



HALF-YEAR 2022 RESULTS

STADLER RAIL

Peter Spuhler, Executive Chairman and Group CEO a. i., Raphael Widmer, Group CFO
31 August 2022

STADLER

REPRESENTING STADLER TODAY



Peter Spuhler
Executive Chairman and Group CEO a. i.



Raphael Widmer
Group CFO

AGENDA

- 1** Highlights half-year 2022 **Peter Spuhler, Executive Chairman and Group CEO a. i.**
- 2** Half-year 2022 financial results **Raphael Widmer, Group CFO**
- 3** Summary and outlook **Peter Spuhler, Executive Chairman and Group CEO a. i.**
- 4** Q&A

SUCCESSION OF THE GROUP CEO

MARKUS BERNSTEINER NEW GROUP CEO AS OF 1.1.2023



- Current Deputy Group CEO and Executive Vice President Division Switzerland, CEO of manufacturing sites in Bussnang and St. Margrethen
- With Stadler since 1999
- Has successfully held numerous management positions
 - Management of several production sites
 - Establishing and managing the Components Division among others
- Trained machine mechanic, operating technician (HF), completed further studies in business administration (KMU-HSG and AMP-HSG) and completed the Executive MBA at the University of St. Gallen (HSG).



HIGHLIGHTS HALF-YEAR 2022

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HALF-YEAR 2022 HIGHLIGHTS

STRONG OPERATIONAL PERFORMANCE DESPITE CHALLENGING ENVIRONMENT

- ✓ Superior value proposition confirmed by customers with a strong order intake of CHF 6.0bn at a book-to-bill ratio of over 4x, driven by large orders for ÖBB, SBB, and VDV
- ✓ Order backlog increases by 22% to CHF 21.7 billion
- ✓ Improved EBIT margin of 4.5% (H1 2021: 3.5%) – excluding currency effect, EBIT margin would have been at 6.5%
- ✓ Unique operational flexibility allowed to efficiently mitigate supply chain disruptions
- ✓ No delays in deliveries despite challenging supply chain situation. Net revenue up 4% year-on-year
- ✓ Currency effects, inflation with rising prices for salaries and materials, disruptions in the supply chain and geopolitical situation impact first half of the year

Order intake
CHF 6.0bn
+91%⁽¹⁾

Order backlog
CHF 21.7bn
+22%⁽²⁾

Net revenues
CHF 1.5bn
+4%⁽¹⁾

EBIT margin
4.5%
+1pp⁽¹⁾

(1) Change year-on-year. (2) Change in relation to 31 December 2021.

INNOVATION THE DRIVER OF PROFITABILITY



ORDER INTAKE HIGHLIGHTS H1 2022

FLIRT



- SBB framework contract for up to **510 FLIRT** trains, initial firm call-off for **286 trains**
- Firm call-off valued at c. **CHF 2.0bn**

SMILE



- SBB orders **seven** more Giruno (SMILE) from an existing framework contract
- Additional firm call-off valued at around **CHF 250m**

KISS



- 41 KISS ÖBB, framework, call-off 41 trains
- Firm call-off valued at c. **EUR 600m**

Locomotives



- Framework agreement with British Rail Operations (UK) Limited for up to **30 locomotives**
- Further **10 EURO9000** from framework agreement with ELP ordered

LRV



- Further TINA contracts for **Rostock** and **Halle**
- VDV, firm call-off for **246 CITYLINK** including service valued at c. **EUR 1.7bn**

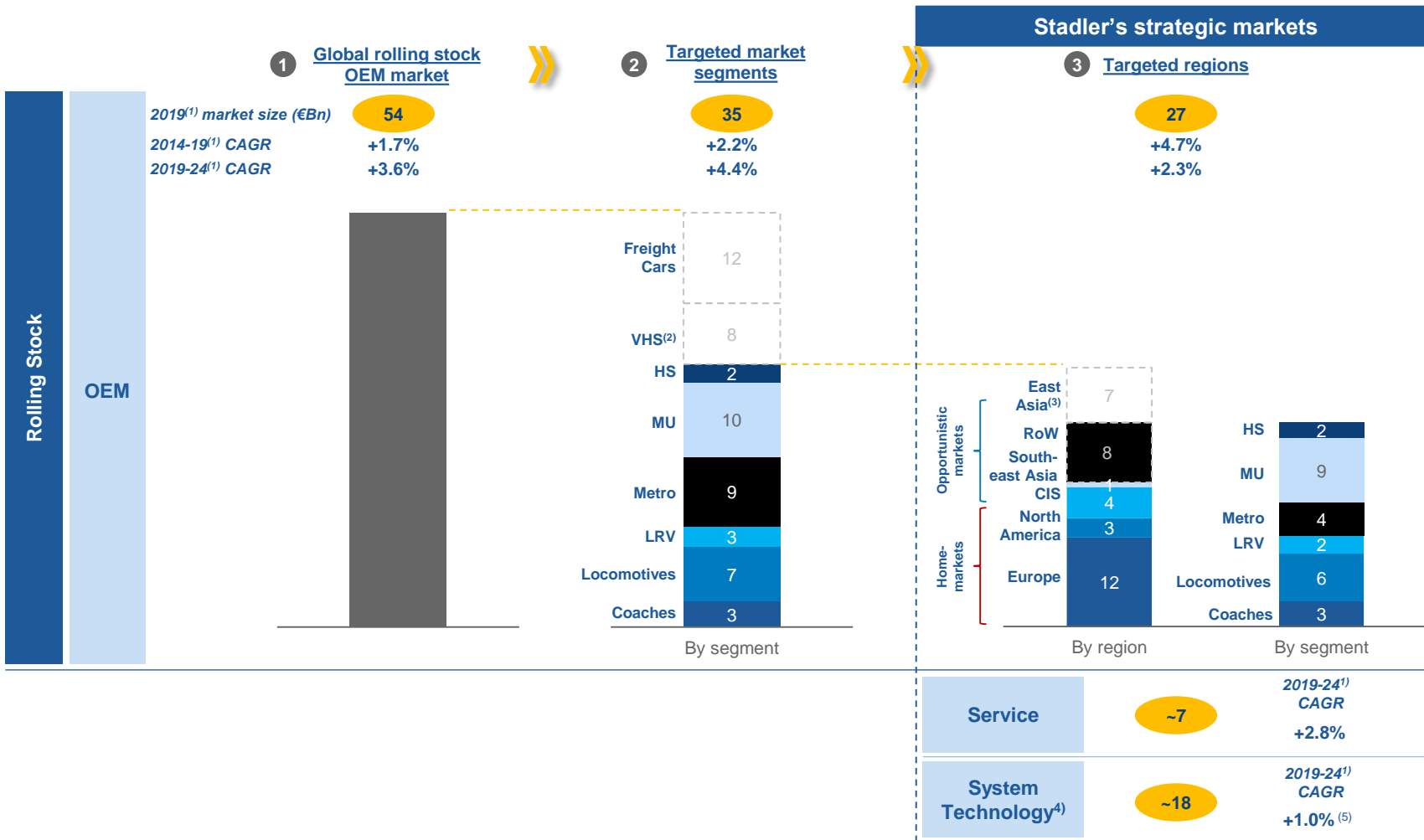
Signalling



- ETCS solution **GUARDIA** to be integrated in large VDV, SBB and ÖBB orders

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.

