vossloh

Interim financial report as of June 30, 2021

Enabling green mobility

Key group figures		H1/2021	H1/2020
Orders received	€ mill.	459.4	494.8
Order backlog	€ mill.	584.6	656.0
Income statement data			
Sales revenues	€ mill.	462.6	393.2
Core Components	€ mill.	230.4	164.7
Customized Modules	€ mill.	192.3	186.5
Lifecycle Solutions	€ mill.	47.8	47.2
EBITDA	€ mill.	68.4	55.0
EBITDA margin	%	14.8	14.0
EBIT	€ mill.	42.4	30.1
EBIT margin	%	9.2	7.6
Net interest result	€ mill.	(4.0)	(8.0)
EBT	€ mill.	38.4	22.1
Net income	€ mill.	20.6	(9.6)
Earnings per share	€	0.70	(0.58)
Return on capital employed (ROCE)[1]	%	9.5	7.0[2]
Value added[1]	€ mill.	11.1	0.0[2]
Balance sheet data			
Fixed assets[3]	€ mill.	695.3	686.3[2]
Capital expenditure	€ mill.	19.9	30.5
Depreciation/amortization	€ mill.	26.0	24.9
Closing working capital[4]	€ mill.	206.3	180.9
Closing capital employed	€ mill.	901.5	867.2[2]
Equity	€ mill.	569.1	389.5[2]
Noncontrolling interests	€ mill.	26.5	16.6
Hybrid capital investors	€ mill.	148.4	–
Net financial debt	€ mill.	200.6	358.0
Net financial debt (including lease liabilities)	€ mill.	241.3	405.5
Total assets	€ mill.	1,276.6	1,230.6[2]
Equity ratio	%	44.6	31.7[2]
Cash flow statement data			
Gross cash flow	€ mill.	70.1	41.0
Cash flow from operating activities	€ mill.	10.8	(26.8)
Cash flow from investing activities	€ mill.	(26.3)	12.4
Cash flow from financing activities	€ mill.	68.0	1.8
Free cash flow[5]	€ mill.	(15.7)	(47.2)
Workforce			
Average headcount during the period	No.	3,589	3,484
Core Components	No.	884	935
Customized Modules	No.	2,137	1,987
Lifecycle Solutions	No.	508	504
Vossloh AG	No.	60	58
Personnel expenses	€ mill.	106.0	103.9
Share data			
Share price as of June 30	€	42.55	38.95
Market capitalization as of June 30	€ mill.	747.4	684.1

[1] Based on average capital employed; annualized

[2] Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

[3] Fixed assets = intangible assets plus property, plant and equipment plus investment properties plus investments in companies accounted for using the equity method plus other noncurrent financial instruments

[4] Trade receivables (including contract assets) plus inventories minus trade payables (including contract liabilities) minus prepayments received minus other current provisions (adjusted for matters not attributable to the operating business)

[5] Figures include effects from discontinued operations of €(0.1) million in the first half of 2021 and €(54.1) million in the corresponding period of the previous year

Dear shareholders,
ladies and gentlemen,

As part of our reporting on the first quarter of 2021, we were able to look back in April of this year on the operationally strongest opening quarter in ten years. I am pleased to report to you today that this extremely encouraging performance of our business has continued into the second quarter of the current fiscal year. In the first half of 2021, we were able to generate total sales revenues of €462.6 million. Compared to the same period of the previous year, this represents a substantial increase of 17.7 percent, largely attributable to higher sales contributions from the rail fastening systems business. Despite a positive one-time effect in the same period of the previous year, EBIT increased significantly by 41.2 percent to €42.4 million. The Core Components division, with its Fastening Systems business unit and the Customized Modules division made a major contribution to these excellent half-year results. Positive effects from the restructuring of our infrastructure business initiated in 2019 have substantially supported this development. Last week, based on our current planning, we were also able to significantly raise our sales expectations for 2021, all while maintaining our high profitability. In view of the significant increase in material prices, most of which impacted our Core Components division, I believe the latter is particularly noteworthy and an indication of our strongly improved operating performance. For 2021, we now expect sales revenues in the range of €900 million to €950 million with an unchanged EBIT margin of 7 to 8 percent.

Following the completion of the realignment of the Vossloh Group and the focus on the growth market of rail infrastructure, we are benefiting significantly from the increasing recognition by political decision-makers worldwide that moving traffic onto the rail network is an indispensable success factor in achieving climate targets. In addition to the topic of sustainability, other megatrends such as population growth, urbanization, globalization and, of course, digitalization are noticeably boosting our business. Against this backdrop, many countries around the world are currently launching comprehensive investment programs for rail as a mode of transport. These include the European Commission's Green Deal, which also declared 2021 the "European Year of Rail". As a result, we are observing increasing tendering activities on the part of our customers and are seeing demand pick up in large parts of the world. In the first six months of 2021, we recorded orders received of €459.4 million, roughly in line with the sharp year on year increase in sales revenues. At the same time, we succeeded in winning very important long-term framework agreements with a volume of well over €100 million that are not directly reflected in our orders received, but rather are recorded there step by step in line with the actual customer orders.

With the goal of increasing our financial flexibility, we were one of the first companies in Germany to place a sustainability-linked hybrid note with a volume of €150 million at the beginning of the year. This financial instrument creates the financial flexibility we need for the further implementation of our Group strategy. In the short term, this will mainly involve strengthening our position in certain growth markets. In addition, we are also focusing on expanding our portfolio of products and services and on selected innovations. In the reporting period, we have already achieved some important milestones in the implementation of our strategy. I would like to mention our major "Factory of the Future" project here. The halls at the Werdohl site have been completed, and automated and interlinked production is proceeding according to schedule. Falling unit costs coupled with significantly increased vertical integration will further improve our position in the fiercely contested market for rail fastening systems. In addition, we took a strategically important step in the highly innovative Dutch market with the acquisition of the company ETS Spoor B.V. In addition to strengthening our product business in this region, we see scalable potential here, in particular in the area of trendsetting maintenance models. Finally, together with my colleagues on the Executive Board, I am delighted that our Group-wide suggestion system "Fit4Future" has gotten off to a very successful start. From all divisions and regions, we are receiving suggestions from employees on how we can make Vossloh even more efficient and thus even more secure for the future.

Ladies and gentlemen, the previous information may serve as an indication to you that Vossloh is not only on the right track but is making concrete and measurable progress across the board. The measures we have initiated and implemented over the years are taking effect and strengthening the Vossloh Group. I would like to thank you very much for the trust you have placed in us and ask you to continue to support us in shaping and advancing sustainable mobility in the future. Let's work together to make our world a little bit better every day in this regard.

Yours sincerely,

Oliver Schuster
Chief Executive Officer, Vossloh AG

Dr. Thomas Triska (CFO) **Oliver Schuster** (CEO) **Jan Furnivall** (COO)

Interim Group management report
Business performance in the Group

Results of operations

Vossloh divisions – orders received and order backlog

	Orders received		Order backlog	
€ mill.	H1/2021	H1/2020	6/30/2021	6/30/2020
Core Components	201.7	187.4	212.6	295.3
Customized Modules	195.3	251.2	341.4	337.8
Lifecycle Solutions	71.1	60.4	32.4	23.7
Vossloh AG / consolidation	(8.7)	(4.2)	(1.8)	(0.8)
Group	**459.4**	**494.8**	**584.6**	**656.0**

Order situation remains satisfactory

Orders received for the Vossloh Group developed satisfactorily in the first half of the year, but did not reach the high level of the previous year. At €199.4 million, orders received in the second quarter of 2021 were down slightly by €3.5 million compared to the Q2 figure of €202.9 million achieved last year.

Book-to-bill at 0.99

The Group's book-to-bill ratio was 0.99 in the first half of 2021. The lower order backlog as of June 30, 2021 compared to the corresponding figure for the previous year is due to the scheduled completion of major projects in the Core Components division.

At the division level, Core Components achieved an increase of 7.6 percent in orders received in the first six months of 2021 compared to the previous year. The increase was exclusively attributable to the Fastening Systems business unit. More orders were booked here, particularly in the regions of China, India, Italy and Germany. As expected, orders received for Vossloh Tie Technologies, the second business unit in the Core Components division, were significantly below the high level of the previous year (for more information, see page 11). The Customized Modules division also recorded significantly lower orders received compared to the high figure from the previous year ((22.2) percent). Lower orders received were recorded in France and Poland in particular (for more information, see page 13). On a positive note, the Customized Modules division announced comprehensive framework agreements over several years with key customers in Australia, the Netherlands and Belgium in the first half of 2021. However, only call-offs made under these agreements will be included in orders received. In the Lifecycle Solutions division, orders received in the first half of 2021 noticeably exceeded the figure from the previous year (+17.6 percent). This was in particular due to the higher demand in China and Germany (for more information, see page 14).

In the second quarter, the positive sales performance of the Vossloh Group continued. Sales revenues increased by 21.5 percent compared to the corresponding period of the previous year. Based on the first half of 2021, revenues exceeded the previous year figure by 17.7 percent. The increase in sales was the result of higher shipments in the Fastening Systems business unit in particular. In addition, the Customized Modules division also contributed slightly to the increase in sales. Sales revenues at Vossloh Tie Technologies and in the Lifecycle Solutions division remained stable in comparison.

