

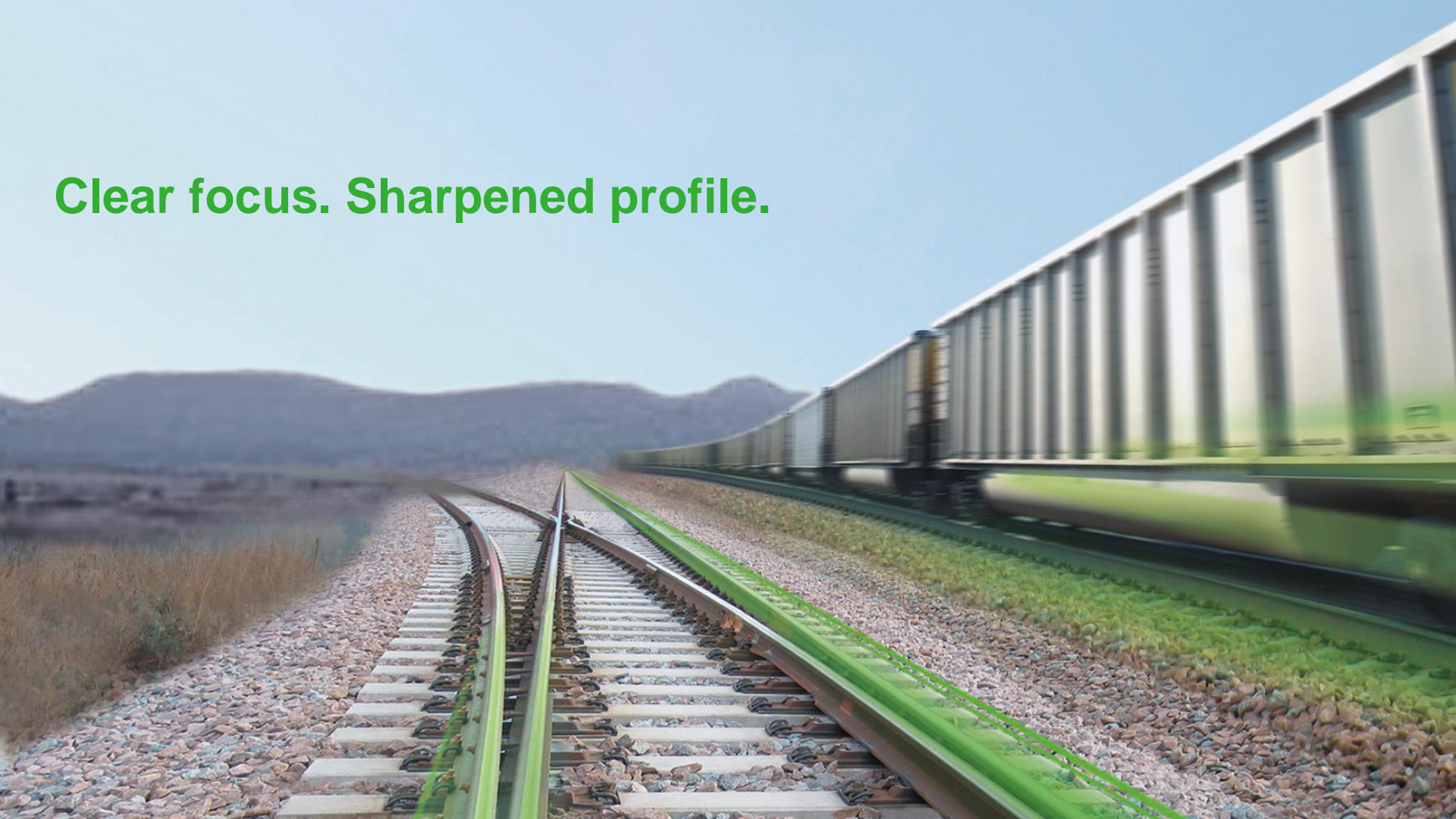
Clear focus. Sharpened profile.