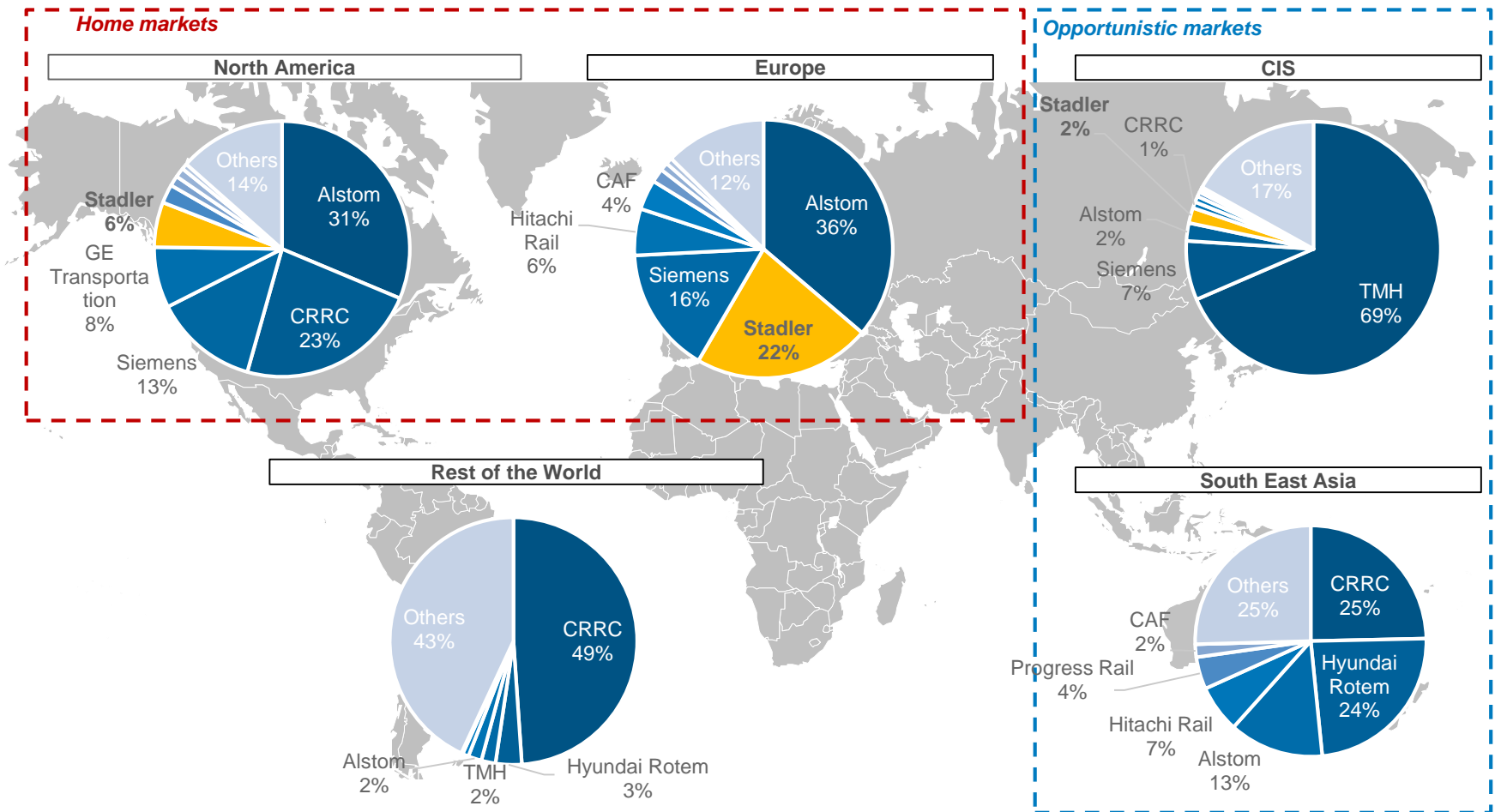
(3) East Asia defined as China + South Korea + Japan. Rest of the World (RoW) includes Asia (excluding East Asia), South and Central America, Middle East and Africa.

(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



Focus segments are MUs, LRVs and Locos.

We aim to win market share by high-end green tech solutions (Battery & H2), the new TINA-Platform and a broad locomotive portfolio

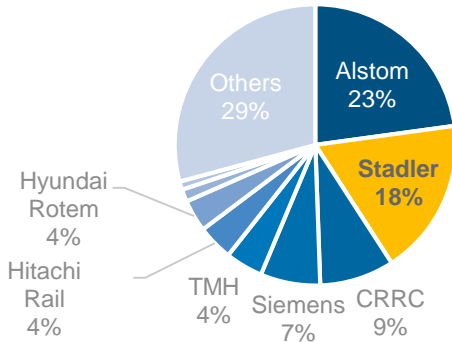
Source: SCI (2022), Market shares based on Units delivered 2020-2022.

COMPETITIVE LANDSCAPE

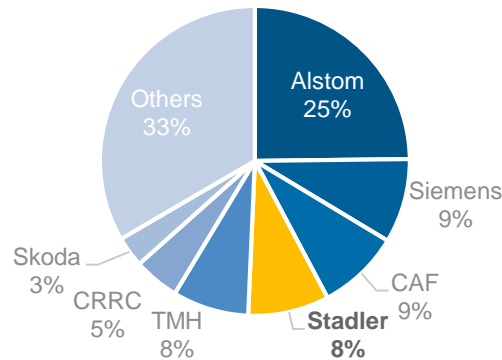
GLOBAL MARKET SHARE BY SEGMENT

Focus segments

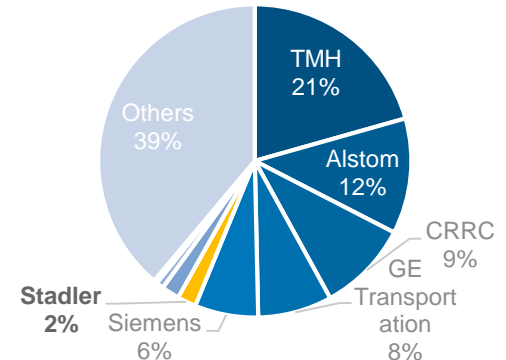
Multiple Units



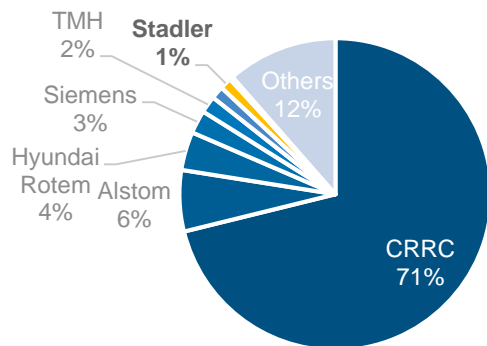
LRV



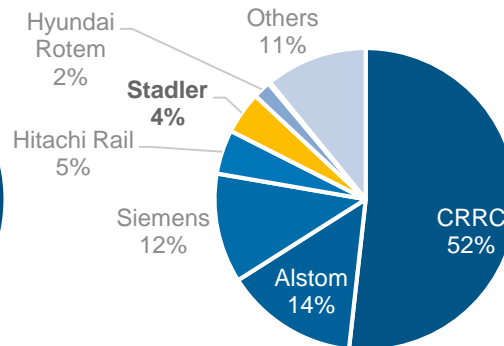
Locomotives



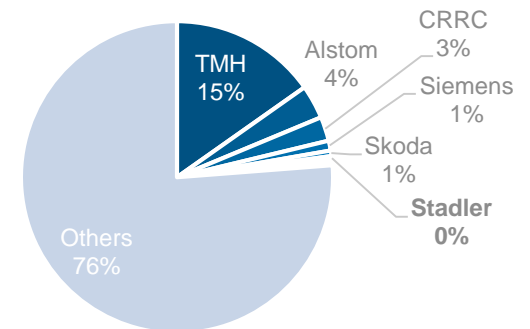
Metro



High Speed



Passenger Coaches



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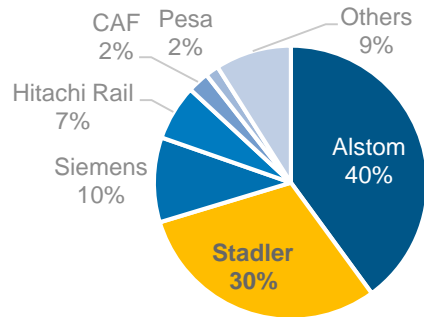
COMPETITIVE LANDSCAPE