Sales revenues by region

	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%
	H1/2021		H1/2020		Q2/2021		Q2/2020	
Germany	42.2	9.1	33.9	8.6	24.5	9.6	19.6	9.3
France	36.9	8.0	42.6	10.8	19.4	7.6	22.1	10.5
Rest of Western Europe	32.7	7.1	30.4	7.7	18.9	7.4	15.5	7.4
Northern Europe	53.0	11.4	53.7	13.7	31.9	12.5	31.5	15.0
Southern Europe	38.7	8.4	32.8	8.4	22.1	8.6	15.0	7.1
Eastern Europe	28.6	6.2	33.6	8.6	17.1	6.7	19.3	9.2
Total of Europe	**232.1**	**50.2**	**227.0**	**57.8**	**133.9**	**52.4**	**123.0**	**58.5**
Americas	44.9	9.7	63.7	16.2	22.2	8.7	32.0	15.2
Asia	123.4	26.7	53.2	13.5	70.4	27.6	28.0	13.3
Africa	9.7	2.1	6.0	1.5	3.6	1.4	2.1	1.0
Australia	52.5	11.3	43.3	11.0	25.4	9.9	25.1	12.0
Total	**462.6**	**100.0**	**393.2**	**100.0**	**255.5**	**100.0**	**210.2**	**100.0**

Sales revenues in Europe increased by €5.1 million or 2.2 percent in the first six months compared to the previous year. In Western Europe, the lower sales revenues of the Customized Modules division, especially in France, were more than offset by higher sales contributions from the Fastening Systems business unit and the Lifecycle Solutions division in Germany. In Northern Europe, sales revenues in the first half of 2021 were at the previous year's level. Lower sales revenues, particularly in the Lifecycle Solutions division in Sweden, were more or less offset by higher sales revenues in Norway in the Customized Modules division. A significant increase in sales revenues was achieved in Southern Europe. This was largely due to the positive performance of the Fastening Systems business unit in Italy. In Eastern Europe, by contrast, sales revenues in the first half of 2021 were down year on year. The decline in sales revenues was primarily attributable to lower revenues in the Customized Modules division in Poland and in the Fastening Systems business unit in Russia.

In the Americas region, sales revenues in the first half of 2021 fell significantly short of the previous year's figure (€(18.8) million or (29.5) percent). The Tie Technologies business unit, in particular, was not able to match its performance in 2020. To a small extent, the decline in sales revenues in the Americas region was also the result of portfolio changes.

In the Asia region, the Vossloh Group achieved a significant year on year increase in sales revenues in the first six months of 2021 (€70.2 million or 132.1 percent). This extremely positive performance was attributable to higher sales contributions largely from the Fastening Systems business unit and, to a lesser extent, from the Lifecycle Solutions division in China. In addition, the Indian market also contributed to the positive performance in Asia, which was mainly due to changes in the scope of consolidation in the Customized Modules division.

Sales revenues for Vossloh also increased significantly in Africa in the first half of the year (€3.7 million or 61.9 percent). The increase was due to higher sales revenues in Egypt in the Customized Modules division and in the Fastening Systems business unit.

In Australia, a significant increase in sales revenues (€9.2 million or 21.1 percent) was also recorded in the first half of 2021. The positive performance was mainly achieved by the Australian company in the Tie Technologies business unit.

Vossloh Group – sales revenues and earnings

		H1/2021	H1/2020	Q2/2021	Q2/2020
Sales revenues	€ mill.	462.6	393.2	255.5	210.2
EBITDA	€ mill.	68.4	55.0	42.8	26.2
EBITDA margin	%	14.8	14.0	16.8	12.5
EBIT	€ mill.	42.4	30.1	30.3	13.6
EBIT margin	%	9.2	7.6	11.9	6.4
Net income	€ mill.	20.6	(9.6)	14.5	(7.0)
Earnings per share	€	0.70	(0.58)	0.55	(0.43)

EBIT in the first half of 2021 was significantly higher compared to the previous year

The Vossloh Group significantly increased EBIT by 41.2 percent year on year in the first half of 2021. Excluding a book effect in the previous year resulting from the transitional consolidation of a Chinese company in the Fastening Systems business unit that was still accounted for using the equity method until the end of 2019, EBIT almost tripled compared to the previous year. The increase is mainly attributable to the Core Components division and here, in particular, to higher sales revenues and a higher-margin project mix in the Fastening Systems business unit. Higher material prices have not yet had a significant negative impact on earnings in the first half of the year. The Customized Modules division also made a noticeable contribution to the increase in earnings, mainly as a result of operational efficiency improvements. Overall, business in the Vossloh Group developed very satisfactorily in the first half of 2021.

The net interest result of €(4.0) million in the first half of 2021 represents a substantial improvement (previous year: €(8.0) million). This was mainly due to lower currency conversion losses from secured loans in foreign currencies, which are reported in net interest result. In addition, financing costs from financial liabilities also decreased noticeably; a consequence of the improved balance sheet structure due to the hybrid note placed in February 2021.

Net income noticeably improved compared to the previous year

In the first half of 2021, the tax expense of the Vossloh Group amounted to €17.5 million (previous year: €4.0 million). In addition to the higher operating result, the substantial increase was due to the extensive write-down of deferred tax assets on loss and interest carryforwards in the German tax group. This is related to the full tax deductibility of the interest from the hybrid note, among other things. The result from discontinued operations improved significantly from €(27.7) million in the previous year to €(0.3) million in the first half of 2021 as a result of the sale of the former Locomotives business unit that was completed in 2020. Net income in the first half of 2021 was correspondingly positive and showed a significant year on year improvement. Of the net income, €2.1 million was attributable to hybrid capital investors, while €6.1 million was attributable to noncontrolling interests (previous year: €0.5 million). The net income attributable to Vossloh AG shareholders totaled €12.4 million, following a figure of €(10.1) million in the previous year. The average number of shares outstanding remained unchanged at 17,564,180. All in all this resulted in significantly improved earnings per share after the first six months of 2021.

Vossloh Group – Value management

		H1/2021	H1/2020	Q2/2021	Q2/2020
Average Capital employed[1]	€ mill.	894.3	858.8[3]	907.3	866.2[3]
ROCE[2]	%	9.5	7.0[3]	13.4	6.2[3]
Value added	€ mill.	11.1	0.0[3]	14.5	(1.6)[3]

[1] Capital employed = working capital plus fixed assets
[2] ROCE = EBIT / average capital employed; annualized
[3] Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

Return on capital employed (ROCE) substantially increased in the first half of 2021 due to the significant increase in EBIT and despite the higher average capital employed in comparison with the previous year. Value added in the first half of 2021 was positive and showed an impressive improvement compared to the previous year. It should be noted that the previous year's figure included a significant book effect recognized in profit and loss from the transitional consolidation of a Chinese company in the Fastening Systems business unit. As in the previous year, a weighted average cost of capital (WACC) of 7.0 percent was used to calculate the cost of capital.

Value added positive and clearly improved compared to previous year

Financial position

Vossloh's total assets increased noticeably by 5.1 percent compared to the end of 2020. This was mainly due to the increase in working capital in the year to date. As of June 30, 2021, the Group's equity was significantly higher than at the end of 2020 due to the successful placement of the hybrid note in February 2021 with a volume of €150 million and the positive net income in the first half of 2021. The equity ratio, therefore, increased significantly by a total of 10.6 percentage points compared to the year-end figure for 2020.

The equity ratio increased significantly compared to the end of 2020 following the placement of a hybrid note

Vossloh Group

		H1/2021/ 6/30/2021	Fiscal year 2020/ 12/31/2020	H1/2020/ 6/30/2020
Total assets	€ mill.	1,276.6	1,214.4[1]	1,230.6[1]
Equity	€ mill.	569.1	412.4[1]	389.5[1]
Equity ratio	%	44.6	34.0[1]	31.7[1]
Closing working capital[2]	€ mill.	206.3	155.3	180.9
Average working capital	€ mill.	197.9	186.4	185.4
Average working capital intensity	%	21.4	21.4	23.6
Fixed assets[3]	€ mill.	695.3	694.1[1]	686.3[1]
Closing capital employed[4]	€ mill.	901.5	849.4[1]	867.2[1]
Average capital employed	€ mill.	894.3	865.8[1]	858.8[1]
Free cash flow[5]	€ mill.	(15.7)	4.0	(47.2)
Net financial debt[6]	€ mill.	200.6	307.4	358.0
Net financial debt (including lease liabilities)	€ mill.	241.3	351.3	405.5

[1] Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

[2] Working Capital = trade receivables (including contract assets) plus inventories minus trade payables (including contract liabilities) minus prepayments received minus other current provisions (adjusted for matters not attributable to the operating business)

[3] Fixed assets = intangible assets plus property, plant and equipment plus investment properties plus investments in companies accounted for using the equity method plus other noncurrent financial instruments

[4] Capital Employed = working capital plus fixed assets

[5] Free cash flow = cash flow from operating activities less investments in intangible assets and property, plant and equipment as well as capital expenditures in companies accounted for using the equity method and plus cash inflows from profit distributions or the sale of companies accounted for using the equity method; values include effects from discontinued operations of €(0.1) million in the first half of 2021 and €(54.1) million in the previous year's figures

[6] Net financial debt = financial liabilities minus cash and cash equivalents and short-term securities

As of June 30, 2021, working capital significantly exceeded the figure for the first half of the previous year by 14.0 percent, mainly as a result of higher receivables. By contrast, the average working capital intensity was further reduced by 2.2 percent. The capital employed as of June 30, 2021 was higher than the previous year's figure as of June 30, 2020, mainly as a result of higher working capital. The net financial debt of the Vossloh Group, excluding lease liabilities, decreased by €157.4 million relative to the figure as of the end of the first half of 2020. This was largely due to the cash inflow from the hybrid note.

Investments[1]

€ mill.	H1/2021	H1/2020	Q2/2021	Q2/2020
Core Components	10.1	12.3	5.6	7.6
Customized Modules	4.6	9.9	3.4	6.3
Lifecycle Solutions	4.5	7.9	2.4	2.2
Vossloh AG / consolidation	0.7	0.4	0.5	0.0
Total	**19.9**	**30.5**	**11.9**	**16.1**

[1] The capital expenditures reported here do not match the figures in the cash flow statement, which only includes cash-effective investments, including investments from discontinued operations.