Vossloh AG General Meeting

May 24, 2017



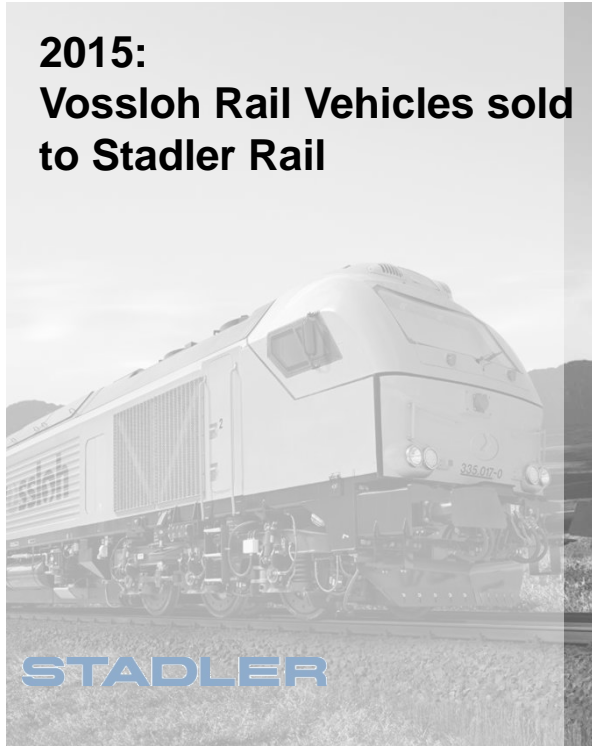
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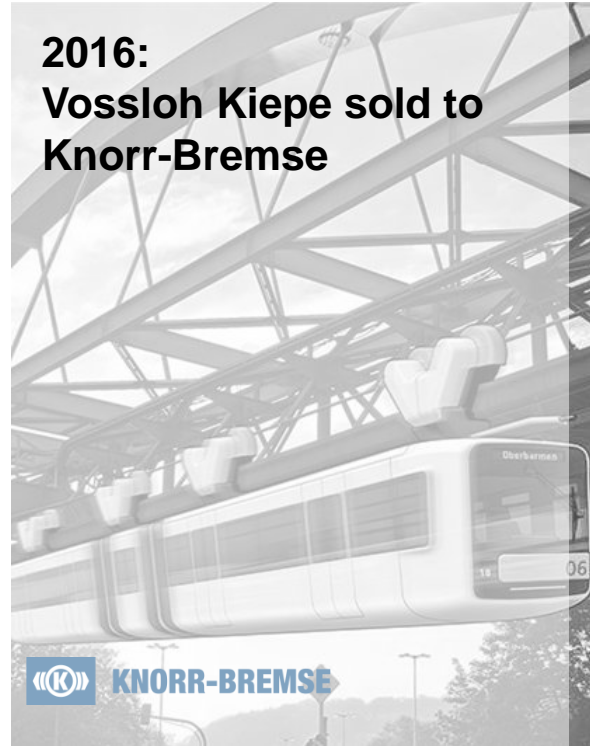
2014 – 2016: Significant milestones reached

Two Transportation business units already sold

**2015:
Vossloh Rail Vehicles sold
to Stadler Rail**



**2016:
Vossloh Kiepe sold to
Knorr-Bremse**



**2017:
Sales discussions
resumed**



2014 – 2016: Significant milestones reached

Vossloh Locomotives consistently restructured, new positioned



Vossloh Locomotives relocates

- New production site: most modern, cost-effective and efficient production in the industry
- Relocation of production and administration in the second half of 2017
- Orders on hand ensure good utilization in the coming years

Situation significantly improved

2016: Operational success

China: Core Components and Lifecycle Solutions strong



> 40%

➤ Proportion of international revenue in the Lifecycle Solutions division; China contributes significantly to this

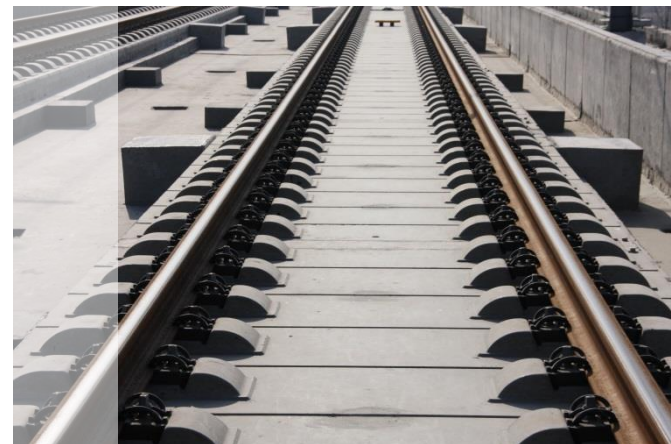


➤ First complete HSG train sold to China



€80 million

➤ Included order volume in the high-speed fastening systems area from two major projects in the Core Components division



2016: Operational success

Customized Modules and Transportation sought-after partners in France

▶ Up to 320 km/h



- Delivery of switch systems for new high-speed rail line between Brittany and Pays de la Loire and for sections on the Paris/Bordeaux line
- Switch installation on the Nîmes/Montpellier line

- Largest order for Vossloh Locomotives in many years
- 44 DE 18 locomotives valued at about €140 million for the French leasing company Akiem
- Delivery starting in 2018



▶ DE 18 locomotives requested

2016: Operational success

USA: Acquisition of Rocla strengthens competitive position

Leading

- Rocla Concrete Tie is the leading concrete tie manufacturer in North America
- Important long-standing, well-established customer contacts
- Tie Technologies has been the second business unit in the Core Components core division since 2017