EUROPEAN MARKET SHARE BY SEGMENT

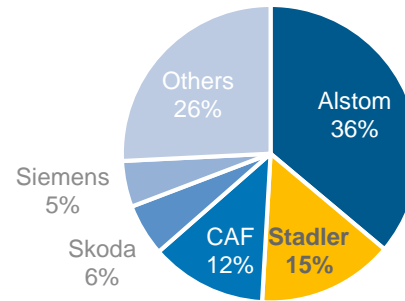
Home markets

Focus segments

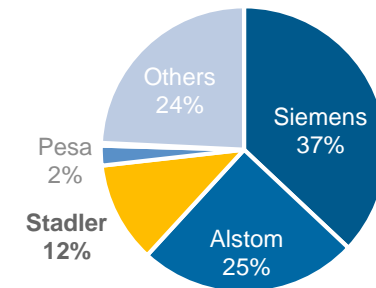
Multiple Units



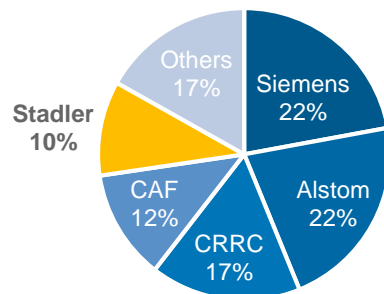
LRV



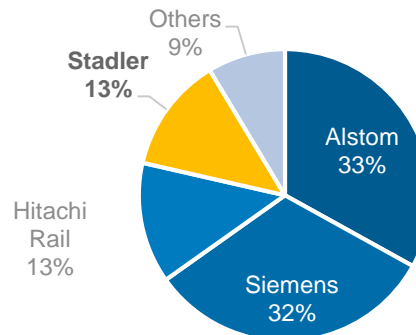
Locomotives



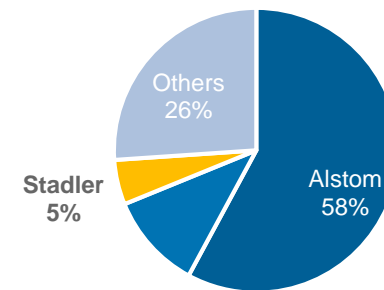
Metro



High Speed



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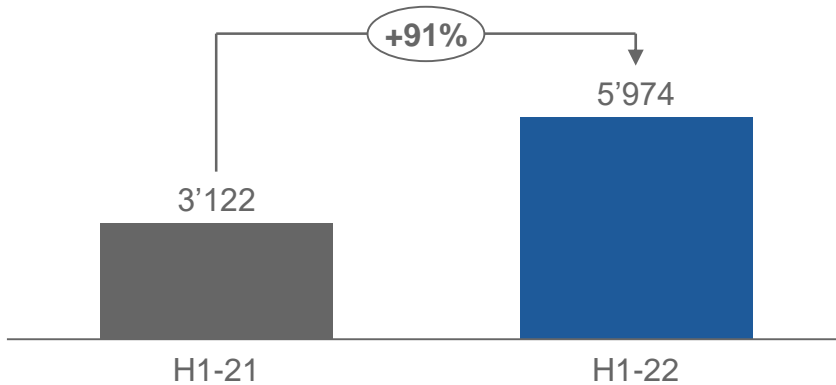
HALF-YEAR 2022 FINANCIAL RESULTS

