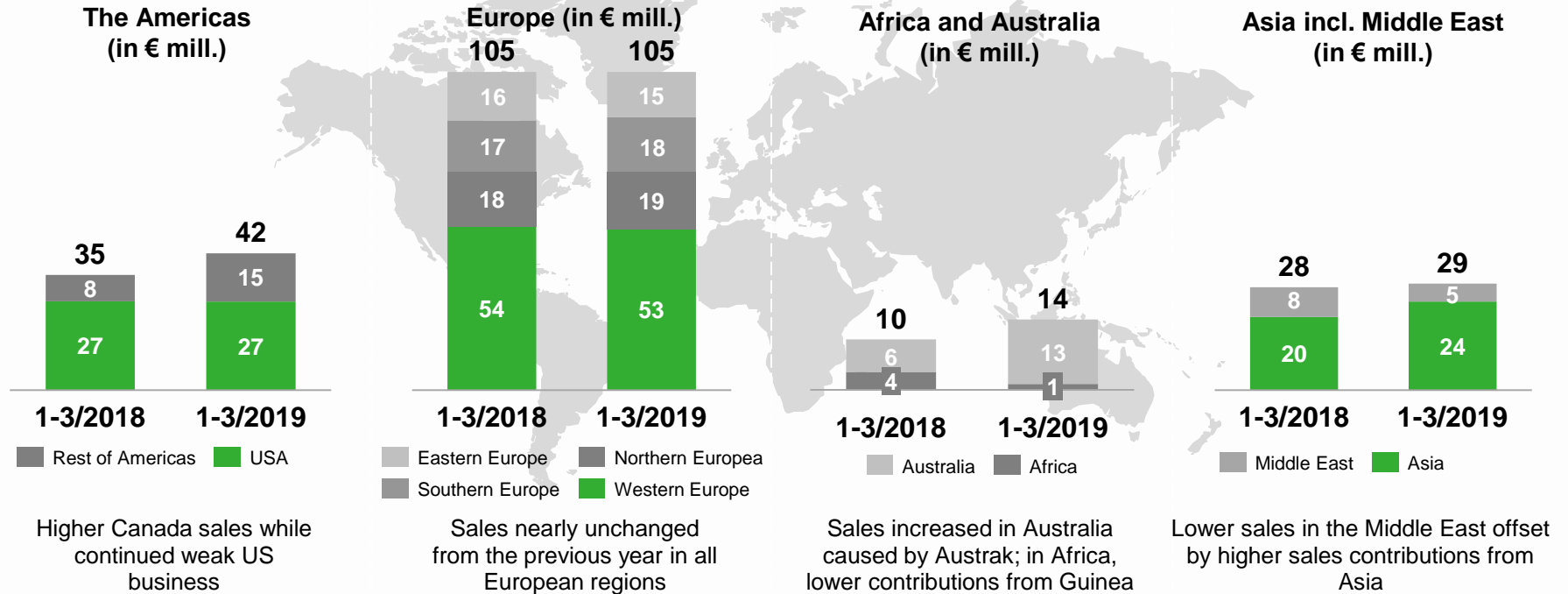


- Sales 25.1 percent higher than in the previous year, particularly due to higher sales in the milling business and in the high-speed grinding segment
- EBIT still negative, as is typical for the season; lower contributions to earnings from the Stationary Services and Logistics segments, also burdened by amortization on disclosed hidden reserves from the acquired milling business
- Value added in addition to EBIT development negatively affected by the first-time application of IFRS 16

ROCE (in percent)	1-3/2019:	(5.7)
	1-3/2018:	(5.6)

Value added (in € mill.)	1-3/2019:	(6.0)
	1-3/2018:	(4.3)

Sales increases primarily in Canada and Australia



Performance program

Personnel expenses

Reduction in number of employees by 5 percent compared to year-end 2018; concrete measures currently work in progress

Unprofitable activities

Consistent review of unprofitable activities in the Vossloh Group

Capital expenditure

Capex savings in all business units; necessity of each capex project currently under review

Overhead

Reduction of different cost types, not attributable to the production process; concrete measures currently work in progress

Working capital

Measures for short-term and sustainable working capital reduction; concrete measures currently work in progress

*Necessary decisions in 2019,
Measure implementation
mainly in 2019*

Target of the 5 cornerstones:

1. Sustainable increase in profitability
 2. Short- and long-term increase in self-financing capability for the Vossloh Group
- ➔ Long-term strengthening of competitiveness and expansion of Vossloh's financial scope for future growth in an increasingly digital rail world

Vossloh Group Outlook

Outlook

General market conditions

- Good order situation forms basis for future growth
- Higher visibility of deliveries to China following three major project wins in 2018, majority of deliveries to be made in 2020 based on current information

