HALF-YEAR 2021 RESULTS
STADLER RAIL

Peter Spuhler, Executive Chairman and Group CEO a. i., Raphael Widmer, Group CFO
25 August 2021

REPRESENTING STADLER TODAY

Peter Spuhler
Executive Chairman and Group CEO a. i.

Raphael Widmer
Group CFO

AGENDA

1	Highlights half-year 2021	Peter Spuhler, Executive Chairman and Group CEO a. i.
2	Half-year 2021 financial results	Raphael Widmer, Group CFO
3	Summary and outlook	Peter Spuhler, Executive Chairman and Group CEO a. i.
4	Q&A	

HIGHLIGHTS HALF-YEAR 2021

STADLER

HALF-YEAR 2021 KEY FIGURES

Order intake
CHF 3.1bn
+0%[1]

Order backlog
CHF 17.9bn
+11%[2]

Net revenues
CHF 1.4bn
+52%[1]

EBIT margin
3.5%
+3%-pts[1]

Free Cash Flow[3]
CHF -41.1m
+CHF 267.9m[1]

Net profit
CHF 26.3m
+67%[1]

(1) Change year-on-year.
(2) Change in relation to 31 December 2020
(3) Defined as EBITDA – capital expenditure – change in net working capital. EBITDA is calculated as the sum of EBIT and depreciation and amortization.

ORDER INTAKE HIGHLIGHTS HALF-YEAR 2021

RENFE

- **First passenger train order** by the Spanish operator for **59** high-capacity trains
- Valued at c. **1 billion euros**

SBB

- Swiss operator SBB ordered a further **60 KISS trains** from Stadler by exercising an option from an existing framework contract
- Valued at approx. **CHF 1.3bn**

LRVs

- Following an initial order in 2020, HEAG mobilo, Germany, increased its TINA fleet to 25 vehicles by ordering **11 additional TINA** next-generation LRVs

Tailor Made

- **8-year framework agreement** by Ente Autonomo Volturno, Italy, for the production, supply and maintenance of **40 electric 950 mm narrow-gauge trains**. First call-off for **23 trains**

Locomotives

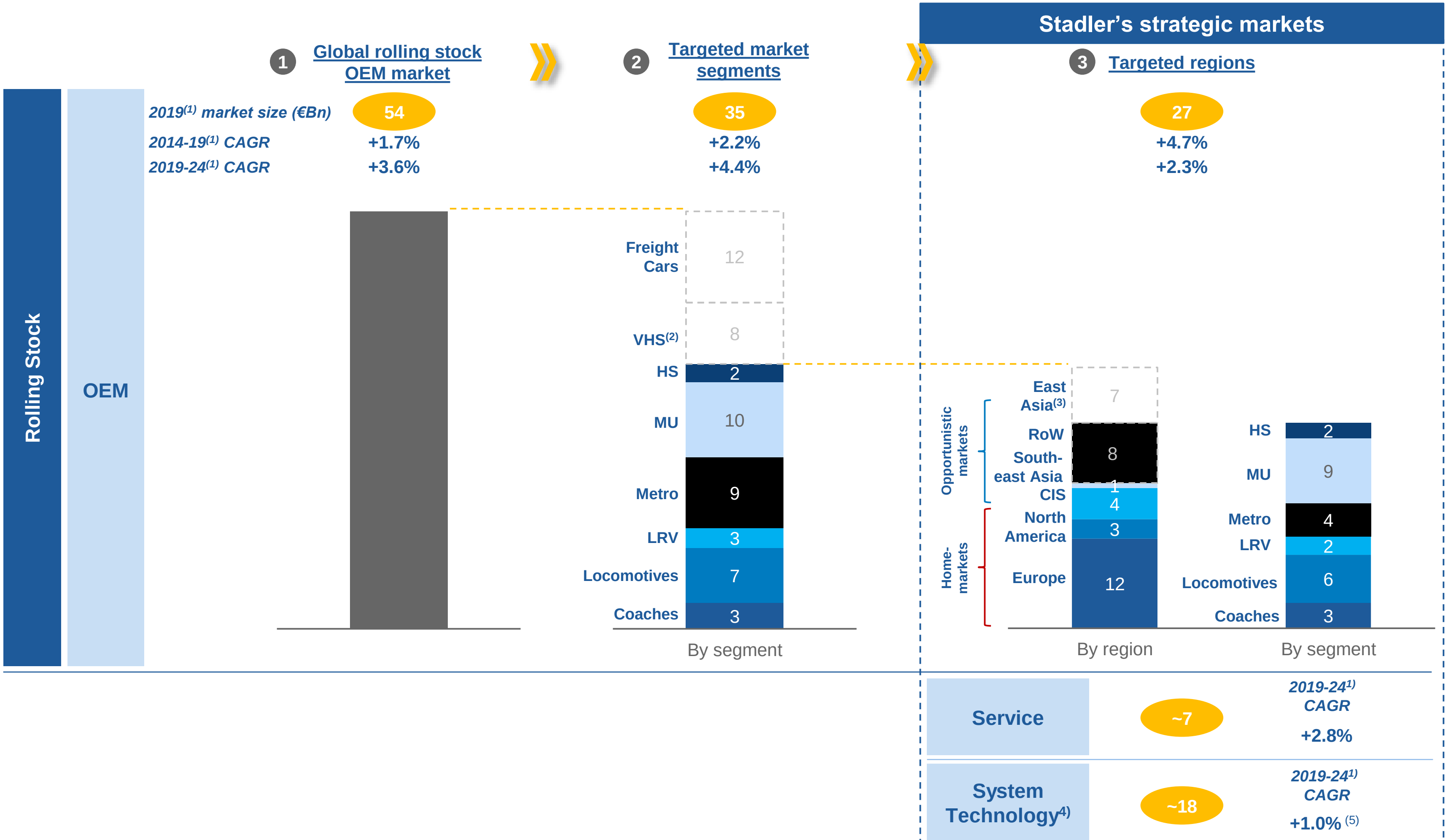
- Framework agreement with British Rail Operations (UK) Limited for up to **30 Class 93 tri-mode** locomotives
- First call-off of **10 locomotives** due for delivery in early 2023

Signalling

- Stadler ETCS system **GUARDIA** in operation on new BLS FLIRT trains in Switzerland and MÁV trains in Hungary
- New KISS trains for SBB to be equipped with **GUARDIA**