6 + 1

Six factories in the USA
and a production facility
in Mexico

2016: Operational success

USA: Acquisition of Rocla strengthens competitive position

➤ > 220,000 km

Longest rail network worldwide;
very large potential for all core
divisions

➤ **Modernization**

Proportion of concrete ties will
continue to grow in the coming
years

Offering complete solutions from a single source in the USA

Fully integrated company – bundled portfolio



Extensive, local production and distribution network & broad product and service portfolio:

- Concrete ties
- Rail fastening systems
- Switches
- Services to maintain the value of the infrastructure
- Strong team with industry experience

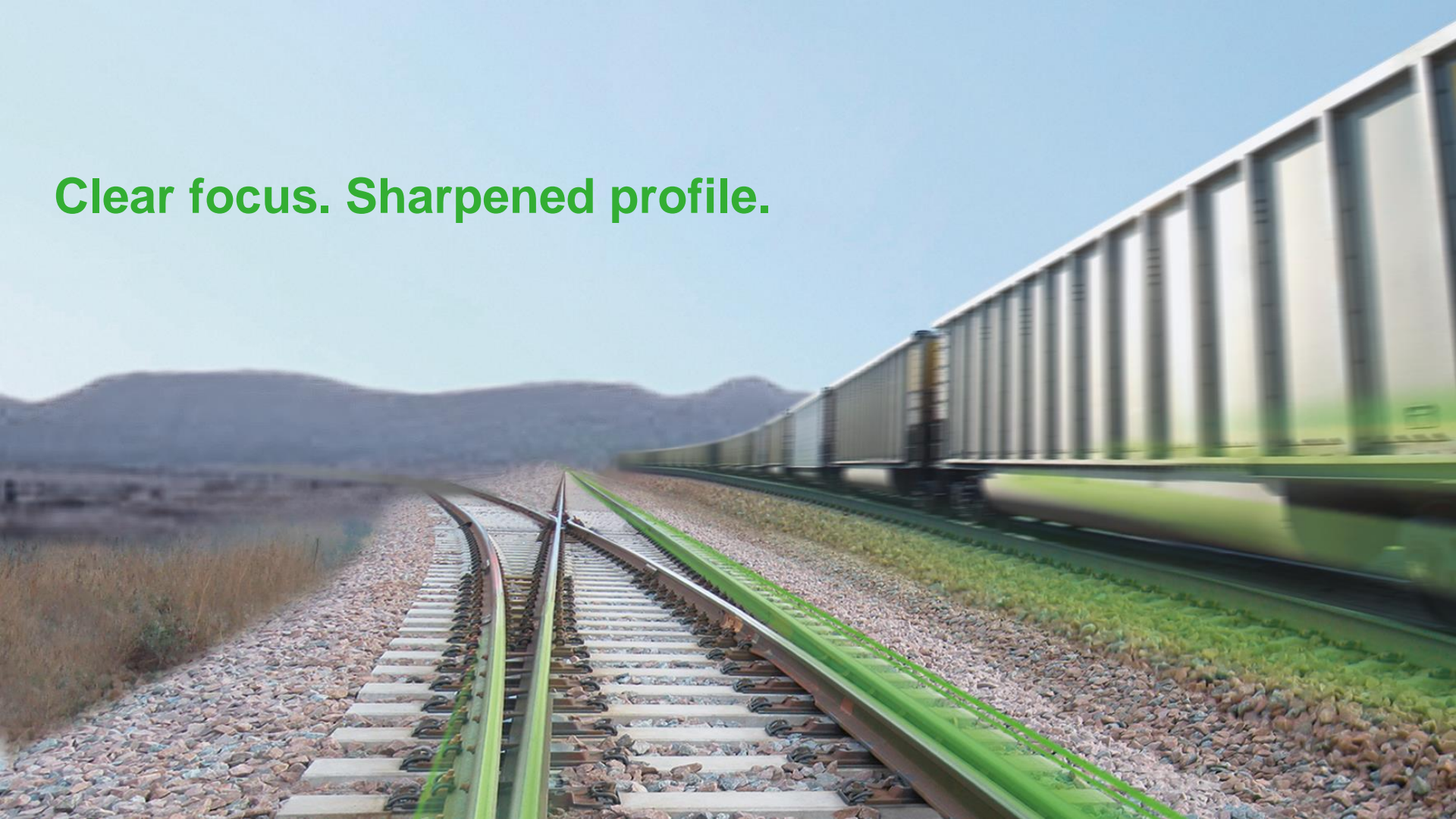




Global Vossloh Team: Focus & Intensity for Further Development



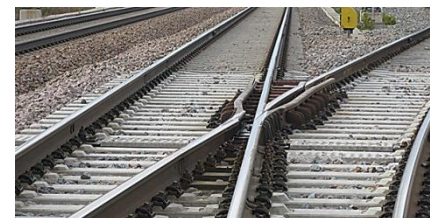
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Vossloh Group, financial year 2016

