STADLER

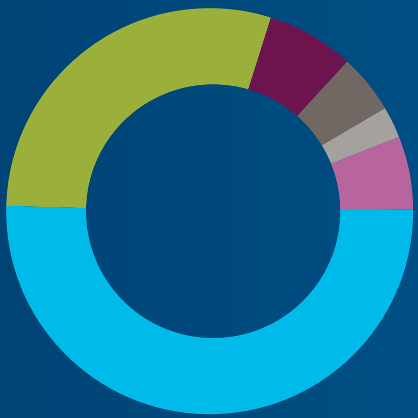
2024
ANNUAL REPORT

#THE TRAIN BUILDERS OF THE FUTURE

2024 RESULTS AT A GLANCE

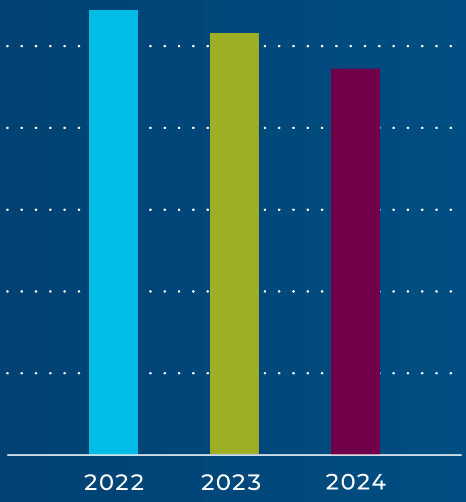
Stadler – the provider of mobility solutions in rail vehicle construction, service and signalling technology

Net revenue by geographical market



- Germany, Austria, Switzerland: 50.8%
- Western Europe: 29.4%
- Eastern Europe: 6.9%
- America: 4.6%
- CIS: 2.6%
- Rest of the world: 5.7%

Net revenue



- 2022: 3.8 billion CHF
- 2023: 3.6 billion CHF
- 2024: 3.3 billion CHF

29.2

ORDER BACKLOG
IN CHF BILLION
PREVIOUS YEAR: 24.4

35,714

REGISTERED SHAREHOLDERS
AS AT 31 DECEMBER 2024
PREVIOUS YEAR: 37,159

3.1%

EBIT MARGIN
PREVIOUS YEAR: 5.1%

100.5

EBIT IN CHF MILLION
PREVIOUS YEAR: 183.3

15,203

EMPLOYEES WORLDWIDE
(Ø FTE 2024)
PREVIOUS YEAR: 13,944

55.0

NET PROFIT IN CHF MILLION
PREVIOUS YEAR: 138.6

6.4

ORDER INTAKE
IN CHF BILLION
PREVIOUS YEAR: 6.8

KEY FIGURES

in millions of CHF or as noted	2024	as % of net revenue	2023	as % of net revenue	Change in %
Stadler					
Order intake	6,368.0		6,803.9		(6%)
Order backlog	29,180.3		24,414.1		20%
Net revenue	3,255.6	100.0%	3,608.4	100.0%	(10%)
Gross margin [1]	370.9	11.4%	404.6	11.2%	(8%)
EBITDA [2]	217.7	6.7%	295.2	8.2%	(26%)
Operating result (EBIT)	100.5	3.1%	183.3	5.1%	(45%)
Profit for the year	55.0	1.7%	138.6	3.8%	(60%)
Earnings per share (in CHF)	0.38		1.24		(69%)
Net cash flow from operating activities	286.4		905.3		(68%)
Capital expenditure [3]	232.9		244.3		(5%)
Free cash flow [4]	140.1		749.1		(81%)
Net working capital [5]	(1,010.9)		(855.6)		
Work in progress (net) [6]	(1,726.6)		(1,591.7)		
Net cash [7]	368.0		398.9		
Equity	774.1		819.3		
Staff as FTEs	15,203		13,944		9%
“Rolling Stock” segment					
Order intake	4,830.7		5,034.6		(4%)
Order backlog	20,926.5		18,381.4		14%
Net revenue (third parties)	2,696.2	82.8%	3,080.7	85.4%	(12%)
“Service & Components” segment					
Order intake	1,017.2		1,713.3		(41%)
Order backlog	7,637.1		5,870.5		30%
Net revenue (third parties)	510.4	15.7%	463.6	12.8%	10%
“Signalling” segment					
Order intake	520.1		56.0		829%
Order backlog	616.6		162.2		280%
Net revenue (third parties)	49.0	1.5%	64.1	1.8%	(24%)

[1] Gross margin is calculated as net revenue less cost of goods sold and services provided
[2] EBITDA is calculated as the sum of EBIT and depreciation and amortisation
[3] Capital expenditure is calculated as the sum of investments in property, plant and equipment and intangible assets less grants received for property, plant and equipment and intangible assets
[4] Free cash flow is calculated as EBITDA less capital expenditure less change in net working capital
[5] Net working capital is calculated by subtracting the sum of trade payables, liabilities from work in progress, other current liabilities, current provisions and deferred income and accrued expenses from the sum of trade receivables, inventories, work in progress, other current receivables, compensation claims from work in progress and accrued income and deferred expenses
[6] Work in progress (net) is calculated as work in progress (asset) less liabilities from work in progress
[7] Net cash is calculated as cash and cash equivalents less current and non-current financial liabilities

CONTENTS

2 – Results at a glance

4 – Key figures

6 – Company profile, strategy, market development

12 – Letter to Shareholders

20 – Interview with Group CEO Markus Bernsteiner

24 – Important events

31 – The train builders of the future

39 – A leader in green technology

44 – Sustainability

47 – Corporate Governance Report

67 – Remuneration Report

79 – Financial Report

- **79 –** Consolidated financial statements
- **87 –** Notes to the consolidated financial statements
- **124 –** Report of the Statutory Auditor on the consolidated financial statements
- **131 –** Financial statements of Stadler Rail AG
- **134 –** Notes to the financial statements
- **140 –** Report of the Statutory Auditor on the financial statements

143 – Financial calendar and contacts

143 – Publication data

8
PRODUCTION LOCATIONS

8
COMPONENT PLANTS

6
ENGINEERING LOCATIONS

>80
SERVICE LOCATIONS

COMPANY PROFILE

Stadler has been building trains for more than 80 years. Since the company was founded in 1942, Stadler has developed from a small engineering office into a leading international provider of mobility solutions in rail vehicle construction, service and signalling technology. The head office is situated in Bussnang in eastern Switzerland. The production, engineering and service locations in Switzerland, Europe, Great Britain and the USA employ a total of over 15,000 people, 5,300 of whom work in Switzerland.

Stadler stands for durable, high-quality products

Stadler is conscious of its social responsibility for sustainable mobility and stands for innovative, durable products of the highest quality. Stadler is the market leader in the field of sustainable drive solutions such as battery and hydrogen trains and, as a driver of innovation, offers the broadest product portfolio in the industry. Its range of products for mainline and urban transport includes high-speed trains, intercity trains, regional and suburban trains, underground trains, tram trains and trams. Stadler also manufactures mainline locomotives, shunting locomotives and passenger coaches. In addition, Stadler is the world's leading manufacturer of rack railways. In the field of signalling technology, Stadler offers tailor-made solutions in the mainline, branch line, light rail vehicle (LRV), metro and depot segments. What is more, Stadler's digital solutions and services ensure efficient, digital and sustainable rail operations. The broad signalling portfolio includes solutions for automated train operation – or even for driverless operation – automatic train protection (European and national solutions), as well as conventional and modern infrastructure technology, including interlocking technology.

Customer proximity

Stadler has over 80 service locations where it offers its customers services ranging from the supply of individual spare parts to full-service solutions. Stadler's extensive geographical base enables it to remain close to its customers and products, even after the sale of its rail vehicles, to fulfil regional requirements as fully as possible and to optimise the life cycle of its vehicles. At the same time, the findings from operational maintenance can be incorporated into the development of future products.

Stadler set the strategic course for the company early on and decided to offer its own signalling technology.

CORPORATE STRATEGY

Stadler defines its strategy for the coming years in the three reporting segments Rolling Stock, Signalling and Service & Components. In the Rolling Stock segment, Stadler is pursuing its current course and endeavouring to normalise its operating growth. The aim is to selectively gain market share with the best trains and new products such as green drive technologies, locomotives, light rail vehicles and underground trains. The focus is on highly efficient, on-time processing of incoming orders – in line with the quality standards expected by its customers.

Ensuring independence

Stadler defined its strategy in the field of signalling early on and decided years ago to offer its own signalling technology for all segments – mainline, branch line, LRV, metro and depot – to secure its independence from competitors. The ETCS automatic train protection system GUARDIA developed by Stadler received generic approval in 2019 and is now utilised in several European countries, even for a number of cross-border services. Thanks to the CBTC (Communication-Based Train Control) platform developed in-house, Stadler has successfully entered the train control market for branch lines and urban operators. The technology is currently in use in Switzerland and the USA.

Growth in the signalling sector will be driven by existing and new customers, with the possibility of further acquisitions. Stadler is already being asked by rail operators to equip and retrofit third-party vehicles with its own signalling solutions. In the reporting year, Stadler was able to retrofit trains for use in three countries (the Netherlands, Belgium and Germany) with its own ETCS solution GUARDIA on behalf of Arriva. This underlines Stadler's commitment to optimising the safety and efficiency of rail transport throughout Europe.

Additional boost from digitalisation

In the Service & Components Divisions, Stadler is experiencing growth in the open markets and above all in the company's installed base. Innovations are being introduced in the form of new service solutions such as digital twins and the Rail Diagnostic System. The sector is receiving an additional boost from digitalisation. Stadler operates fully automated maintenance centres and is playing a pioneering role in this area.

The Metropolitan Atlanta Rapid Transit Authority (MARTA) has commissioned Stadler to equip its rail network with a modern CBTC train control system. The picture shows in simplified form how the infrastructure and the train communicate with each other using signalling technology.

MARKET TRENDS

Stadler operates in a growing market (CAGR 2023–2028 according to SCI 5.8%) and is expanding faster than the overall market. This is clearly reflected in the strong order intake seen in recent years. The growth drivers for the overall market are not only population growth and urbanisation, but also the global need to invest in public transport in order to achieve climate targets. Stadler has the right vehicles and mobility solutions in its portfolio to manage this turning point. Transport can be decarbonised with battery and hydrogen trains, even on routes without electric overhead contact lines.

Among the top 3 worldwide

Stadler is driven by the goal of building the best trains for its customers and providing them with mobility solutions. In the railcar sector, Stadler is one of the "top 3" manufacturers worldwide; in its European home market, Stadler is aiming for a strong "number 2" position. The main markets are still in Europe and North America. One of the company's main focuses is on the multiple unit, light rail vehicle and locomotive segments.

Stadler has grown rapidly in recent years, particularly in the USA. To take this into account and to further strengthen the company's positive business performance, the Board of Directors decided in November of the reporting year to separate the US location from the Switzerland Division as of 1 January 2025 to form a separate North America Division.

Following the order from Trinity Metro from Texas (USA) for eight diesel-electric FLIRT trains in 2015, Stadler established its US headquarters in Salt Lake City in 2016. In doing so, Stadler made sure it complied with the "Buy America Act", which stipulates that at least 70 percent of the added value of government-financed projects must be generated in the USA. Since then, Stadler has been operating successfully on the US market, regularly obtaining new orders and experiencing continuous growth. Over 500 people currently work at the site. The foundation stone for the expansion of the plant was laid at the end of October 2024. This will allow Stadler to manage growth and to manufacture car bodies in the USA in the future.

Further orders from the USA

In the final months of the reporting year, Stadler received an order for four diesel-powered FLIRT multiple units for the Trinity Metro in Texas and an order for up to 80 new trams for Salt Lake City. In addition, Stadler vehicles with hydrogen drives from the GTW, KISS and FLIRT series operate in various regions of the USA, and Stadler markets a wide range of products in North America.

Also in the USA, the Signalling Division received a major order worth USD 500 million in the state of Georgia in the reporting year. Stadler Signalling has been tasked with equipping the entire rail network in Atlanta with its CBTC (Communication-Based Train Control) solution.

The Trinity Metro in Texas is expanding its TEXRail fleet with four more FLIRT vehicles from Stadler. This is just one of several orders received from the USA in 2024.

FLIRT EVO for SBB: in the railcar sector, Stadler is one of the "top 3" manufacturers worldwide; in its European home market, Stadler is aiming for a strong "number 2" position.

2024 MARKED BY ENVIRONMENTAL DISASTERS – ORDER INTAKE REMAINS VERY STRONG

Peter Spuhler, Executive Chairman of the Board of Directors (l.), and Markus Bernsteiner, Group CEO (r.)

Dear Shareholders

2024 was a year of significant, unforeseeable challenges for Stadler. Three environmental disasters caused massive flooding and damage in the Valais (Switzerland), Dürnrohr (Austria) and Valencia (Spain), leading to production delays and adverse effects on supply chains. The Stadler plant in Valencia escaped any damage, but the factories of around 40 strategic suppliers were badly flooded, and in some cases completely destroyed. Due to missing components from Stadler Valencia and software problems with the underground vehicles in Berlin, revenue of around CHF 350 million had to be postponed from the 2024 financial year to the 2025 and 2026 financial years. As announced in November 2024, the EBIT margin was 2 percentage points lower than planned as a result of all these challenges, and stood at 3.1 percent of EBIT.

Despite the difficult conditions, Stadler was able to obtain strategically important orders and increase its order backlog to a new record of CHF 29.2 billion. Stadler is working on 360 current orders at present, and delivered around 500 rail vehicles last year.

Stadler is well positioned to remain successful in the long term thanks to its strong position as the market leader for vehicles with green drive technology and its high level of innovation.

Order situation

Stadler has a broad product portfolio and is the market leader for green drive technologies such as battery and hydrogen power. As a result, Stadler continues to operate very successfully on the market and receives large numbers of orders. The order situation progressed well once again in the past financial year. At CHF 6.4 billion, order intake remains well above the strategic target of 1.5x the previous year's revenue (2023: CHF 6.8 billion). Thanks to the high order intake, the order backlog rose to CHF 29.2 billion at the end of 2024. (2023: CHF 24.4 billion). This shows that Stadler is very well positioned with its products in a growing market with a future.

The figures for order intake and order backlog do not include any orders for vehicles or services from framework agreements that have not yet been called off on a binding basis by the customer.

At CHF 3.3 billion, revenue was around 10 percent below the previous year's figure (2023: CHF 3.6 billion). The main reasons for this are the consequences of the environmental disasters in the Valais (Switzerland) and above all in Valencia (Spain), and the resulting delays in the delivery of vehicles and locomotives. Around CHF 350 million in revenue had to be postponed from 2024 to the 2025 and 2026 financial years.

Severe consequences of three environmental disasters

At the end of June 2024, days of rain flooded the Rhone plain and the plant of our supplier Constellium in the Valais. The aluminium profile factory was shut down for several months. Of the 1,200 tonnes of aluminium profiles stored there by Stadler, around 850 tonnes had to be disposed of. Stadler immediately took countermeasures in the summer of 2024 and relocated part of its production to the Constellium sister plant in Singen, Germany. Due to a shortage of aluminium profiles, 119 Stadler employees had to work short-time for three months in the box construction department in Altenrhein. The production of aluminium profiles has been running at full capacity again since the beginning of February 2025. Constellium should have made up for the shortfall by August 2025.

“

Stadler strengthened its leading global position in the field of alternative drive technologies even further in 2024. Whether for hydrogen, battery or hybrid drives, Stadler succeeds time and again in opening up new markets, gaining new customers and assisting operators with the decarbonisation of rail transport.”

Peter Spuhler, Executive Chairman of the Board of Directors

At the end of October 2024, a environmental disaster of historic proportions occurred near Valencia in Spain. Fortunately, none of our employees were harmed. The Stadler plant in the north of Valencia was also largely undamaged. However, several satellite sites were affected. As many roads were destroyed by the floodwater, around 400 employees were initially unable to reach the plant. Around 40 suppliers were badly affected when their production halls and warehouses were ruined or filled with mud. We were unable to obtain the necessary components for train production, and new supply chains had to be established. Two halls where Stadler Valencia stored diesel motors and bogies were also badly damaged by the floods. Consequently, 200,000 production hours had to be postponed from 2024 to the 2025 and 2026 financial years.

Stadler Valencia: a catch-up programme to keep delays to a minimum

The environmental disaster is having far-reaching consequences for the Stadler plant in Valencia, which is experiencing a delivery delay of between one and five months on over 50 current projects. Depending on the project and the time available, this will not necessarily have an impact on the planned commissioning of the vehicles and hence on passengers. In order to keep delays to a minimum, Stadler immediately launched a catch-up programme, which it is now consistently putting into practice.

In September 2024, after days of heavy rain, a dam burst in Dürnrohr, Lower Austria, flooding the Stadler commissioning centre. The water reached a height of half a metre, completely destroying one of the new ÖBB KISS double-decker trains.

Germany: efficiency programme for sustainable competitiveness

The weak economic policy in Germany is putting the Stadler plants in Berlin-Brandenburg under considerable pressure.