MARKET OUTLOOK

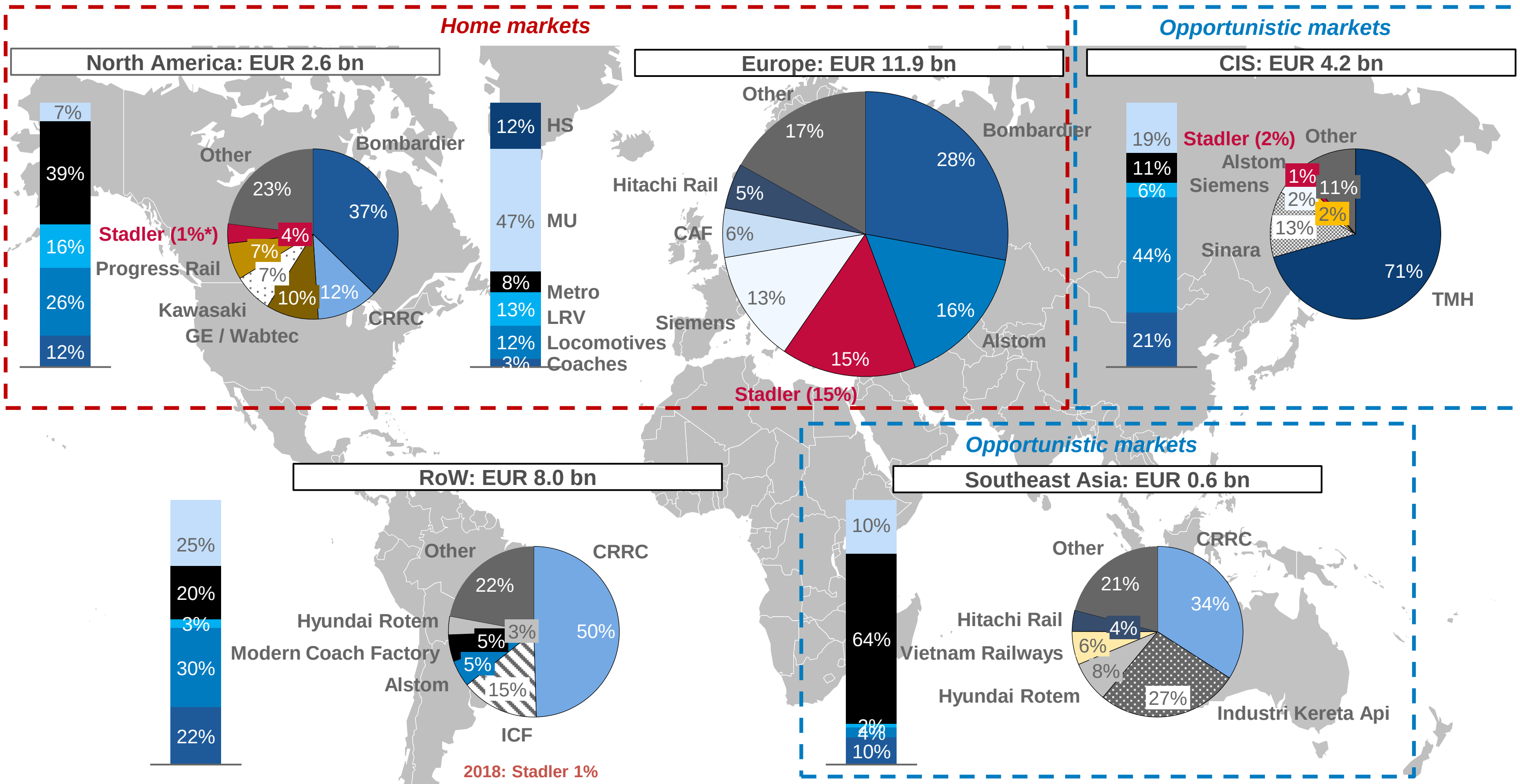
TOTAL OEM AND TARGETED MARKETS 2020 VIEW



Source: SCI (2020).
Market volumes based on € value of equipment and services delivered.
(1) 2019 market size defined as average of 2018-2020, 2014 defined as 2013-2015 average and 2024 defined as 2023-2025 average.
(2) Very High Speed trains (VHS) defined as trains with top speed above 251km/h.
(3) East Asia defined as China + South Korea + Japan. Rest of the World (RoW) includes Asia (excluding East Asia), South and Central America, Middle East and Africa.
(4) System Technology includes Control, Command and Signalling (CCS) and Passenger Information Technology (PIT); excluding East Asia.
(5) Expected CAGR 2019-2024 for western Europe: +2.2%.

COMPETITIVE LANDSCAPE

MARKET SHARE BY REGION



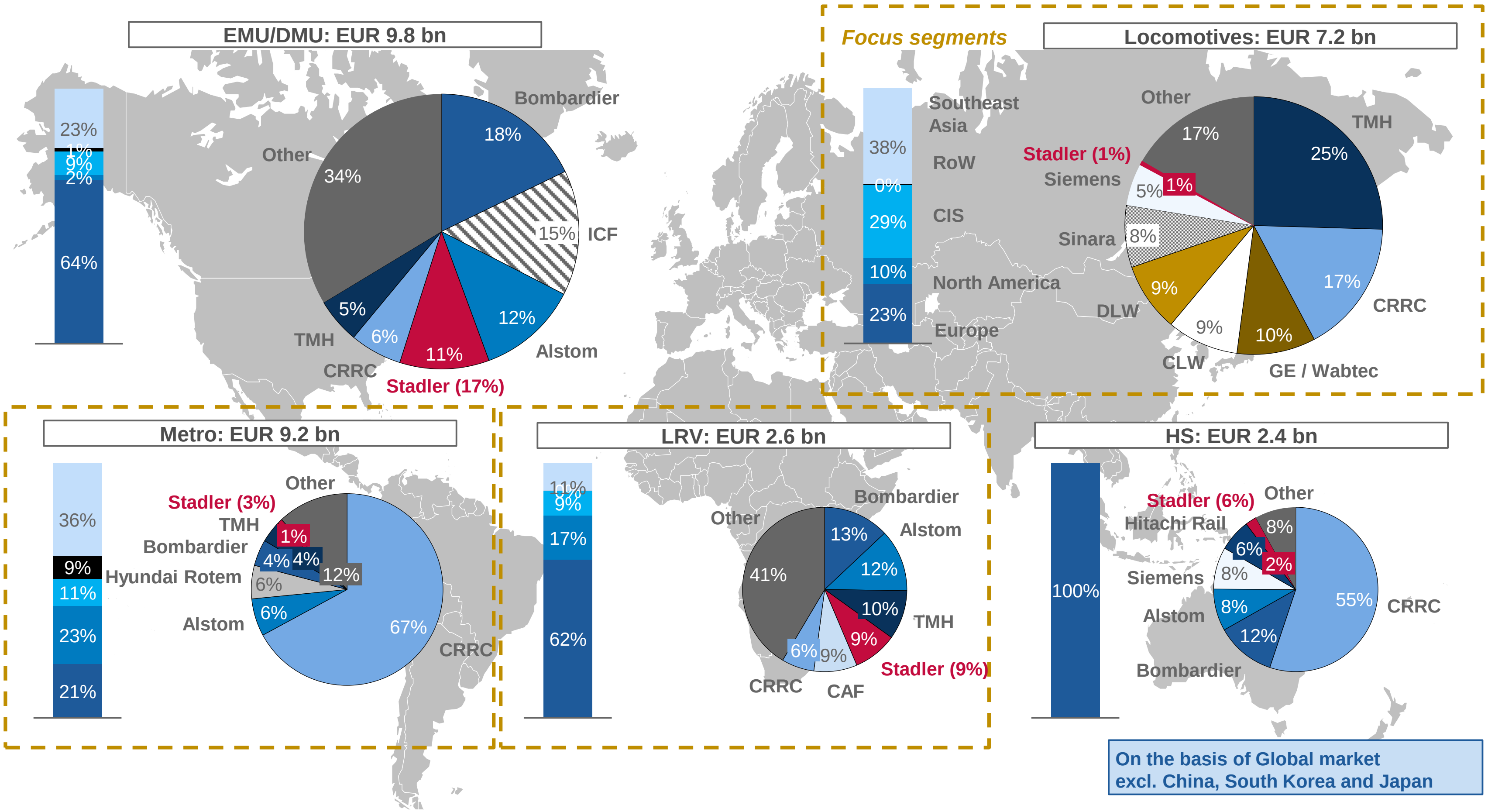
Market leaders: CRRC (31%), Bombardier & ICF (9% each), TMH (8%), Alstom (7%) followed by Siemens and Stadler (4% each).