STADLER

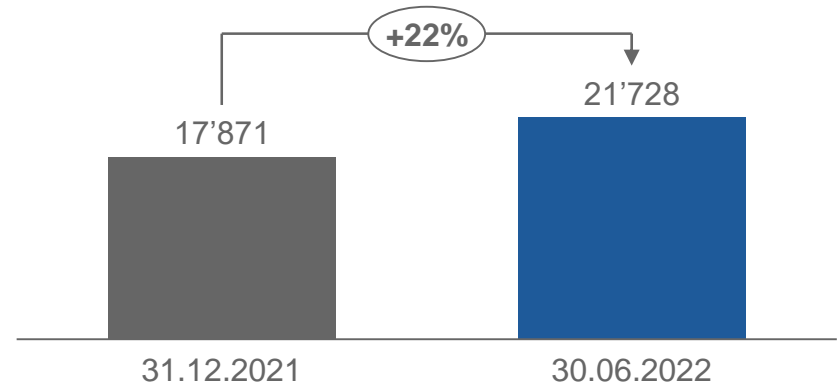
HALF-YEAR RESULTS 2022 SUMMARY I

CHFm

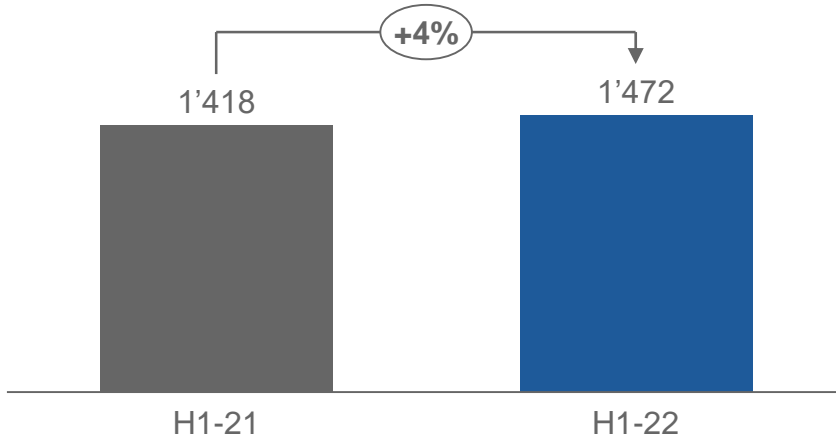
Order intake



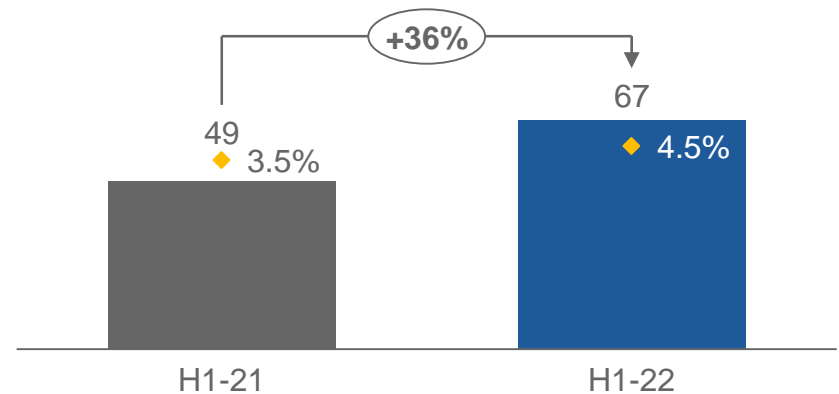
Order backlog



Net revenues



EBIT



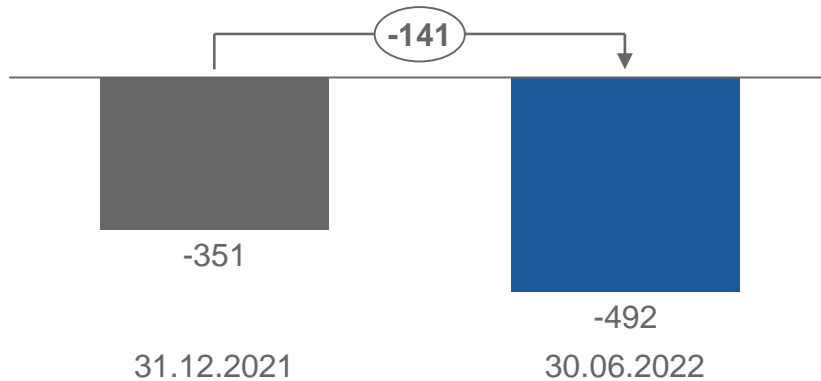
◆ EBIT as % of net revenues

○ Change year-on-year

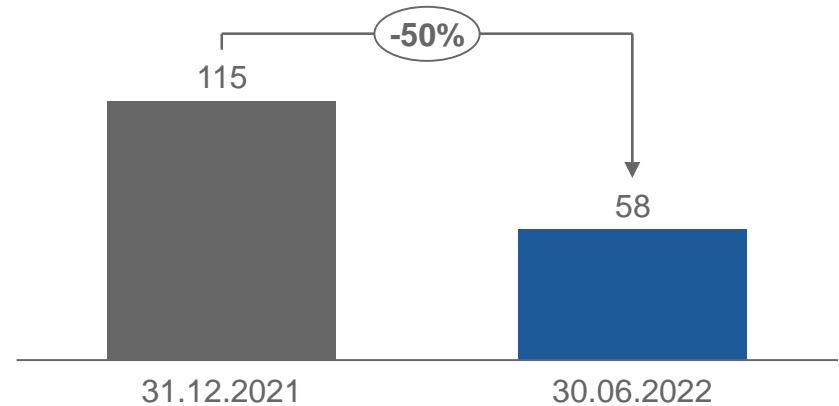
HALF-YEAR RESULTS 2022 SUMMARY II

CHFm

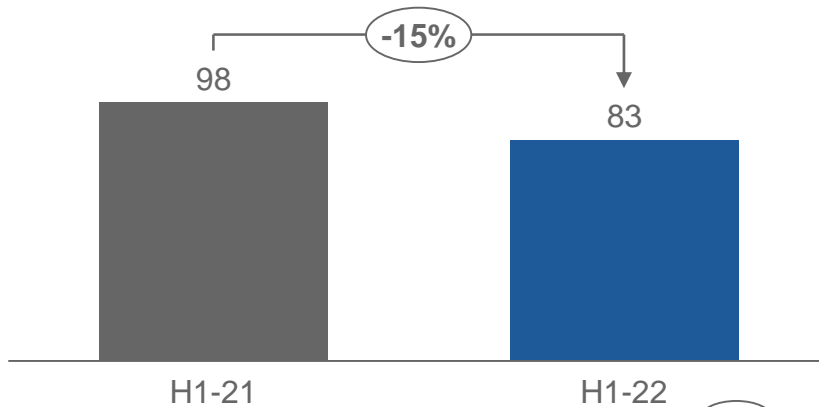
Net cash⁽¹⁾



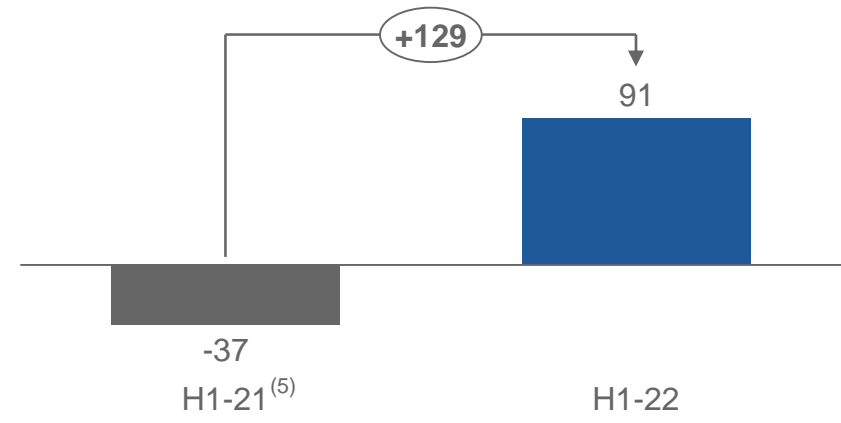
Net working capital⁽²⁾



Capex⁽³⁾



Free cash flow⁽⁴⁾

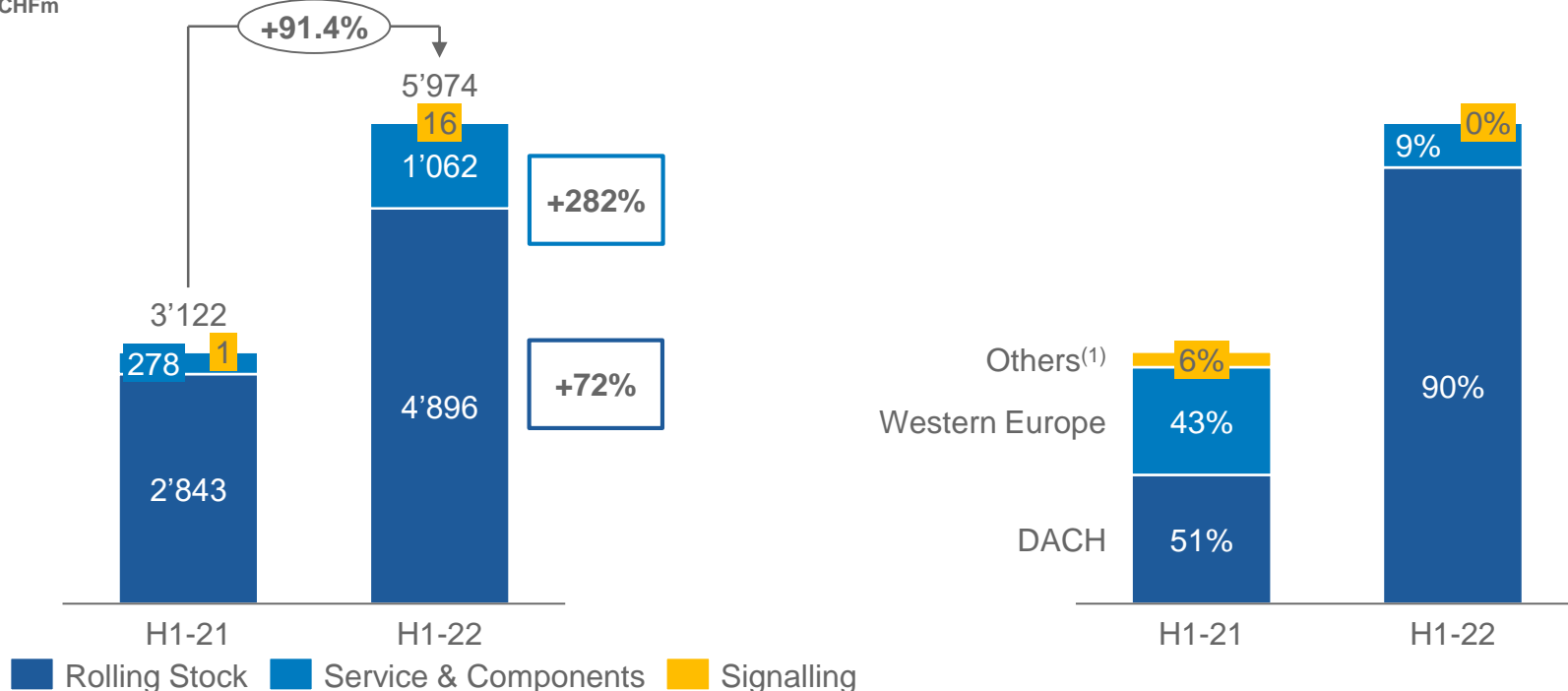


○ Change year-on-year

Notes: (1) Net cash is calculated as cash and cash equivalents less current and non-current financial liabilities. (2) 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). (3) Capital expenditure is calculated as the sum of investments in tangible and intangible assets. (4) Free cash flow is calculated as EBITDA less capital expenditure less change in net working capital. EBITDA is calculated as the sum of EBIT and depreciation and amortisation. (5) The previous year's figures were restated in connection with the change in accounting principles described Note 2 of the Half-year report 2022