Stadler Deutschland is still suffering the serious consequences of the collapse of supply chains following the pandemic, Russia's war of aggression against Ukraine and the ensuing price increases for energy and raw materials. The resulting inflation has pushed up salaries. Although the plants in Berlin-Brandenburg are well utilised, the above factors are also having an impact on the Group result.

In 2019, Stadler won an international tender for Berliner Verkehrsbetriebe (BVG), but one of its competitors, Alstom, lodged an appeal against the result. This objection postponed the signing of the framework agreement by over a year. Just after the framework agreement had been signed in the spring of 2020, the Covid-19 pandemic broke out and temporarily interrupted the fulfilment of the order. Software problems that have since been resolved delayed the delivery even further. What is more, only around 484 of the 1,500 cars for the Berlin underground have been ordered so far.

Stadler is implementing a comprehensive structural and efficiency programme in order to protect its competitiveness in the international environment and to safeguard the locations of Stadler Deutschland in the long term. The aim is to reduce costs in all areas and to increase efficiency. An employee contribution is being negotiated with the social partners. Current or future projects will not be affected by the measures. Thanks to its high level of innovation, particularly in the field of sustainable drive technologies, as well as to continuous investments, Stadler Deutschland remains a key player in the transport transition.

Revenue, EBIT and net profit

Negative currency effects continued to have a negative impact on the operating result in the past financial year. Thanks to the introduction of an optimised currency hedging strategy, the negative currency effects of around CHF 7 million were significantly lower than in the previous year. Currency effects stem mainly from orders processed in Switzerland and invoiced in foreign currencies. In general, foreign currency risks are minimised as far as possible by natural hedging and supplemented by financial hedging. In the phase between the submission of an offer and the final signing of a contract, which can sometimes take several years, the corresponding currency risks cannot be fully hedged. Nor can the currency risks be fully hedged over the entire processing period due to the long terms of certain orders, which can last several years.

In view of the consequences of the environmental disasters described above, and taking into account the negative currency effects, EBIT in the 2024 financial year totalled CHF 100.5 million (previous year: CHF 183.3 million) with an EBIT margin of 3.1 percent (previous year: 5.1 percent). This result can be categorised as good, considering the challenging conditions.

“

Stadler was able to celebrate major successes on the market and acquire important orders in 2024, but the financial year was also marked by three environmental disasters in Valencia (Spain), the Valais (Switzerland) and Dürnrohr (Austria). Revenue of around CHF 350 million therefore had to be postponed from the 2024 financial year to the 2025 and 2026 financial years.”

Markus Bernsteiner, Group CEO

In terms of its Group result, Stadler posted a profit of CHF 55.0 million in the past financial year, compared to CHF 138.6 million in the previous year. As well as being caused by the lower EBIT, the lower Group result is due in particular to a higher tax burden. Currency effects, on the other hand, had a positive impact on the Group result.

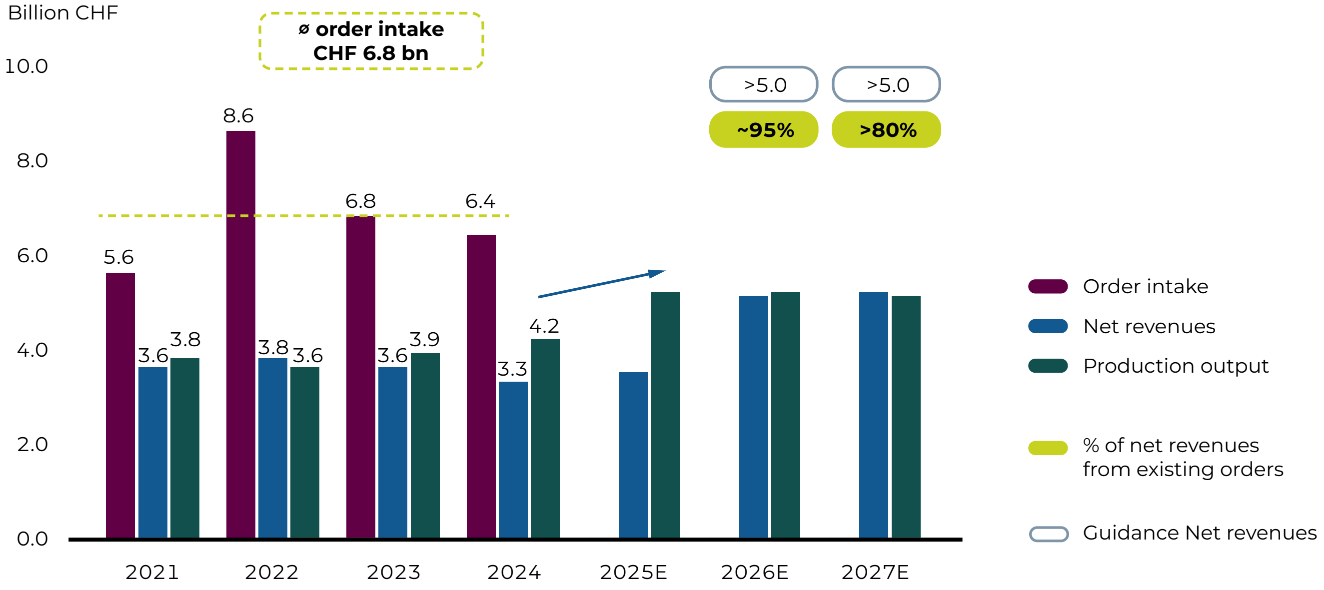
Cash flow and balance sheet

Thanks to a strong second half of the year, free cash flow for the year as a whole totalled CHF 140.1 million, having stood at CHF -384.7 million in the first half of the year and CHF 749.1 million in the same period of the previous year. This result was higher than expected and is due in particular to milestone payments from current orders and advance payments for new orders. At CHF 232.9 million, capital expenditure is in line with expectations and reflects the good order situation (previous year: CHF 244.3 million). Due to the positive development of free cash flow in the second half of the year, the net cash position as at 31 December 2024 decreased only slightly to CHF 368.0 million compared to CHF 398.9 million as at 31 December 2023.

“Rolling Stock” segment

The “Rolling Stock” reporting segment registered orders totalling CHF 4.8 billion in the 2024 financial year, which is comparable to the previous year’s figure of CHF 5.0 billion. The order backlog in the “Rolling Stock” segment grew by a further 14 percent to

Production output versus revenues



Note: Production output equals net revenues plus delta gross work in progress.
Bar height for net revenues and production output 2025E to 2027E are illustrative only.

CHF 20.9 billion compared to the end of the previous year (2023: CHF 18.4 billion). Revenue amounted to CHF 2.7 billion, down 12 percent on the same period of the previous year due to the environmental disasters already mentioned (2023: CHF 3.1 billion).

“Service & Components” segment

Order intake in the “Service & Components” segment totalled CHF 1.0 billion in the past financial year. This means that order intake was once again very high, but lower than in the same period of the previous year, which was marked by a major order for Kazakhstan (2023: CHF 1.7 billion). This led to a further increase in the order backlog in the service business by 30 percent to CHF 7.6 billion compared to the backlog of CHF 5.9 billion at the end of 2023. At CHF 510.4 million, revenue in the 2024 financial year was around 10 percent higher than in the previous year (2023: CHF 463.6 million).

“Signalling” segment

The “Signalling” reporting segment once again recorded strong growth in the past financial year. Order intake rose to CHF 520.1 million compared to CHF 56.0 million in the previous year. This sharp increase is due in particular to a major order for a train control system (CBTC) for the metro in Atlanta (USA). Consequently, the order backlog as at 31 December 2024 rose to CHF 616.6 million compared to CHF 162.2 million as at 31 December 2023. Revenue in the financial year totalled CHF 49.0 million compared to CHF 64.1 million in the same period of the previous year.

Main orders received

In 2024, Stadler once again achieved significant market success in all product segments and in various regions of the world, receiving a large number of orders. This shows that Stadler is very well positioned with its products in a growing market with a future.

- At the beginning of the year, Stadler was awarded a contract to supply ten next-generation Intercity trains to Saudi Arabia, marking its market entry into this country.
- In February, SBB ordered five more Giruno trains for high-speed transport between Switzerland and Italy. The vehicles will go into operation from 2025.
- In May, SBB and Stadler signed a contract for the delivery of 33 additional FLIRT Evo trains. They will run between Switzerland and France from 2026.
- In June and July, the Polish company Koleje Mazowieckie ordered up to 50 FLIRT trains, with 15 further units to follow.

- Significant contracts were also concluded in the locomotive sector. In September, Stadler received an order from SBB Cargo for the delivery of up to 129 Bo'Bo' multi-system locomotives. As well as having diesel motors, these locomotives are equipped with two lithium-ion traction battery modules.
- Stadler also received an order to supply 18 new railway service locomotives for the four narrow-gauge railways RhB, MGB, MOB and MBC. These locomotives are specially designed for use in the challenging conditions of alpine regions.
- In the tram sector, Stadler received its first light rail order for the USA in October. The contract covers the delivery of up to 80 CITYLINK trams for Salt Lake City.
- In December, Signalling obtained a major contract worth USD 500 million to modernise metro signalling technology in Atlanta. This order is tantamount to an international breakthrough in the large American signalling market.

Expansion of market and technology leadership for alternative drives

Stadler strengthened its leading global position in the field of alternative drive technologies even further in 2024. Whether for hydrogen, battery or hybrid drives, Stadler succeeds time and again in opening up new markets, gaining new customers and assisting operators with the decarbonisation of rail transport.

Stadler built the world's first battery-electric multiple unit approved for passenger use back in 2017. By the end of 2024, 280 trains with alternative drive systems had been sold, many of which are already successfully in operation.

Stadler's market leadership is also underpinned by the Guinness World Record set in March with the FLIRT H_2. The hydrogen train covered 2,803 kilometres in Colorado (USA) on a single tank of fuel – travelling further than any other hydrogen train before it.

In February, the state of California redeemed a contract option and ordered six FLIRT H_2 hydrogen trains, expanding its fleet to a total of ten vehicles. In January, Ferrovie della Calabria (FdC) placed a call-off order for three additional narrow-gauge hydrogen trains, extending the order to a total of nine trains. Stadler is the only train manufacturer in the world to produce narrow-gauge hydrogen trains.

In February, Metra (Metropolitan Rail) in Chicago signed a framework agreement with Stadler for 16 battery-electric multiple units. This is a significant milestone, as it represents the first competitive tender for battery-powered vehicles won by Stadler in the USA.

In October, the operator of the Paris metro ordered twelve tailor-made battery-electric locomotives for the maintenance and expansion of the Paris metro network, which is 245 kilometres long. Battery operation not only makes the vehicles environmentally friendly, but also enables them to be used flexibly in tunnels.

Stadler presented another world first at InnoTrans in Berlin in September in the shape of the RS ZERO: a multiple unit that has been specially developed for cost-efficient, emission-free use on branch lines. Thanks to its battery or hydrogen drive and lightweight design, the RS ZERO minimises energy consumption and allows economical operation on routes where electrification is not worthwhile. In cooperation with Erfurter Bahn and the Free State of Thuringia, the RS ZERO is expected to start trial operations on routes without an overhead contact line in Thuringia from mid-2026.

Stadler also opened its newest service centre in Germany in May. The plant is specially designed for the maintenance and repair of the FLIRT Akku model.

International best-seller: FLIRT multiple unit sold around 2,750 times

A good 20 years after the first order, Stadler had already sold around 2,750 FLIRT trains by the end of 2024. As an international best-seller, the FLIRT boasts an innovative design and is recognised by customers for its high quality and unrivalled performance.

The FLIRT combines intelligent, innovative design with tried-and-tested technology. It is also extremely versatile thanks to Stadler's proven module concept. The FLIRT's drive system, acceleration and braking characteristics, as well as its driving properties, comfortable interior design and modular set-up, make it a cost-effective response to urbanisation and increasing competition in the transport market.

Change to the Board of Directors

Two new members were elected to the Board of Directors at the General Meeting in 2024: Danijela Karelse and Niko Warbanoff. Stadler has thereby initiated a generational change on the Board of Directors, increasing the number of members of the company's highest governing body from eight to ten for a short period of time to facilitate an orderly transition. The number of members of the Board of Directors will be reduced to eight again at the 2025 General Meeting.

Barbara Egger-Jenzer and Kurt Rüegg have decided not to stand for re-election to the Board of Directors.

Kurt Rüegg, who has been a member of the Board of Directors since 2002, has made a significant contribution to the development, strategic orientation and hence the success of Stadler for over 20 years. His extensive knowledge and experience in business administration and corporate finance have been of great value to the company. Kurt Rüegg has headed the Audit Committee with great foresight and professionalism. His expertise, particularly in merger and acquisition projects, has been extremely useful for Stadler's strategic plans.

Barbara Egger-Jenzer, who has been a member of the Board of Directors since 2019, has also made a vital contribution to the company's development thanks to her expertise in law and her experience as a former member of the cantonal government of the Canton of Berne for 16 years. In her capacity as head of the Canton of Berne's Department of Transport, she was an extremely knowledgeable expert on public transport. As such, she also recognised the needs of customers and the public sector and made this valuable expertise available to the Board of Directors.

Chairman of the Board of Directors Peter Spuhler would like to thank both Board members warmly for their many years of dedication to Stadler and wishes them every happiness and success for the future.

Outlook for the years 2025 to 2027

Stadler expects the global economic environment to remain challenging in the current financial year. Despite the recessionary trends, Stadler is set to face a significant increase in production output in the coming years thanks to its strong order backlog. Unlike its competitors, Stadler applies the conservative units-of-delivery method for revenue recognition in the "Rolling Stock" segment. Vehicles must always be completed and accepted by the customer before the corresponding sales and earnings can be recognised. This conservative approach means that there may be several years between the signature of the contract and the realisation of sales and earnings. The high level of order intake in recent years means that production output and work in progress will increase substantially over the next few years.

The ongoing challenges, including the consequences of the severe environmental disasters, especially at Stadler Valencia, do not currently allow Stadler to announce a detailed outlook for the financial year 2025. Assuming that supply chains are stable and that the package of measures introduced is successful, Stadler currently expects a rise in revenue and an increase of the EBIT margin to between 4 and 5 percent thanks to the good order situation for the 2025 financial year.

Since its IPO on 12 April 2019, Stadler has been affected by a series of unforeseeable external events and crisis situations. From March 2020 onwards, the Covid-19 pandemic resulted in supply chain disruptions worldwide, prompting the late delivery of around 100 vehicles. The Covid-19 pandemic was only just over when Russia's war of aggression against Ukraine broke out. Stadler had to shut down its large plant in Minsk and relocate work to other sites around the world. Finally, the three extensive environmental disasters described above hit Stadler and its suppliers hard in 2024. In response, the Group Executive Board and the Board of Directors immediately and consistently decided on efficiency and catch-up measures. For this reason, and on account of its very strong position in the market, Stadler remains convinced that the increase in the EBIT margin to 6 to 8 percent announced previously is still realistic in the medium to long term if global conditions remain constant. Stadler is currently working on 360 orders and delivered around 500 rail vehicles in 2024.

On account of the good order situation and the associated increase in production output, Stadler also expects revenue to experience strong growth, reaching well over CHF 5 billion by 2026.

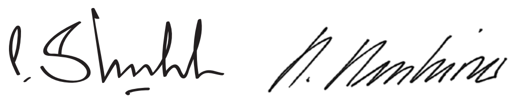
The Board of Directors intends to put forward a proposal to the General Meeting for the payment of a dividend of CHF 20 million (CHF 0.20 per share) for the 2024 financial year compared to CHF 90.0 million (CHF 0.90 per share) in the previous year.

All the information on the outlook is based on the assumption that the framework conditions will remain stable, particularly with regard to the currency situation and global geopolitical tensions.

Thank you to employees and shareholders

We would like to take this opportunity to thank our employees at each of our locations for all their hard work. Their commitment and the joy of making the impossible possible never ceases to amaze us. Once again this year, the teamwork put into practice in all areas at Stadler continued to form the basis for the success of the company, and in particular for Stadler's ability to react rapidly and appropriately to challenges.

We would like to thank you – our shareholders – for joining us on this journey. We look forward to continuing to fulfil your expectations in the years to come. We would also be delighted to welcome you again in person to this year's General Meeting on 7 May 2025.



Peter Spuhler
Executive Chairman of the Board of Directors

Markus Bernsteiner
Group CEO

Markus Bernsteiner, Group CEO, and his team responded immediately to the recent disastrous weather conditions and initiated appropriate measures.

“OUR TRAINS ARE PART OF THE SOLUTION”

Stadler was hit by three severe environmental disasters in the reporting year and had to revise its financial forecasts downwards as a result.
CEO Markus Bernsteiner and his team responded immediately and introduced countermeasures.
He is optimistic that Stadler is ideally positioned with its products in a growing market.

Mr. Bernsteiner, what is your assessment of the year 2024?
We got off to a good start in 2024, but we suffered three severe weather events in Switzerland, Spain and Austria at the end of the summer. We had to revise our financial forecasts as a result. That was tough. But we are fighters at Stadler. We quickly introduced appropriate measures and are continuing to implement them. Of course, it helps that the order situation is still very good. This shows that we're very well positioned with our products in a growing market with a future.