Stadler is particularly strong in Europe (No. 3).

Source: SCI (2020), SCI marketstudy Worldwide Market for Railway Industries 2020.
Market share based on delivered units in 2019 (average 2018-2020). High Speed (HS) 200 to 250 km/h.
*(2018 values)

COMPETITIVE LANDSCAPE

GLOBAL MARKET SHARE BY SEGMENT

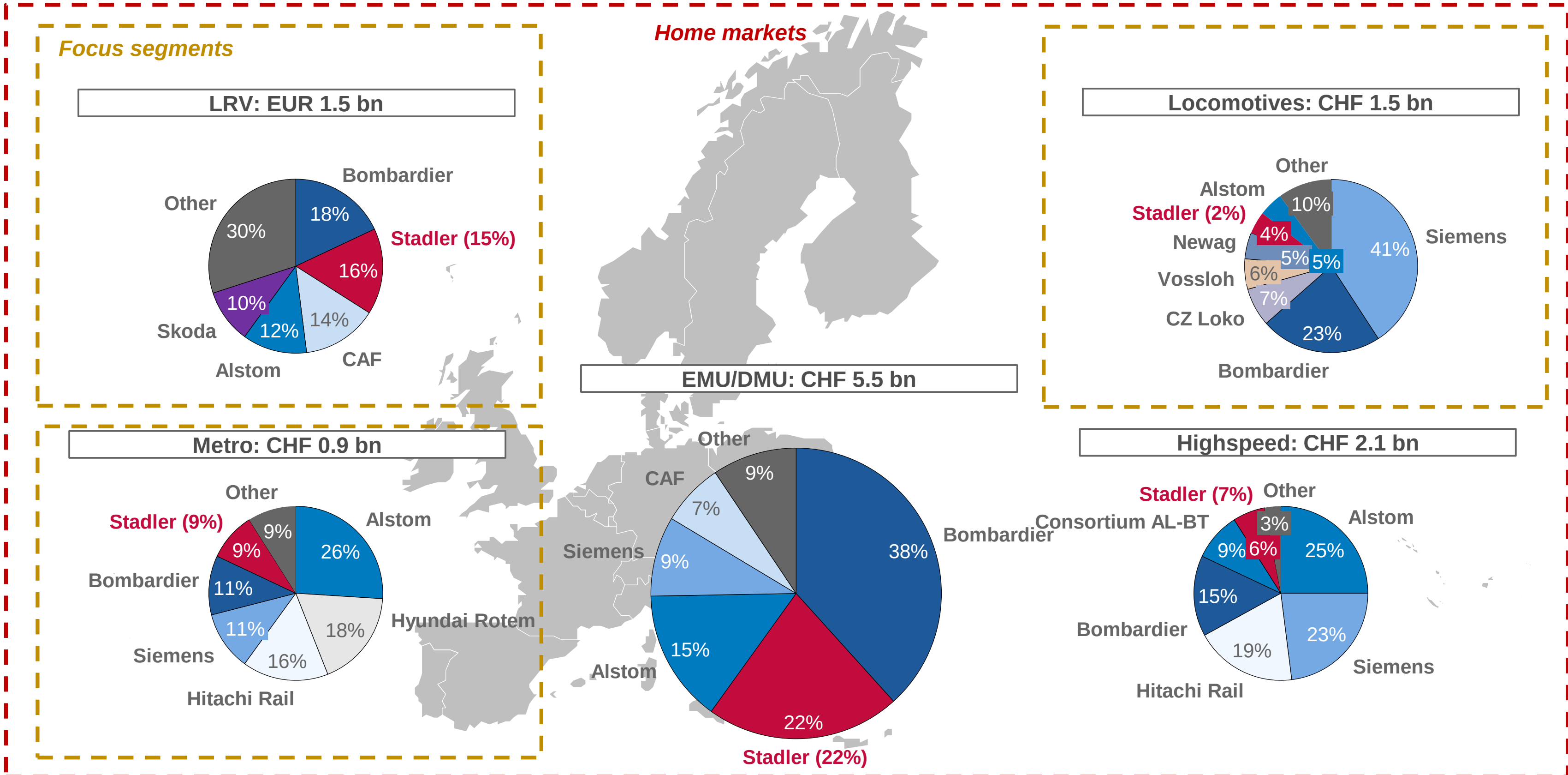


Stadler is strong in EMU/DMU segment.

Global potential in Locomotives, Metro, LRV und High Speed segments.

Source: SCI (2020), SCI marketstudy Worldwide Market for Railway Industries 2020.
Market share based on delivered units in 2019 (average 2018-2020). High Speed (HS) 200 to 250 km/h.
Excluding Coaches .

COMPETITIVE LANDSCAPE
MARKET SHARE EUROPE BY SEGMENT



Stadler improved its position in LRV to No. 2.

Compared to the previous year, Stadler won 2% market share in Locomotives.

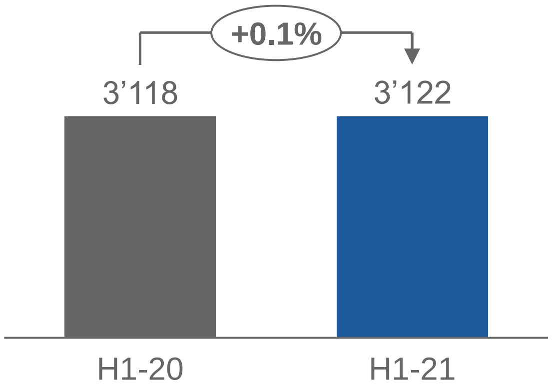
Source: SCI (2020), SCI marketstudy Worldwide Market for Railway Industries 2020.
Market share based on delivered units in 2019 (average 2018-2020). High Speed (HS) 200 to 250 km/h.