ORDER INTAKE

CHFm



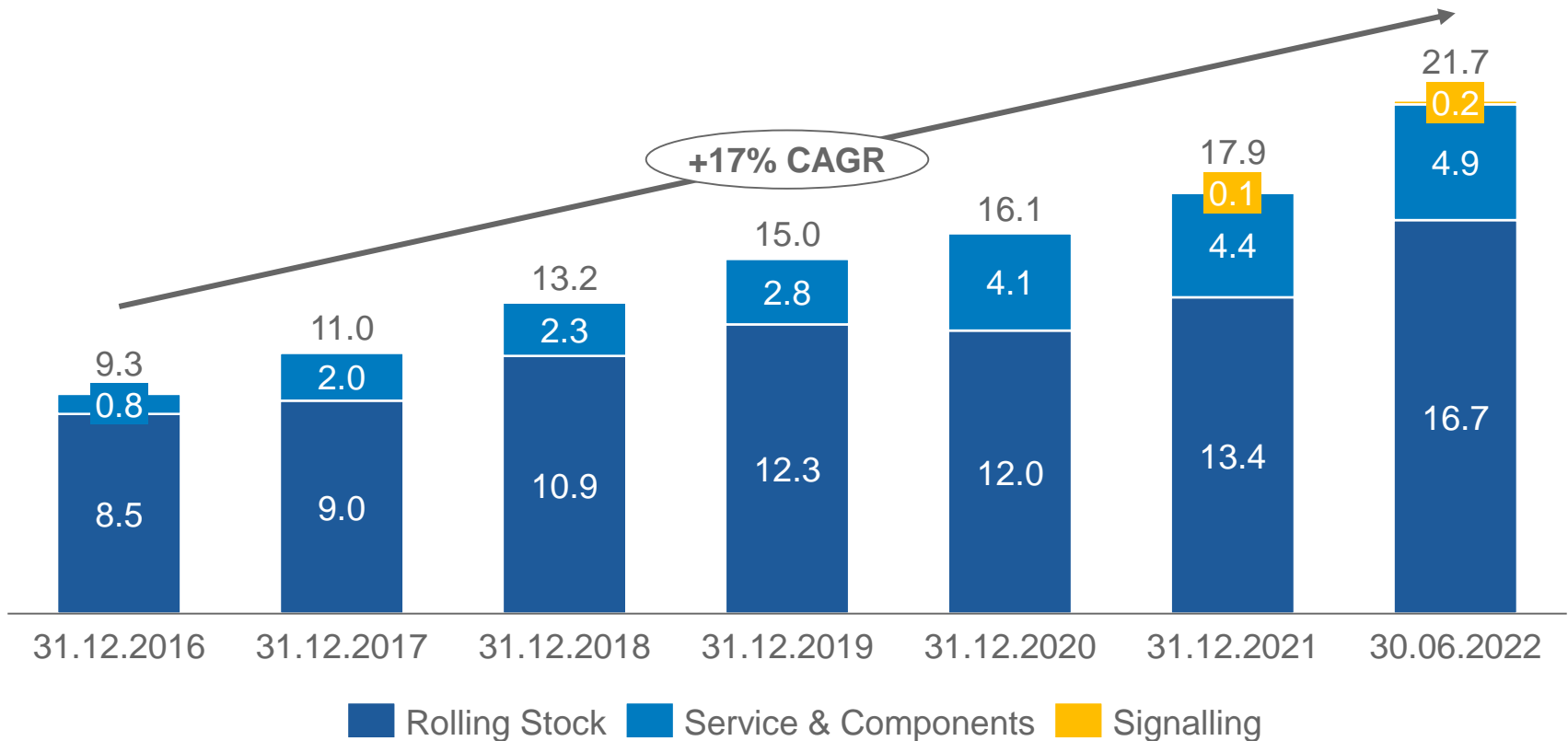
Comments

- Order intake in the **Rolling Stock** reporting segment amounted to CHF 4.9 billion in the first half of 2022, which is 72 percent higher than in the same period of the previous year
- Order intake in the **Service & Components** segment in the first half of 2022 stood at CHF 1.1 billion, which was significantly higher than in the same period of the previous year (H1 2021: CHF 278.4 million)
- Overall order intake growth mainly driven by the DACH region

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

ORDER BACKLOG BY REPORTING SEGMENT

CHFbn

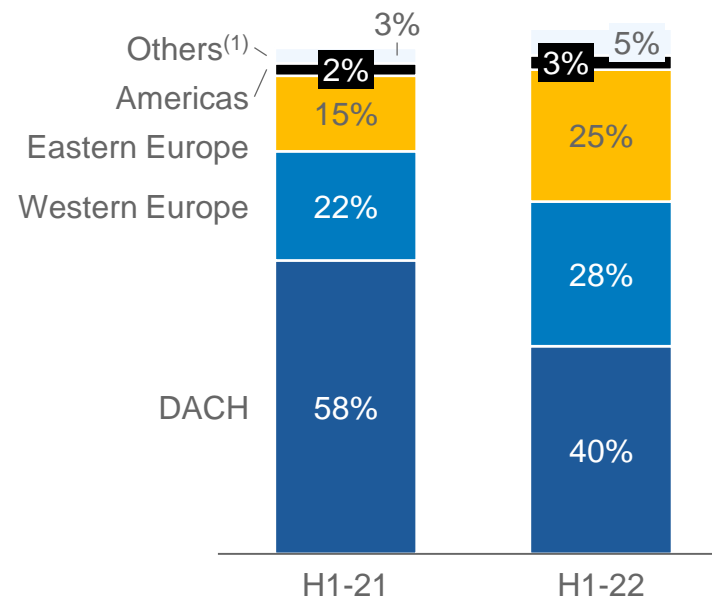
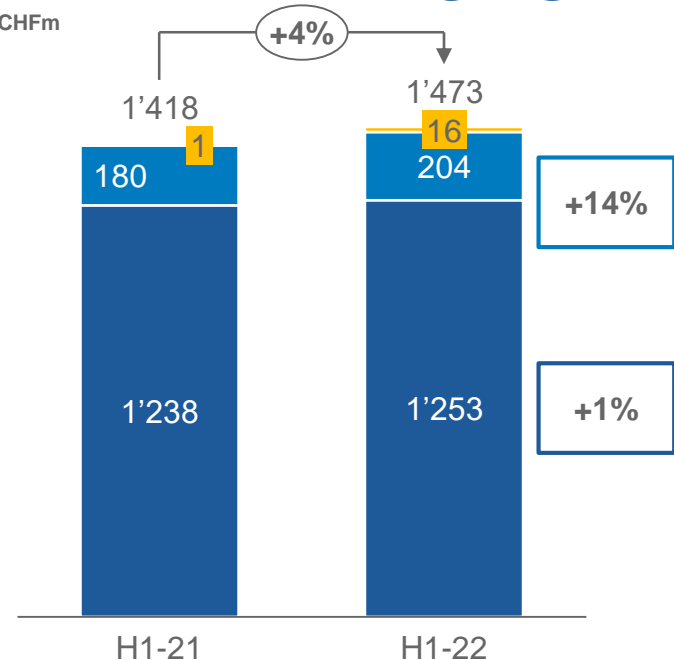


Comments

- Strong order backlog of 21.7bn with a growing Service & Components share providing long-term visibility
- Ongoing growth investments secure sufficient production capacity to execute the order backlog and a comfortable level of capacity utilization over the coming 2 to 3 years