What are your plans for 2025?
We're following the catch-up programme we adopted at the end of 2024 so that we can make up for the backlog. And we're continuing to strengthen our focus markets in Europe and the USA. We're aiming for moderate growth in the Rolling Stock segment and can see potential in the Signalling and Service segments. Thanks to the major order we received from the USA at the end of the year, we have definitely achieved an international breakthrough with our in-house ETCS solution GUARDIA.

What is the situation like in Valencia after the flooding?
We were reassured quite quickly that all our employees were safe and sound. Around 400 employees initially couldn't reach the plant. Road access still wasn't fully restored by the end of the year. Stadler had to organise a bus service from the affected areas to the site. I particularly appreciated the fact that so many of our employees from other sites contacted us of their own accord to help their colleagues in Valencia. We decided to open a bank account for donations, then Stadler doubled the amount received. We also offered the employees affected the possibility to take out an interest-free loan from Stadler.

But the employees weren't the only ones who were affected.
No, around 30 suppliers are no longer able to supply parts. We had to postpone between 150,000 and 200,000 working hours until 2025.

Constellium, a supplier of aluminium profiles, was also impacted by bad weather. What are the after-effects?
Following the floods in the Valais, our supplier, Constellium, was unable to supply the aluminium profiles we needed for months. We also had to recycle and melt down 800 tonnes of stored profiles. This meant that we had to temporarily introduce short-time working hours in St. Margrethen. Constellium started production again towards the end of 2024, but the resulting backlog will continue until summer 2025.

“We're very well positioned in a growing market with our sustainable products and services”

Markus Bernsteiner, Group CEO

What is the situation in Lower Austria?
In Lower Austria, a commissioning centre was flooded and a four-car KISS double-decker train belonging to ÖBB was destroyed and had to be disposed of. The centre has now been cleaned up and put back into full operation.

You mentioned the order from Berliner Verkehrsbetriebe as another reason why you had to issue a profit warning. What went wrong?
The Berliner Verkehrsbetriebe (BVG) project faced huge problems right from the start. There were several factors that made the development and production of vehicles very complicated. The order was delayed by legal proceedings taken by Alstom against the tender award, and also by the outbreak of the coronavirus pandemic. Then supply chains were partially interrupted by the war in Ukraine. But I'm looking to the future. The test vehicles have been operating successfully since the beginning of 2024, and we will be handing over training vehicles to BVG this spring. The vehicles will gradually be put into passenger service from September onwards. Our goal is to have 140 new coaches in service for Berlin's passengers by the end of 2025.

In the reporting year, Stadler was able to equip two Deutsche Bahn locomotives with ETCS technology for the first time – with equipment that can be used regardless of the vehicle manufacturer. But the roll-out of the automatic train protection system is stagnating in Germany of all places, and vehicle funding is still a long way off. What can you tell us about the situation?
Being able to retrofit trains from other manufacturers with our ETCS system for Deutsche Bahn was a great success. But equipping the lines of the trans-European transport network with ETCS is behind schedule throughout Europe. One of the difficult aspects of converting to the new system is that it's an extra solution in addition to all the different national solutions that already exist. There are also major differences between the systems that are already installed. There is huge potential in Germany, where the ETCS migration strategy has already been planned in detail up to and including 2029, so we see ourselves as a project partner for German ETCS projects in the future as well.

Stadler reports a very high order intake and order backlog year after year. And yet profitability has fallen in recent years. Why is that?
Our orders take a long time to complete, sometimes up to five years. We still have orders on our books that were signed during the Covid pandemic and above all during the period with all the currency distortions, at the conditions that applied at the time. For example, orders that we signed before Covid are calculated at a Swiss franc to euro exchange rate of 1.08. Today, the rate is 0.93. We're still working through these orders. Our conservative accounting also plays a key role. We only recognise revenue when we deliver the order – in other words, sometimes five years later.

Stadler is experiencing great success on the market, fuelling investors' expectations that this will also lead to higher profits. Does Stadler need to adjust its expectation management?
Stadler has an extremely broad product portfolio and is the market leader for alternative drives. This market success is reflected in a high order intake and a high order backlog each year. In recent years, we've had to overcome challenges such as Covid, currency distortions, inflation and supply chain problems. On top of all that, we've recently been badly hit by environmental disasters. We've held up very well, considering the scale of these effects. In normal years, we will return to a healthy profit.

What impact does the strong franc have on your business?
It has a significant impact, especially as we export products abroad from Switzerland. Currency distortions have hit us hard in recent years. The situation improved briefly in the last six months, but now we're feeling the pressure again.

At the beginning of the reporting year, Stadler reported higher investment costs. Why are you convinced that Stadler can grow strongly in 2025 and in the future?

Stadler operates in a market that is growing by between five and nine percent each year. The growth drivers for the overall market are not only population growth and urbanisation, but also the near-global need to invest in public transport in order to achieve climate targets. Our trains are part of the solution for sustainable, CO_2-free mobility. Stadler has the right vehicles and mobility solutions in its portfolio to manage this turning point, such as various options for green drives. To summarise, we're very well positioned with our products in a growing market.

Stadler is a technology leader for alternative drives, battery-electric trains and hydrogen drives. But hydrogen technology in particular seems to be struggling in Europe. Is that true?

I'm convinced that alternative drive systems will be a decisive factor for the future of rail transport in the medium term. Take Germany, for example. Around 40 percent of the rail network there isn't electrified. On these routes, alternatives are needed to the current diesel trains that pollute the environment. We offer reliable solutions with our battery-powered trains such as the FLIRT Akku. In the USA, where only around 1 percent of the rail network is electrified, our hydrogen train is the ideal alternative to diesel.

You're investing in the future – what can we expect to see?

We're investing in the development of our mobility solutions and in our locations. We plan to continue expanding the plant in St. Margrethen in the St. Gallen Rhine Valley. We've also invested in the plants in Poland, Hungary and Salt Lake City. On top of this, we're investing large sums in product innovations such as the RS ZERO and alternative drive systems. This will enable us to safeguard our clear market leadership.

What are you doing to improve Stadler's profitability in the new year?

As well as dealing with the consequences of the recent environmental disasters, we're taking four measures to strengthen our margins. 1. We're taking part in tenders on a selective basis, which means making very precise judgements about the conditions we offer. 2. We're maintaining consistent cost and progress control in order processing. In all our divisions, the focus is on achieving profitable growth by punctual, reliable processing of the order backlog. 3. We're building up additional strategic suppliers to counteract the ongoing supply chain problems. 4. We're consolidating our chosen growth path in Service and Signalling and expanding it to ensure additional profitability.

What do you particularly like about being CEO of Stadler?

A lot of things come to mind. Especially the way we train apprentices. Our employees are the key to our success and are crucial to the development of the industry. We're setting an example with our new training centres, which are on track for success. They will make it possible to increase the number of apprentices in Switzerland to up to 300. I'm also very pleased that we've been able to transfer our typical Swiss training model to the USA. The dual education system is not very well known or widespread in the USA, but we've successfully introduced it at our Salt Lake City site.

Markus Bernsteiner has been at Stadler for over 25 years. He has been at the helm of the company as Group CEO for just over three years.

Important events

More Girunos for SBB

Demand for train journeys between Switzerland and Italy has risen steadily in recent years. SBB therefore ordered five further high-speed trains from Stadler to expand its international services to Italy. Like the first 29 Giruno trains, the optional vehicles will also be manufactured entirely at the Stadler factory in Bussnang. The Giruno fully complies with the Swiss Disability Discrimination Act.

February

Sustainable operations in the USA

Metra Metropolitan Rail in Chicago concluded a framework agreement with Stadler for 16 battery-electric multiple units. An initial order was placed for eight two-car multiple units. This is the first time that Stadler has won a competitive tender to supply battery-powered vehicles for the United States. Just a few days earlier, the state of California had ordered a number of additional FLIRT H_2 hydrogen trains from Stadler.

February

February

Market entry in Saudi Arabia

Stadler was chosen to deliver intercity trains to Saudi Arabia for the first time in its history. The desert state needed trains that would be unaffected by all the sand on the tracks. Stadler found a solution for Saudi Arabia Railways and was tasked with supplying 10 plus 10 passenger trains for operation on Saudi Arabia's growing rail network. Including options and maintenance, the order volume amounts to around 600 million Swiss francs.

World record with the FLIRT H_2

Stadler set a new Guinness World Record with its hydrogen-powered FLIRT H_2 for the longest distance travelled by a battery-powered passenger train: the FLIRT H_2 travelled over 2,803 kilometres in Colorado without refuelling or recharging. This record confirmed Stadler's innovative strength and technological leadership in the field of sustainable rail transport.

March

April

Customised multiple units

The railway operator Lausanne-Echallens-Bercher (LEB) is focusing on modernising and expanding the capacity of its public transport services. As part of this strategy, LEB ordered four more Be 4/8 tailor-made multiple units from Stadler for its metre-gauge network. Like their six predecessor models from 2019, the new multiple units are to be manufactured entirely at the Stadler plant in Bussnang.

In action with the fire brigade

Austrian Federal Railways ÖBB and Stadler presented the new trimodal rescue train at a roll-in in St. Pölten. Stadler is to deliver 18 of the multifunctional, low-emission firefighting and rescue trains to ÖBB. The vehicles will be stationed as "Servicejets" at various tunnel portals and will be deployed at the same time as local firefighters in the event of an emergency. Each vehicle can evacuate up to 324 people.

May

May

Cross-border use of GUARDIA

The first FLIRT models with the ETCS GUARDIA signalling system started operating in Belgium, the Netherlands and Germany as part of the three-country train fleet operated by the Dutch operator Arriva. The conversion and approval of the multiple units with the ETCS technology developed by Stadler were successfully completed. Stadler had already retrofitted multiple units from third-party suppliers as part of a pilot project in 2023.

RS ZERO: a CO_2-free world first

Stadler presented a world first at the world's largest rail vehicle trade fair in Berlin: the RS ZERO, the successor to its successful Regio-Shuttle RS1 model. The RS ZERO offers the choice between two modern and environmentally friendly drive technologies: hydrogen and battery. Both technologies will allow operation without CO_2 emissions on branch lines in the future.

Battery instead of diesel in Denmark

Stadler received an order to supply up to 24 battery multiple units to Lokaltog. The rail company is decarbonising its diesel fleet in the Danish region of Zealand and opted for the FLIRT Akku batter-powered multiple unit from Stadler, the global market leader for battery-powered multiple units. The new trains, which will enable passengers to travel in comfort and with zero emissions, are currently scheduled for delivery in 2028.

September

October

September

129 locomotives for SBB Cargo

Stadler and SBB Cargo signed a framework agreement for the delivery of up to 129 Bo'Bo' multi-system locomotives. SBB Cargo chose Stadler as a reliable partner for manufacturing the new generation of Bo'Bo' electric multi-system locomotives to replace its old locomotives. The successive delivery of the new locomotives will take place between 2027 and 2035.

Severe environmental disasters

Stadler was the victim of three severe environmental disasters in 2024, some of which had a huge impact on production. The climatic events affected the production plant in Valencia, the commissioning centre in Lower Austria and the site of an important supplier in the Valais. As a result, Stadler had to revise its annual targets downwards and suspend its guidance.

November

October

Locomotives for the Paris metro

The operator of the Paris Metro, Régie autonome des transports parisiens (RATP), placed an initial order with Stadler for twelve locomotives tailor-made for RATP for the maintenance of its route network, which is approximately 245 kilometres long. The new vehicles will supplement the existing fleet from 2027. Thanks to their battery-powered electric drive, they can be used flexibly and are environmentally friendly. The contract includes an option for two further vehicles.

USA: breakthrough for Signalling

The Metropolitan Atlanta Rapid Transit Authority commissioned Stadler to equip its entire rail network with a modern automatic train protection system. The replacement of the old system will improve train steering, which will significantly increase safety during operation. For Stadler, the order from Atlanta, which is worth USD 500 million, represented an international breakthrough in the field of signalling technology.

December

December

Market entry in Lithuania

Stadler and LTG Cargo, the freight railway belonging to the Lithuanian state railway Lietuvos geležinkeliai, signed a contract for the delivery of 17 electric locomotives, an option for 17 additional locomotives, spare parts and a three-year maintenance period. This was Stadler's first locomotive contract for the Lithuanian market. The freight locomotives are designed to withstand temperatures of up to –40°C.

Laura, a budding design engineer, checks a model from the 3D printer.

THE TRAIN BUILDERS OF THE FUTURE

Stadler has set itself the goal of doubling the number of apprentices in Switzerland to 300 within two years. It has almost achieved this objective: a new record of 237 trainees was set in 2024.

The 3D printer prints small plastic figures, one layer at a time. Their bodies are all the same shape, and they look a bit like footballers doing squats. On closer inspection, you realise that their faces are all different. These are the faces of the 126 apprentices who are currently completing their training at Stadler's headquarters. 126 future train builders in miniature format. The colourful figures are the passengers on a train model that the apprentices are building for Swissminiatur in Melide (Ticino).

Three apprentices took part in the photo shoot for the Annual Report: Alexis, Fabio and Laura. It soon becomes clear that they have assimilated Stadler's values: they are highly motivated, proud of the company and the product, think flexibly, have a hands-on attitude and come up with rapid solutions to satisfy all the photographer's requests.

There's a little bit of resistance when Alexis, the apprentice from Logistics, is asked to put on blue overalls for the photo shoot. "In Logistics, we actually wear red," she says, but then quickly gets changed. Her colleagues are soon making comments: "Hey Alexis, did you switch sides? Traitor!" they call, with a broad grin on their faces. They bump fists with Alexis – a greeting that has become widespread since the coronavirus pandemic. And when Alexis asks to use a forklift truck for the photos, they immediately lend her the heavy equipment without objection. Even when Alexis is asked to pose with the forklift truck in front of the trains in the production hall instead of in the warehouse, she complies with the request, but laughs out loud at the effort involved in the photo shoot for the Annual Report.

"Every single one of us is needed"

Alexis is in the third and final year of her apprenticeship as an EFZ logistics specialist, and her final exams will take place in the summer. She actually wanted to become an early childhood educator, but realised during a trial apprenticeship that although she "really enjoyed working with children", the daily work was too repetitive for her. Then a colleague brought her to Stadler. When she walked through the production halls for the first time, all she could say was: "Wow!" The trains are absolutely fascinating. "It takes everyone here, without exception, to build them," says Alexis enthusiastically. She likes the fact that Stadler is so well known. She never needs to explain to anyone what her employer does. "And the people really enjoy working here." It's never boring at Stadler. Unlike at the daycare centre, Alexis has found the variety she was looking for at Stadler in Bussnang.

Fabio is in the first of four years of his apprenticeship as a computer scientist. He has wanted to work in IT since he was eight years old. It is always the same questions

> **“**
>
> The trains are absolutely fascinating. It takes everyone here, without exception, to build them.”
>
> **Alexis, apprentice**

that interest him: “How does that work? What’s behind it?” He sees IT problems as puzzles. “There are a lot of people working at Stadler who know what they’re doing. So when they come to us in IT with a problem that needs solving, it’s always a real challenge. It’s great fun.”

“I thought I already knew a lot about IT.”
“I thought I already knew a lot about IT. But I kept on learning new things in my first year of training. I didn’t realise it was possible to reinstall a laptop via a LAN cable, for instance.” At the moment, he enjoys all the different activities in the IT department. “There’s nothing I don’t like doing.” One of his favourite tasks is managing the network with all the company’s computers and the authorisations and rights of all the users. He likes the international nature of the company, and the fact that he can use English on a daily basis. His next goal is to gain a good apprenticeship qualification. And then he would like to continue his training and be allowed to manage projects.

Laura is the last to join the photo shoot. She is also sent to the changing room by her boss to dress in typical Stadler blue. She is almost halfway through her apprenticeship, in the second of four years as a design engineer. Her work allows her to be creative and suggest ideas. “As a design engineer, you need a good imagination,” she explains. The aspects she particularly likes about working at Stadler are being able to see and touch the end product, the importance of teamwork, and the fact that the company is so large.

Response to the shortage of skilled labour
In 2023, Stadler decided to double the number of apprentices in Switzerland to 300 in response to the shortage of skilled labour. With this in mind, it set up spacious, bright and friendly apprentice workshops at the two largest sites in St. Margrethen and Bussnang. In Bussnang, the training workshop covers an area of 900 square metres in a former steelworking shop. This is where the basic training for apprentices in construction, automation and mechanics takes place. The apprentices usually arrive at the training workshop at around 7 a.m. to start their day. They discuss the previous day’s activities, are given some classroom teaching and work on a production project or do group work. Then they are given specific assignments for the day and swarm out over the plant ready to develop ideas and suggest solutions. Their work is very practical right from the start. From the second year of training onwards, they get to contribute to the production of Stadler trains.