Capital expenditures significantly lower year on year, strong increase expected in H2/2021

Groupwide, Vossloh reduced capital expenditures in the first half of the current fiscal year by €10.6 million compared to the same period of the previous year. In the Core Components division, capital expenditures in the Fastening Systems business unit were still below the figure from the previous year. A significant increase is expected here in the second half of 2021, mainly due to final payments for the modern production facility for rail fasteners ("Factory of the Future") in Werdohl. In the Tie Technologies business unit, capital expenditures remained stable at the previous year's level. Capital expenditures in the Customized Modules division declined. In the comparative period of the previous year, high capital expenditures were made for the modernization of the production site for manganese frogs in Outreau (northern France). In the Lifecycle Solutions division, capital expenditures in the first half of 2021 were also below the corresponding previous year's figure. The decrease is mainly due to higher capital expenditures in the previous year for the further development of milling technology. Overall, a strong increase in capital expenditure is expected in all divisions in the second half of 2021.

Business performance Core Components

In the Core Components division, Vossloh has combined its range of industrially manufactured series products, which are required in large quantities for rail infrastructure projects. The Fastening Systems business unit is a world-leading supplier of rail fastening systems. They are developed, produced and sold by Vossloh for all areas of application worldwide, from heavy-load to high-speed routes as well as regional transportation. The Tie Technologies business unit is the leading manufacturer of concrete ties in North America and Australia. In addition to concrete rail ties, the business unit also manufactures switch ties, concrete low-vibration blocks for slab track and crossing panels.

Core Components

		H1/2021/ 6/30/2021	H1/2020/ 6/30/2020	Q2/2021	Q2/2020
Orders received	€ mill.	201.7	187.4	102.2	79.5
Order backlog	€ mill.	212.6	295.3	–	–
Sales revenues[1]	€ mill.	230.4	164.7	125.4	87.0
EBITDA	€ mill.	47.7	38.7	26.3	14.0
EBITDA margin	%	20.7	23.5	21.0	16.1
EBIT	€ mill.	35.2	27.9	20.6	8.5
EBIT margin	%	15.3	16.9	16.4	9.7
ROCE[2]	%	20.0	17.8	22.7	10.5
Value added[2]	€ mill.	22.9	16.9	14.2	2.8

[1] Sales revenues include external sales revenues and sales with other divisions.
[2] Based on average capital employed; annualized

The Core Components division recorded orders received significantly above the previous year's figure in the first half of 2021. The Fastening Systems business unit was responsible for this positive performance, while the number of new orders in the Tie Technologies business unit decreased as expected. The overall book-to-bill ratio of the division was 0.88.

Significant year on year increase in orders received

The value of orders received by the Fastening Systems business unit in the second quarter of 2021 came to €68.5 million (previous year: €42.3 million). In the first half of 2021, orders received came to €125.0 million, which was therefore significantly higher compared to the previous year's figure of €88.6 million. In addition to a higher order volume in China and the contract to supply rail fastening systems for a metro route in India, this was mainly due to increased orders under framework agreements with tie factories in Germany and Italy. This more than compensated for lower project-related orders received, particularly in the United Arab Emirates, Mongolia and Eastern Europe. As of June 30, 2021, the order backlog of the Fastening Systems business unit was €141.2 million (previous year: €179.3 million).

Orders received by the Tie Technologies business unit totaled €31.3 million in the second quarter of 2021 (previous year: €38.9 million). In the first half of 2021, the business unit generated orders received of €76.9 million (previous year: €106.4 million). Growth was recorded here in Canada and Mexico, and the previous year's figure was also slightly exceeded in Australia. The USA recorded a significant year on year decline in the first half of 2021, mainly due to lower demand from Class I operators. The order backlog as of June 30, 2021, decreased to €74.1 million (previous year: €121.4 million).

The Core Components division significantly increased its sales revenues by €65.7 million year on year in the first six months of the 2021 fiscal year. The Fastening Systems business unit generated sales revenues of €156.4 million in the first half of 2021 (previous year: €91.7 million). This was mainly driven by deliveries for major projects in China, which had been postponed from 2020 to the first half of 2021 due to the COVID-19 pandemic. Maintenance business in China also increased compared to the previous year. In addition, sales revenues from framework agreements in Germany and Italy increased.

Sales revenues also significantly above the previous year

The Tie Technologies business unit generated sales revenues of €77.2 million in the first half of 2021 (previous year: €77.9 million). As a result of lower demand from Class I rail companies, sales revenues in the USA declined. In Australia, the already strong performance of the previous year was significantly exceeded again.

EBIT significantly increased in the first half of 2021

EBIT in the Core Components division in the first half of 2021 was significantly higher than the corresponding figure from the previous year. Despite a book effect recognized in profit and loss in the previous year in the Fastening Systems business unit, the division achieved an increase in earnings of 26.2 percent. On a comparable basis, i.e., excluding the effect, EBIT almost tripled in the first half of the year. The increase was attributable to higher margin sales in Fastening Systems, especially in China. Effects from material price increases were only slight in the first half of the year. Higher material prices and temporarily lower business in China following the completion of deliveries for new routes will have a material negative impact on profitability in the further course of the year.

The ROCE for the Core Components division increased in the first half of the year due to the significant rise in EBIT. Average capital employed increased noticeably compared to the previous year, mainly due to higher average working capital, but also partly to higher average fixed assets. Value added from the Core Components division also increased. At €22.2 million, the Fastening Systems business unit's value added in the first half of 2021 substantially exceeded the previous year's figure of €19.2 million despite the positive book effect in 2020. Value added from the Tie Technologies business unit was also positive and amounted to €0.8 million (previous year: €(2.3) million). In the previous year, Tie Technologies had incurred ramp-up costs for concrete tie factories in Australia and Canada, which impacted value added.

Core Components

		H1/2021	Fiscal year 2020	H1/2020
Average working capital	€ mill.	123.9	99.9	97.0
Average working capital intensity	%	26.9	26.6	29.4
Average capital employed	€ mill.	351.9	320.3	313.8

Business performance Customized Modules

All of the Group's services for the manufacture, installation and maintenance of individualized infrastructure modules for the rail industry are bundled in the Customized Modules division at Vossloh. The division includes the Switch Systems business unit, one of the largest providers of switch systems worldwide. The product portfolio covers a very wide range of applications from light-rail to high-speed routes.

Customized Modules

		H1/2021/ 6/30/2021	H1/2020/ 6/30/2020	Q2/2021	Q2/2020
Orders received	€ mill.	195.3	251.2	68.3	103.5
Order backlog	€ mill.	341.4	337.8	–	–
Sales revenues[1]	€ mill.	192.3	186.5	105.0	98.9
EBITDA	€ mill.	21.2	16.7	13.9	11.0
EBITDA margin	%	11.0	8.9	13.2	11.1
EBIT	€ mill.	14.6	8.7	10.6	6.9
EBIT margin	%	7.6	4.7	10.1	7.0
ROCE[2]	%	8.0	4.8[3]	11.6	7.6[3]
Value added[2]	€ mill.	1.9	(4.1)[3]	4.2	0.5[3]

[1] Sales revenues include external sales revenues and sales with other divisions.
[2] Based on average capital employed; annualized
[3] Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

Book-to-bill at 1.02, order backlog at constant level year on year

Orders received in the Customized Modules division in the first half of 2021 fell substantially short of the high figure from the previous year. The decrease amounted to 22.2 percent. Fewer orders received were recorded primarily in Eastern and Northern Europe, especially in Poland and Serbia, but also in the French market. Orders received in the United Kingdom, Australia, Israel and Morocco in particular developed in the opposite direction. The book-to-bill ratio for the division as a whole was 1.02. The order backlog roughly corresponds to the level from June 30, 2020.

Sales revenues slightly higher in the first half of 2021

Sales revenues in the Customized Modules division slightly exceeded the first half of 2020. The previous year's figure included revenues of €6.1 million from activities in the Americas that have since been sold or discontinued. Among other things, the full consolidation of a company in India since January 1, 2021, had a positive effect (+ €4.6 million). Sales revenues also increased, particularly in Australia, Egypt and the United Kingdom. Lower sales revenues compared to the previous year occurred mainly in France, Poland and Israel.

Positive earnings performance continues

The Customized Modules division achieved a clear year on year increase in EBIT and EBIT margin in the first six months of the current year, mainly thanks to operational efficiency gains. Accordingly, the positive earnings development initiated by the 2019 performance program continued. Operationally higher earnings contributions were achieved above all in the management company in France and at the sites in Italy, the United Kingdom and Luxembourg.

ROCE in the Customized Modules division increased year on year in the first half of 2021 as a result of the positive EBIT performance. Average capital employed remained virtually unchanged. Value added also saw a marked improvement relative to the previous year. In the first half of 2021, positive value added was generated thanks to the strong earnings performance in the second quarter.

Customized Modules

		H1/2021	Fiscal year 2020	H1/2020
Average working capital	€ mill.	66.8	76.0	76.7
Average working capital intensity	%	17.4	18.9	20.6
Average capital employed	€ mill.	363.0	367.1*	366.0*

*Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

Business performance Lifecycle Solutions

Through its Rail Services business unit, the Lifecycle Solutions division concentrates on specialized services for the maintenance of rails and switches. Its innovative technologies promote the safety of rail lines, contribute to extending the service life of rails and switches and improve track availability. The service portfolio mainly includes maintenance, grinding and milling for the corrective and preventive care of rails and switches, welding services and rail and switch logistics. Lifecycle Solutions' extensive range of services complements the product portfolios of Core Components and Customized Modules.