Outlook for 2019 with regard to the operating business

- Forecast **sales** range **€900 – 1,000 million: Sales increases from 2018** in the Core Components and Lifecycle Solutions divisions primarily due to the acquisitions of Austrak and the milling business, higher sales also expected for Customized Modules
- Forecast **EBIT** range **€50 – 60 million**: Effects on earnings from the performance program cannot yet be sufficiently quantified from the current perspective and therefore are still not incorporated in the outlook
- **Value added** expected to be below previous year's negative figure

Looking ahead to 2020

- Forecast **sales** range **€950 – 1,050 million**: Stronger deliveries in China, forecasted upturn in North America and expected growth in milling business to provide **higher sales revenues than in 2019**
- Forecast **EBIT** range **€65 – 80 million**



Financial calendar and contact information

How you can reach us

Financial calendar 2019

- | | |
|--------------------|--|
| ▪ May 22, 2019 | Annual General Meeting, Düsseldorf, Germany |
| ▪ July 25, 2019 | Interim report as of June 30, 2019 |
| ▪ October 24, 2019 | Quarterly statement as of September 30, 2019 |

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Fax: +49 (0) 23 92 / 52-219

Contact information for the media:

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 - Email: presse@vossloh.com
- Phone: +49 (0) 23 92 / 52-608
Fax: +49 (0) 23 92 / 52-219

Income statement

€ mill.	1-3/2018	1-3/2019
Sales revenues	178.3	190.0
Cost of sales	(142.1)	(155.0)
General administrative and selling expenses	(34.2)	(36.3)
Research and development costs	(2.4)	(2.6)
Other operating result	2.5	2.6
Operating result	2.1	(1.3)
Income from investments in companies accounted for using the equity method	(0.5)	0.7
Other financial result	0.0	0.0
Earnings before interest and taxes (EBIT)	1.6	(0.6)
Interest income	0.1	0.3
Interest expenses	(3.8)	(6.1)
Earnings before taxes (EBT)	(2.1)	(6.4)
Income taxes	0.7	1.4
Result from continuing operations	(1.4)	(5.0)
Result from discontinued operations	2.8	(17.5)
Net income	1.4	(22.5)
thereof attributable to shareholders of Vossloh AG	0.7	(23.9)
thereof attributable to noncontrolling interests	0.7	1.4
Earnings per share		
Basic/diluted earnings per share (€)	0.04	(1.50)
thereof attributable to continuing operations	(0.14)	(0.40)
thereof attributable to discontinued operations	0.18	(1.10)

Balance sheet

Assets (€ mill.)	3/31/2018	12/31/2018	3/31/2019
Intangible assets	277.8	301.3	304.0
Property, plant and equipment	208.8	268.6	313.0
Investment properties	2.7	2.2	2.3
Investments in companies accounted for using the equity method	63.9	66.2	66.9
Other noncurrent financial instruments	9.0	7.7	7.8
Other noncurrent assets	2.9	4.3	3.4
Deferred tax assets	19.6	13.4	18.1
Noncurrent assets	584.7	663.7	715.5
Inventories	177.4	174.8	207.5
Trade receivables	203.3	212.6	223.3
Contract assets	5.9	6.9	12.1
Income tax assets	9.7	7.6	7.3
Other current financial instruments	25.8	27.9	41.9
Other current assets	15.0	18.2	29.5
Short-term securities	0.5	0.5	0.4
Cash and cash equivalents	67.1	48.7	36.9
Current assets	504.7	497.2	558.9
Assets held for sale	124.0	104.5	168.9
Assets	1,213.4	1,265.4	1,443.3

Equity and liabilities (€ mill.)	3/31/2018	12/31/2018	3/31/2019
Capital stock	45.3	45.3	45.3
Additional paid-in capital	146.5	146.5	146.5
Retained earnings and net income	315.5	318.7	295.2
Accumulated other comprehensive income	3.8	2.0	3.8
Equity excluding noncontrolling interests	511.1	512.5	490.8
Noncontrolling interests	16.0	10.8	12.6
Equity	527.1	523.3	503.4
Pension provisions	22.6	22.1	22.1
Other noncurrent provisions	22.0	17.0	17.1
Noncurrent financial liabilities	248.9	267.9	310.6
Other noncurrent liabilities	3.4	7.4	10.9
Deferred tax liabilities	4.2	7.1	7.9
Noncurrent liabilities	301.1	321.5	368.6
Other current provisions	46.7	36.4	39.5
Current financial liabilities	66.8	88.6	153.5
Current trade payables	124.5	139.2	129.8
Current income tax liabilities	5.2	1.8	2.3
Other current liabilities	77.1	84.0	102.9
Current liabilities	320.3	350.0	428.0
Liabilities held for sale	64.9	70.6	143.3
Equity and liabilities	1,213.4	1,265.4	1,443.3

Key figures (1/2)