Stadler has also brought the dual training model established in Switzerland to America. There are currently 26 apprentices training at the Stadler plant in Salt Lake City, and around 370 across the Group. There is even an apprentice exchange programme between the plants in Switzerland and the USA. It offers young people a very welcome opportunity to gain experience and broaden their horizons.

Training in a total of 16 professions is offered by Stadler in Switzerland: EFZ plant and apparatus engineers, EFZ automation technicians, EFZ automation fitters, EFZ commercial clerks, EFZ design engineers, EFZ logistics technicians, EFZ polymechanics, EFZ production mechanics, EFZ ICT specialists, EFZ platform development IT specialists and EFZ application development IT specialists, EFZ industrial painters, EFZ mould makers, EFZ casting technologists, EFZ model builders and EFZ advertising technology designers.

Fabio, an aspiring computer scientist, is passionate about helping people with IT problems.

“

What I particularly like about Stadler is that you can see and touch the end product.”

Laura, apprentice

“

I thought I already knew a lot about IT. But I kept on learning new things in my first year of training.”

Fabio, apprentice

Practical projects
The trainees have now painted the trousers, shirts and faces of their little 3D figures. They place their mini lookalikes in the train model, with some figures resting on train seats at the edge of the action. The train model is a replica of the Centovalli Railway on a scale of 1:25. It will be displayed at the Swissminiatur open-air museum in Melide (Ticino). Right next door, qualified train builders in the production hall are busy constructing cars for the “real” Centovalli Railway.

The “real” Centovalli Railway is the new electric metre-gauge multiple unit for the Swiss operator FART (Ferrovie Autolinee Regionali Ticinesi) and the Italian operator SSIF (Società Subalpina di Imprese Ferroviarie), which together run the Centovalli railway. The route is 52 kilometres long, runs over 83 bridges and through 31 tunnels, and is considered one of the most beautiful railway lines in the world due to its picturesque valleys and wild gorges.

The miniature park in Melide had asked Stadler whether the company would like to sponsor a model railway. “Agreed, but we’ll build the model ourselves,” was the answer from Bussnang. The apprentices are also creating a garden railway on a scale of 1:10 for children to ride on at the miniature park.

The apprentices have other practical projects in progress in the training workshop in Bussnang. For example, they are building a 6.40-metre-long, wheelchair-accessible tram with 16 seats for Knie’s children’s zoo in Rapperswil in cooperation with Schweizerische Südostbahn to replace the previous horse and cart ride. As the horses are now retiring, a new transport solution was needed for the route through the zoo, which is approximately 500 metres long. When creating the tram, the young train builders adhere to Stadler’s usual production processes. There is an order review, and the parts are welded and coated. The maiden voyage will take place in spring 2026.

“Lots of people approach us with cool projects”
Lorenz Klopfstein manages the training workshop in Bussnang. He has nine trainers working alongside him. You can see and feel that he really enjoys his work. “I’m very lucky to be able to do such a fulfilling and valuable task every day.” His personal highlight is being able to show employees or external guests around the training workshop in Bussnang. “When employees visit our apprentice workshop for the first time, they’re always enthusiastic. It usually creates real impetus, and they come back to us with ideas for cool projects. They ask us to help them with their projects, which of course we’re very happy to do whenever we can.” Lorenz Klopfstein is convinced that the future train builders will still remember the atmosphere in the training workshop later in their careers. “I’m always pleased to see the high level of emotion in the training workshop,” says Lorenz Klopfstein. He looks for his 3D figure in the train model and finds it in the driver’s cab, where the trainees have placed it.

Some of the apprentices in the modern apprentice workshop at Stadler's headquarters in Bussnang.

Stadler presented a CO_2-free world first in 2024 in the form of the RS ZERO.

A LEADER IN GREEN TECHNOLOGY

No other supplier of rail vehicles in Europe sells more trains with alternative battery or hydrogen drives than Stadler. Stadler wants to expand this market leadership for green drive technologies by introducing further innovations, as explained by Deputy CEO Dr. Ansgar Brockmeyer.

Terms such as “green technology”, “alternative drives” or “CO_2 avoidance” were still quite foreign in 1942. But company founder Ernst Stadler was way ahead of his time. As an engineer, he developed the first battery-powered rail vehicles for the mobility of the future over 80 years ago.

In 1943, Stadler launched a tunnel locomotive on the rail market. Since it ran on batteries, it was able to operate in the mines without producing any exhaust fumes. Ernst Stadler was motivated by the idea of operating trains cost-effectively without power lines and without a smelly diesel motor.
This vision of the company founder has been adopted by Stadler’s current management and continues to be enhanced by means of constant innovation and new, environmentally friendly rail vehicles and product solutions. Today, Stadler is regarded as the world market leader in the rail industry in the increasingly important segment of alternative drive technologies. The latest figures from an independent market study show that no other supplier has delivered more rail vehicles with green technologies (battery or hydrogen vehicles) in Europe than Stadler. By the end of 2024, Stadler’s market share in Europe will represent 50 percent of all vehicles with alternative drive systems in operation. The market study by the renowned SCI Verkehr institute in Cologne (Germany) also shows that Stadler has delivered the second highest number of rail vehicles with alternative drive technologies worldwide.

Stadler laid the foundations for this market success back in 2019, explains Stadler Deputy CEO and Head of Sales Dr Ansgar Brockmeyer: “Stadler’s management decided back in 2019 to consistently focus on new, green technologies and alternative drive systems. We realised that if countries wanted to achieve their climate targets, they would have to replace diesel trains with the CO_2-free, climate friendly mobility solutions of the future.”

Alternative drives without an overhead contact line
In principle, the term “green technology” should also be used to refer to a type of drive that has long been standard in Switzerland: trains with overhead contact lines and electricity produced from hydroelectric power. This is probably the most ecological and energy-efficient way of getting travellers from A to B. SBB uses 100 percent of its own hydropower for its trains in Switzerland, for example. However, with an electrification rate of 99.98 percent, Switzerland is an exception compared to other countries. The degree of electrification is lower elsewhere, even in neighbouring European countries, and the proportion of diesel-powered trains is much higher. In Germany, around 62 percent of the rail network is electrified, while the average is just 54 percent in EU member states. Although several European countries want to install overhead contact lines for ecological reasons, this expansion is expensive, as Dr. Stefan Bernsdorf, Sales Manager for Alternative Drive Technology at Stadler, points out: “One kilometre of electrification

Stadler trains save half of all greenhouse gases emitted in Switzerland

The operation of Stadler rail vehicles saves around 20 million tonnes of CO_2 every year. That corresponds to half of all the greenhouse gases emitted in Switzerland in one year. For the first time, Stadler's environmental engineers have calculated how much harmful CO_2 is actually saved. To do so, the experts at Stadler worked out how many Stadler trains, trams and metros operate worldwide, and used statistical data to determine the average number of kilometres travelled by train per passenger. If these passengers had travelled the same journeys by car instead of by environmentally friendly train, tram or metro, 20 million tonnes of harmful CO_2 would have been released into the environment – in just one year. This means that thanks to Stadler vehicles, 107,296 billion kilometres of car trips were saved each year.

That corresponds to:

CO_2 sequestration of around 400 million trees

The same as if each of the 3 million inhabitants of Berlin circled the globe once by car

The same as if every resident of Switzerland flew to New Zealand

CO_2 emissions from 7 million gas heating systems

costs between CHF 1 and 2 million. What's more, overhead contact lines are more expensive to maintain and are exposed to an increasing number of storms due to climate change." That is why more and more railway operators and countries are opting for battery trains, especially on branch lines.

In the 2024 financial year, Stadler was able to achieve considerable success on the market with battery and hydrogen trains. The excellent performance of green technology is particularly evident in the figures for Stadler's best-selling vehicle, the FLIRT (Fast Light Innovative and Regional Train): a total of 238 of around 2,700 FLIRT vehicles sold have a battery drive. The advantage on the market is that these FLIRT Akku trains are practically identical in construction to conventional FLIRT trains. Another plus point about Stadler battery trains is that the entire braking energy can be reused by the vehicles – the battery acts as a storage unit. This significantly reduces energy costs for operators and makes them less dependent on a volatile energy price.

Battery-powered FLIRT Akku trains are particularly economical

To mention some specific examples of the many market successes achieved with Stadler's alternative drives in 2024:

- The Danish rail company Lokaltog is decarbonising its fleet in the Danish region of Zealand. In 2024, it opted for the FLIRT Akku battery-powered multiple unit from Stadler, the global market leader for battery-powered multiple units.
- In October 2024, the operator of the Paris Metro, Régie Autonome des Transports Parisiens (RATP), placed an initial order with Stadler for twelve locomotives tailor-made for RATP for the maintenance of its route network, which is approximately 245 kilometres long. The new vehicles will supplement the existing fleet from 2027. Thanks to their battery-powered electric drive, they can be used flexibly and are environmentally friendly.
- Deutsche Bahn (DB Regio AG) is purchasing 19 battery-powered FLIRT Akku trains to run on the Central Thuringia network around Erfurt from 2028 to 2043. The plan is to offer additional early and late services. The Stadler trains will not only allow a timetable extension, but will also make connections more attractive, with more seats, separate areas for wheelchairs, pushchairs and bicycles, and quietly humming battery-powered railcars rather than diesel smoke at stations.

“

Stadler has set two world records with the FLIRT H_2 and the FLIRT Akku models. This emphasises our position as a global market and technology leader. We are very proud of that.”

Dr. Ansgar Brockmeyer, Deputy CEO and Head of Sales

- Metra (Metropolitan Rail) in Chicago concluded a framework agreement with Stadler for 16 battery-electric multiple units in February 2024. This is the first time that Stadler has won a competitive tender to supply battery-powered vehicles for the United States.
- Just a few days earlier, the state of California had ordered a number of additional FLIRT H2 hydrogen trains from Stadler.

Ansgar Brockmeyer assumes that many European countries will opt for green technologies for decarbonisation in the future in order to emit fewer climate-damaging CO_2 emissions and achieve the defined climate targets. Or to summarise it in the words of Ansgar Brockmeyer: “In the long term, diesel is dead.” The long-term demise of diesel traction will open up new, attractive business areas for Stadler. Stadler has already set up competence centres for green technology and recruited engineers to work there. All the divisions are now able to offer green mobility solutions on the market – and not just for the sale of multiple units.

Stadler has another trump card up its sleeve in that it can offer public transport operators new end-to-end solutions. For battery trains, for example, Stadler analyses precisely when the train needs to accelerate and continuously evaluates vehicle performance on the basis of current driving data to determine where energy can be saved. Thanks to state-of-the-art train control, Stadler can help operators to save costs in ongoing operations. This modern technology with lower operating costs could even lead to the reopening of disused branch lines. Stadler is ready for this with the RS ZERO. Thanks to its battery drive or hydrogen engine, this innovative vehicle is practically emission free and utilises braking energy efficiently to reduce consumption. Its aerodynamic design reduces drag, while lightweight materials and modern drives ensure economical operation. The RS ZERO runs in one or two car compositions with between 70 and 150 seats, and is predestined for cost-efficient operations – for example, where buses have replaced trains in the past.

Dr. Ansgar Brockmeyer: “I am confident that Stadler can work with innovative railway operators to reopen disused branch lines. The RS ZERO is very cost effective to operate, and is the ideal vehicle on branch lines, which don’t always have electric overhead contact lines, so that even more passengers can be transported in environmentally friendly Stadler vehicles in the future."

World record: a range of 2,803 kilometres thanks to hydrogen

But that's not all. In March 2024, Stadler set a Guinness World Record in Colorado, USA. The FLIRT H_2 travelled the longest distance ever measured in the world on hydrogen power without refuelling. The environmentally friendly electric multiple unit covered 2,803 kilometres powered by hydrogen fuel cells. These fuel cells convert hydrogen into electricity, which powers the train and charges the drive batteries at the same time. The green hydrogen required for operation is produced by electrolysis of water. This means that surplus green electricity can be stored – transported in secure containers on the train. Stadler also holds a world record in the second segment of green technology, battery trains. In 2021, a battery-operated FLIRT Akku vehicle travelled 224 kilometres without recharging, further than all comparable models from rival manufacturers.

Dr. Ansgar Brockmeyer: Stadler has set two world records with the hydrogen-powered FLIRT H_2 and the battery-powered FLIRT Akku. This emphasises our position as a global market and technology leader. We are very proud of that."

Stadler wants to expand its technological leadership even further

However, the team working under Sales Manager Brockmeyer is clear about one thing: these initial successes are just the beginning. Stadler is doing everything it can to extend its technological leadership. To achieve this, it is very important for the new technologies to prove their worth in operation. When Stadler's battery-powered FLIRT Akku fleet was put into operation in Schleswig-Holstein following the 2023 timetable change, these vehicles were the first battery-hybrid multiple units on German rails to take a significant fleet of diesel multiple units from other manufacturers out of service. The fleet of 54 battery-powered FLIRT Akku vehicles from Stadler has since proved its worth in daily timetable operations, as confirmed by Ruth Niehaus, Project Manager at Nahverkehr Schleswig-Holstein. "Nothing better could have happened to us. Thanks to the battery-powered FLIRT Akku trains, we can operate an ecological, climate-neutral service."

This development is no doubt entirely in the spirit of company founder Ernst Stadler: Stadler is continuing to innovate in the 21st century to ensure sustainable mobility and a promising, green future.

The hydrogen-powered FLIRT H_2 model heralds a new era for sustainable rail transport in the USA.

Stadler is building the new electric metre-gauge multiple unit for the famous Centovalli Railway.

SUSTAINABILITY

Measured in terms of emissions per passenger kilometre, rail remains one of the most environmentally friendly means of transport of all. As a society, our goal must therefore be to transport more people from A to B in an environmentally friendly manner by rail.

Stadler builds trains, but does not operate them. Nevertheless, the company has opportunities to make the mobility of the future even more sustainable. Stadler is helping its customers to expand their capacities on the rails with its vehicles and mobility solutions, its environmentally friendly alternative drive technologies, its predictive service solutions and with options for a more efficient driving style thanks to the most advanced signalling technology.

"Net zero" by 2050

Stadler goes above and beyond when it comes to fulfilling its social responsibility and is constantly examining how its operations and production can make even more economical use of resources. Stadler intends to reduce its CO_2 emissions by 50 percent by 2030 and 100 percent by 2050.

Stadler's products and services are its greatest lever for contributing to the sustainable transformation of society. This is why product innovations, particularly promoting alternative drive systems and increasing capacity, are at the centre of Stadler's sustainability strategy.

The full Sustainability Report is published as a separate document at the same time as the Annual Report. It can be found on the Stadler website at https://www.stadlerrail.com/en/downloads.


saarVV

CORPORATE GOVERNANCE

The management and control of Stadler Rail AG meet internationally recognised standards, even at the highest corporate level.

The principles and rules of corporate governance at Stadler are laid down in numerous documents, in particular the Articles of Association, the Organisational Regulations and the Regulations of the Board of Directors' Committees. In terms of content and structure, in this report Stadler follows the Directive on information relating to Corporate Governance (DCG) published by SIX Exchange Regulation AG and the associated guidelines. Unless otherwise stated, all figures refer to 31 December 2024. Information is continuously updated at https://www.stadlerrail.com/en/investor-relations. The Articles of Association of Stadler Rail AG, to which reference is made regularly throughout this report, are available at https://www.stadlerrail.com/en/downloads. Reference is in some cases made to the financial section of this Annual Report. The Remuneration Report is shown starting on page 67.

1. Group structure and shareholders

Group structure

Stadler Rail AG is a company incorporated under Swiss law headquartered in Bussnang. The shares of the company are listed on the SIX Swiss Exchange (security number 217818, ISIN CH0002178181, security symbol SRAIL). The market capitalisation as at 31 December 2024 stood at CHF 1,990 million.

As at 31 December 2024, the Group Executive Board consisted of the Group CEO and nine other members who report directly to the Group CEO. Cross-group functions include the Heads of Finance, Sales, the General Secretariat, IT, Legal/Compliance and Communications. Seven Executive Vice Presidents (EVPs) are currently responsible for the economic performance and operational management of the Service, Signalling and Components divisions and the geographical regions Switzerland, Germany, Spain and Central Europe. Subsidiaries are established for legal, commercial and financial reasons.

As at 31 December 2024, the Stadler Group comprised 47 companies worldwide (fully consolidated: 44 companies; consolidated at equity: 3 companies). An overview of Group companies, including the company name, registered office and share capital, as well as the percentage of shares held by the Stadler Group, is shown on pages 114 to 116. The management organisation of the Stadler Group is independent of the legal structure of the Group and of the individual companies.

Significant shareholders

As at 31 December 2024, Stadler was aware that the following shareholders held 3 percent or more of all voting rights of the company:

PCS Holding AG, Frauenfeld, Switzerland, and Peter Spuhler, Warth-Weiningen: 42 percent (30.5 percent indirectly via PCS Holding, 11.5 percent directly); UBS Fund Management (Switzerland) AG: 3.2 percent).

All notifications from shareholders holding 3 percent or more of all voting rights in the company were reported to the Disclosure Office of the SIX Swiss Exchange pursuant to Article 120 of the Financial Market Infrastructure Act (FinMIA) and published on its electronic publication platform. They can be viewed via the search function at https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

As at 31 December 2024, Stadler Rail AG held 1,114 treasury shares.