Sales slightly below previous year, profitability better than expected

		2015/ 12/31/2015*	2016/ 12/31/2016	
Net sales	€ million	952.9	931.6	
EBIT	€ million	42.3	50.0	✓
EBIT margin	%	4.4	5.4	
Net income	€ million	77.8	10.1	
Equity ratio	%	30.8	40.3	✓
Net financial debt	€ million	218.6	83.9	✓
Free cash flow**	€ million	66.1	25.2	✓



* Previous year figures adjusted since Electrical Systems was shown as a discontinued operation.

** Also includes effects from discontinued operations. Free cash flow comprises cash flow from operating activities, investments in intangible assets and property, plant and equipment in addition to inflows and outflows of cash in connection with investments in companies accounted for using the equity method.

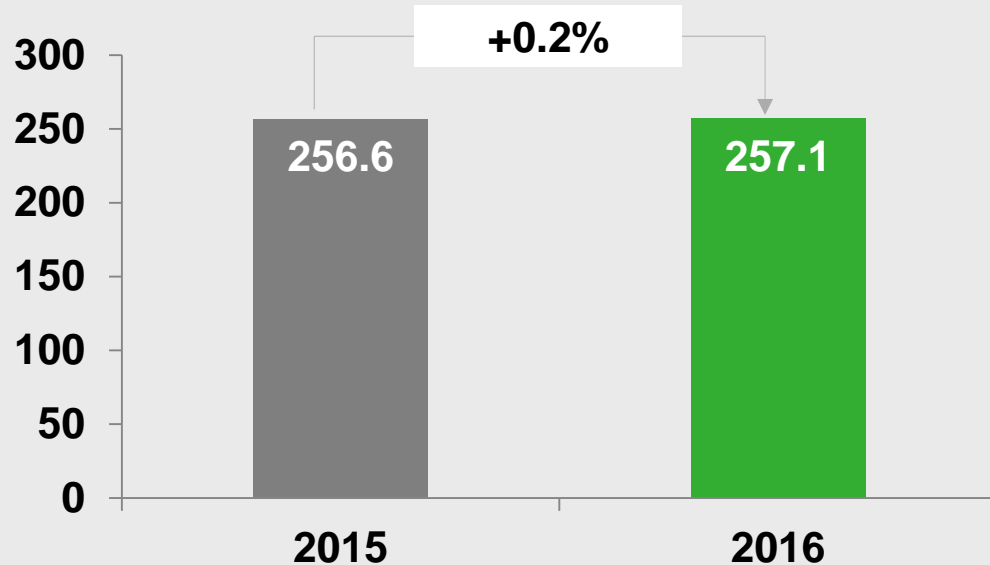
Core Components division



Core Components division, financial year 2016

Sales at previous year's level, profitability slightly improved

Revenue in € million



EBIT (€ million)	2016	32.0
	2015	29.2

EBIT margin (%)	2016	12.5
	2015	11.4



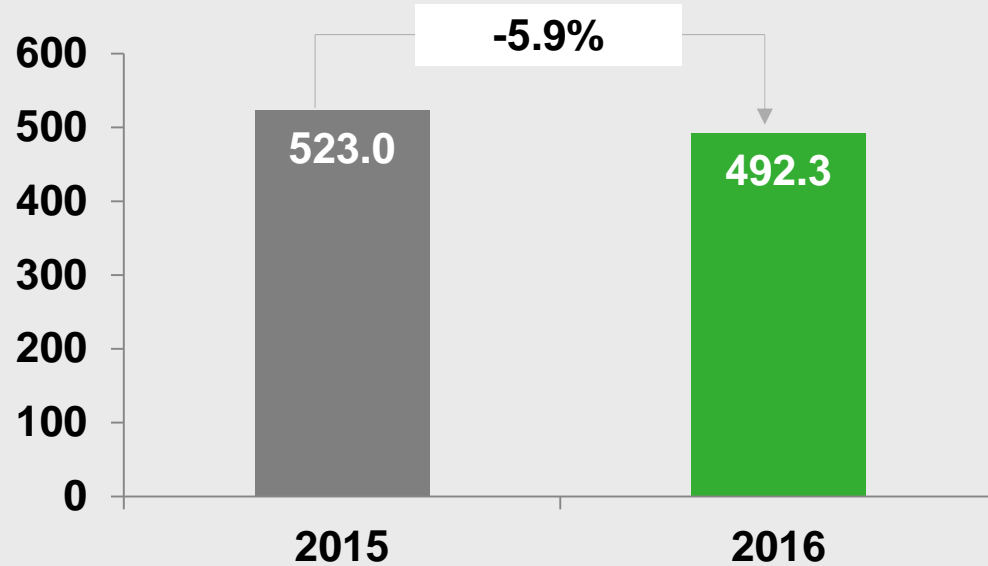