		Core Components		Fastening Systems		Tie Technologies	
		1-3/2018	1-3/2019	1-3/2018	1-3/2019	1-3/2018	1-3/2019
Sales revenues	€ mill.	58.5	72.0	43.4	46.0	15.1	28.5
EBIT	€ mill.	5.6	6.5				
EBIT margin	%	9.6	9.0				
Average working capital	€ mill.	69.9	93.9				
Average working capital intensity	%	29.9	32.6				
Average capital employed	€ mill.	219.0	276.1				
ROCE	%	10.2	9.4				
Value added	€ mill.	1.5	1.3	2.8	2.9	(1.3)	(1.6)
Orders received	€ mill.	42.9	90.7	35.3	61.3	7.6	32.0
Order backlog (3/31)	€ mill.	121.0	256.0	92.3	206.4	28.7	54.0
Capital expenditure	€ mill.	1.2	4.3	0.9	2.7	0.3	1.6
Depreciation/amortization	€ mill.	3.8	5.0	1.8	2.0	2.0	3.0

Key figures (2/2)

		Customized Modules		Lifecycle Solutions	
		1-3/2018	1-3/2019	1-3/2018	1-3/2019
Sales revenues	€ mill.	106.4	101.0	15.3	19.1
EBIT	€ mill.	2.3	(0.3)	(1.9)	(2.6)
EBIT margin	%	2.1	(0.3)	(12.1)	(13.6)
Average working capital	€ mill.	128.9	132.4	7.9	16.3
Average working capital intensity	%	30.3	32.8	13.0	21.3
Average capital employed	€ mill.	420.1	453.3	131.4	180.5
ROCE	%	2.2	(0.3)	(5.6)	(5.7)
Value added	€ mill.	(5.6)	(8.8)	(4.3)	(6.0)
Orders received	€ mill.	143.7	160.0	25.6	36.4
Order backlog (3/31)	€ mill.	362.3	404.7	32.4	30.2
Capital expenditure	€ mill.	3.3	1.1	1.1	2.7
Depreciation/amortization	€ mill.	3.3	4.4	1.5	3.3

Cash flow statement¹⁾

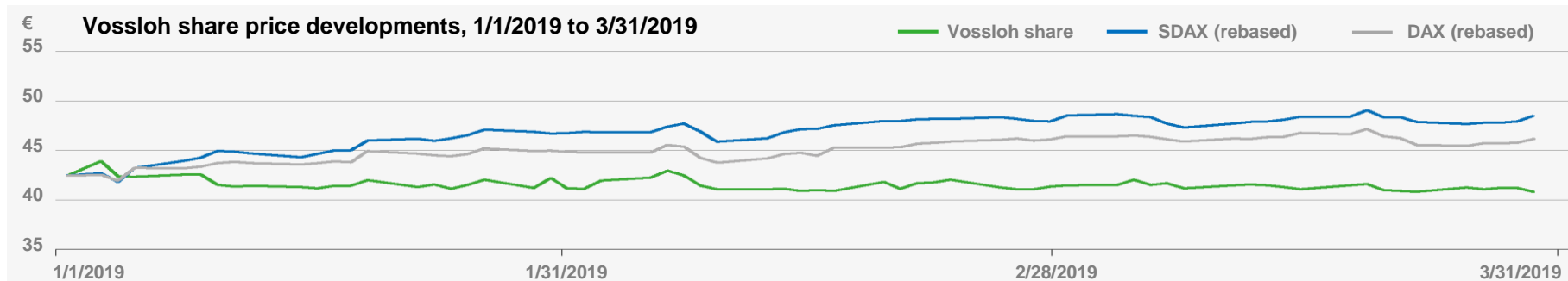
€ mill.	1-3/2018	1-3/2019
Earnings before interest and taxes (EBIT)	1.6	(0.6)
EBIT from discontinued operations	2.7	(18.7)
Amortization/depreciation/impairment losses (less write-ups) of noncurrent assets	8.7	22.8
Change in noncurrent provisions	(1.9)	0.7
Gross cash flow	11.1	4.2
Income taxes paid	(6.1)	(2.0)
Change in working capital	(28.8)	(43.3)
Other changes	(4.6)	(3.8)
Cash flow from operating activities	(28.4)	(44.9)
Investments in intangible assets and property, plant and equipment	(6.2)	(7.1)
Free cash flow	(34.6)	(52.0)

1) Also includes effects from discontinued operations.

Employees

	Closing date		Average	
	3/31/2018	3/31/2019	1-3/2018	1-3/2019
Employees				
Core Components	775	891	765	888
Customized Modules	2,403	2,408	2,387	2,408
Lifecycle Solutions	490	563	488	557
Vossloh AG	62	63	62	63
Total	3,730	3,925	3,702	3,916

Price performance, share information and shareholder structure



Information on the Vossloh share

ISIN	DE0007667107
Trading locations	Xetra, Düsseldorf, Frankfurt, Berlin, Hamburg, Hanover, Stuttgart, Munich
Index	SDAX
Number of outstanding shares on 3/31/2019	15,967,437
Share price (3/31/2019)	€ 40.75
High price/low price, January to March 2019	€ 42.00/€ 40.55
Market capitalization (3/31/2019)	€650.7 million
Reuters code	VOSG.DE
Bloomberg code	VOS GR

Shareholder structure in %