Lifecycle Solutions

		H1/2021/ 6/30/2021	H1/2020/ 6/30/2020	Q2/2021	Q2/2020
Orders received	€ mill.	71.1	60.4	32.2	22.0
Order backlog	€ mill.	32.4	23.7	–	–
Sales revenues[1]	€ mill.	47.8	47.2	28.2	27.0
EBITDA	€ mill.	7.2	6.9	6.6	5.8
EBITDA margin	%	15.0	14.7	23.2	21.5
EBIT	€ mill.	1.1	1.1	3.5	2.9
EBIT margin	%	2.2	2.2	12.3	10.7
ROCE[2]	%	1.2	1.2[3]	7.7	6.5[3]
Value added[2]	€ mill.	(5.2)	(5.2)[3]	0.3	(0.2)[3]

[1] Sales revenues include external sales revenues and sales with other divisions.
[2] Based on average capital employed; annualized
[3] Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

Orders received significantly exceed the previous year's level

In the Lifecycle Solutions division, orders received in the first half of 2021 were significantly higher than as the same period of the previous year. Lower orders received primarily in Scandinavia (especially Sweden) were offset by higher orders received mainly in Germany (stationary welding and logistics) and China (sales of maintenance machines). The book-to-bill ratio of the division was 1.49.

The sales revenues of the Lifecycle Solutions division in the first half of 2021 remained at the same level as in the previous year. Above all, the sales contributions from the sale of track maintenance machinery and from the stationary welding and logistics business increased, whereas revenues from rail and switch grinding declined as expected. The degree of internationalization of the Lifecycle Solutions division's activities, measured in terms of the proportion of sales outside Germany, was 42.8 percent (previous year: 47.9 percent).

EBIT and EBIT margin stable at previous year's level

EBIT and EBIT margin for the Lifecycle Solutions division reached the previous year's levels after the first six months of 2021. A positive EBIT performance resulted from increased sales revenues from machinery sales. Earnings from the service business were lower; higher and higher-margin sales revenues are expected here in the second half of the year, leading to a significant improvement in profitability. There were no changes in ROCE and value added of the Lifecycle Solutions division in the first half of 2021 relative to the reported figures for the previous year. Average working capital and average working capital intensity improved compared to 2020.

Lifecycle Solutions

		H1/2021	Fiscal year 2020	H1/2020
Average working capital	€ mill.	12.3	13.1	14.0
Average working capital intensity	%	12.9	12.6	14.8
Average capital employed	€ mill.	179.4	177.4*	177.9*

*Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

Employees

As of June 30, 2021, the Vossloh Group had a total of 3,576 employees worldwide. As a result, the number of employees increased in the past twelve months by 89 or 2.6 percent from 3,487. The increase is mainly attributable to an Indian company in the Customized Modules division that was fully consolidated this year.

3,576 employees worked for the Vossloh Group as of the end of June 2021

Employees	Closing date		Average	
	6/30/2021	6/30/2020	H1/2021	H1/2020
Core Components	872	959	884	935
Customized Modules	2,136	1,982	2,137	1,987
Lifecycle Solutions	507	490	508	504
Vossloh AG	61	56	60	58
Group	**3,576**	**3,487**	**3,589**	**3,484**

The Core Components division reported a noticeably lower average number of employees in the first half of 2021 compared to the previous year. In the Fastening Systems business unit, the average number of employees decreased slightly year on year to 532 (previous year: 541 employees). In the Tie Technologies business unit, the second business unit in the Core Components division, the average number of employees was 352, significantly lower than the previous year (394 employees). A decline was recorded in the USA, in particular. The increase in the average number of employees in the Customized Modules division is attributable to the full consolidation of an Indian company in this year. The average number of employees in the Lifecycle Solutions division remained virtually unchanged compared to the previous year.

Out of the overall average number of employees, 72.5 percent (previous year: 73.7 percent) were employed at locations in Europe in the reporting period. Of the remaining 27.5 percent, 25.7 percent (previous year: 36.6 percent) were primarily active in the North American region and 53.7 percent (previous year: 32.5 percent) in Asia.

Forecast, opportunities and risks

The Group management report for the 2020 fiscal year describes the material risks and opportunities for the expected performance of the Vossloh Group. Further risks cannot be ruled out and could adversely affect business performance. Overall, there are no discernible risks that individually, in combination or as a whole could pose a threat to the continued existence of the Vossloh Group as a going concern.

With the presentation of the Annual Report for 2020 on March 18, 2021, Vossloh AG published a detailed forecast for the 2021 fiscal year (see 2020 Annual Report starting on page 77). For the current fiscal year, Vossloh expects higher sales revenues than assumed in the 2020 Annual Report. From today's perspective, the company expects sales revenues of between €900 million and €950 million. The previous expectation was a range between €850 million and €925 million. The Fastening Systems business unit and the Customized Modules division saw the biggest improvements compared to the original forecast. In the Lifecycle Solutions division, slight sales revenue growth is now expected following the acquisition of ETS Spoor (the Netherlands). In the Tie Technologies business unit, sales revenues are still expected to decline compared to the previous year due to lower sales revenues in the USA and following the expiration of major projects in Australia.

In terms of profitability, Vossloh continues to forecast an EBITDA margin of 13 percent to 14 percent and an EBIT margin of 7 percent to 8 percent. The profitability forecast is confirmed despite expected significant negative impacts on earnings, particularly in the second half of 2021, as a result of substantially higher material prices. In operational terms, this represents a significant overall increase in profitability compared to the previous year. Excluding the €15.6 million effect from transitional consolidation recognized in the 2020 fiscal year, the EBITDA margin and EBIT margin were 12.4 percent and 6.6 percent, respectively. From today's perspective, operational profitability is expected to improve in all divisions in the 2021 fiscal year.

Value added in the 2021 fiscal year is expected to be roughly at the same level as in 2020 due to the higher expected operational profitability and is therefore expected to be positive again. Adjusted for the EBIT-relevant effect in the 2020 fiscal year, a noticeable increase is also expected here. The weighted average cost of capital before taxes (WACC) relevant for internal management purposes will remain at 7.0 percent in the 2021 fiscal year.

Condensed interim financial statements of the Vossloh Group as of June 30, 2021

Income statement

€ mill.	H1/2021	H1/2020	Q2/2021	Q2/2020
Sales revenues	462.6	393.2	255.5	210.2
Cost of sales	(345.1)	(308.7)	(187.6)	(161.3)
General administrative and selling expenses	(76.6)	(69.2)	(38.4)	(35.8)
Allowances and write-ups of financial assets	0.4	(0.1)	0.0	0.1
Research and development costs	(4.6)	(4.4)	(2.5)	(2.0)
Other operating income	5.4	6.2	2.4	0.3
Other operating expense	(2.7)	(3.9)	0.1	1.4
Operating result	**39.4**	**13.1**	**29.5**	**12.9**
Result from investments in companies accounted for using the equity method	1.7	1.4	0.8	0.7
Other financial income	1.3	15.6	0.0	0.0
Earnings before interest and taxes (EBIT)	**42.4**	**30.1**	**30.3**	**13.6**
Interest income	0.7	0.8	(0.4)	(1.0)
Interest and similar expense	(4.7)	(8.8)	(2.4)	(2.9)
Earnings before taxes (EBT)	**38.4**	**22.1**	**27.5**	**9.7**
Income taxes	(17.5)	(4.0)	(12.7)	(8.8)
Result from continuing operations	**20.9**	**18.1**	**14.8**	**0.9**
Result from discontinued operations	(0.3)	(27.7)	(0.3)	(7.9)
Net income	**20.6**	**(9.6)**	**14.5**	**(7.0)**
thereof attributable to shareholders of Vossloh AG	**12.4**	**(10.1)**	**9.6**	**(7.4)**
thereof attributable to hybrid capital investors	2.1	–	1.5	–
thereof attributable to noncontrolling interests	6.1	0.5	3.4	0.4
Earnings per share				
Basic/diluted earnings per share (€)	0.70	(0.58)	0.55	(0.43)
thereof attributable to continuing operations	0.72	1.00	0.56	0.03
thereof attributable to discontinued operations	(0.02)	(1.58)	(0.01)	(0.46)

Statement of comprehensive income

€ mill.	H1/2021	H1/2020	Q2/2021	Q2/2020
Net income	**20.6**	**(9.6)**	**14.5**	**(7.0)**
Changes in fair value of hedging instruments (cash flow hedges)	(0.1)	0.2	0.0	0.2
Currency translation differences	5.2	(9.9)	1.4	1.9
Amounts that will potentially be transferred to profit or loss in future periods	**5.1**	**(9.7)**	**1.4**	**2.1**
Income and expenses recognized directly in equity	**5.1**	**(9.7)**	**1.4**	**2.1**
Total comprehensive income	**25.7**	**(19.3)**	**15.9**	**(4.9)**
thereof attributable to shareholders of Vossloh AG	16.4	(19.4)	10.9	(4.9)
thereof attributable to hybrid capital investors	2.1	–	1.5	–
thereof attributable to noncontrolling interests	7.2	0.1	3.5	0.0

In order to improve transparency, other operating result is presented in these interim consolidated financial statements – as it was in the consolidated financial statements for the 2020 fiscal year – in two separate lines as other operating expense and other operating income. The previous year figures have been calculated accordingly.