HALF-YEAR 2021 FINANCIAL RESULTS

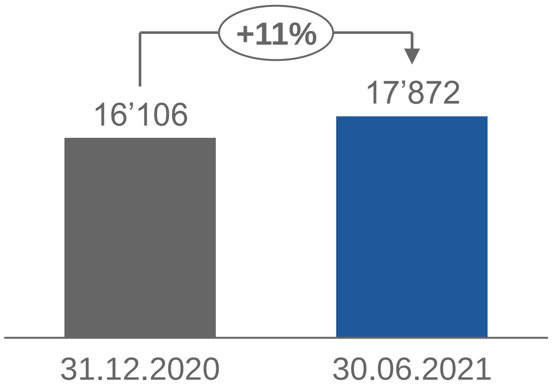
HALF-YEAR RESULTS 2021 SUMMARY

CHFm

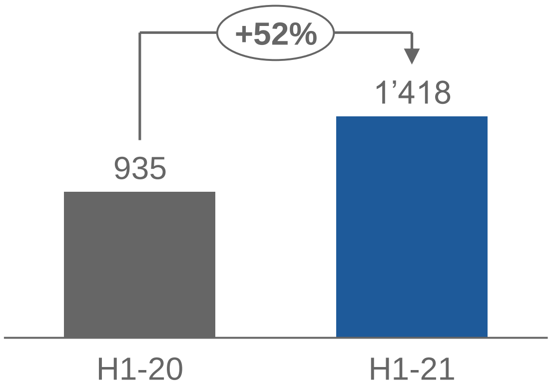
Order intake



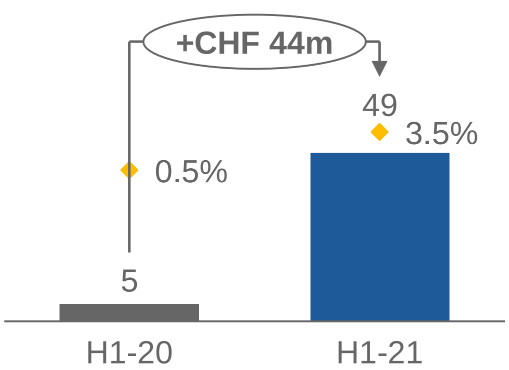
Order backlog



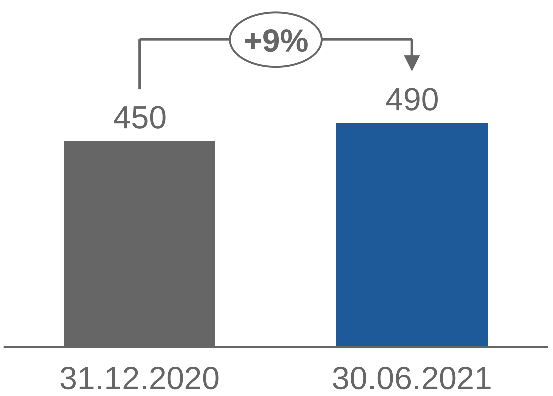
Net revenues



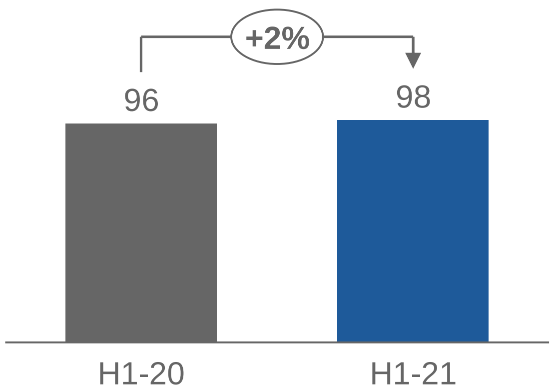
EBIT



Net working capital(1)



Capital expenditure(2)



◆ EBIT as % of net revenues

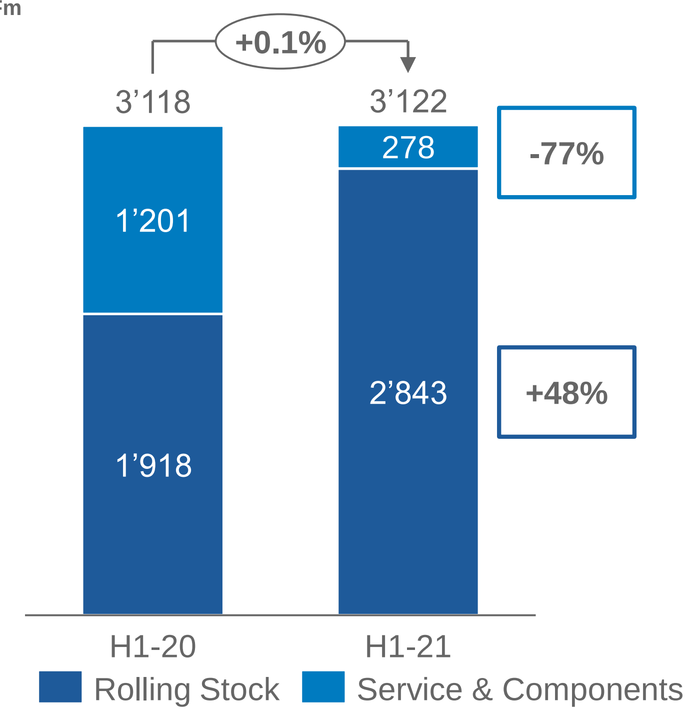
Change year-on-year / vs 31.12.2020

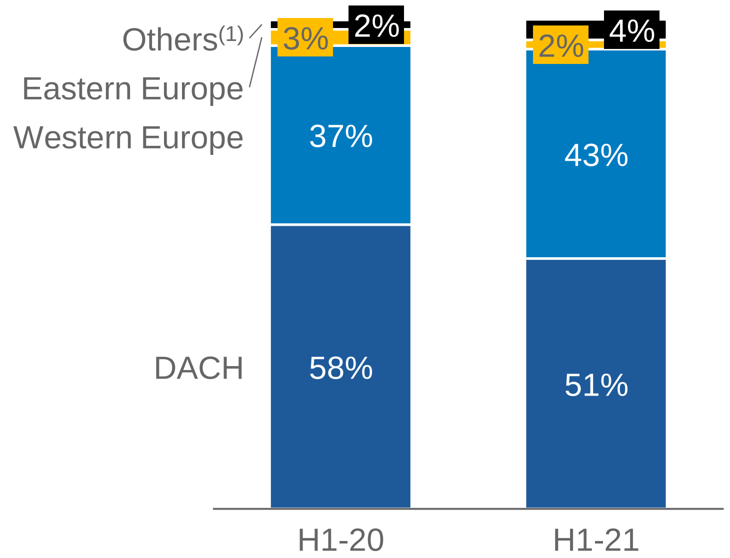
(1) Net working capital is calculated by subtracting the sum of trade payables, liabilities from work in progress and other current liabilities (including other current liabilities, current provisions and deferred income and accrued expenses) from the sum of trade receivables, inventories, work in progress and other current assets (including other current receivables, compensation claims from work in progress and accrued income and deferred expenses).

(2) Capital expenditure is calculated as the sum of investments in tangible and intangible assets.