Customized Modules division



Customized Modules division, financial year 2016

Increased profitability despite noticeably lower sales

Revenue in € million



EBIT (€ million)	2016	34.4
	2015	34.4
EBIT margin (%)	2016	7.0
	2015	6.6



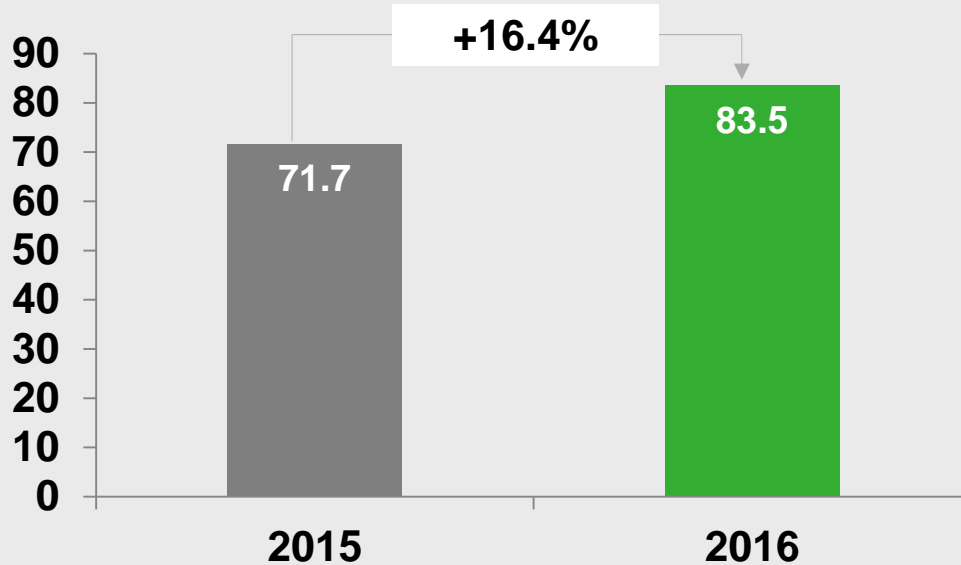
Lifecycle Solutions division



Lifecycle Solutions division, financial year 2016

Internationalization > 40%, EBIT and EBIT margin above previous year

Revenue in € million



EBIT (€ million)	2016	7.0
	2015	5.5

EBIT margin (%)	2016	8.4
	2015	7.7