Cash flow statement for the period from January 1 to June 30, 2021

€ mill.	H1/2021	H1/2020
Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	42.4	30.1
EBIT from discontinued operations	(0.3)	(24.2)
Amortization/depreciation/impairment losses/reversal of impairment losses of noncurrent assets	25.8	36.4
Change in noncurrent provisions	2.2	(1.3)
Gross cash flow	**70.1**	**41.0**
Noncash change in investments in companies accounted for using the equity method	(2.8)	(17.0)
Other noncash income/expenses, net	(2.1)	0.5
Gains/losses from the disposal of noncurrent assets	0.3	(0.3)
Income taxes paid	(10.5)	(6.5)
Change in working capital	(37.1)	(47.3)
Changes in other assets/liabilities, net	(7.1)	2.8
Cash flow from operating activities	**10.8**	**(26.8)**
Cash flow from investing activities		
Investments in intangible assets and property, plant and equipment	(27.0)	(20.4)
Investments in companies accounted for using the equity method	0.0	(0.1)
Cash-effective dividends from companies accounted for using the equity method	0.5	0.1
Free cash flow	**(15.7)**	**(47.2)**
Proceeds from the disposal of intangible assets and property, plant and equipment	1.4	2.8
Disbursements/proceeds from the purchase/sale of short-term securities	(0.5)	0.0
Proceeds from disposals of noncurrent financial instruments	0.1	0.0
Proceeds from the disposal of consolidated companies	(0.8)	30.0
Cash flow from investing activities	**(26.3)**	**12.4**
Cash flow from financing activities		
Disbursements to shareholders and noncontrolling interests	(21.9)	(0.1)
Net cash inflow from hybrid capital	148.4	–
Net financing from short-term loans	1.9	(11.3)
Net financing from medium-term and long-term loans	(52.6)	31.3
Repayments from leases	(5.5)	(12.4)
Interest received	0.6	0.9
Interest paid and similar expenses	(2.9)	(6.6)
Cash flow from financing activities	**68.0**	**1.8**
Net cash inflow/outflow	52.5	(12.6)
Change in cash and cash equivalents from the first-time consolidation of companies	0.3	0.6
Exchange rate effects	0.9	(1.3)
Opening cash and cash equivalents	**32.7**	**48.6**
Closing cash and cash equivalents	**86.4**	**35.3**

For more information on the cash flow statement, see page 28

Balance sheet

Assets in € mill.	6/30/2021	12/31/2020	6/30/2020
Intangible assets	317.5	314.4*	315.5*
Property, plant and equipment	317.1	313.6	304.6
Investment properties	4.4	4.4	4.6
Investments in companies accounted for using the equity method	51.5	55.9*	55.3*
Other noncurrent financial instruments	4.9	6.0	6.3
Other noncurrent assets	3.2	3.9	3.7
Deferred tax assets	12.4	20.4	19.9
Noncurrent assets	**711.0**	**718.6**	**709.9**
Inventories	187.2	163.4	179.1
Trade receivables	227.5	209.5	191.4
Contract assets	5.4	4.3	6.8
Income tax assets	6.5	3.3	5.3
Other current financial instruments	17.6	21.8	31.9
Other current assets	28.8	24.1	36.1
Short-term securities	1.4	0.3	0.0
Cash and cash equivalents	91.2	67.8	61.3
Current assets	**565.6**	**494.5**	**511.9**
Assets held for sale	0.0	1.3	8.8
Assets	**1,276.6**	**1,214.4**	**1,230.6**

Equity and liabilities in € mill.	6/30/2021	12/31/2020	6/30/2020
Capital stock	49.9	49.9	49.9
Additional paid-in capital	190.4	190.4	190.4
Retained earnings and net income	162.7	170.2*	142.7*
Hybrid capital	148.4	–	–
Accumulated other comprehensive income	(8.8)	(14.0)	(10.1)
Equity excluding noncontrolling interests	**542.6**	**396.5**	**372.9**
Noncontrolling interests	26.5	15.9	16.6
Equity	**569.1**	**412.4**	**389.5**
Pension provisions / provisions for other post-employment benefits	36.1	35.5	35.4
Other noncurrent provisions	13.2	12.4	9.6
Noncurrent financial liabilities	155.7	244.5	415.8
Noncurrent trade payables	0.0	0.0	0.0
Other noncurrent liabilities	2.9	2.8	1.3
Deferred tax liabilities	7.5	7.7	9.5
Noncurrent liabilities	**215.4**	**302.9**	**471.6**
Other current provisions	54.1	56.4	54.0
Current financial liabilities	178.2	175.0	51.0
Current trade payables	143.8	152.3	133.3
Current contract liabilities	0.0	0.0	0.0
Current income tax liabilities	9.4	6.8	4.6
Other current liabilities	106.6	105.6	120.3
Current liabilities	**492.1**	**496.1**	**363.2**
Liabilities related to assets held for sale	0.0	3.0	6.3
Equity and liabilities	**1,276.6**	**1,214.4**	**1,230.6**

*Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

Statement of changes in equity

					Accumulated other comprehensive income						
€ mill.	Capital stock	Additional paid-in capital	Retained earnings and net income	Hybrid capital	Reserve for currency translation	Reserve for financial instruments held for sale	Reserve for hedging transactions	Reserve for the remeasurement of defined benefit plans	Equity excluding noncontrolling interests	Noncontrolling interests	Total
As of 12/31/2019 as reported	**49.9**	**190.4**	**158.7**	**–**	**(1.4)**	**0.0**	**(0.8)**	**(2.6)**	**394.2**	**9.4**	**403.6**
Adjustment pursuant to IAS 8			(2.1)*						(2.1)*		(2.1)*
As of 1/1/2020 after adjustment	**49.9**	**190.4**	**156.6**	**–**	**(1.4)**	**0.0**	**(0.8)**	**(2.6)**	**392.1**	**9.4**	**401.5**
Transfer to retained earnings			(2.6)					2.6	0.0		0.0
Changes in the scope of consolidation			(1.2)		0.0			1.4	0.2	7.1	7.3
Net income			(10.1)						(10.1)	0.5	(9.6)
Income and expenses recognized directly in equity after taxes					(9.5)		0.2	0.0	(9.3)	(0.4)	(9.7)
As of 6/30/2020	**49.9**	**190.4**	**142.7**	**–**	**(10.9)**	**0.0**	**(0.6)**	**1.4**	**372.9**	**16.6**	**389.5**
Changes in the scope of consolidation		0.0	0.8		(1.3)			(0.2)	(0.7)	0.0	(0.7)
Other effects			(0.6)					(0.3)	(0.9)	0.6	(0.3)
Net income			27.3						27.3	3.1	30.4
Income and expenses recognized directly in equity after taxes					(1.4)		0.0	(0.7)	(2.1)	(0.2)	(2.3)
Dividend payments			0.0						0.0	(4.2)	(4.2)
As of 12/31/2020	**49.9**	**190.4**	**170.2**	**–**	**(13.6)**	**0.0**	**(0.6)**	**0.2**	**396.5**	**15.9**	**412.4**
Transfer to retained earnings			0.2					(0.2)	0.0		0.0
Issuance of hybrid capital				148.4					148.4		148.4
Changes in the scope of consolidation			(2.5)		1.4			0.0	(1.1)	3.4	2.3
Net income			12.4	2.1					14.5	6.1	20.6
Income and expenses recognized directly in equity after taxes					4.1		(0.1)	0.0	4.0	1.1	5.1
Dividend payments			(17.6)						(17.6)		(17.6)
Compensation to hybrid capital investors				(2.1)					(2.1)		(2.1)
As of 6/30/21	**49.9**	**190.4**	**162.7**	**148.4**	**(8.1)**	**0.0**	**(0.7)**	**0.0**	**542.6**	**26.5**	**569.1**

*Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

Explanatory notes

Corporate background

Vossloh AG is a listed company based in Werdohl, Germany. The Company is registered under HRB 5292 in the commercial register of the Iserlohn Local Court. The Vossloh Group's key activities include the development, manufacture and sale of rail infrastructure products as well as the provision of rail-related services (logistics, welding, preventive care).

Accounting policies

The interim financial report of the Vossloh Group as of June 30, 2021, has been prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU. The amendments to IFRS 9/IAS 39/IFRS 7, IFRS 4 and IFRS 16 (Interest Rate Benchmark Reform – Phase 2) as well as to IFRS 4 (Extension of the Temporary Exemption from Applying IFRS 9) were applicable for the first time in the 2021 fiscal year. This had no effect on the interim financial statements. Otherwise, the accounting and valuation methods used in the preparation of the interim financial statements correspond to those of the consolidated financial statements as of December 31, 2020, in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and Standard 16 "Interim Financial Reporting" of the Accounting Standards Committee of Germany.

Preparing the interim consolidated financial statements requires management to make certain assumptions and estimates. Because of this, the actual future values may differ from those estimates and hence from the amounts disclosed in the interim report.

The business activities of the Vossloh Group are subject to seasonal effects to a certain degree; the Company's performance is normally stronger in the second quarter than in the first quarter. The calculation of income taxes is based on a tax rate of 31.98 percent for domestic companies. The calculation of income taxes for foreign companies is based on the respective national tax rates. Figures for the previous year generally pertain to the first half of 2020 or June 30, 2020, unless indicated otherwise.

Material events during the reporting period

A hybrid note with an issue volume of €150 million was placed in February 2021. Due to the terms of the note, this financial instrument is classified as equity in accordance with IAS 32 and presented accordingly. The transaction costs incurred in connection with the issue were deducted from the increase directly in equity. The hybrid note has an interest rate of 4.0 percent. Interest payments may be suspended and delayed in certain circumstances as decided by the Company.

The sale of the Locomotives business unit was viewed as a material event in the previous year. Information about the impact of this sale, which was presented in the line item "Result from discontinued operations" in the income statement, is provided below.

Presentation of discontinued operations

Following the sale of the Locomotives business unit, which was reported as a discontinued operation in the consolidated financial statements until its disposal, to Chinese company CRRC ZELC on May 31, 2020, expenses and income from discontinued operations in the reporting period resulted solely from the continuing effects of earlier disposals of business units. The previous year's column contains the income and expenses of the former Locomotives business unit for the period from January to May 2020, which are shown in the line item "Results from discontinued operations". The figures reported under "Assets held for sale" and "Liabilities related to assets held for sale" on the previous year's consolidated balance sheet pertain to Group companies in North and South America that have since been disposed of or liquidated.