ORDER INTAKE

CHFm





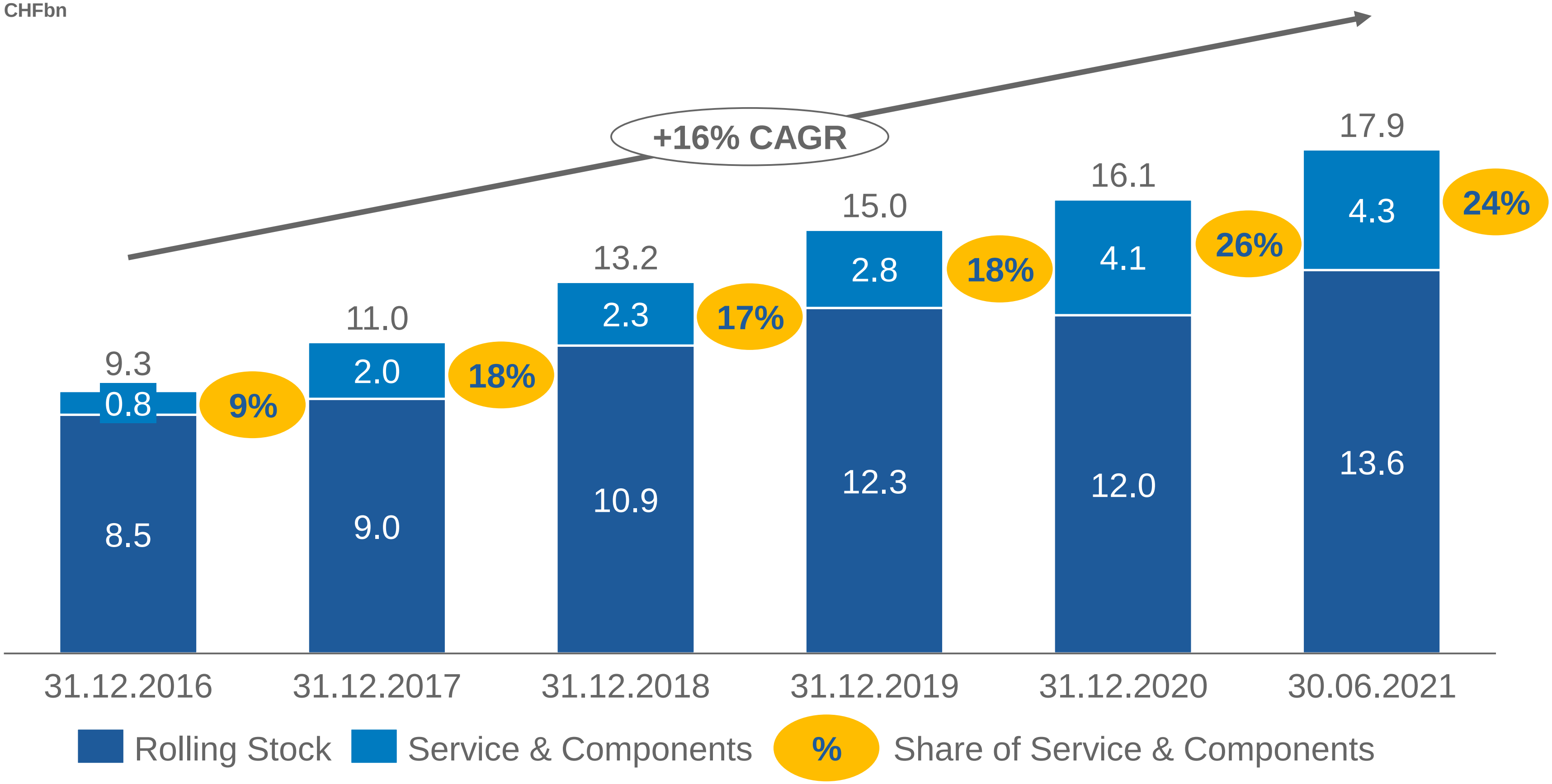
Comments

- Order intake in the Rolling Stock segment up 48% year-on-year. Service & Components order intake down 77% on a high comparison base
- Overall order intake remains at high level driven by home markets (DACH and Western Europe)
- Stadler’s first passenger train order by the Spanish rail operator for 59 KISS double decker trains valued at c. 1 billion euros including spare parts and maintenance for a 15-year period
- Swiss operator SBB ordered a further 60 KISS trains from Stadler by exercising an option from an existing framework contract. The call-off is valued at approx. CHF 1.3bn

(1) Others: Americas, CIS, and rest of the world.

ORDER BACKLOG BY REPORTING SEGMENT

CHFbn

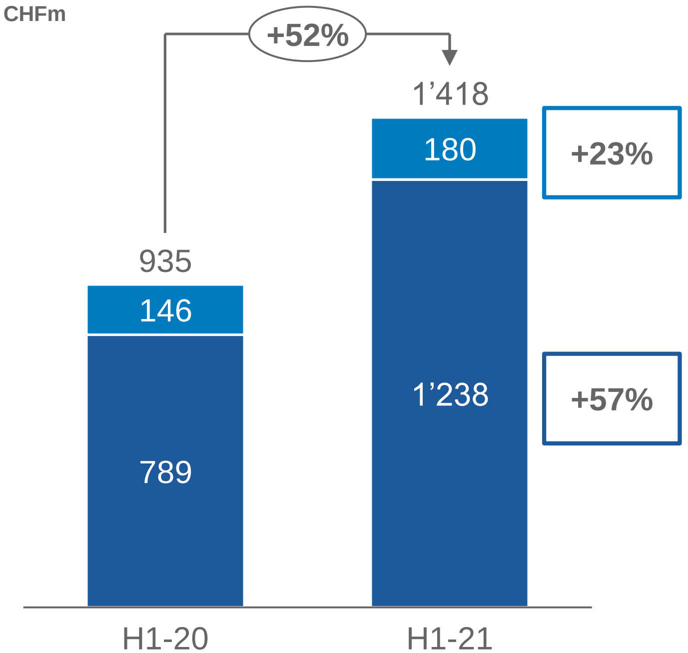


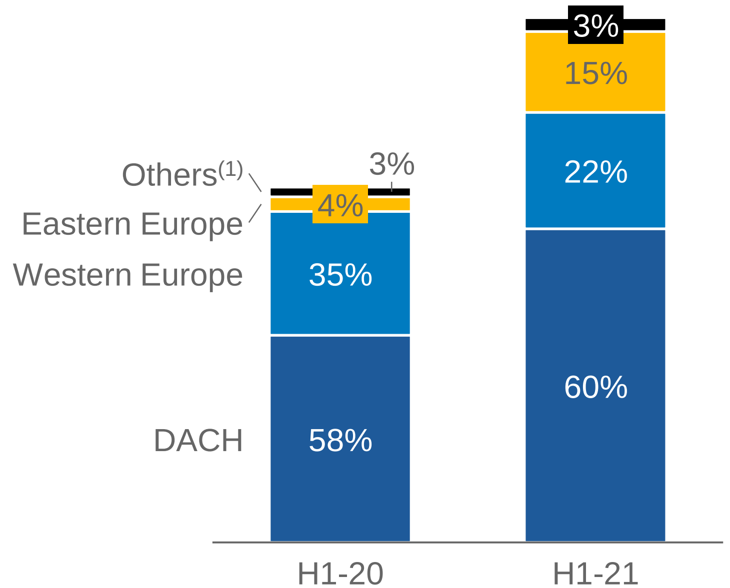
Comments

- Order backlog of 17.9bn with a growing Service & Components share providing long-term visibility
- Recent growth investments secure sufficient production capacity for order backlog execution and a comfortable level of capacity utilization for the coming 2 to 3 years