NET REVENUES

CHFm



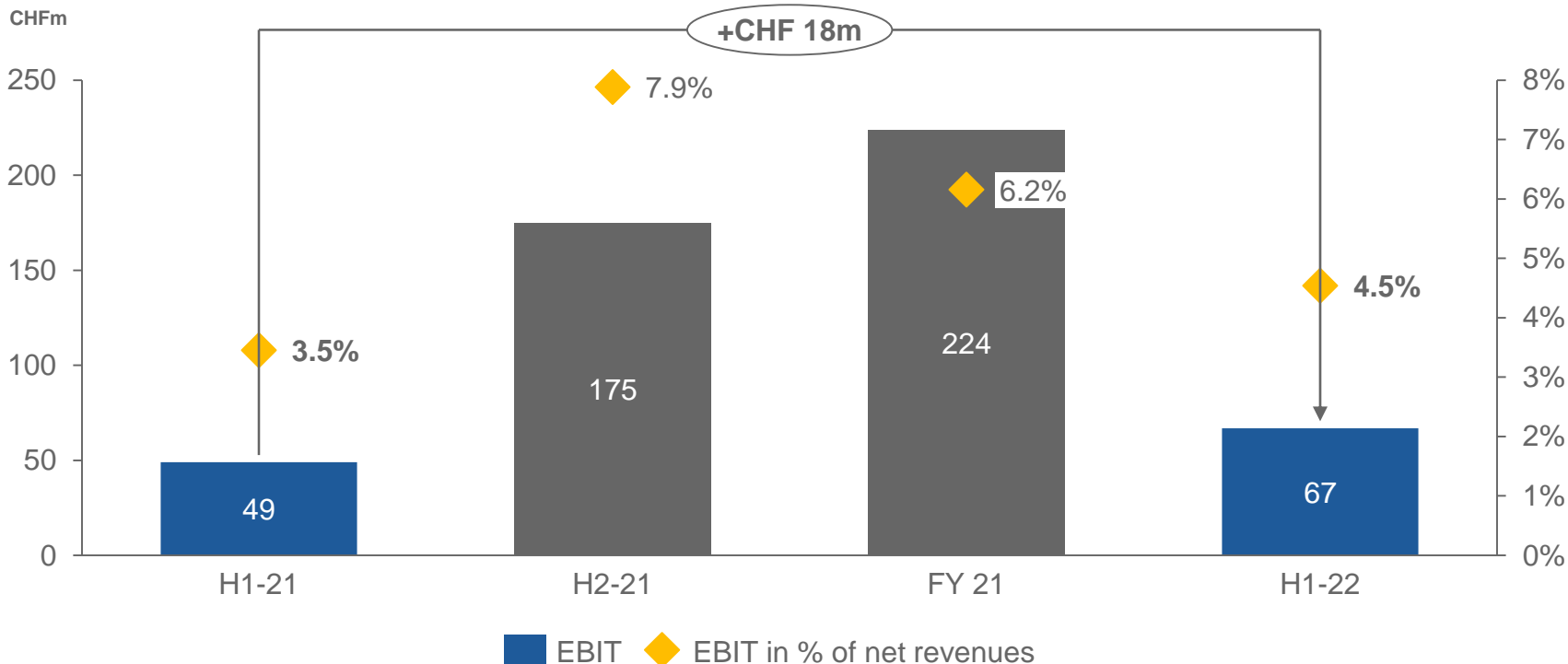
■ Rolling Stock
 ■ Service & Components
 ■ Signalling

Comments

- **Rolling Stock**
Net revenues grow by 1% year-on-year despite a high comparison base in the first half of 2021 due to covid-related shifts of deliveries and revenues from H2 2020 into H1 2021
- **Service & Components**
Continues its successful growth path over the first six months of the year with net revenues 14% higher compared to H1 2021
- **Signalling**
revenues grow significantly in the first half of 2022 on a low comparison base in H1 2021

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

EBIT



Comments

- EBIT rises by 36% to CHF 66.8 million
- Negative currency effects of CHF 30.0 million
- Positive non-cash one-off effect in the first half of 2022 in connection with the acquisition of BBR
- Improved EBIT margin of 4.5% (H1 2021: 3.5%)

NET INCOME

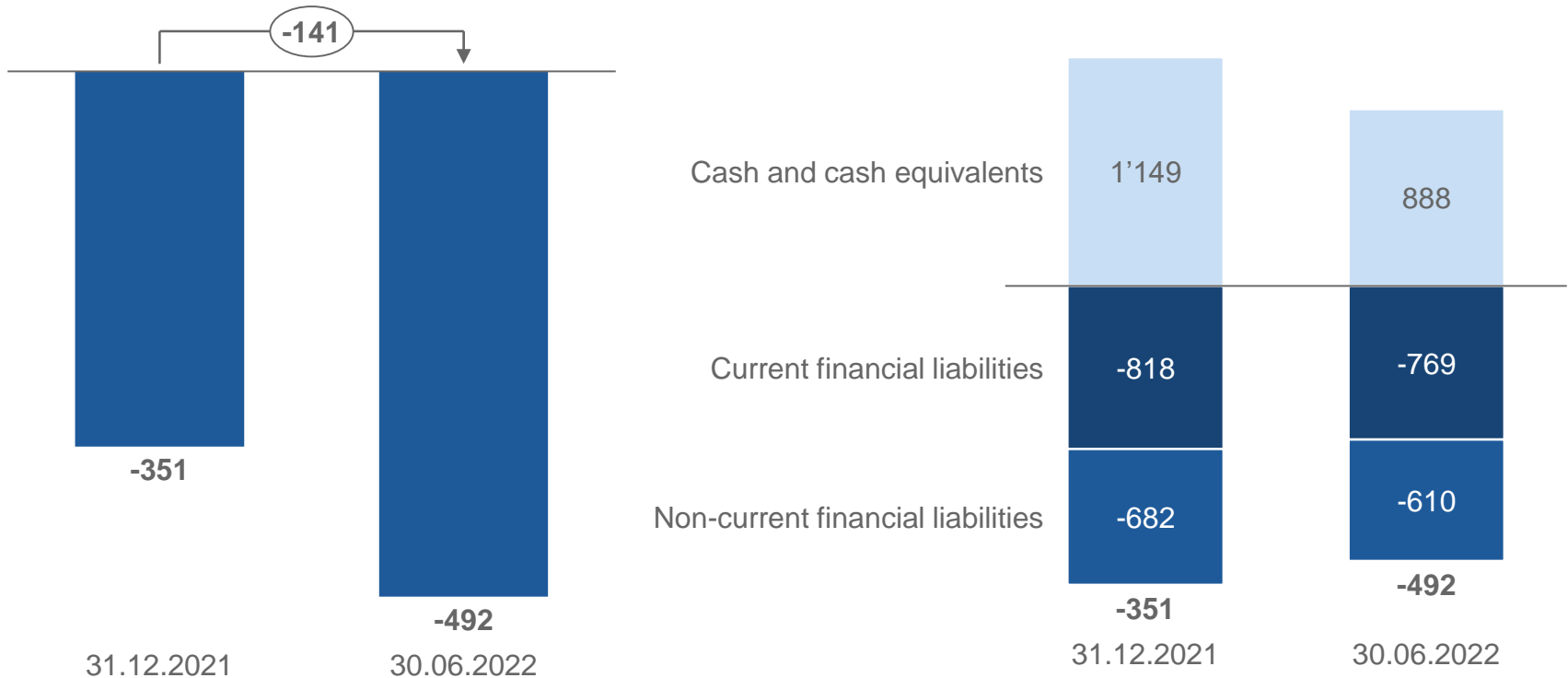
CHFm	H1-21	H1-22	Change YOY
Earnings before interest and taxes (EBIT)	48.9	66.8	36%
Financial result	(25.9)	(58.7)	
Share of results from associates	2.6	1.2	
Ordinary result	25.6	9.2	(64.0%)
Non-operating result	(0.3)	(0.1)	
Profit before income taxes	25.3	9.1	(63.9%)
Income taxes	1.0	(6.7)	
Profit for the period	26.3	2.4	(90.8%)
thereof attributable to			
- Shareholders of Stadler Rail AG	26.1	1.3	
- Non-controlling interests	0.2	1.1	

Comments

- Profit for the period negatively impacted in particular by additional exchange rate losses of CHF 32.1 Mio. in the financial result (H1 2021: CHF 13.0 million)

NET CASH POSITION

CHFm

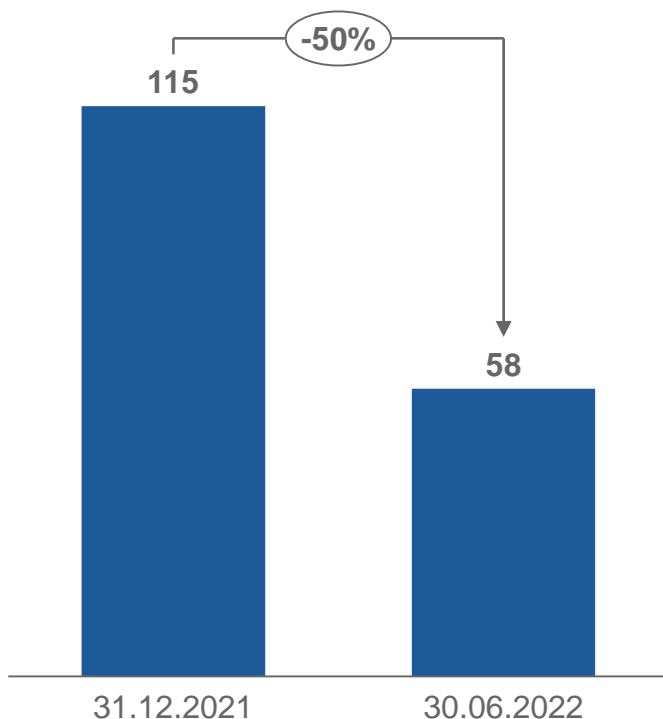


Comments

- Decline in net cash versus the year-end largely due to dividend payments, Capex, and M&A activities in the first half of 2022
- Current financial liabilities mainly correspond to project-specific financing facilities and operating loans