The following table shows a breakdown of the result from discontinued operations in the income statement:

€ mill.	H1/2021	H1/2020	Q2/2021	Q2/2020
Income	–	41.7	–	12.8
Expenses	–	(54.3)	–	(29.0)
Result from operating activities, before taxes	–	**(12.6)**	–	**(16.2)**
Income taxes		(3.0)		0.0
Result from operating activities, after taxes	–	**(15.6)**	–	**(16.2)**
Impairment loss on noncurrent assets	–	(12.1)	–	8.3
Subsequent effects from former business units	(0.3)	0.0	(0.3)	0.0
Result from discontinued operations	**(0.3)**	**(27.7)**	**(0.3)**	**(7.9)**
thereof attributable to shareholders of Vossloh AG	(0.3)	(27.7)	(0.3)	(7.9)
thereof attributable to noncontrolling interests	–	–	–	–

The following table shows the main groups of assets held for sale and the related liabilities:

€ mill.	6/30/2021	6/30/2020
Property, plant and equipment	–	1.1
Other noncurrent assets	–	0.4
Noncurrent assets	**–**	**1.5**
Inventories	–	4.3
Trade receivables	–	1.4
Other current assets	–	0.5
Cash and cash equivalents	–	1.1
Current assets	**–**	**7.3**
Assets	**–**	**8.8**
Provisions	–	0.2
Trade payables	–	0.5
Liabilities from leases	–	1.6
Other liabilities	–	4.0
Liabilities	**–**	**6.3**

Scope of consolidation

The scope of consolidation has changed compared to the end of the reporting period of December 31, 2020. Three fully consolidated companies of the Switch Systems business unit were disposed of or liquidated and deconsolidated without materially affecting the Group's net assets, financial position and results of operations. One previously insignificant company and one newly formed company in the Rail Services business unit were consolidated for the first time in the fiscal year.

Vossloh took control of Vossloh Beekay Castings Ltd., New Delhi/India at the beginning of the fiscal year; the company has been consolidated since January 1, 2021. Vossloh holds 58.48 percent of the shares in this company. The company produces certain components of switches and crossings, mainly manganese frogs, which are manufactured for the Indian market and supplied to other Group companies as essential components of switches and crossings. The company's governance structure was adjusted at the beginning of 2021, eliminating the need for a joint resolution for significant decisions that determine business results. The acquisition of control was recognized in the balance sheet as a business combination pursuant to IAS 28.22 (a) in accordance with the regulations in IFRS 3. The difference between the previous carrying amount of the shares and the fair value as of the time of gaining control resulted in income of €1.4 million, which was recognized in other operating income. The fair value of the shares held previously amounted to a total of € 6.8 million as of the time of taking over the control over the assets and liabilities, and incorporates the income prospects of the joint venture, which are thus also reflected in the goodwill resulting from the business combination. This amount was treated as consideration in the context of the first-time consolidation.

The following assets and liabilities, which have been offset with the consideration in the amount of Vossloh's share of the equity and which resulted in the recorded goodwill as well as a corresponding recognition of noncontrolling interests, have been taken over:

€ mill.	Fair value
Intangible assets	0.1
Property, plant and equipment	4.4
Other noncurrent assets	0.4
Inventories	2.8
Trade receivables	4.5
Other current assets	1.8
Assets	**14.0**
Trade payables	2.5
Current tax liabilities	1.1
Provisions	1.0
Other liabilities	1.1
Total liabilities	**5.7**
Net assets included in the consolidated financial statements	**8.3**
thereof the share attributable to the JV partner (41.52%)	3.5
Share of net assets attributable to Vossloh	**4.8**
Surrendered value of shares	6.8
Goodwill	**2.0**

Since the time of its initial consolidation, the company has contributed €4.6 million to sales revenues and €0.1 million to net income. No transaction costs were incurred for the acquisition of control. The company's cash balances as of the time of gaining control totaled €0.3 million and are disclosed in the cash flow statement in the line item "Change in cash and cash equivalents from the first-time consolidation of companies". The trade receivables acquired are the result of the Company's normal product and service business and are recognized according to their gross value; it is unlikely that they will be irrecoverable. Goodwill is not tax-deductible.

Consequently, as of June 30, 2021, 55 companies (previous year: 57), 14 of which are in Germany (previous year: 14), were consolidated and included in the consolidated financial statements of Vossloh AG. Nine (previous year: ten) investments in associated companies or joint ventures were accounted for using the equity method, one of which is in Germany (previous year: one).

Sales revenues

€ mill.	H1/2021	H1/2020	Q2/2021	Q2/2020
Sales of products				
Fastening Systems	156.4	91.7	90.9	47.8
Tie Technologies	77.2	77.9	36.6	41.4
Consolidation	(3.2)	(4.9)	(2.1)	(2.2)
Core Components	230.4	164.7	125.4	87.0
Customized Modules	191.2	187.7	103.6	99.6
Lifecycle Solutions	9.1	8.5	4.1	4.8
Consolidation	(7.9)	(5.2)	(3.1)	(2.7)
Group	**422.8**	**355.7**	**230.0**	**188.7**
Sales revenues from rendering services				
Lifecycle Solutions	35.3	31.8	22.1	19.7
Group	**35.3**	**31.8**	**22.1**	**19.7**
Sales revenues from customer-specific manufacturing				
Customized Modules	1.1	(1.2)	1.4	(0.7)
Lifecycle Solutions	3.4	6.9	2.0	2.5
Group	**4.5**	**5.7**	**3.4**	**1.8**
Total Group sales across all activities	**462.6**	**393.2**	**255.5**	**210.2**
Sales revenues by division and business unit				
Fastening Systems	156.4	91.7	90.9	47.8
Tie Technologies	77.2	77.9	36.6	41.4
Consolidation	(3.2)	(4.9)	(2.1)	(2.2)
Core Components	230.4	164.7	125.4	87.0
Customized Modules	192.3	186.5	105.0	98.9
Lifecycle Solutions	47.8	47.2	28.2	27.0
Consolidation	(7.9)	(5.2)	(3.1)	(2.7)
Group	**462.6**	**393.2**	**255.5**	**210.2**

Adjustment pursuant to IAS 8

In the current fiscal year, the need for an adjustment to the accounting presentation of changes in the status of two companies in prior years from full consolidation to a consolidation at equity was identified. The allocated goodwills and the measurement of the fair values for the initial recognition of the investment in the joint ventures were not determined correctly when these status changes occurred. If this had been done correctly, the other operating result for these transactions would have been €2.0 million higher at the time of the transitional consolidations. In addition, the carrying amount of an investment previously accounted for using the equity method was not determined correctly for another transitional consolidation. The other operating result would have declined €4.1 million for this transitional consolidation.

The resulting corrections increase intangible assets by €14.8 million, decrease the carrying amount of investments in companies accounted for using the equity method by €16.9 million, and decrease retained earnings by €2.1 million. The initial correction is made in the first comparative balance sheet period (June 30, 2020) and in retained earnings in the statement of changes in equity as of January 1, 2020 and is considered in the following periods. There is no impact on earnings per share in either the reporting period or the comparative period.

Equity

The capital stock of Vossloh AG has not changed relative to the June 30, 2020, reporting date and still amounts to €49,857,682.23 divided into 17,564,180 shares. All of these are outstanding. The average number of shares outstanding in the first half of 2021 thus also amounts to 17,564,180 shares (previous year: 17,564,180).

A €150 million perpetual hybrid note was issued in February 2021. Due to the nature of the note, it is classified as equity for accounting purposes in the consolidated financial statements. This note can only be canceled by Vossloh AG, and not before February 23, 2026. The interest rate of the note is 4.0 percent. The transaction costs incurred for the issue were deducted directly from equity.

Earnings per share

		H1/2021	H1/2020
Weighted average of shares outstanding	Number	17,564,180	17,564,180
Net income attributable to Vossloh AG shareholders	€ mill.	12.4	(10.1)
Basic/diluted earnings per share	**€**	**0.70**	**(0.58)**
thereof attributable to continuing operations	€	0.72	1.00
thereof attributable to discontinued operations	€	(0.02)	(1.58)

Additional disclosures on investments in companies accounted for using the equity method (joint ventures / associated companies)

€ mill.	H1/2021	H1/2020	Q2/2021	Q2/2020
Result from continuing operations	1.7	1.4	0.8	0.7
Result from discontinued operations	–	0.0	–	0.0
Income and expenses recognized directly in equity	0.5	(0.6)	(0.1)	(0.4)
Total comprehensive income	**2.2**	**0.8**	**0.7**	**0.3**

Additional information on financial instruments

The table below shows the assignment of the financial assets and liabilities carried at fair value to the fair value hierarchy levels in accordance with IFRS 7 and IFRS 13. There were no reclassifications between the various levels of the fair value hierarchy either during the fiscal year or the previous year. The basis for the levels of the hierarchy for the measurement of fair value is the inputs applied. In Level 1, inputs are in the form of unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 covers inputs for identical or similar assets/liabilities derived from observable market data. Level 3 is for when no observable market data are available, so a measurement model must be used for fair value.

Assignment to levels of the fair value hierarchy

	Determined based on market prices (Level 1)		Derived from fair value (Level 2)		Measurement not based on fair value (Level 3)	
€ mill.	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Financial assets measured at fair value			4.2	5.9*		
Financial liabilities measured at fair value			4.5	6.2		
Total	–	–	**8.7**	**12.1**	–	–

*Previous year’s figure adjusted

The following tables present the carrying amounts of financial instruments, their assignment based on measurement category, the required disclosures on fair value pursuant to IFRS 9, and their measurement sources pursuant to IFRS 7. The derivatives in hedging relationships are included though they do not belong to any measurement category of IFRS 9.