NET REVENUES

CHFm





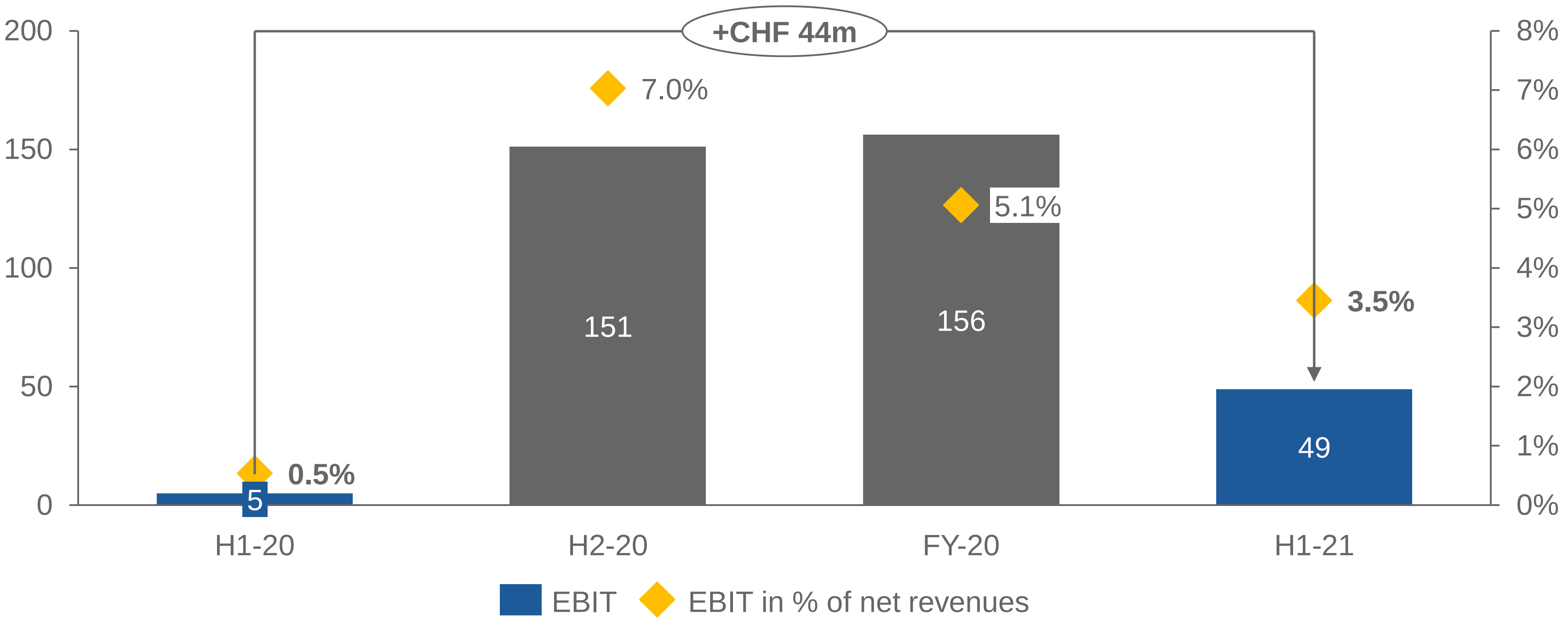
Comments

- Catch-up of COVID-related delays drives strong recovery in Rolling Stock revenues of 57% year-on-year
- Continuous recovery of the Service & Components business while utilization and mileage of trains in operation still remain below pre-COVID levels
- Regional revenue mix weighted towards the DACH region while absolute levels remain comparable in Western Europe. Solid growth in Eastern Europe.

(1) Others: Americas, CIS, and rest of the world.

EBIT

CHFm



Comments

– Significant step-up of EBIT-margin as a result of higher volumes with catch-up of delayed vehicle homologations and deliveries, counter measures to COVID-impacts, and operational improvements

– Margin of the Service & Components business remains subdued as utilization and mileage of trains in operation are still below pre-COVID levels

NET INCOME

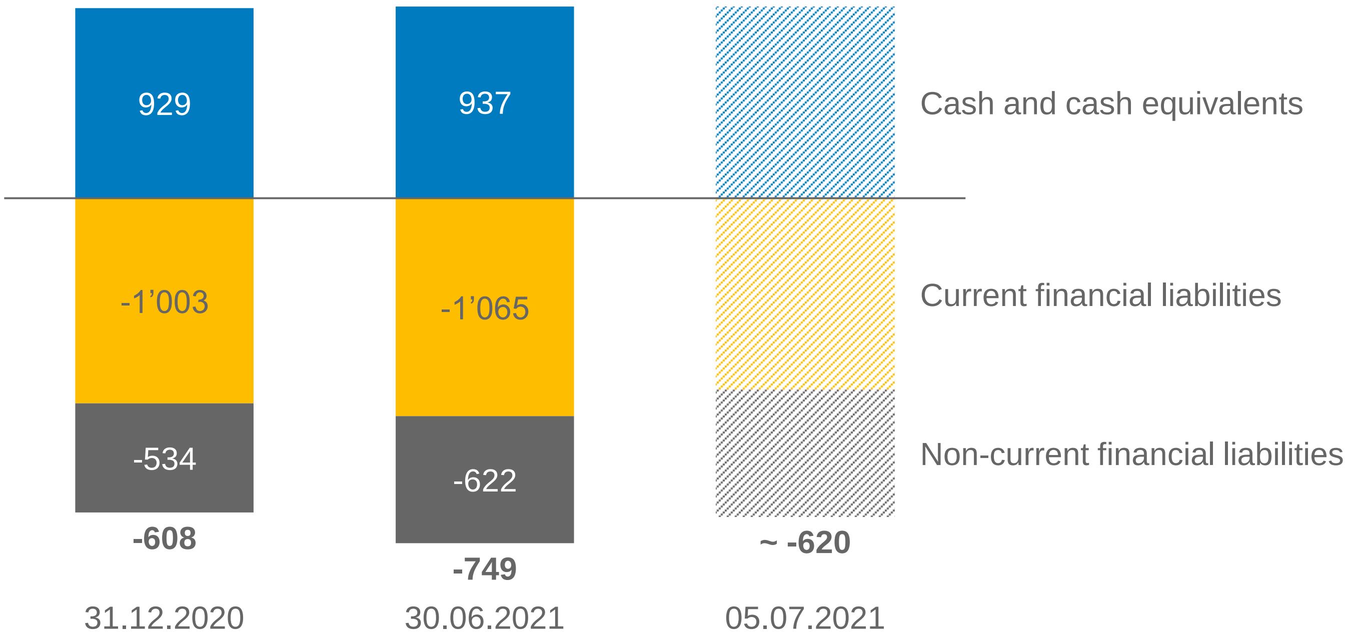
CHFm	H1-20	H1-21	Change YOY
Earnings before interest and taxes (EBIT)	5.0	48.9	870%
Financial result	17.7	(25.9)	
Share of results from associates	0.6	2.6	
Ordinary result	23.4	25.6	9.5%
Non-operating result	(0.8)	(0.3)	
Profit before income taxes	22.6	25.3	12.1%
Income taxes	(6.9)	1.0	
Profit for the period	**15.7**	**26.3**	**67.3%**
thereof attributable to			
- Shareholders of Stadler Rail AG	15.4	26.1	
- Non-controlling interests	0.3	0.2	

Comments

- Net income increased compared to the previous year driven by strong EBIT improvement
- Result below EBIT line mainly impacted by unfavourable currency exchange rate effects on balance sheet, bank guarantee costs, and positive tax effects