Cross-investments

Stadler is not aware of any cross-investments in which the capital or voting shareholdings on either side exceed a threshold of 5 percent.

2. Capital structure

Share capital

As at 31 December 2024, the share capital of Stadler Rail AG amounted to CHF 20,000,000 and was divided into 100,000,000 fully paid-up registered shares with a nominal value of CHF 0.20 each. The shares are listed on the SIX Swiss Exchange (security number 217818, ISIN CH0002178181, security symbol SRAIL).

Capital band

In accordance with Article 5 of the Articles of Association, Stadler Rail AG has a capital band of between CHF 19 million (lower limit) and CHF 22 million (upper limit). Within the scope of the capital band, the Board of Directors is authorised to increase or reduce the share capital once or several times by any amount, or to acquire or sell shares directly or indirectly, until 11 May 2026 or the earlier expiry of the capital band. The capital increase or reduction may be effected by issuing up to 10 million fully paid-up registered shares with a nominal value of CHF 0.20 each, or by cancelling up to 5 million registered shares with a nominal value of CHF 0.20 each, or by increasing or reducing the nominal values of the existing registered shares within the scope of the capital band.

The subscription and acquisition of the new registered shares and every subsequent transfer of these registered shares shall be subject to the transfer restrictions pursuant to Article 6 of the Articles of Association. The Board of Directors shall determine the number of shares, the issue price, the type of contribution, the date of issue, the conditions for the exercise of subscription rights and the commencement of dividend entitlement. The Board of Directors may issue new registered shares by means of a firm underwriting through a bank, a banking syndicate or another third party and a subsequent offer of these shares to the existing shareholders or third parties. The Board of Directors is authorised to permit, to restrict or to exclude the trade with subscription rights. In the event of subscription rights not being exercised, the Board of Directors may, at its discretion, either allow such rights to expire worthless, or place them or the shares to which they are entitled either at market conditions or use them otherwise in the interests of the company.

In case of a capital increase in accordance with Article 5 of the Articles of Association, the Board of Directors is empowered to withdraw or restrict the shareholders' subscription rights and to allocate such rights to individual shareholders or third parties in the event:

a. of the new shares being used to acquire companies, parts thereof or participations, to acquire products, intellectual property or licenses or for the financing or refinancing of such transactions, or for the financing of new investment projects undertaken by the company;
b. of the new shares being used either to extend the shareholder base in certain financial or investor markets, in conjunction with the listing of new shares on domestic or foreign stock exchanges or for purposes of the participation of strategic partners;
c. of new shares being placed nationally or internationally (including by way of private placement) at not less than market conditions for the purpose of raising equity in a swift and flexible manner that would be difficult to arrange or only at materially less favourable conditions if the subscription rights to the new shares were not restricted or withdrawn;
d. in case of good cause in the sense of Article 652b, paragraph 2 of the Swiss Code of Obligations.

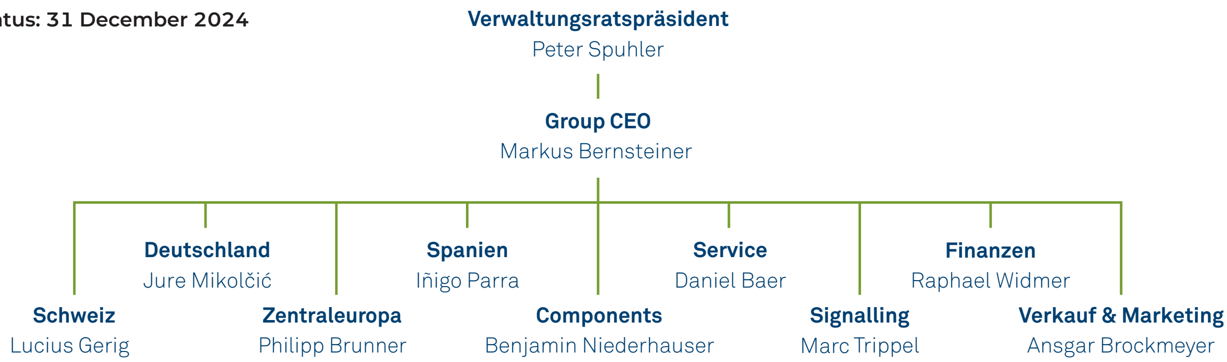
Conditional capital for employee benefit plans
In accordance with Article 4 of the Articles of Association, Stadler Rail AG has conditional share capital for employee benefit plans with a nominal value of CHF 400,000, which represents 2 percent of the existing share capital.

The share capital of the company may be increased by up to CHF 400,000 through the issuance of up to 2,000,000 fully paid-up registered shares, each with a nominal value of CHF 0.20, through the exercising of rights or entitlements in respect of shares (share-related rights) by written declaration or via electronic means granted to employees or directors of the company, its consolidated subsidiaries or other entities in which the company has a direct or indirect stake of at least 50 percent in accordance with regulations and terms and conditions to be specified by the Board of Directors.

Shareholders' subscription rights and advance subscription rights are excluded.

The acquisition of registered shares based on Article 4 of the Articles of Association and any subsequent transfer of such registered shares are subject to the transfer restrictions pursuant to Article 6 of the Articles of Association.

Organisation of Stadler Rail AG
Status: 31 December 2024



Changes in capital
The share capital of Stadler Rail AG has not changed since the IPO on 12 April 2019.

Participation and profit sharing certificates
Stadler Rail AG has issued neither participation nor profit sharing certificates.

Shares
Stadler Rail AG has issued 100,000,000 fully paid-up registered shares with a nominal value of CHF 0.20 each. According to Article 15 of the Articles of Association, each share entitles its holder to one vote at the General Meeting of Stadler Rail AG. Only those shareholders entered in the share register as shareholders with voting rights in accordance with Article 6 of the Articles of Association by a specific qualifying day (record date) designated by the Board of Directors are entitled to vote at the General Meeting. In the absence of such designation, the record date shall be ten days prior to the General Meeting. The Board of Directors is authorised to specify or supplement the provisions laid down in Article 15 of the Articles of Association in the notice of a General Meeting or in general regulations or guidelines.

The company shall keep a share register in which owners and usufructuaries' family and given names (or the company name in the case of legal entities), address and citizenship (or the registered office in the case of legal entities) are registered. Any person registered in the share register who changes their address must inform the company accordingly.

After hearing the registered shareholder or nominee, the Board of Directors may cancel such person's registration in the share register with retroactive effect as of the date of registration if such registration was made based on false or misleading information. Any such cancellation must be communicated immediately to the shareholder concerned.

In accordance with Article 7 of the Articles of Association, the company may issue its registered shares in the form of single certificates, global certificates or uncertificated securities. As far as is legally permissible, the company may convert shares issued in one of these classes into another class of share at any time and without the consent of the shareholders. The company shall bear the costs incurred. A shareholder has no right to request a conversion of the registered shares issued in one form into another form. Each shareholder may, however, ask the company at any time to issue a certificate for the registered shares held by them in accordance with the share register. A disposition of shares in the form of uncertificated securities which are not registered in the main register of a custodian shall be effected by way of a written declaration of assignment and requires, as a condition for validity, to be notified to the company. In contrast, a disposition of shares which exist in the form of book entry securities based on uncertificated securities registered in the main register of a custodian shall be effected solely by entries in securities accounts in accordance with applicable law, without prerequisite to be notified to the company; a disposition of such shares by way of assignment without corresponding entry in a securities account is excluded.

In accordance with Article 8 of the Articles of Association, the company shall only accept one representative per share. The voting right and the rights associated therewith may be exercised vis-à-vis the company by a shareholder, usufructuary or nominee only to the extent that such person is registered in the share register with voting rights.

Restrictions on transferability and nominee registrations
In accordance with Article 6 of the Articles of Association, persons acquiring registered shares shall on application be entered in the share register without limitation as shareholders with voting rights, provided that they expressly declare to have acquired the said shares in their own name and for their own account, that there is no agreement on the redemption or return of the corresponding shares, and that they bear the economic risk associated with the shares.

Persons who do not expressly make the declarations pursuant to Article 6, paragraph 2 of the Articles of Association in their application for registration or at the request of the company shall be entered directly in the share register as shareholders with voting rights up to a maximum of 5 percent of the share capital issued in each case. Above this limit, shares held by nominees shall be entered in the share register with voting rights only if the nominee in question in the application for registration or thereafter upon request by the company makes known the names, addresses and shareholdings of the beneficial owners for whose account they are holding 1 percent or more of the outstanding share capital available at the time and provided that the disclosure requirements stipulated in the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FinMIA) are complied with. The Board of Directors may enter into a contractual agreement with such a nominee which, in particular, further specifies the disclosure of beneficial owners and contains rules on the representation of shareholders and the voting rights. The Board of Directors may withhold registration with voting rights until the nominee has entered into such an agreement. For the purposes of the Articles of Association (i) a "nominee" is a financial intermediary that does not expressly declare in the application form to hold the shares for its own account and shall include, without limitation, a custodian, nominee of such a custodian, depositary or nominee of such a depositary; and (ii) a "beneficial owner" shall include, without limitation, any beneficial owner of depositary interests or depositary receipts representing shares of the company.

The restrictions on registration in accordance with Article 6 of the Articles of Association also apply to shares acquired by the exercise of subscription, pre-emptive, option or conversion rights.

Pursuant to Article 6 of the Articles of Association, legal entities and partnerships or other groups of persons or joint ownerships that are related to each other through capital ownership, voting rights, common control or otherwise, as well as individuals or legal entities or partnerships acting in concert (in particular, as a syndicate) in view of a circumvention of the provisions concerning the nominees are deemed to be one shareholder or one nominee.

The company may in special cases approve exceptions to the above restrictions.

Until an acquirer becomes a shareholder with voting rights for the shares in accordance with Article 6 of the Articles of Association, they may neither exercise the voting rights connected with the shares nor other rights associated with the voting rights.

In accordance with Article 18 of the Articles of Association, a resolution of the General Meeting passed by at least two thirds of the represented share votes and the absolute majority of the represented shares' nominal value is required for the easement or abolition of the restrictions on the transferability of the registered shares.

Convertible bonds and options

Stadler Rail AG has no convertible bonds and no options outstanding.

3. Board of Directors

The composition, the general rights, duties and responsibilities, as well as the functioning of the Board of Directors (BoD) of Stadler Rail AG are based on the Swiss Code of Obligations as well as the Articles of Association and the Organisational Regulations of Stadler Rail AG.

Members of the Board of Directors

The Board of Directors of Stadler Rail AG is composed of at least five members in accordance with Article 19 of the Articles of Association. As at 31 December 2024, the Board of Directors comprised ten members. With the exception of the executive Chairman of the Board of Directors Peter Spuhler ("eVRP"), all members of the Board of Directors are non-executive.

Independence of non-executive members

None of the non-executive members of the Board of Directors has exercised an operational activity for Stadler in the three financial years preceding the reporting period. As a partner of Valfor Rechtsanwälte AG, Hans-Peter Schwald provides services for Stadler Rail AG or its subsidiaries at irregular intervals.

Permitted activities outside the Stadler Group

In accordance with Article 28 of the Articles of Association, a member of the Board of Directors may not hold more than the following number of further mandates:

a. up to 15 mandates in companies with an economic purpose, whereof up to five in listed companies with an economic purpose;
b. up to 20 mandates in foundations, associations, charitable organisations and similar organisations.

Mandates held in different legal entities of the same group, in companies connected with each other, or by order of the company or of another legal entity pursuant to the above-mentioned Article 28 of the Articles of Association (including pension funds and joint ventures) shall not count as separate mandates. The limits set out in Article 28 of the Articles of Association may be exceeded for a short period.

A "mandate" within the meaning of Article 28 of the Articles of Association is any membership of the Board of Directors, the Group Executive Board or the Advisory Board, or a comparable function under foreign law, of a company with an economic purpose.

Election, term of office and principles of the election procedure

The Chairman and the other members of the Board of Directors are elected individually by the General Meeting for a term of office of one year until the conclusion of the next Ordinary General Meeting. Re-election is possible. As a rule, members of the Board of Directors resign at the next Ordinary General Meeting after reaching their 70th birthday. In the event of special circumstances, in particular if the member of the Board of Directors holds more than 20 percent of the voting rights of the company, the Board of Directors may exceptionally increase this age limit for the corresponding member, taking into account the average age of all members. According to Article 11 of the Articles of Association, the General Meeting is also responsible for electing and recalling the members of the Compensation Committee, the statutory auditors and the independent proxy.

When nominating new candidates to the Board of Directors, care is taken to ensure a balanced composition of the Board. Industry and international management experience as well as special professional skills are taken into account.

Internal organisation

The Board of Directors is responsible for the overall management of the company and for supervising the management of the company. It bears responsibility for the business of the company and the Group as well as for sustainable corporate success. The Board of Directors determines the strategic objectives of the company, ensures that the company has the necessary financial and human resources to achieve its objectives, and supervises and oversees the management of the company. The Board of Directors is authorised to pass resolutions on all matters that are not expressly reserved for the General Meeting or another corporate body by law, the Articles of Association or the Organisational Regulations.

The supreme responsibility of the Board of Directors for the strategy and management of the business operations of the company and the Group includes in particular:

(I) the determination of the overall business strategy, taking into account the information, proposals and options presented by the Group CEO; and

(ii) the approval of all business operations and decisions to the extent that such approval exceeds the authority delegated by the Board of Directors to the committees, the eVRP, the Group CEO or the Group Executive Board.

The eVRP chairs the meetings of the Board of Directors and the General Meetings and fulfils the other tasks and duties set out in the Organisational Regulations. The eVRP supervises the Group through the Board of Directors. They communicate actively with the Group CEO and the Group Executive Board. The eVRP and the Group CEO hold regular meetings (usually weekly). The eVRP may inspect the minutes of all corporate bodies of the Group and attend all meetings of the Group Executive Board, the extended Group Executive Board and the Sales department. Together with the Group CEO, the eVRP is responsible for ensuring effective communication with shareholders or stakeholders, including authorities, regulators and public organisations. The eVRP coordinates the committees and synchronises their tasks in relation to each other. The eVRP may attend their meetings provided that they are not personally affected.

Stadler was commissioned to build four panoramic low-floor carriages at its factory in Bussnang (TG) for the Goldenpass Express between Interlaken and Montreux. Passengers can marvel at the breathtaking scenery through the panoramic windows in the modern train.

STADLER
BOARD OF DIRECTORS

From left to right:
Hans-Peter Schwald, Kurt Rüegg, Niko Warbanoff, Barbara Egger-Jenzer, Prof. Dr. Stefan Asenkerschbaumer, Peter Spuhler, Danijela Karelse, Prof. Dr. Christoph Franz, Wojciech Kostrzewa, Doris Leuthard

Peter Spuhler (1959)

Executive Chairman of the Board
Swiss citizen

Initial election to the Board of Directors
Board member and Chairman since 1989

Education, professional experience, career
Studied business administration at HSG St. Gallen from 1979 to 1985 (with interruptions for military service and an internship); Group CEO of Stadler Rail AG from 1989 until the end of 2017; Group CEO a. i. of Stadler Rail AG from 21 May 2020 to 31 December 2022

Other activities and vested interests
Chairman of the Board of Directors of various companies of the Stadler Group, PCS Holding AG and Aebi Schmidt Holding AG; member of the Board of Directors of several other companies, including European Loc Pool AG, Allreal Holding AG, Rieter Holding AG, the Sönmez Transformer Company (STS), PMT Management AG, Wohnpark Promenade AG, Florhof Immobilien AG and Chesa Sül Spelm AG; since 1 April 2019, Peter Spuhler has been a limited partner of Robert Bosch Industrietreuhand KG and a member of the Advisory Board of Robert Bosch GmbH; Chairman of the Board of Directors of Rana Aps AG, Warth-Weiningen, Vice Chairman of the Board of Directors of DHS Holding AG, Warth-Weiningen and a member of the Board of Trustees of Tele D, Diessenhofen, a member of the Executive Committee of Swissmem, Zurich and a member of the Executive Committee and Vice Chairman of LITRA, Berne; from 1999 to 2012, he was a member of the Swiss National Council and a member of the Board of Directors of Von Roll Holding AG (2002 to 2004), UBS AG (2004 to 2008), Kühne Holding AG (2006 to 2008), Autoneum Holding AG (2011 to 2021) and Evonik Industries AG (2018 to 2021), among others

Committee memberships
Member of the Nomination and Compensation Committees, Chairman of the Strategy and Investment Committee

Executive

Hans-Peter Schwald (1959)

Vice Chairman
Swiss citizen

Initial election to the Board of Directors
Board member since 1989; Vice Chairman since 2002

Education, professional experience, career
lic. iur. (law graduate) HSG, lawyer; Senior Partner at the law firm Valfor Rechtsanwälte AG