Carrying amounts, measurement categories and fair values as of June 30, 2021

€ mill.	IFRS 9 carrying amounts according to balance sheet 6/30/2021	Measurement categories pursuant to IFRS 9			Fair values 6/30/2021
		Amortized cost	Fair value through OCI (FVOCI)	Fair value through profit or loss (FVTPL)	
Trade receivables	227.5	227.5	–	–	227.5
Securities	1.4	0.7	–	0.7	1.4
Other financial instruments and other assets	21.3	17.8	0.6	2.9	21.3
Cash and cash equivalents	91.2	91.2	–	–	91.2
Total financial assets	**341.4**	**337.2**	**0.6**	**3.6**	**341.4**
Financial liabilities	293.2	293.2	–	–	293.2
Trade payables	143.8	143.8	–	–	143.8
Other liabilities	82.7	78.2	0.4	4.1	82.7
Total financial liabilities	**519.7**	**515.2**	**0.4**	**4.1**	**519.7**

Carrying amounts, measurement categories and fair values as of December 31, 2020

€ mill.	IFRS 9 carrying amounts according to balance sheet 12/31/2020	Measurement categories pursuant to IFRS 9			Fair values 12/31/2020
		Amortized cost	Fair value through OCI (FVOCI)	Fair value through profit or loss (FVTPL)	
Trade receivables	209.5	209.5	–	–	209.5
Securities	0.3	0.0	–	0.3	0.3
Other financial instruments and other assets	25.6*	20.3	0.6*	4.7*	25.6*
Cash and cash equivalents	67.8	67.5	–	0.3	67.8
Total financial assets	**303.2**	**297.3**	**0.6**	**5.3**	**303.2**
Financial liabilities	375.5	375.5	–	–	375.5
Trade payables	152.3	152.3	–	–	152.3
Other liabilities	88.0	81.8	0.2	6.0	88.0
Total financial liabilities	**615.8**	**609.6**	**0.2**	**6.0**	**615.8**

*Previous year’s figures adjusted

Cash flow statement

The cash flow statement shows the changes in cash and cash equivalents and short-term bank overdrafts within the Vossloh Group. Cash pertains to checks and cash on hand and in the bank. Cash equivalents comprise any financial instruments with a maximum term of three months that can be readily converted into cash. Short-term bank overdrafts result from credit balances of bank balances due in the near future and are included in cash and cash equivalents.

The cash flow statement has been prepared in conformity with IAS 7 and breaks down the changes in cash and cash equivalents into the cash flows from operating, investing and financing activities. The cash flow from operating activities is determined according to the indirect method.

Cash flows from continuing and discontinued operations are shown in the table below. The effects in the reporting period are immaterial following the deconsolidation of the former Locomotives business unit in the previous year:

€ mill.	H1/2021		H1/2020	
Cash flow items	thereof from continuing operations	thereof from discontinued operations	thereof from continuing operations	thereof from discontinued operations
Gross cash flow	70.2	(0.1)	54.3	(13.3)
Cash flow from operating activities	10.9	(0.1)	26.4	(53.2)
Free cash flow	(15.6)	(0.1)	6.9	(54.1)
Cash flow from investing activities	(26.3)	–	13.3	(0.9)
Cash flow from financing activities	68.0	–	(52.1)	53.9
Opening cash and cash equivalents	32.7	–	46.0*	2.6
Exchange rate effects	0.9	–	(1.3)	0.0
Closing cash and cash equivalents	86.4	–	32.9*	2.4

*Thereof €0.7 million held in a disposal group at the beginning of the period and €1.1 million held in a disposal group at the end of the period and reported under "Assets held for sale" in accordance with IFRS 5.

Segment information

The primary format for segment reporting is defined by Vossloh's internal organizational and reporting structure, which differentiates between the products and services offered by the Vossloh Group's business units. Alongside the divisions, the business units are presented separately. The segment structure in the three core divisions has not changed compared with the previous year.

The Core Components division contains the Group's range of industrially manufactured serial products that are required in large numbers for rail infrastructure projects. The division contains the Fastening Systems and Tie Technologies business units. Vossloh Fastening Systems is a leading manufacturer of rail fastening systems. The product lineup includes rail fasteners for every application – from regional transportation to heavy-haul and high-speed lines. Vossloh Tie Technologies is the leading manufacturer of concrete ties in North America and Australia.

Vossloh Switch Systems, the only business unit in the Customized Modules division, is one of the world's leading rail switch manufacturers. The business unit equips rail networks with switches as well as with the related control and monitoring systems, which it also installs and maintains. Here, also, the lineup extends from light-rail to high-speed applications.

As the only business unit in the Lifecycle Solutions division, Vossloh Rail Services engages in activities such as rail trading, long-rail (un)loading at construction sites, welding new rails, reconditioning old rails, on-site welding, rail replacement, rail grinding/milling, rail inspection and construction site supervision. It also organizes and monitors just-in-time rail shipments to construction sites and ensures on-site availability of the approved (un)loading systems.

Activities in the field of rail vehicles, including corresponding services, were combined in the Transportation division. The Locomotives business unit, the sale of which was finalized on May 31, 2020, was allocated to this division.

The consolidation includes the elimination of intersegment transactions. This pertains primarily to the offsetting of intragroup income/expenses, the elimination of dividends between Group companies and the elimination of intragroup receivables/payables. The consolidation column at the highest Group level includes the required eliminations from business transactions between companies from different divisions. In addition, a separate column serves to present the holding companies not allocated to any segment as well as Vossloh AG as the Group's management and financial holding company so as to provide reconciliation to the consolidated figures for the entire Group.

The accounting methods of all segments are identical and conform to IFRS as adopted by the EU. Intersegment business is transacted on an arm's length basis.

A reconciliation of the segment result "value added" of the entire Group to the earnings before interest and taxes (EBIT) presented in the income statement is shown below:

Reconciliation of value added to EBIT

€ mill.	H1/2021	H1/2020	Q2/2021	Q2/2020
Value added	11.1	0.0*	14.5	(1.6)*
Cost of capital employed (WACC: 7.0 percent)	31.3	30.1*	15.8	15.2*
EBIT	**42.4**	**30.1**	**30.3**	**13.6**

*Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

Related party transactions

The consolidated companies of the Vossloh Group regularly transact normal business with unconsolidated affiliated companies, joint ventures and associated companies of the Vossloh Group. Transactions were also conducted with companies of the Knorr-Bremse Group since they are to be treated as related parties due to KB Holding GmbH holding a majority stake in Vossloh AG as well as a majority stake in Knorr-Bremse AG. Transactions with companies of the Knorr-Bremse Group were conducted only to an insignificant degree and were executed on an arm's length basis. The table below presents the income/expenses and receivables/payables recognized in the consolidated financial statements that originate from related party transactions. These are mainly transactions with nonconsolidated subsidiaries. No transactions with related persons were conducted in the reporting period.

€ mill.	H1/2021 or 6/30/2021	H1/2020 or 6/30/2020
Sale or purchase of goods		
Sales revenues from the sale of finished goods and WIP	7.8	4.3
Cost of materials from the purchase of finished goods and WIP	4.8	8.6
Trade receivables	7.8	4.6
Trade payables	1.9	3.6
Provisions for doubtful accounts from the sale of goods	0.4	0.0
Sale or purchase of other assets		
Income from the sale of other assets	0.0	0.0
Receivables from the sale of other assets	0.0	0.1
Liabilities from the purchase of other assets	0.7	1.0
Services rendered or received		
Income from services rendered	0.3	0.7
Expenses for services received	0.2	0.2
Licenses		
License income	0.0	0.0
License expenses	0.8	0.3
Funding		
Interest income from financial loans granted	0.0	0.0
Receivables on financial loans granted	1.5	4.9
Provision of guarantees and collateral		
Provision of guarantees	2.3	0.3
Provision of other collateral	0.0	0.0

Contingent liabilities

Contingent liabilities decreased from €201.1 million on June 30, 2020 to €90.8 million, a decrease of €110.3 million. €83.3 million thereof is attributable to contingent liabilities for the Locomotives business unit sold as of May 31, 2020, while €0.3 million thereof was still attributable to contingent liabilities for the Electrical Systems business unit sold as of January 31, 2017. For the outstanding contingent liabilities from the former Locomotives business unit, Vossloh AG has received an irrevocable and unconditional guarantee at first request by a first-class bank. The still-existing liability for the Electrical Systems business unit is secured by an irrevocable and unconditional guarantee by Knorr-Bremse AG. The Group has incurred contingent liabilities under guarantees of €25.1 million (previous year: €102.0 million). €22.8 million thereof are attributed to the former business units and €2.3 million (previous year: €0.3 million) to nonconsolidated affiliated companies. €65.7 million (previous year: €99.1 million) of the contingent liabilities are attributable to letters of comfort. €60.7 million thereof was related to the former business units and €5.0 million (previous year: €9.3 million) to nonconsolidated affiliated companies. The risk of a claim is considered unlikely for all of the listed contingent liabilities.

Events after the reporting period

The purchase agreement for all the shares in the companies ETS Spoor B. V. and ETS International B. V. was signed on July 26, 2021; the transaction will be closed at the end of July. The companies do business as a commercial enterprise in the Dutch rail market; they will be assigned to the Rail Services business unit and are intended to support the rail services business in the important rail market in the Netherlands.