NET WORKING CAPITAL

Net working capital⁽¹⁾ (CHFm)



	31.12.2021	30.06.2022
Trade receivables	318	312
Comp. claims from WIP	691	620
Inventories	219	251
Other current assets	172	188
Work in progress (net)	-461	-588
Trade payables	-215	-203
Other current liabilities	-609	-523
Total	115	58

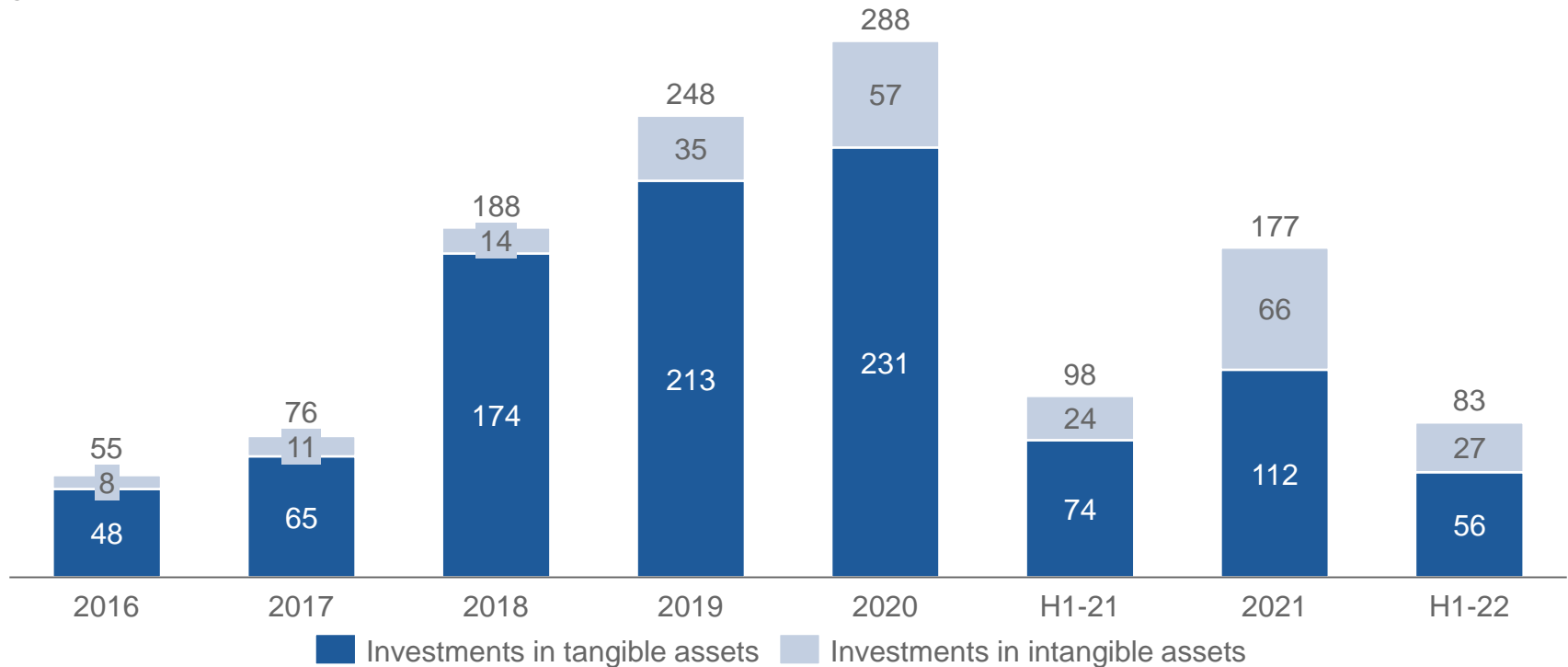
Comments

- Overall reduction of net working capital of CHF 57m driven by decline in compensation claims from work in progress and a decline of work in progress (net)

(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



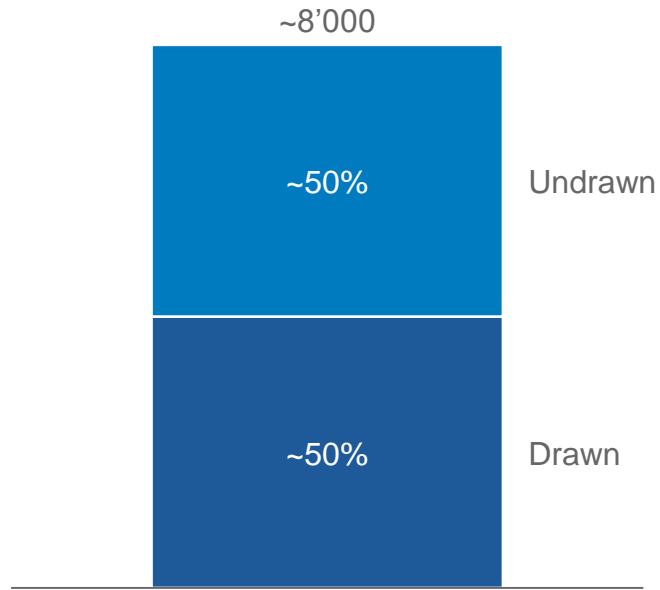
Comments

- Capacity investments driven by expansion in Germany and Spain as a result of recent strong order intake in these markets
- Intangibles Capex mainly relate to R&D in locomotives and signalling.
- Capex outlook of c. CHF 200 Mio. for the full-year confirmed

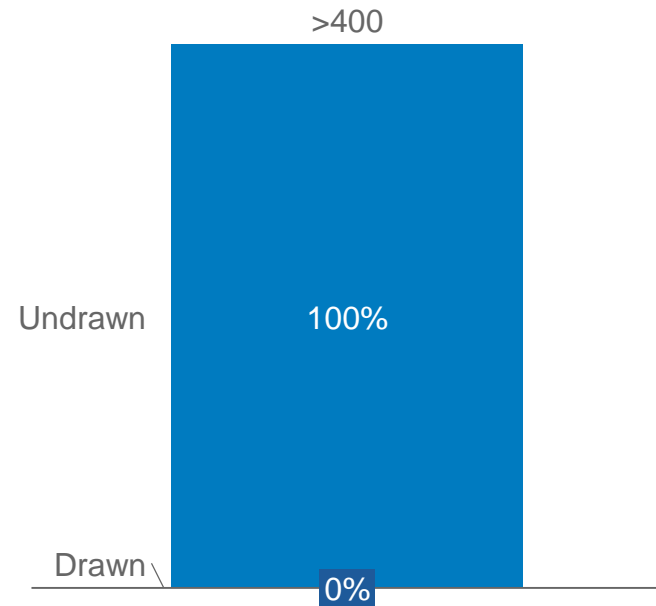
AVAILABLE CREDIT FACILITIES

CHFm

Guarantee lines



Committed cash credit lines



Comments

- Overall guarantee lines of around CHF 8.0 billion, of which ~50 percent are freely available and over CHF 400 million undrawn committed cash credit lines