NET CASH POSITION

CHFm

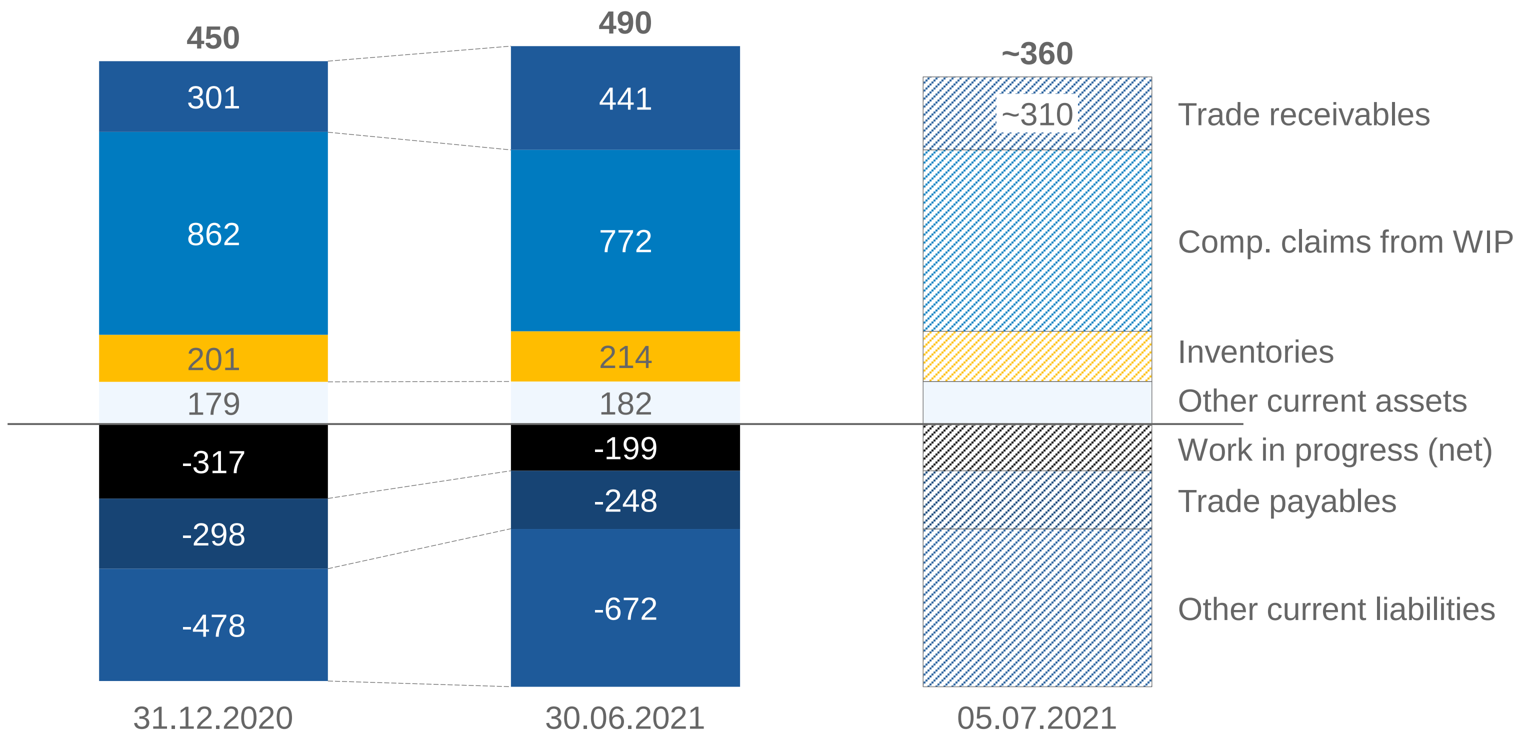


Comments

- Net cash position as at 30 June 2021 does not include ~CHF130m milestone payment received from MÁV-START in early July 2021
- Ramp-up of production and work in progress
- Ongoing growth investments as Stadler is about to conclude capacity additions
- Current financial liabilities mainly relate to project financing facilities and operating loans

NET WORKING CAPITAL

Net working capital[1] (CHFm)



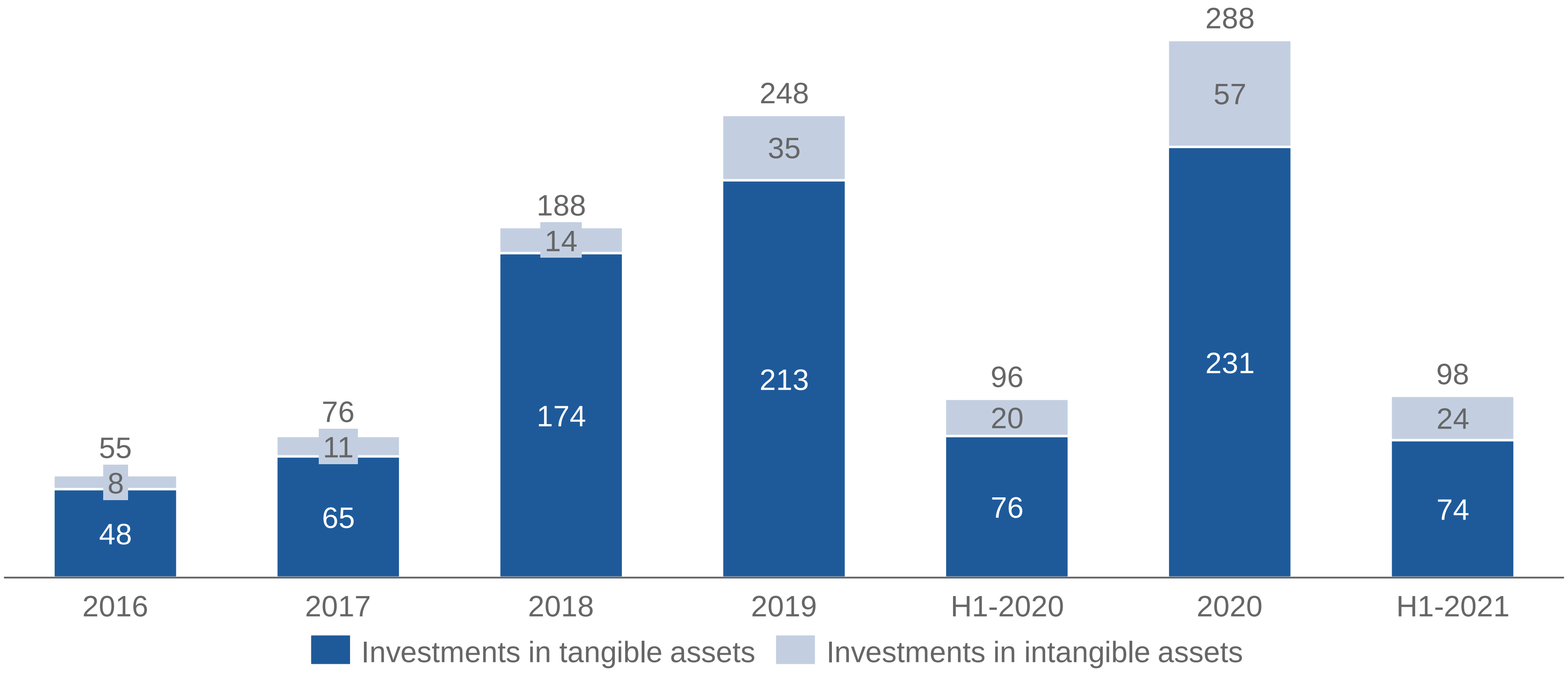
Comments

- MÁV-START payment of ~CHF130m is included in NWC (trade receivables) as at 30 June 2021. Cash payment was received in early July 2021 and has reduced NWC accordingly
- Compensation claims from work in progress reduced by CHF90m
- Ramp-up of certain projects led to a growing net work in progress position
- Change in other current liabilities mainly driven by outstanding invoices within deferred income / accrued expenses

(1) Net working capital is calculated by subtracting the sum of trade payables, liabilities from work in progress and other current liabilities (including other current liabilities, current provisions and deferred income and accrued expenses) from the sum of trade receivables, inventories, work in progress and other current assets (including other current receivables, compensation claims from work in progress and accrued income and deferred expenses).