Other activities and vested interests
Chairman of Autoneum Holding AG, of VAMED Management und Service Schweiz AG and of Schweizer VAMED Rehakliniken, and Chairman of the Board of AVIA Vereinigung unabhängiger Schweizer Importeure und Anbieter von Energieprodukten, Genossenschaft; member of the Board of Directors of PCS Holding AG, Rieter Holding AG and member of the Board of Directors of other Swiss corporations

Committee memberships
Member of the Strategy and Investment Committee (until 6 June 2024), the Audit Committee and the Nomination and Compensation Committees

Non-executive

Barbara Egger-Jenzer (1956)

Member
Swiss citizen

Initial election to the Board of Directors
Board member since 2019

Education, professional experience, career
lic. iur. (law graduate) from the University of Bern; lawyer; former state councillor of the canton of Berne and head of the Federal Department of the Environment, Transport, Energy and Communications (2002 to 2018)

Other activities and vested interests
Member of the Board of Directors of Kraftwerke Oberhasli AG (since 2018) and Chairwoman of the Board of Directors since March 2020; Senior Advisor at Energy Infrastructure Partners, Zurich; member of the Board of Directors of BKW Energie AG and BLS AG from 2002 to 2018

Committee memberships
Member of the Nomination and Compensation Committees

Non-executive

Prof. Dr. Christoph Franz (1960)

Member
German and Swiss citizen

Initial election to the Board of Directors
Board member since 2011

Education, professional experience, career
Graduated in industrial engineering from the Technical University Darmstadt, Germany; doctorate in economics (Dr. rer. pol.); honorary professor of business administration at the University of St. Gallen; former CEO of Deutsche Lufthansa AG (2009 to 2014) and of Swiss International Airlines AG (2004 to 2009); Chairman of the Board of Directors of Roche (2014 to 2023)

Other activities and vested interests
Vice Chairman of the Board of Directors of Zurich Insurance Group; Vice Chairman of Artemis Holding AG, Hergiswil; member of the Board of Directors of Chugai Pharmaceutical Co., Ltd, Tokyo; member of the Assembly and Council of the Assembly of the International Committee of the Red Cross, Geneva; member of the Board of Trustees of the Ernst Göhner Foundation, the Lucerne Festival and the Swiss Study Foundation

Committee memberships
Chairman of the Compensation and Nomination Committees

Non-executive

Prof. Dr. Stefan Asenkerschbaumer (1956)

Member
German citizen

Initial election to the Board of Directors
Board member since 2022

Education, professional experience, career
Studied business education and business administration at the University of Erlangen-Nuremberg; doctorate in corporate innovation management

Other activities and vested interests
Personally liable partner of Robert Bosch Industrietreuhand KG, Stuttgart, Germany; Chairman of the Supervisory Board of Robert Bosch GmbH, Stuttgart, Germany; Deputy Chairman of the Supervisory Board of BASF SE, Ludwigshafen, Germany

Committee memberships
Member of the Audit Committee and the Strategy and Investment Committee

Non-executive

Wojciech Kostrzewa (1960)

Member
Polish citizen

Initial election to the Board of Directors
Board member since 2012

Education, professional experience, career
Studied economics at the University of Kiel (Diplom-Volkswirt); studied law at the University of Warsaw, Poland; 1998 to 2004 Chairman and CEO of mbank SA; 2005 to 2018 Chairman and CEO of the media conglomerate ITI Group; since 2017 member of the Board of Directors, from 2019 to 2024 CEO and since 2024 Chairman of Billon Group Ltd.

Other activities and vested interests
Since 2017, member and Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee of ERGO Hestia SA as well as ERGO Hestia Life SA (life insurance); member of the Supervisory Board of Gremi Media SA since June 2024; Chairman of the Supervisory Board of Wydawnictwo Pascal; Chairman of the Management Board of the Polish Business Roundtable since May 2019; member of the Supervisory Board of CANAL+ Polska SA from 2020 to 2022, and Deputy Chairman of the Confederation of Employers Konfederacja Lewiatan, Warsaw, Poland, from 2007 to 2020

Committee memberships
Member of the Audit Committee

Non-executive

Doris Leuthard (1963)

Member
Swiss citizen

Initial election to the Board of Directors
Board member since 2020

Education, professional experience, career
Studied law at the University of Zurich before being admitted to the bar; member of the Swiss National Council from 1999 to 2006; member of the Swiss Federal Council from 2006 to 2018, including eight years (2010 to 2018) as head of the Federal Department of the Environment, Transport, Energy and Communications (DETEC); President of the Swiss Confederation in 2010 and 2017

Other activities and vested interests
President of the Ulrico-Hoepli-Stiftung; Vice Chairwoman of the Board of Directors of the Coop Group, the Bell Food Group and of Transgourmet Holding AG; member of the Board of Directors of Coop Pronto AG; President of the Jury for the Green Business Award; Co-President of the Advisory Board of Lucerne Dialogue; President of the Swiss Digital Initiative Foundation, Geneva; member of the Board of Trustees of the ETH Zürich Foundation, member of the Board of Trustees of Venture, Zurich; Co-Chairwoman of Svizra27, Aarau

Committee memberships
Member of the Strategy and Investment Committee

Non-executive

Kurt Rüegg (1960)

Member
Swiss citizen

Initial election to the Board of Directors
Board member since 2002

Education, professional experience, career
HWV business graduate; 1999 to 2014 development of Swiss Capital Corporate Finance AG, 2014 merger of this company with the globally active N+1 Group, which was renamed Alantra AG in 2016, Senior Advisor to Alantra AG, Zurich

Other activities and vested interests
Chairman of the Board of Directors of Alantra AG; member of the Board of Directors of Casino Theater AG Winterthur and PCS Holding AG

Committee memberships
Chairman of the Audit Committee

Non-executive

Danijela Karelse (1981)

Member
Swiss citizen

Initial election to the Board of Directors
Board member since 2024

Education, professional experience, career
Degree in Business Administration from the FH Zurich; certification as an IFRS/IAS Accountant, Controller Akademie; CAS International Boards of Directors, HSG / Swiss Board School

Other activities and vested interests
Group CFO of NETSTAL Maschinen AG (from 2021), CFO Switzerland of NETSTAL Maschinen AG (2018 to 2021), Vice President of the NETSTAL Maschinen AG Employee Benefits Foundation

Committee memberships
Member of the Audit Committee

Non-executive

Niko Warbanoff (1975)

Member
German citizen

Initial election to the Board of Directors
Board member since 2024

Education, professional experience, career
Degree in industrial engineering (FH)

Other activities and vested interests
Deutsche Bahn AG, CEO of DB E.C.O Group and CEO of DB International Operations GmbH; member of the Presidium of the Ostausschuss der Deutschen Wirtschaft; member of the Management Board of the Nah- und Mittelostverein; member of the Board of Trustees of the bbw Hochschule, Berlin

Committee memberships
Member of the Strategy and Investment Committee

The Board of Directors consists of the eVRP, the Vice Chairman and the other members. The eVRP and the other members of the Board of Directors are elected individually by the General Meeting for a term of office of one year until the conclusion of the next Ordinary General Meeting. Re-election is possible. The Board of Directors is otherwise self-constituting, subject to the provisions of the law and the Articles of Association.

The Board of Directors meets as often as business requires, but at least four times a year. Meetings are called by the eVRP or, if the eVRP is prevented from doing so, by the Vice Chairman. Meetings of the Board of Directors may be held in person at a meeting venue or by electronic means (in application by analogy of Articles 701c–701e of the Swiss Code of Obligations). Each member of the Board of Directors and the Group CEO is entitled to ask the eVRP to convene a meeting, stating the reason for doing so. The eVRP or, in the event that the eVRP is prevented from doing so, the Vice Chairman shall chair the meeting. The Board of Directors may make decisions if the majority of its members are present. The participation of the eVRP or Vice Chairman is obligatory. The Group CEO and members of the Group Executive Board may attend the meetings as guests. They do not have the right to vote. The Board of Directors meets at least twice a year without the presence of the Group CEO and the members of the Group Executive Board. The eVRP is free to invite the Group CEO to the private meetings.

The Board of Directors adopts resolutions by an absolute majority of the votes cast. Each member has one vote. The Chairman of the meeting has the casting vote in the event of a tie. The Board of Directors may also pass its resolutions in writing on paper or in electronic form, unless a member requests an oral discussion. No signatures are required if a resolution is passed electronically. Resolutions of this kind require the approval of the majority of all members of the Board of Directors. They shall be entered in the minutes of the next Ordinary General Meeting.

In 2024, the members of the Board of Directors met physically for four regularly scheduled meetings. The face-to-face meetings lasted between half a day and a full day; one meeting took place abroad. All members of the Board of Directors were present at two meetings; one member of the Board of Directors was absent with apologies from one meeting, and one Board member took part in another meeting via video conference. The agenda for Board meetings is set by the eVRP. Any member of the Board of Directors may request that items be added to the agenda. Board meetings are generally also attended by the Group CEO and the Group CFO, as well as by the other members of the Group Executive Board. They present the results, the outlook and the budget of their operating units and the projects that require the approval of the Board of Directors.

Committees

Subject to the authority of the General Meeting, the Board of Directors may, based on the Organisational Regulations, form committees for specific areas. The permanent committees are the Nomination Committee, the Compensation Committee, the Strategy and Investment Committee and the Audit Committee. The Board of Directors may form other committees and issue committee charters for them. Subject to the election of the members of the Compensation Committee by the General Meeting, the Board of Directors appoints the members of the committees and their chairmen from among the members of the Board of Directors. The committee charters govern the duties, mandates, responsibilities and reporting of the committees.

The Nomination Committee consists of four members. The chairman of this committee is Christoph Franz. The other members are Peter Spuhler, Barbara Egger-Jenzer and Hans-Peter Schwald. The Nomination Committee meets at the invitation of its Chairman as often as business requires, but at least twice a year. The task of the Nomination Committee is to support the Board of Directors in the performance of its duties, in particular in the following areas:

- Succession planning and nomination at Board of Director and Group Executive Board level;
- Monitoring and assessment of developments in the field of corporate governance and regular reviews of its structures.

The members of the Nomination Committee held two regular face-to-face meetings in 2024. All members were physically present at one of the meetings. The other meeting was attended by two members via video conference while all the remaining members took part in person.

The Compensation Committee consists of four members. The chairman of this committee is Christoph Franz. The other members are Peter Spuhler, Barbara Egger-Jenzer and Hans-Peter Schwald. The Compensation Committee meets at the invitation of its Chairman as often as business requires, but at least twice a year. The task of the Compensation Committee is to assist the Board of Directors in the performance of its duties, in particular in determining and reviewing the remuneration strategy and guidelines and the qualitative and quantitative criteria for remuneration, as well as in preparing proposals for the General Meeting regarding the remuneration of the Board of Directors and the Group Executive Board. It also has decision-making powers with regard to the remuneration (including target agreements) of the Group CEO and other members of the Group Executive Board.

The members of the Compensation Committee held two regular face-to-face meetings in 2024. All members were physically present at one of the meetings. The other meeting was attended by two members via video conference while all the remaining members took part in person.

The Strategy and Investment Committee is composed of four members of the Board of Directors. The Chairman is Peter Spuhler; the other members are Doris Leuthard, Stefan Asenkerschbaumer and Niko Warbanoff (from 6 June 2024). Hans-Peter Schwald stepped down from the Strategy and Investment Committee on 6 June 2024. The Strategy and Investment Committee meets at the invitation of its Chairman as often as business requires, but at least twice a year. The Strategy and Investment Committee may invite management representatives and other persons to its meetings. The role of the Strategy and Investment Committee is to support the Board of Directors in the performance of its tasks in the area of strategy and investment. The Strategy and Investment Committee performs the following tasks in particular:

- Support and monitoring in the area of strategic planning;
- Monitoring and assessment of developments and changes in Stadler's environment and regular reviews of Stadler's short- and long-term strategic direction, particularly in the areas of business model, markets, customers, competition, products and technologies, processes and standards, employees and management, and financing;
- Assistance in strategic matters such as acquisitions, disposals, joint ventures, restructuring measures and similar matters;
- Preparation and supervision of special projects on behalf of and for the attention of the Board of Directors;
- Discussion and evaluation of investments, shareholdings and financing in excess of CHF 20 million and recommendations to the Board of Directors;
- Discussion and evaluation of the purchase/sale of shareholdings and intangible assets in excess of CHF 10 million and recommendations to the Board of Directors;
- Discussion and evaluation of research and development expenses that are not order-related, not included in the regular budget and exceed CHF 0.5 million.

The members of the Strategy and Investment Committee held two regular meetings in 2024. Three committee members were present in person at one of the two meetings, and one member attended the meeting virtually. All members were present in person at the other meeting.

The annual two-day strategy seminar with the Board of Directors, management and other key employees took place in November 2024.

The Audit Committee consists of five members. The chairman of this committee is Kurt Rüegg. The other members are Hans-Peter Schwald, Wojciech Kostrzewa, Stefan Asenkerschbaumer and Danijela Karelse (since 6 June 2024). The Audit Committee meets whenever necessary, but at least twice a year. The Audit Committee develops and implements the principles for external auditing for the attention of the Board of Directors.

The Audit Committee performs the following tasks in particular:
- The Audit Committee reviews the design of the accounting system (applicable accounting standards, reporting liquidity, valuation approaches) in terms of appropriateness, reliability and effectiveness and, if necessary, takes the necessary measures to make changes to it.
- The Audit Committee assesses the audit reports of the statutory and group auditors, reports to the Board of Directors and assists the Board of Directors in the nomination of the statutory and group auditors for the attention of the General Meeting.
- The Audit Committee approves the audit programme for the following year and reports to the Board of Directors.
- The Audit Committee monitors the compliance programme and the compliance organisation with regard to their effectiveness.

The members of the Audit Committee held three ordinary meetings in 2024. All committee members attended the first and second meetings; one member was absent with apologies from the third meeting. Peter Spuhler was present at all three meetings as a guest.

Division of responsibilities

In accordance with the Organisational Regulations, the Board of Directors has delegated operational management to the Group Executive Board under the leadership of the Group CEO. With regard to the duties and powers of the Group Executive Board, the Organisational Regulations state that the Group Executive Board, under the leadership of the Group CEO, is responsible to the Board of Directors for the management of the company. Under the direction of the Group CEO, it implements the corporate strategy as adopted by the Board of Directors and ensures that the decisions of the Board of Directors are implemented in accordance with applicable law, the Articles of Association, the Organisational Regulations and the resolutions of the General Meeting. In addition, the Group CEO regularly informs the Board of Directors at its meetings about the current business performance and all significant business transactions of the company and the Group, including expected opportunities and risks. In the event of extraordinary events (including unexpected material developments, litigation and proceedings), the Group CEO shall immediately notify the eVRP.

Information and control instruments vis-à-vis the Group Executive Board

The Board of Directors receives a regular report from the Group Executive Board containing information on current tenders, order intake and order backlog, as well as statements on the development of major current orders. Key figures are also reported in comparison with the budget, including appropriate explanations on hourly rates, productivity, personnel, operating costs and liquidity as well as investments. As well as being given details of the quarterly financial statements (balance sheet, income statement and cash flow statement), the Board of Directors is informed at each meeting about the course of business, important orders and risks, as well as current earnings and liquidity planning.

The projects approved by the Board of Directors are monitored by means of a special project controlling system, which is submitted to the Board of Directors on a quarterly basis. Once a year, the Board of Directors discusses and approves the strategic plan drawn up by the Group Executive Board along with the financial plan. Financial statements are prepared twice a year for publication. In addition, the eVRP, the Group CEO and the Group CFO remain in regular contact on all major corporate policy issues.

4. Group Executive Board

As at 31 December 2024, the Group Executive Board consisted of ten people: the Group CEO, the Group CFO, the EVP for Marketing & Sales and the EVP for each division (Switzerland, Germany, Central Europe, Spain, Components, Service and Signalling).

Further information on the members of the Group Executive Board is provided on pages 60 to 62.

Permitted activities outside the Stadler Group

In accordance with Article 28 of the Articles of Association, a member of the Group Executive Board may not hold more than the following number of further mandates:

a. up to four mandates in companies with an economic purpose, whereof up to two in listed companies with an economic purpose;
b. up to ten mandates in foundations, associations, charitable organisations and similar organisations.

Mandates held in different legal entities of the same group, in companies connected with each other, or by order of the company or of another legal entity pursuant to the above-mentioned Article 28 of the Articles of Association (including pension funds and joint ventures) shall not count as separate mandates. The limits set out in Article 28 of the Articles of Association may be exceeded for a short period.

A “mandate” within the meaning of Article 28 of the Articles of Association is any membership of the Board of Directors, the Group Executive Board or the Advisory Board, or a comparable function under foreign law, of a company with an economic purpose.

Management contracts

There are no management contracts between Stadler Rail AG and third parties.