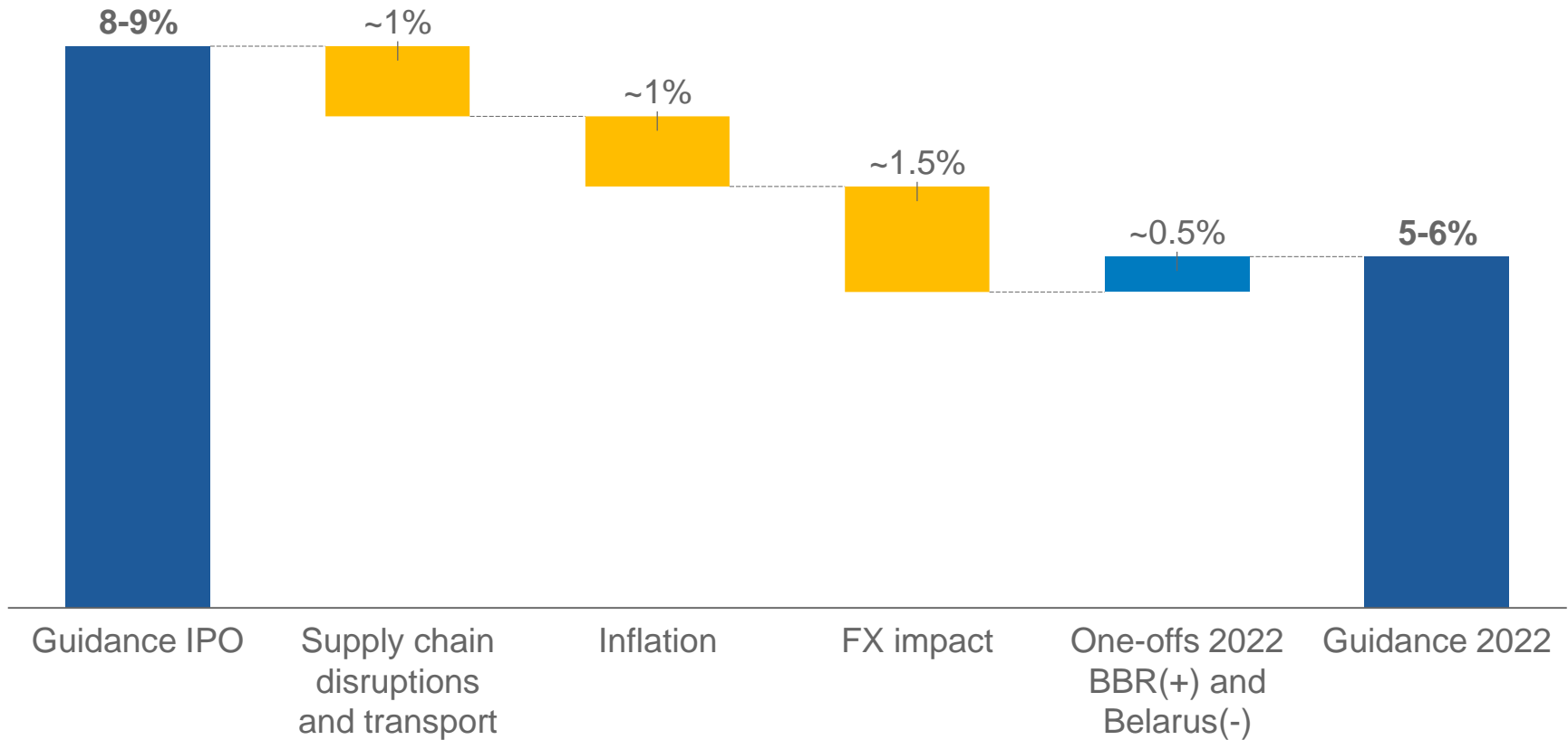
SUMMARY AND OUTLOOK

STADLER

STRATEGY 2025: FOCUSED ON PROFITABLE GROWTH

		Rolling Stock	Signalling	Service & Components
Markets	Europe Win market shares and stabilize in focus markets	<ul style="list-style-type: none"> • Selectively win market share through best products and new product pipeline (such as Locs, LRVs, Metro, Green Technology) • Normalization of growth: <ul style="list-style-type: none"> – Focus on delivering backlog – Operational excellence 	<ul style="list-style-type: none"> • Must have ETCS • Further advance in-house signalling solutions • Growth through existing and new customers • Potential complementary acquisitions • Migration solutions as value proposition 	<ul style="list-style-type: none"> • Growth in accessible markets and installed base • Innovation through new service solutions (such as Digital Twin, Rail Diagnostic System) • Capture opportunities from rolling stock and signalling • Potential complementary acquisitions
	North America Growth and stabilization			
	SE Asia Build up basis in SE Asia			
	CIS Mostly on hold			
	RoW / New markets Opportunistic cherry picking			
Rail Solutions for the Entire Rail System: Stadler is delivering full package solutions				

EBIT MARGIN GUIDANCE 2022



Note: size of chart elements are illustrative only.

FINANCIAL GUIDANCE 2022/2025

FY 2022	Order intake	Over CHF 7.0bn (prev.: between CHF 5.0 and 6.0 billion)
	Net revenues	Between CHF 3.7 and CHF 4.0 billion
	EBIT-margin	Below FY 2021 and over 5% (prev.: stable vs FY 2021 of 6.2%)
	Capex / FCF	Capex of around CHF 200 million Positive free cash flow
	Dividend	Payout ratio of c. 60% of net income
FY 2025	EBIT-margin	7 - 8% in 2025 8 - 9% under normal market conditions
	Dividend	Payout ratio of c. 60% of net income

Our financial guidance is based on constant currency exchange rates and on the assumption, that there is no further deterioration of the current economic conditions



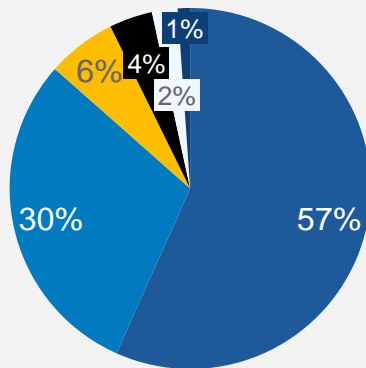
THANK YOU FOR YOUR ATTENTION

STADLER

DIVERSIFIED ORDER BACKLOG

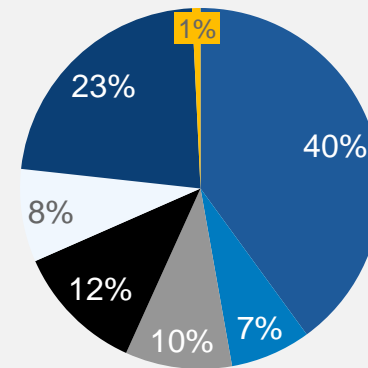
As at 30.06.2022

Order backlog by region



- DACH
- Western Europe
- Americas
- Eastern Europe
- Rest of the world
- CIS

Order backlog by market segment



- Trains
- Locomotives
- Metro
- LRV
- Tailor-made
- Service & Components
- Signalling

REPORTING SEGMENTS

Rolling Stock

CHFm	H1-21	H1-22	Change
Order intake	2'843	4'896	72%
Order backlog ⁽¹⁾	13'402	16'673	24%
Net revenues (third party)	1'238	1'253	1%
Additions to fixed assets	39	35	-10%
Total staff as FTEs ⁽²⁾	9'346	9'157	-2%

Service & Components

CHFm	H1-21	H1-22	Change
Order intake	278	1'062	282%
Order backlog ⁽¹⁾	4'410	4'892	11%
Net revenues (third party)	180	204	14%
Additions to fixed assets	11	13	19%
Total staff as FTEs ⁽²⁾	3'229	3'487	8%

Signalling

CHFm	H1-21	H1-22	Change
Order intake	0.6	15.7	2365%
Order backlog ⁽¹⁾	60.0	162.9	172%
Net revenues (third party)	0.6	14.6	2485%
Additions to fixed assets	0.0	0.1	155%
Total staff as FTEs ⁽²⁾	88	264	200%

(1) as at 30 June 2022 resp. 31 December 2021. (2) average FTEs 1 January to 30 June 2022.

INFORMATION

Share information

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

Financial calendar

1 September 2022: Capital Markets Day

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Head of Group Communications

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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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