CAPITAL EXPENDITURE

CHFm



Comments

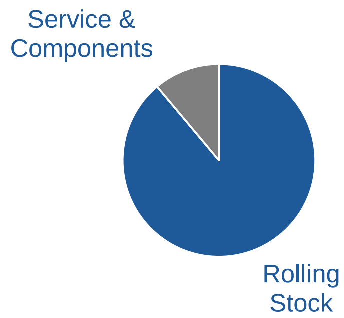
- Full-year Capex of approx. CHF 200m expected as capacity investment levels begin to stabilise
- Ongoing growth investments in Berlin, Germany, (related to the Metro Berlin order) and Valencia, Spain, (additional capacity for RENFE order)
- Investments in intangible assets mainly relate to development of new high-speed SMILE vehicle concept, new products in locomotives and signalling

OUTLOOK: CLEAR STRATEGY FOR BRINGING STADLER TO THE NEXT LEVEL

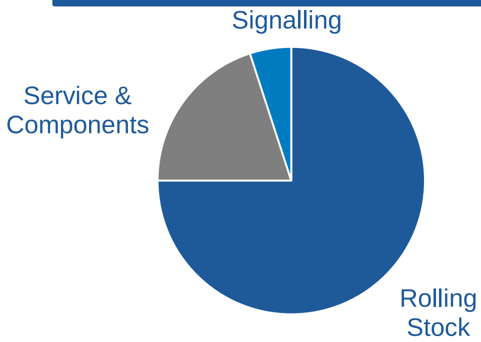
STADLER

WE HAVE A CLEAR STRATEGY FOR BRINGING STADLER TO THE NEXT LEVEL

Stadler sales 2018



Stadler strategy 2023



Strategic focus

Rolling Stock

- Market segments unchanged
- Deliver on backlog and establish next sales level
- Growth through new product pipeline

Service & Components

- Growing accessible market and installed base
- New service solutions
- Capture opportunities from signalling
- Potential selective acquisitions

Signalling

- Establish own signalling solutions
- AngelStar JV with Mermec
- Potential opportunistic acquisitions

Regions

- Europe
- North America
- CIS
- New markets

Note: Sizes of pie charts are illustrative only.

FY 2021 FINANCIAL GUIDANCE CONFIRMED

Order intake	– **Between CHF 4.0bn and 5.0bn**
Net revenues	– **Between CHF 3.5bn and 3.8bn**
EBIT-margin	– **Above 6 %**
Capex / FCF	– **Capex of around CHF 200m** – **Positive Free Cash Flow**
Dividend	– **Payout ratio of c. 60% of net income**

Our 2021 financial guidance is based on the assumption that the effects of the COVID-19 pandemic will soon normalise and at constant currency exchange rates.

MID-TERM FINANCIAL GUIDANCE CONFIRMED

EBIT-margin	– **8 to 9% from 2023 onwards**
Dividend	– **Payout ratio of c. 60% of net income**

Our mid-term financial guidance is based on the assumption that the effects of the COVID-19 pandemic will soon normalise and at constant currency exchange rates.

THANK YOU FOR YOUR ATTENTION

STADLER

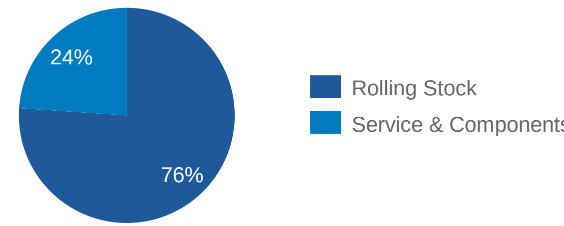
COMPREHENSIVE PORTFOLIO

Market segments and vehicle families

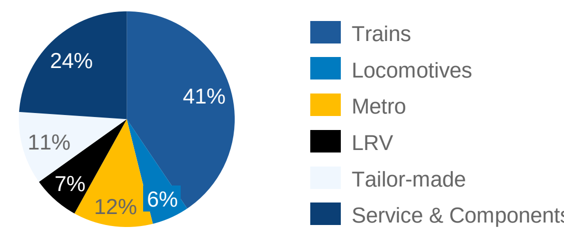
Type	Market segment	Vehicle families			
Trains	Very High Speed	*Not a strategic focus*			
Trains	High Speed				Services & Systems
Trains	Intercity				Services & Systems
Trains	Regional / Suburban			Tailor-made	Services & Systems
Trains	Coaches			Tailor-made	Services & Systems
Loco-motives	Main-line locomotives			Tailor-made	Services & Systems
Loco-motives	Shunting locomotives			Tailor-made	Services & Systems
Metro	Metro			Tailor-made	Services & Systems
LRV	Tram / Tram Train				Services & Systems

Order backlog contributions 30 June 2021

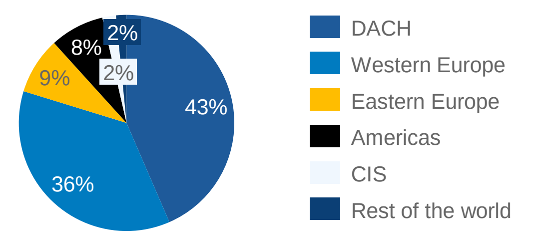
Reporting segment



Market segment



Regional markets



REPORTING SEGMENTS

Rolling Stock

CHFm	H1-20	H1-21	Change
Order intake	1’918	2’843	48%
Order backlog[1]	11’996	13’595	13%
Net revenues (third party)	789	1’238	57%
Additions to fixed assets	58	39	-33%
Total staff as FTEs[2]	9’066	9’434	4%

Service & Components

CHFm	H1-20	H1-21	Change
Order intake	1’201	278	-77%
Order backlog[1]	4’110	4’277	4%
Net revenues (third party)	146	180	23%
Additions to fixed assets	18	11	-40%
Total staff as FTEs[2]	2’910	3’229	11%

(1) as at 30 June 2021 resp. 31 December 2020
(2) average FTEs 1 January to 31 December

INFORMATION

Share information

Listing:	SIX Swiss Exchange
Currency:	CHF
Ticker symbol:	SRAIL
ISIN:	CH0002178181
Listing date:	12 April 2019

Financial calendar

15 March 2022:	Publication of 2021 Annual Report
05 May 2022:	Annual General Meeting

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There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward- looking information and statements made in this Presentation, which, in turn, could affect our ability to achieve our stated targets. The important factors that could cause such differences include: changes in the markets the Group serves, including as a result of changes in the global demand for transportation and demographic changes; the Group's ability to successfully develop, launch and market new products and services; the Group's ability to retain existing customers and/or secure new customers; the Group's ability to compete with existing and new competitors; the Group's ability to maintain the high quality, reliability, performance and timely delivery of its products and services; the impact of fluctuations in foreign exchange rates; and such other factors as may be discussed from time to time. Although we believe that our expectations reflected in any such forward-looking statement are based upon reasonable assumptions, we can give no assurance that those expectations will be achieved.

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