STADLER'S GROUP EXECUTIVE BOARD

From left to right:
Iñigo Parra, Lucius Gerig, Dr. Ansgar Brockmeyer, Philipp Brunner, Daniel Baer, Markus Bernsteiner, Benjamin Niederhauser, Raphael Widmer, Jure Mikolčić, Marc Trippel

Markus Bernsteiner (1966)

Group CEO
Swiss citizen

Member of the Group Executive Board in various functions since 1999

Education, professional experience, career
Exec. MBA HSG; Machine Mechanic FA and Operating Technician FA; Quality System Manager SA; dipl. Quality System Manager EOQ, KMU dipl. HSG, AMP-HSG;
Activities at Stadler: 1999 to 2005, COO of Stadler Bussnang AG; 1999 to 2006, Head of Production
at Stadler Bussnang AG; 2006 to 2011, and again in 2021 and 2022, CEO of Stadler Bussnang AG; 2011, COO of the Switzerland Division; 2012 to 2014 and 2020 to 2022, Executive Vice President of the Switzerland Division; 2014 to 2020, Executive Vice President of the Components Division; 2019 to 2022, CEO of Stadler Rheintal AG; 2020 to 2022, Deputy Group CEO (internal)

Other activities and vested interests
None

Dr. Ansgar Brockmeyer (1966)

Executive Vice President of the Marketing & Sales Division and Deputy Group CEO
German citizen

Member of the Group Executive Board since 2019

Education, professional experience, career
Graduated in electrical engineering from RWTH
Aachen; Doctorate from RWTH
Aachen in 1997; from 1997 to 2013 various positions at Siemens
Verkehrstechnik (now Siemens Mobility), most recently as CEO of Business Unit High-Speed and Commuter Rail in Krefeld (Germany); from 2013 to 2018 Chairman of the Executive Board of Knorr-Bremse Asia Pacific (Holding) Ltd. in Hong Kong

Other activities and vested interests
From 2007 to 2013 and again since 2019, lecturer on
“Electric Railway Drives” at RWTH
Aachen University; since 2022, First Chairman of the Deutsche Maschinentechnische Gesellschaft (DMG) e.V.

Raphael Widmer (1964)

Group CFO
Swiss citizen

Member of the Group Executive Board since 2016

Education, professional experience, career
lic. oec. HSG; MBA from IESE Business School Barcelona; Swiss certified public accountant;
before joining Stadler worked in various CFO positions for the ABB Group for 25 years in Switzerland, Malaysia and the USA in power plant construction, downstream oil & gas, and power transmission and distribution

Other activities and vested interests
Member since 2017 and Managing Director (until May 2020), President of the Board of Trustees of the Pension Fund of Stadler Rail since 2019; Chairman of the Board of Directors of Hürlimann Railtec AG; member of the Audit Committee of the municipality of Zumikon; President of the Audit Committee of the Catholic parish of Zollikon-Zumikon

Daniel Baer (1980)

Executive Vice President of the Service Division
Swiss citizen

Member of the Group Executive Board since 2021

Education, professional experience, career
Certified HF technician (2008); Degree in Industrial Engineering from Zurich University of Applied Sciences (2015); member of the management of the Service Division in Bussnang from 2014 to 2021; Deputy Head of the Service Division from 2019 to 2021; Managing Director of the service activities of Stadler Pankow GmbH, Berlin from 2017 to 2019

Other activities and vested interests
Associate of ÖBB Stadler Service GmbH

Jure Mikolčić (1974)

Executive Vice President of the Germany Division and ad interim CEO of Stadler Deutschland GmbH from 1 November 2023 to 30 June 2024
German citizen

Member of the Group Executive Board since 2019

Education, professional experience, career
Graduated in economics from the University of Trier (2000); from 2001 worked for Siemens in various functions; from 2011 to April 2015 sales manager for mass transit systems in Germany at Siemens; between May 2015 and January 2019 at Knorr-Bremse Systeme für Schienenfahrzeuge GmbH as CEO of Knorr-Bremse PowerTech GmbH and Knorr-Bremse PowerTech GmbH & Co. KG; since February 2019 Executive Vice President of the Germany Division and – until 31 December 2022 – CEO of Stadler Deutschland GmbH (formerly Stadler Pankow GmbH)

Other activities and vested interests
Member of the Presidium of the German Railway Industry Association (VDB), Vice President for Vehicles

Iñigo Parra (1964)

Executive Vice President of the Spain Division and CEO of Stadler Rail Valencia S.A.U.
Spanish citizen

Member of the Group Executive Board since 2016

Education, professional experience, career
Graduated from the Walter Haas Business School at the University of California, Berkeley, USA in 1984; degree in advanced mechanical engineering from the University of Zaragoza in Spain (1988); Master's degree in business administration and business management (I.E.S.E.) from the University of Navarra in Spain (1990); from 2000 to 2001 studied at the Advanced Management Seminar, INSEAD, at the University of Fontainebleau, France; from 2005 to 2015 CEO of Vossloh España S.A. (Stadler Rail Valencia S.A.U.'s predecessor); since 2016 CEO of Stadler Rail Valencia S.A.U.

Other activities and vested interests
Chairman of the Board of Directors of Colegio Guadalaviar and member of the Board of Directors of Hinojosa S.A.

Philipp Brunner (1984)

Executive Vice President of the Central Europe Division
Swiss citizen

Member of the Group Executive Board since 2021

Education, professional experience, career
MBA ETH, Zurich; B. A. HSG, St. Gallen; around 14 years in various management positions in the Stadler Group, including in India, Algeria, Belarus, Poland and Switzerland; before that, various functions at UBS AG and Feldschlösschen Getränke AG

Other activities and vested interests
Member of the Executive Committee of Asstra Associated Traffic AG, Zurich since 2018

Marc Trippel (1985)

Executive Vice President of the Signalling Division
Swiss citizen

Member of the Group Executive Board since 2022

Education, professional experience, career
MAS UZH, Zurich; M.A. HSG, St. Gallen; B.A. UZH, Zurich; since 2020, various management positions at Stadler Group, including Chief of Staff; before that, various roles in company acquisitions, integrations and restructurings at CGS Management AG and ZETRA International AG. He started his career in the financial industry at Goldman Sachs

Other activities and vested interests
Managing Director BW Center GmbH

Lucius Gerig (1987)

Executive Vice President Division Switzerland and CEO of Stadler Rheintal AG
Swiss citizen

Member of the Group Executive Board since 2023

Education, professional experience, career
Master of Arts in Business Innovation at the University of St. Gallen (HSG); Master of Science in Entrepreneurship & New Business Venturing at the Rotterdam School of Management (RSM); has held various positions at the Stadler Group since 2014, initially assisting the development of the Components Division, then heading the Corporate Development department under the then Group CEO Peter Spuhler. Chief Financial Officer (CFO) of the Central Europe Division from 2019 and CFO of the Switzerland division from 2020.

Other activities and vested interests
Member of the LITRA Finance Committee (since 2023); member of the Executive Board of the Eastern Switzerland Compensation Fund for Trade and Industry since 2021 and Chairman of the Board since 2023

Benjamin Niederhauser (1987)

Executive Vice President of the Components Division
Swiss citizen

Member of the Group Executive Board since 2023

Education, professional experience, career
Bachelor's Degree in Business Administration from the University of Zurich; Master's Degree in Finance at the University of Zurich and the University of Cape Town; worked for a leading auditing and consulting company, for a global facility management company and in management and strategy consulting.

Other activities and vested interests
None

5. Significant changes since the balance sheet date

Wojciech Kostrzewa was elected Chairman of the Supervisory Board of Alior Bank SA, Warsaw, on 7 March 2025. As a result, he stepped down from the following positions with effect from 3 March 2025: Chairman of the Board of Directors of Billion Group Ltd., CEO of WK Consult, Director of Art Polonia SL, Director of Cricklade Investments Ltd., Chairman of the Supervisory Board of Wydawnictwo Pascal.

On 1 January 2025, Martin Ritter took over the role of Executive Vice President of the newly created North America Division. Martin Ritter joined Stadler's Group Executive Board accordingly on 1 January 2025.

6. Remuneration, shareholdings and loans, credits and employee benefits

The content and method of determining the remuneration and the shareholding programmes, as well as information on the remuneration, shareholdings, loans, credits and employee benefits of the Board of Directors and Group Executive Board can be found in the Remuneration Report starting on page 67 and in the Annual Financial Statements starting on page 131.

7. Participation rights of shareholders

Restrictions on voting rights

Stadler Rail AG has no restrictions on voting rights.

Statutory quorums

In accordance with Article 17 of the Articles of Association, the General Meeting passes its resolutions and conducts its elections by a simple majority of the votes cast, irrespective of the number of shareholders present and shares represented, unless a mandatory provision of the law or the Articles of Association stipulates otherwise. Abstentions and invalid votes shall not be considered as votes cast.

Convocation of the General Meeting, agenda and proxy voting

In accordance with Article 12 of the Articles of Association, the General Meeting is convened by the Board of Directors or, if necessary, by the statutory auditors. Liquidators and, in the case of bond issues, representatives of bond holders shall also be entitled to convene a General Meeting.

The time and place of the General Meeting, which may be held abroad, is determined by the Board of Directors or by any other body authorised to convene the General Meeting. The Board of Directors, or another body authorised to convene the General Meeting, may also decide that:

a. the General Meeting can be held at several different locations at the same time;
b. shareholders who are not present at the venue of the General Meeting can exercise their rights electronically;
c. the General Meeting can be held by electronic means without a meeting venue.

The Board of Directors determines the use of electronic means. It ensures that:

a. the identity of the participants is clearly established;
b. votes at the General Meeting are transmitted directly;
c. each participant can submit proposals and take part in the discussion;
d. the result of the vote cannot be falsified.

The Ordinary General Meeting takes place every year within six months after the close of the financial year. Extraordinary General Meetings shall be called as and when necessary, and in particular in the cases set out by law.

A General Meeting may also be called by one or more shareholders who together represent at least 5 percent of the share capital or of the votes. Shareholders who together represent at least 0.5 percent of the share capital or of the votes may request that an item be placed on the agenda of a General Meeting, provided they submit details thereof to the company in writing at least 45 calendar days in advance of the General Meeting concerned. In accordance with Article 13 of the Articles of Association, notice of the Ordinary or Extraordinary General Meeting shall be given by publication in the Swiss Official Gazette of Commerce at least 20 calendar days before the date of the meeting. If the postal and/or e-mail addresses of the shareholders are known, notice may also be given by post and/or e-mail. As well as specifying the type, date, time and location of the meeting where applicable, the notice convening the meeting must list the items on the agenda and the motions proposed either by the Board of Directors or by the shareholders who asked for a General Meeting to be held or for an item to be put on the agenda (with a short justification), as well as the name and address of the independent proxy.

The Annual Report and the Auditors' Report must be made available to the shareholders 20 calendar days before the Ordinary General Meeting at the latest. If the documents are not available electronically, each shareholder may ask to receive a copy in good time. If the documents are not accessible electronically, each shareholder may also ask for the Annual Report in the form approved by the General Meeting and the Auditors' Report to be sent to them within one year of the General Meeting.

Pursuant to Article 15 of the Articles of Association, a shareholder may be represented at the General Meeting by granting a written power of attorney to a third party who need not be a shareholder. Members of the Board of Directors and the Group Executive Board may represent shareholders, provided that there is no institutionalised representation. Custodians may represent shareholders and are not deemed to be securities account representatives (within the meaning of Article 689e CO) provided that they are acting on the basis of a written power of attorney and in accordance with specific or general instructions from the shareholder concerned. The Board of Directors may issue procedural rules in connection with the participation and representation of shareholders at the General Meeting and, in particular, may regulate in more detail the issuing of instructions to the independent proxy. It shall ensure that shareholders may also issue electronic powers of attorney and instructions to the independent proxy, and shall be authorised to waive, in whole or in part, the requirement for a qualified electronic signature, in derogation of Article 15 of the Articles of Association.

In accordance with Article 16 of the Articles of Association, the independent proxy is elected by the General Meeting for a term of one year until the conclusion of the next Ordinary General Meeting. Ulrich B. Mayer, lic. Iur., lawyer, has been designated as the independent proxy until the conclusion of the Ordinary General Meeting 2024.

In accordance with Article 17 of the Articles of Association, a nominal vote may be carried out by electronic or written voting or by show of hands. In order to expedite the counting of votes, the Chairman may determine, in the case of written votes, that only the votes of shareholders abstaining or voting against shall be counted and that the remaining shares represented at the General Meeting at the time of voting shall be counted as yes votes.

The Chairman may at any time have an open or electronic ballot or vote repeated by means of a written ballot or vote if, in his opinion, there are doubts about the result. In this case, the preceding open or electronic ballot or vote shall be deemed not to have taken place.

Entries in the share register

In accordance with Article 6 of the Articles of Association, the company shall keep a share register in which owners and usufructuaries' family and given names (or the company name in the case of legal entities), address and citizenship (or the registered office in the case of legal entities) are registered. In accordance with Article 15 of the Articles of Association, each share entitles its holder to one vote. Only those shareholders entered in the share register as shareholders with voting rights in accordance with Article 6 of the Articles of Association by a specific qualifying day (record date) designated by the Board of Directors are entitled to vote at the General Meeting. In the absence of such designation, the record date shall be ten days prior to the General Meeting. The Board of Directors is authorised to specify or supplement these provisions in the notice of the General Meeting or in general regulations or guidelines.

8. Change of control and defensive measures

Mandatory tender offer

According to Article 9 of the Articles of Association, the duty to make a public tender offer pursuant to Article 135, paragraph 1 FinMIA only applies if the threshold of 49 percent of the voting rights is exceeded (opting-up).

Change of control clauses

There are no control clauses in Stadler's employment and mandate contracts.

9. Statutory Auditors

Duration of the mandate and term of office of the lead auditor

KPMG AG, Zurich, have been Stadler's statutory auditors since the 2011 financial year. Toni Wattenhofer, a licensed audit expert, has been the lead auditor for this mandate at KPMG since the 2024 financial year. The term of office of the lead auditor is limited to seven years.

Audit fees and additional fees

KPMG has invoiced Stadler around CHF 1.4 million for the 2024 financial year for services in connection with the audit of the annual financial statements of Group companies, Stadler's consolidated financial statements and the Remuneration Report. KPMG charged around CHF 0.1 million for additional services such as tax and transaction advice.

Information instruments of the external auditors

The external auditors report in writing on relevant audit activities and other important events relating to the company. The auditors have access to the minutes of the meetings of the Board of Directors.

The Audit Committee of the Board of Directors assesses the performance, remuneration and independence of the statutory and group auditors on an annual basis and submits a proposal to the Board of Directors on which external auditor should be proposed for election at the General Meeting. Each year, the Audit Committee also reviews the scope of the external audit, the audit plans and the relevant procedures, and discusses the audit results with the external auditors.

10. Information policy

Stadler maintains regular, open dialogue with all stakeholders, in particular with investors, financial analysts and bank and media representatives. Communication takes place via the Annual and Interim Reports, the General Meeting and an annual media conference.

The shareholders and the capital market are informed about significant current changes and developments by means of media releases. The disclosure of potentially price-sensitive events is ensured in accordance with the ad hoc publicity requirements of the SIX Swiss Exchange. Stadler also maintains dialogue with investors, financial analysts and media representatives at appropriate events. Shareholders and other interested parties can register at https://www.stadlerrail.com/en/media to receive media releases automatically.

Reporting on the 2024 financial year comprises the Annual Report, a media release and a presentation. The Annual Report can be ordered by the shareholders. The Annual Report is available for inspection by the shareholders at the latest 20 calendar days before the General Meeting at the company's registered office. At the General Meeting, the Board of Directors and the Group Executive Board provide information on the annual financial statements and the course of business of the company and answer shareholders' questions.

Sources of information

Stadler provides comprehensive information for all interested parties, which can be accessed on the Internet via the following links:

- Website of Stadler Rail AG:
  https://www.stadlerrail.com
- Articles of Association of Stadler Rail AG:
  https://www.stadlerrail.com/en/downloads
- Annual Reports including the Financial Report:
  https://www.stadlerrail.com/en/investor-relations
- Corporate Governance:
  https://www.stadlerrail.com/en/investor-relations
- Media releases:
  https://www.stadlerrail.com/en/media/media-releases
- Automatic receipt of media releases:
  https://www.stadlerrail.com/en/media
- Agenda (including the Annual and Interim Reports and the General Meeting):
  https://www.stadlerrail.com/en/investor-relations
- Contact:
  https://www.stadlerrail.com/en/contact or as follows:

Investors and financial analysts:
Daniel Strickler
Investor Relations Officer
Tel.: +41 71 626 86 47
E-mail: ir@stadlerrail.com

Corporate communication:
Marc Meschenmoser
Head of Corporate Communications & Public Relations
Tel.: +41 71 626 19 19
E-mail: medien@stadlerrail.com

Stadler Rail AG
Ernst-Stadler-Strasse 1
9565 Bussnang
Switzerland

General trading blackout periods

During ordinary blackout periods, blocked persons and the issuer may not trade in securities of the issuer and derivatives derived from them or make recommendations to other persons.

The following general trading blackout periods apply:

- from 31 December until the end of one SIX trading day following the publication of the company's annual results; and
- from 30 June until the end of one SIX trading day following the publication of the company's half-year results.