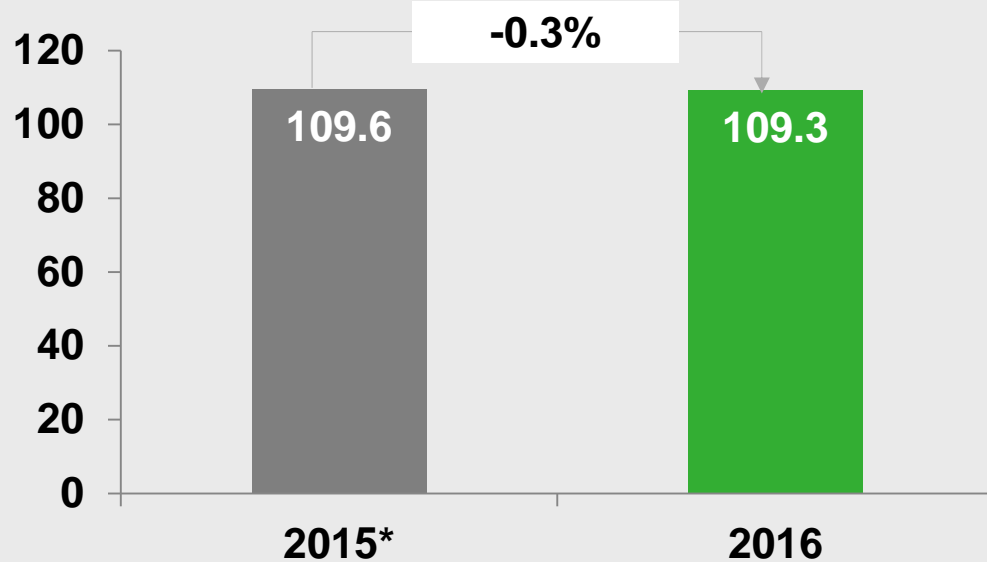
Transportation division



Transportation division, financial year 2016

Revenue at previous year's level, losses further reduced

Revenue in € million



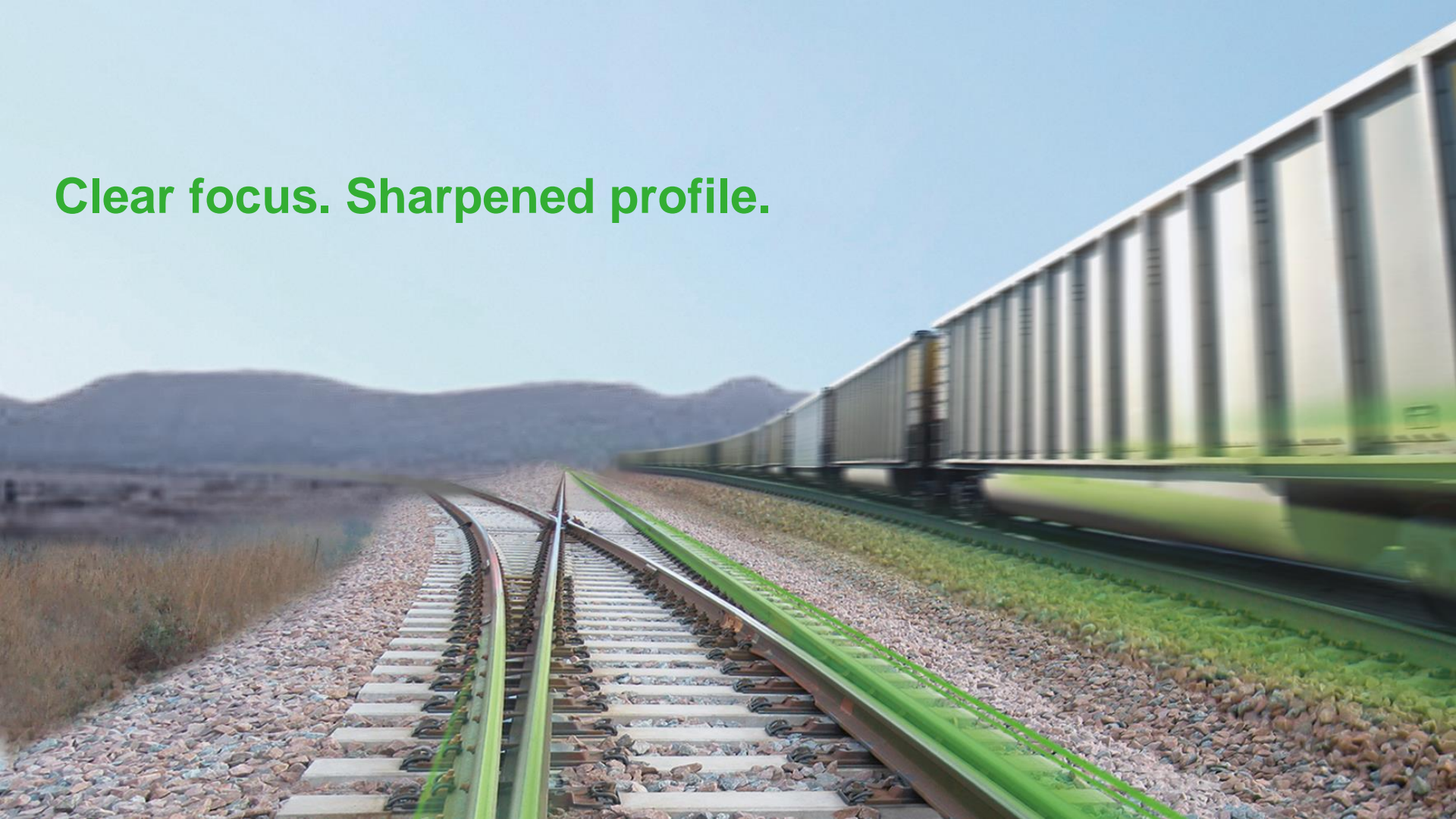
EBIT (€ million)	2016	-5.2
	2015*	-7.8

EBIT margin (%)	2016	-4.7
	2015*	-7.1



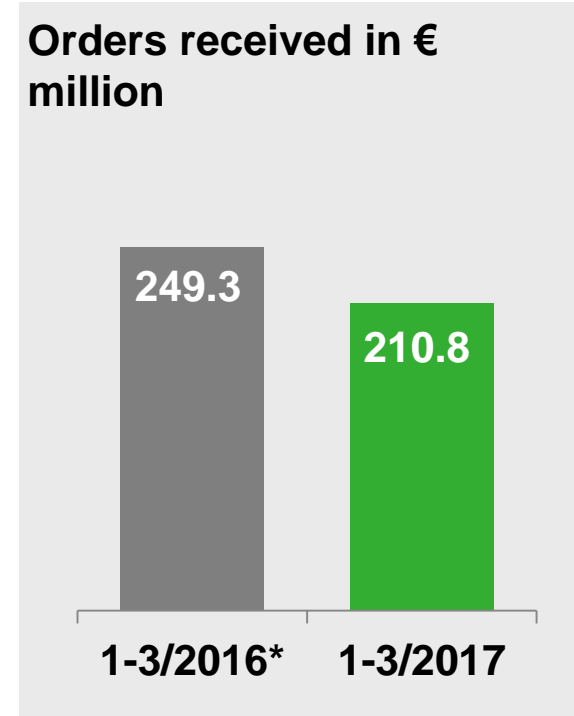
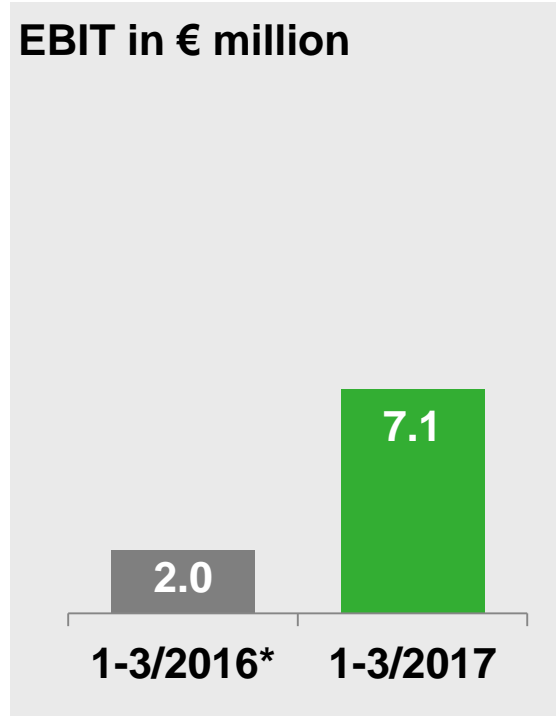
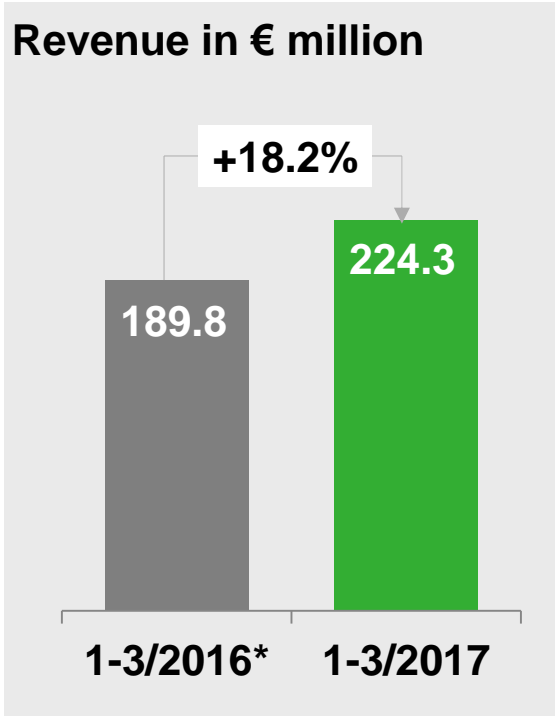
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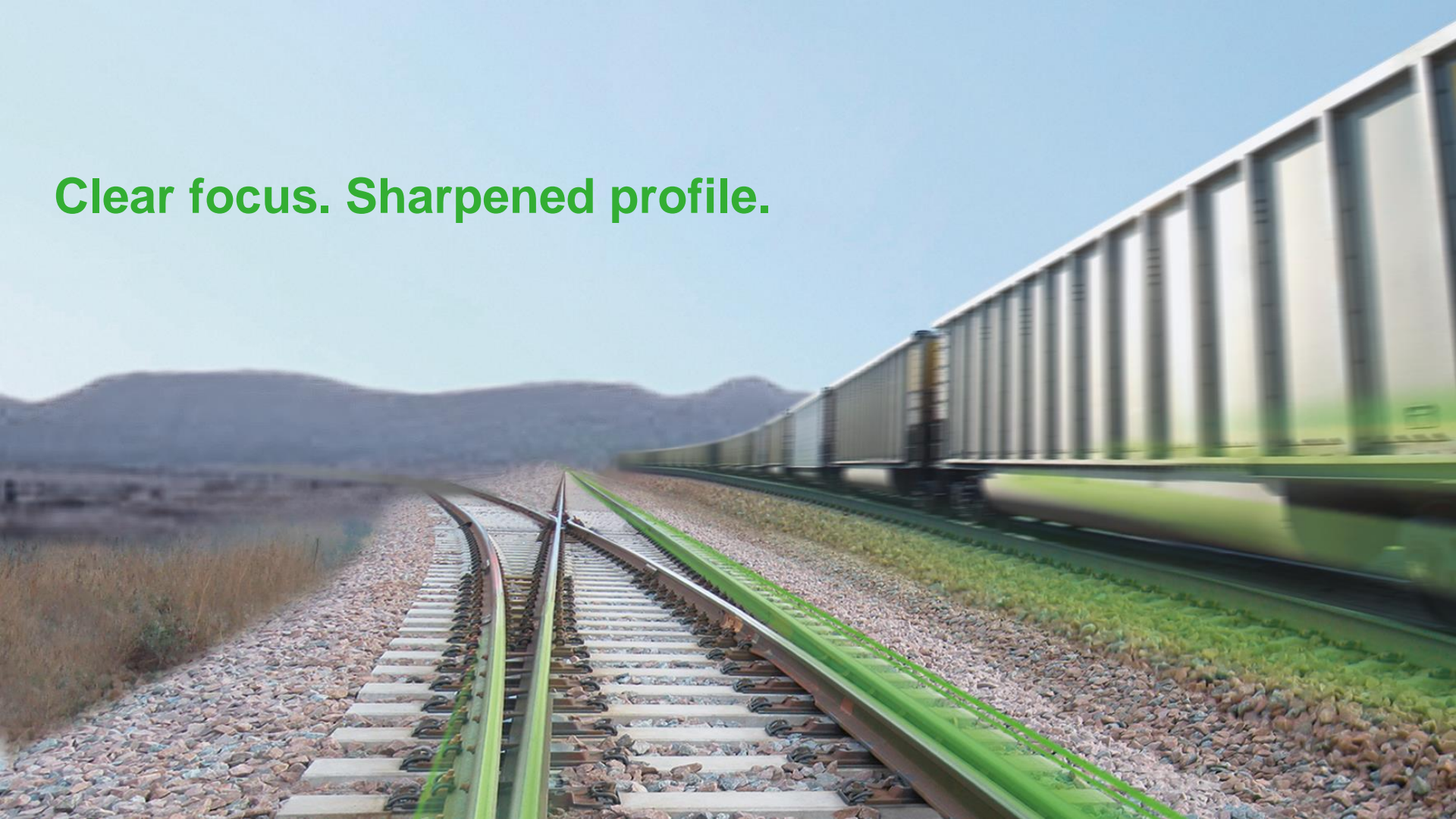
Vossloh Group, 3M/2017