Segment information by division and business unit[1]

			Fastening Systems	Tie Technologies	Consolidation	Core Components	Customized Modules (Switch Systems)
Value added	H1/2021	€ mill.	22.2	0.8	(0.1)	**22.9**	**1.9**
	H1/2020	€ mill.	19.2	(2.3)	0.0	**16.9**	**(4.1)[3]**
	Q2/2021	€ mill.	12.8	1.5	(0.1)	**14.2**	**4.2**
	Q2/2020	€ mill.	2.6	0.2	0.0	**2.8**	**0.5[3]**
Information from income statement/flow figures							
External sales revenues	H1/2021	€ mill.	149.2	73.2	0.0	**222.4**	**191.7**
	H1/2020	€ mill.	82.4	77.2	0.0	**159.6**	**185.6**
	Q2/2021	€ mill.	86.2	35.6	0.0	**121.8**	**104.9**
	Q2/2020	€ mill.	43.5	40.9	0.0	**84.4**	**98.2**
Internal sales revenues	H1/2021	€ mill.	7.2	4.0	(3.2)	**8.0**	**0.6**
	H1/2020	€ mill.	9.3	0.7	(4.9)	**5.1**	**0.9**
	Q2/2021	€ mill.	4.7	1.0	(2.1)	**3.6**	**0.1**
	Q2/2020	€ mill.	4.3	0.5	(2.2)	**2.6**	**0.7**
Depreciation/amortization	H1/2021	€ mill.	4.2	8.2	0.0	**12.4**	**6.6**
	H1/2020	€ mill.	4.2	6.6	0.0	**10.8**	**7.3**
	Q2/2021	€ mill.	2.0	3.7	0.0	**5.7**	**3.3**
	Q2/2020	€ mill.	2.2	3.3	0.0	**5.5**	**3.8**
Investments in noncurrent assets	H1/2021	€ mill.	7.9	2.2	0.0	**10.1**	**4.6**
	H1/2020	€ mill.	10.0	2.3	0.0	**12.3**	**9.9**
	Q2/2021	€ mill.	5.1	0.5	0.0	**5.6**	**3.4**
	Q2/2020	€ mill.	7.1	0.5	0.0	**7.6**	**6.3**
Income from investments in companies accounted for using the equity method	H1/2021	€ mill.	0.1	0.0	0.0	**0.1**	**1.3**
	H1/2020	€ mill.	0.4	0.0	0.0	**0.4**	**0.5**
	Q2/2021	€ mill.	0.1	0.0	0.0	**0.1**	**0.6**
	Q2/2020	€ mill.	0.2	0.0	0.0	**0.2**	**0.2**
Result from discontinued operations	H1/2021	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
	H1/2020	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
	Q2/2021	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
	Q2/2020	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
Impairment losses	H1/2021	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
	H1/2020	€ mill.	0.0	0.0	0.0	**0.0**	**0.6**
	Q2/2021	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
	Q2/2020	€ mill.	0.0	0.0	0.0	**0.0**	**0.3**
Reversals of impairment losses	H1/2021	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
	H1/2020	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
	Q2/2021	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
	Q2/2020	€ mill.	0.0	0.0	0.0	**0.0**	**0.0**
Information from the balance sheet							
Total assets	6/30/2021	€ mill.	320.6	203.0	(3.5)	**520.1**	**536.8**
	6/30/2020	€ mill.	262.9	208.4	(3.3)	**468.0**	**546.5[3]**
Liabilities	6/30/2021	€ mill.	177.7	57.6	(3.5)	**231.8**	**290.1**
	6/30/2020	€ mill.	136.5	80.4	(3.4)	**213.5**	**310.1**
Investments in companies accounted for using the equity method	6/30/2021	€ mill.	4.4	0.0	0.0	**4.4**	**36.3**
	6/30/2020	€ mill.	5.8	0.0	0.0	**5.8**	**39.6[3]**
Average headcount during the period	H1/2021	No.	532	352	0	**884**	**2,137**
	H1/2020	No.	541	394	0	**935**	**1,987**

[1] For more segment information, see page 29 et seq.

[2] The Consolidation column incorporates the elimination of reclassified income, expenses and balance sheet items of reporting segments reported as discontinued operations as required in accordance with IFRS 5

[3] Comparative information adjusted retrospectively in accordance with IAS 8, see explanation on page 25

	Lifecycle Solutions (Rail Services)	Discontinued operations / Locomotives	Consolidation[2]	Transportation	Holding companies	Consolidation	Group
	(5.2)	0.0	0.0	**0.0**	(10.6)	2.1	**11.1**
	(5.2)[3]	(24.5)	31.5	**7.0**	(10.8)	(3.8)	**0.0[3]**
	0.3	0.0	0.0	**0.0**	(5.3)	1.1	**14.5**
	(0.2)[3]	(22.2)	29.2	**7.0**	(6.0)	(5.7)	**(1.6)[3]**
	45.5	0.0	0.0	**0.0**	0.0	0.0	**459.6**
	45.2	41.7	(41.7)	**0.0**	0.0	0.0	**390.4**
	26.8	0.0	0.0	**0.0**	0.0	0.0	**253.5**
	25.8	12.8	(12.8)	**0.0**	0.0	0.0	**208.4**
	2.3	0.0	0.0	**0.0**	0.0	(7.9)	**3.0**
	2.0	7.0	0.0	**7.0**	0.0	(12.2)	**2.8**
	1.4	0.0	0.0	**0.0**	0.0	(3.1)	**2.0**
	1.2	7.0	0.0	**7.0**	0.0	(9.7)	**1.8**
	6.1	0.0	0.0	**0.0**	0.4	0.0	**25.5**
	5.9	7.6	(7.6)	**0.0**	0.3	0.0	**24.3**
	3.1	0.0	0.0	**0.0**	0.2	0.0	**12.3**
	2.9	3.7	(3.7)	**0.0**	0.2	0.0	**12.4**
	4.5	0.0	0.0	**0.0**	0.7	0.0	**19.9**
	7.9	1.8	(1.8)	**0.0**	0.4	0.0	**30.5**
	2.4	0.0	0.0	**0.0**	0.5	0.0	**11.9**
	2.2	0.5	(0.5)	**0.0**	0.0	0.0	**16.1**
	0.3	0.0	0.0	**0.0**	0.0	0.0	**1.7**
	0.5	0.0	0.0	**0.0**	0.0	0.0	**1.4**
	0.1	0.0	0.0	**0.0**	0.0	0.0	**0.8**
	0.3	0.0	0.0	**0.0**	0.0	0.0	**0.7**
	0.0	0.0	0.0	**0.0**	(0.3)	0.0	**(0.3)**
	0.0	(33.5)	0.0	**(33.5)**	5.8	0.0	**(27.7)**
	0.0	0.0	0.0	**0.0**	(0.3)	0.0	**(0.3)**
	0.0	(14.3)	0.0	**(14.3)**	6.4	0.0	**(7.9)**
	0.0	0.0	0.0	**0.0**	0.5	0.0	**0.5**
	0.0	0.0	0.0	**0.0**	0.0	0.0	**0.6**
	0.0	0.0	0.0	**0.0**	0.1	0.0	**0.1**
	0.0	0.0	0.0	**0.0**	0.0	0.0	**0.3**
	0.0	0.0	0.0	**0.0**	0.0	0.0	**0.0**
	0.0	0.0	0.0	**0.0**	0.0	0.0	**0.0**
	0.0	0.0	0.0	**0.0**	0.0	0.0	**0.0**
	0.0	0.0	0.0	**0.0**	0.0	0.0	**0.0**
	234.4	0.0	0.0	**0.0**	1,278.7	(1,293.4)	**1,276.6**
	225.7[3]	232.7	(232.7)	**0.0**	1,339.0	(1,348.6)	**1,230.6[3]**
	212.6	0.0	0.0	**0.0**	408.2	(435.2)	**707.5**
	209.5	139.4	(139.4)	**0.0**	585.5	(483.8)	**834.8**
	10.8	0.0	0.0	**0.0**	0.0	0.0	**51.5**
	9.9[3]	0.0	0.0	**0.0**	0.0	0.0	**55.3[3]**
	508	0	0	**0**	60	0	**3,589**
	504	490	(490)	**0**	58	0	**3,484**

Responsibility statement

We confirm that, to the best of our knowledge and in accordance with the applicable accounting principles for interim financial reporting, the Group interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Werdohl, Germany, July 27, 2021

Vossloh AG
The Executive Board

Oliver Schuster, Dr. Thomas Triska, Jan Furnivall

Review report

To Vossloh Aktiengesellschaft, Werdohl/Germany

We have reviewed the condensed interim consolidated financial statements – comprising the income statement and the statement of comprehensive income, the cash flow statement, the balance sheet, the statement of changes in equity as well as selected explanatory notes to the financial statements – and the interim group management report for the period from 1 January to 30 June 2021 of Vossloh Aktiengesellschaft, Werdohl/Germany, that are part of the half-year financial report under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors. Our responsibility is to express a conclusion on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of Vossloh Aktiengesellschaft, Werdohl/Germany, are not prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Düsseldorf/Germany, July 27, 2021

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed: René Kadlubowski	Signed: Christian Siepe
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Financial calendar 2021

Publication of interim report/interim financial statements as of September 30, 2021	October 28, 2021
For further dates, go to www.vossloh.com	

Financial calendar 2022

Publication of annual consolidated financial statements 2021	March 2022
Press conference	March 2022
Investors and analysts conference	March 2022
Annual General Meeting	May 2022

Investor Relations

Contact	Dr. Daniel Gavranovic
Email	investor.relations@vossloh.com
Phone	+49 (0)2392/52-609
Fax	+49 (0)2392/52-219

Vossloh AG’s Board Members

Executive Board	Oliver Schuster (CEO)
	Dr. Thomas Triska
	Jan Furnivall
Supervisory Board	Prof. Dr. Rüdiger Grube, Chairman, Managing Partner of Rüdiger Grube International Business Leadership GmbH, Hamburg
	Ulrich M. Harnacke, Deputy Chairman, Independent Auditor,Tax Advisor and Management Consultant, Mönchengladbach
	Dr. Roland Bosch, Managing Director of WOLFF & MÜLLER Holding GmbH & Co. KG, Königstein/Taunus
	Marcel Knüpfer, Technical Manager and Shift Leader, Zwenkau
	Andreas Kretschmann,Certified Social Security Professional, Neuenrade
	Dr. Bettina Volkens, former member of the Executive Board of Deutsche Lufthansa AG, Königstein/Taunus

Information on the Vossloh share

ISIN	DE0007667107
Trading locations	Xetra, Düsseldorf, Frankfurt, Berlin, Hamburg, Hanover, Stuttgart, Munich
Number of shares outstanding as of June 30, 2021	17,564,180
Share price (June 30, 2021)	€42.55
High/low price (January to June 2021)	€45.80/€39.35
Reuters code	VOSG.DE
Bloomberg code	VOS:GR

Vossloh Aktiengesellschaft · Vosslohstrasse 4 · 58791 Werdohl, Germany · PO Box 18 60 · 58778 Werdohl, Germany
Phone +49 2392 52-0 · Fax +49 2392 52-219