Vossloh off to a good start in the 2017 fiscal year



* Previous year's figures were adjusted due to the disposal of the former Electrical Systems business unit.


Clear focus. Sharpened profile.





Vossloh Group, outlook for 2017*

Strong first quarter confirms outlook


Revenue


€1.0 billion to €1.1 billion 


Core Components 


Transportation 

EBIT margin

From 5.5% to 6.0% 


Core Components 

Customized Modules 

Lifecycle Solutions 

Transportation 

Value added

Noticeably improved 

Also benefits from reduction of WACC from 9.0% to 7.5% in fiscal year 2017

Railway technology market 2016 – 2021**

Continuous growth of **3.2%** expected in the accessible railway technology market.

Above-average growth of **3.7%** expected for the relevant accessible market for railway infrastructure and infrastructure services.

* Based on the current Group structure.

** CAGR 2019–2021 compared to 2013–2015. Source: World Rail Market Study forecast 2016 to 2021, UNIFE The European Rail Industry, Roland Berger Strategy Consultants.

Vossloh Group: future sustainability through innovation

Vossloh will drive development of rail transport forward

Customer requirements:

- Highest operational quality
- Optimum availability
- Maximum safety
- Cost efficiency



Sensors and
digital data
transmission

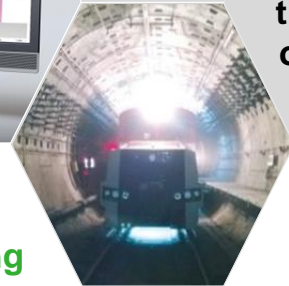


Central,
networked
intelligence



Goal:
innovator in
the context
of Industry
4.0

Real-time
analysis,
early warning
systems




Optimized
maintenance

Vossloh Group: future sustainability through innovation

Remote monitoring and predictive maintenance for switches



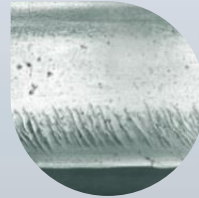
 Sensor technology to avoid switch malfunctions and operational failures

Vossloh Group: future sustainability through innovation

Technological expertise for higher track availability

Modern technology for the customer's added value

- Rails are exposed to enormous loads
- Over time, wear damage occurs in the form of cracks and fractures in the material
- Regular rail grinding prevents damage and ensures safety



Before



After



Extension of lifetime

Clear focus. Sharpened profile.