The general trading blackout periods apply to the following persons:

- The members of the Board of Directors, the Group CEO, Group CFO, Deputy Group CFO, Group Treasurer, Controller and their respective assistants as well as the other members of the Group Executive Board and
- any other person designated by the eVRP, the Group CEO, the Group CFO or the General Secretariat if the person in question is involved in, or has access to, the preparation, analysis, review or communication of the company's financial results.

The company shall maintain a list of blocked persons and inform such persons of their classification as blocked persons and of the beginning and end of the general trading blackout periods. No exceptions are provided for without the prior written consent of the eVRP, the Group CEO or the Group CFO. One exception to the general rules was granted in the reporting year.

REMUNERATION REPORT

The Remuneration Report describes the remuneration system and its application at Stadler in the 2024 reporting year. The Remuneration Report is prepared in accordance with the law on public limited companies applicable since 1 January 2023 (the Ordinance Against Excessive Remuneration in Listed Companies (ERCO) has been integrated into this law) and follows the recommendations of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse and the requirements of the Directive Corporate Governance (DCG) of the SIX Swiss Exchange.

1. Remuneration system

Principles

Stadler's remuneration system is intended to encourage employees in general to ensure a sustainable increase in the value of the company by offering competitive remuneration as well as variable salary components awarded according to a performance-based system. The system is designed in such a way that the interests of the top management are in line with the interests of the company and its shareholders.

Individual responsibility and professional experience are also taken into account for the members of the Group Executive Board.

Board of Directors

Fixed remuneration

The remuneration of the Board of Directors comprises a yearly fee consisting of a fixed basic salary for serving on the Board of Directors and fixed compensation for the chairmanship and/or membership of committees. The remuneration of the executive Chairman of the Board of Directors includes compensation for the chairmanship and/or membership of committees. The remuneration of the Board of Directors is determined annually by the Board of Directors at its own discretion at the request of the Compensation Committee. Members of the Board of Directors may attend meetings of the Compensation Committee and have a right to be heard. The Chairman of the Board of Directors receives a fee of CHF 300,000, and the Vice Chairman a fee of CHF 150,000. The other members of the Board of Directors each receive a fee of CHF 90,000. In addition to this compensation, members of a committee receive CHF 20,000, and committee chairs CHF 30,000.

In accordance with the remuneration regulations, the fixed remuneration is paid in cash and/or in shares of Stadler Rail AG, at the discretion of the individual member of the Board of Directors. The relevant decision must be made by the end of May of each financial year. The shares are subject to a four-year vesting period after allocation and are allocated at a vesting discount of 20% in relation to the defined value. During the vesting period, the member of the Board of Directors concerned is prohibited from selling, pledging, transferring or otherwise disposing of the corresponding shares. Each member remains entitled to voting and dividend rights during the vesting period. The volume-weighted average share price during November of the calendar year of allocation (less vesting discount) is taken as the defined value of the shares. With regard to share or cash components, the respective member of the Board of Directors must set an individual default in the event that the annual election cannot take place due to restrictions under stock exchange law. This default can be adjusted annually. The shares are allocated in the month of December of the respective remuneration period.

The members of the Board of Directors do not receive attendance fees. No further remuneration is paid for the preparation and attendance of ordinary and extraordinary meetings of the Board of Directors and its committees.

Variable remuneration

The members of the Board of Directors do not receive any variable or performance-related remuneration.

Other benefits

Stadler bears the statutory social contributions and also reimburses members of the Board of Directors for actual expenses incurred.

The members of the Board of Directors do not receive any benefits in kind, nor are they granted loans and credits or employee benefits other than occupational benefits or securities. Furthermore, Board members are not granted any entry bonuses or severance payments.

Stadler Group Executive Board

Fixed remuneration

The members of the Group Executive Board receive fixed remuneration, which is paid monthly. This fixed remuneration depends on the individual function as well as the qualification and professional experience of the respective member of the Group Executive Board. The amount is determined annually by the Board of Directors at its own discretion. The fixed remuneration is paid in cash.

Variable remuneration [1]

The members of the Group Executive Board also receive variable remuneration based on the achievement of certain performance targets. Performance targets may include quantitative and qualitative performance criteria that take into account the performance of the Group, individual divisions or business units and/or individual objectives. In the 2024 reporting year, 65% of the target agreements (previous year: 65%) consisted of quantitative Group targets (such as EBIT margin, order intake in relation to the average revenue of the current and two previous financial years, observance of warranty cost budgets and compliance with factory acceptance dates) and 35% (previous year: 35%) of individual targets. The achievement of the objectives averaged 37% for 2024 (previous year: 50%).

In accordance with the remuneration regulations, the Board of Directors, at the request of the Compensation Committee, determines the weighting of the performance targets, the respective objectives and the proportional ratio between the annual fixed remuneration and the variable remuneration components. The setting of individual objectives and their achievement may be delegated to the Group CEO for any member of the Group Executive Board (with the exception of the Group CEO). A minimum and a maximum target value are defined for each quantitative Group target. If the minimum target value is not reached, nothing is paid out for this partial target. There is no interpolation within target value achievement levels, but attainment is measured by level.

The variable remuneration of the Group CEO amounts to a maximum of 120% of the fixed remuneration. At least 40% of the variable remuneration must be received in shares of Stadler Rail AG, whereby the Group CEO can, at his own discretion, decide on the share proportion, of between 40% and 100% of the variable remuneration, by the end of December of the current financial year.

The variable remuneration of the other members of the Group Executive Board amounts to a maximum of 80% of the fixed remuneration. At least 30% of the variable remuneration must be received in shares of Stadler Rail AG, whereby the relevant Group Executive Board member can, at their own discretion, decide on the share proportion, of between 30% and 100% of the variable remuneration, by the end of December of the current financial year.

The shares of all Group Executive Board members are subject to a four-year vesting period after allocation (following approval of the annual financial statements by the Annual General Meeting) and are allocated at a vesting discount of 20% in relation to the defined value. During the vesting period, the member of the Group Executive Board concerned is prohibited from selling, pledging, transferring or otherwise disposing of the corresponding shares. Each member remains entitled to voting and dividend rights during the vesting period. The volume-weighted average share price during March of the calendar year of allocation (less vesting discount) is taken as the defined value of the shares.

If the Board of Directors or the Compensation Committee deems it appropriate, it may also grant long-term incentives, which are linked to future performance regardless of the achievement of past performance targets. No such allocations were made in the 2023 and 2024 financial years.

Other benefits

Stadler bears the pension and social security contributions stipulated by the law and the regulations. Like all Stadler employees, members of the Group Executive Board receive a Christmas bonus of a maximum of CHF 1,000 depending on the course of business, and are entitled to a long-service bonus every five years. Members of the Group Executive Board also receive a monthly expense allowance for representation expenses which, as a substitute, does not constitute remuneration. In addition, a mobile phone is made available to each member of the Group Executive Board.

Pursuant to Article 30 of the Articles of Association, the members of the Group Executive Board may be granted loans, credits, guarantees or securities at market conditions, but only up to a total amount per person not exceeding (i) 500% of the current fixed annual remuneration as a secured loan for the acquisition of real estate or (ii) 200% of the current fixed annual remuneration for other loans, credits, guarantees or securities.

Members of the Group Executive Board are not granted any entry bonuses or severance payments.

2. Responsibilities and powers

The Compensation Committee consists of at least three members of the Board of Directors. Candidates are proposed by the Board of Directors to the General Meeting and elected by the latter for a period of one year until the next Ordinary General Meeting. Re-election is possible.

The Compensation Committee assists the Board of Directors in determining and reviewing the remuneration strategy and guidelines and the qualitative and quantitative criteria for the variable remuneration of members of the Group Executive Board, as well as in preparing proposals for the General Meeting regarding the remuneration of members of the Board of Directors and of the Group Executive Board.

1 The full statutory provision on variable remuneration is set out in Article 25 of the Articles of Association, which can be found at https://www.stadlerrail.com/en/downloads.

The basic principles of the remuneration strategy are reviewed annually. The Compensation Committee held two (previous year: two) meetings in the 2024 financial year. The members of the Board of Directors who are not members of the Compensation Committee did not attend the committee meetings during the year, but were informed by the Chairman of the Compensation Committee at the next meeting of the full Board of Directors about the main resolutions and measures relating to the remuneration process and system.

The approval of the remuneration by the Board of Directors is subject to approval by the General Meeting. In accordance with the Articles of Association, the General Meeting votes annually on the maximum total remuneration to be paid to the Board of Directors and Group Executive Board for the financial year following the Annual General Meeting.

If the General Meeting does not approve a total amount, the provisions of Article 27, paragraph 2 of the Articles of Association apply. Stadler may align remuneration subject to subsequent approval by the General Meeting.

In accordance with Article 27, paragraph 4 of the Articles of Association, Stadler is authorised to pay additional remuneration (including any compensation for loss of remuneration or for financial disadvantages in connection with a change of employment) to members of the Group Executive Board who join the Group Executive Board or are promoted within it after the date of approval of the remuneration by the General Meeting and to the extent that the amount already approved is insufficient for the relevant period. These additional amounts do not have to be approved by the General Meeting provided that they do not exceed 50% of the maximum total remuneration approved for the Group Executive Board.

3. Remuneration for the 2024 financial year

The remuneration of the Group Executive Board is reported in accordance with the accrual principle since the variable remuneration is not paid until the following year. In the case of new members joining the Board of Directors or the Group Executive Board, remuneration is included from the date of assumption of the corresponding function (pro rata). The same applies to departures.

Board of Directors

	Function	Remuneration in cash in TCHF	Remuneration in shares in TCHF	Social security contributions [1] in TCHF	2024 Total in TCHF	2023 Total in TCHF
Peter Spuhler	Chairman of the Board of Directors Chairman of Strategy Committee Member of Compensation Committee Member of Nomination Committee	–	375	19	394	322
Hans-Peter Schwald [2]	Vice-Chairman of the Board of Directors Member of Audit Committee Member of Compensation Committee Member of Nomination Committee	197	–	13	210	233
Kurt Rüegg	Member of the Board of Directors Chairman of Audit Committee	120	–	9	129	149
Doris Leuthard	Member of the Board of Directors Member of Strategy Committee	88	28	8	124	129
Dr. Christoph Franz	Member of the Board of Directors Chairman of Compensation Committee Chairman of Nomination Committee	120	–	9	129	186
Wojciech Kostrzewa	Member of the Board of Directors Member of Audit Committee	110	–	–	110	110
Barbara Egger-Jenzer	Member of the Board of Directors Member of Compensation Committee Member of Nomination Committee	110	–	6	116	124
Dr. Stefan Asenkerschbaumer	Member of the Board of Directors Member of Audit Committee Member of Strategy Committee	91	49	–	140	143
Danijela Karelse [3]	Member of the Board of Directors Member of Audit Committee	73	–	6	79	n/a
Niko Warbanoff [4]	Member of the Board of Directors Member of Strategy Committee	37	46	–	83	n/a
Total remuneration to members of the Board of Directors [5]		**946**	**498**	**70**	**1,514**	**1,396**

[1] Social security contributions include the employer's portion of social security contributions.
[2] Mr. Schwald resigned from the Strategy Committee on 22 May 2024.
[3] Ms. Karelse was elected to the Board of Directors at the General Meeting held on 22 May 2024.
[4] Mr. Warbanoff was elected to the Board of Directors at the General Meeting held on 22 May 2024.
[5] Since 1 May 2023, the remuneration for membership of the Nomination and Compensation Committee has amounted to TCHF 20 per year (previously: TCHF 40). The remuneration for the chairmanship of the Nomination and Compensation Committee was reduced from TCHF 60 to TCHF 30.

Group Executive Board

	Fixed remuneration	Variable remuneration in cash	Variable remuneration in shares	Other benefits [1]	2024 Total	2023 Total
	in TCHF	in TCHF	in TCHF	in TCHF	in TCHF	in TCHF
Markus Bernsteiner, Group CEO	910	177	222	552	1,861	1,921
Other members of the Group Executive Board	3,353	470	665	1,064	5,552	5,959
Total remuneration to the Group Executive Board	**4,263**	**647**	**887**	**1,616**	**7,413**	**7,880**

[1] Other benefits include the employer's portion of social security and pension fund contributions as well as contributions for accident and illness insurance. Christmas bonuses and seniority bonuses are also included.

At the 2023 Annual General Meeting, the Board of Directors was awarded total remuneration of CHF 2,000,000 and the Group Executive Board total remuneration of CHF 9,500,000 for the 2024 financial year. The total remuneration for the Board of Directors and the Group Executive Board for 2024 is within the approved range.

4. Remuneration to former members of executive bodies

No remuneration was paid to former members of executive bodies. Former members of executive bodies are persons who stepped down before the start of the current reporting period.

5. Remuneration to related parties

No remuneration was paid to related parties of the Board of Directors or Group Executive Board.

6. Loans and credits

Neither Stadler nor any other Group company granted any loans or credits to related parties or to former or current members of executive bodies. Furthermore, there are no loans or credits outstanding.

7. Shareholdings of the Board of Directors and Group Executive Board

The members of the Board of Directors and the Group Executive Board (including related parties) hold the following number of shares in Stadler Rail AG:

Board of Directors

in units	31.12.2024	31.12.2023
Peter Spuhler	42,140,153	41,668,693
Hans-Peter Schwald	850,000	850,000
Kurt Rüegg	388,504	388,504
Doris Leuthard	5,320	4,075
Dr. Stefan Asenkerschbaumer	5,769	3,883
Dr. Christoph Franz	1,370,781	1,370,781
Wojciech Kostrzewa	150,000	150,000
Barbara Egger-Jenzer	5,306	5,306
Danijela Karelse	–	n/a
Niko Warbanoff	1,773	n/a
Total number of shares Board of Directors	**44,917,606**	**44,441,242**

Group Executive Board

in units	31.12.2024	31.12.2023
Raphael Widmer	90,000	90,000
Ansgar Brockmeyer	42,334	39,097
Jure Mikolčić	34,815	33,020
Markus Bernsteiner	290,963	283,077
Philipp Brunner	6,452	4,597
Iñigo Parra	41,595	39,245
Marc Trippel	2,387	1,208
Daniel Baer	26,928	26,928
Lucius Gerig	2,874	1,151
Benjamin Niederhauser	1,802	838
Total number of shares Group Executive Board	**540,150**	**519,161**

8. Activities in other companies

Board of Directors

	Company	Function exercised	Listed on the stock exchange
Peter Spuhler	PCS Holding AG	Chairman of the Board of Directors	no
	Allreal Holding AG	Member of the Board of Directors	yes
	Rieter Holding AG	Member of the Board of Directors	yes
	Aebi Schmidt Holding AG	Chairman of the Board of Directors	no
	DSH Holding AG	Vice-Chairman of the Board of Directors	no
	European Loc Pool AG	Member of the Board of Directors	no
	Sönmez Transformer Company (STS)	Member of the Board of Directors	no
	Florhof Immobilien AG	Member of the Board of Directors	no
	Chesa Sül Spelm AG	Member of the Board of Directors	no
	RANA APS AG	Chairman of the Board of Directors	no
	Robert Bosch GmbH	Member of the Supervisory Board	no
	Robert Bosch Industrietreuhand KG	Limited Partner	no
	Tele D	Member of the Board of Trustees	no
	LITRA	Member of the Management Committee and Vice-Chairman of the Board of Directors	no
	Swissmem	Member of the Executive Committee	no
	PMT Management AG	Member of the Board of Directors	no
	Wohnpark Promenade AG	Member of the Board of Directors	no
Hans-Peter Schwald [1]	Autoneum Holding AG	Chairman of the Board of Directors	yes
	AVIA Vereinigung	Chairman of the Executive Board	no
	Dagda Consulting AG	Chairman of the Board of Directors	no
	DSH Holding AG	Member of the Board of Directors	no
	PCS Holding AG	Member of the Board of Directors	no
	Rehaklinik Tschugg AG	Chairman of the Board of Directors	no
	Retsch Holding AG	Member of the Board of Directors	no
	Rieter Holding AG	Member of the Board of Directors	yes
	VAMED Management und Service Schweiz AG	Chairman of the Board of Directors	no
	Rehaklinik Zihlschlacht AG	Chairman of the Board of Directors	no
	Rehaklinik Dussnang AG	Chairman of the Board of Directors	no
	Rehaklinik Seewis AG	Chairman of the Board of Directors	no
	Valfor Attorneys-at-law Association	Chairman of the Executive Board	no
	VAMED Health Project Schweiz AG	Chairman of the Board of Directors	no
	ZSC Lions Arena Immobilien AG	Chairman of the Board of Directors	no
Kurt Rüegg [2]	PCS Holding AG	Member of the Board of Directors	no
	Casino Theater AG Winterthur	Member of the Board of Directors	no
Doris Leuthard	Coop Genossenschaft	Vice-Chairwoman of the Management	no
	Coop-Gruppe Genossenschaft	Vice-Chairwoman of the Management	no
	Coop Pronto AG	Member of the Board of Directors	no
	Transgourmet Holding AG	Vice-Chairwoman of the Board of Directors	no
	Bell Food Group AG	Vice-Chairwoman of the Board of Directors	yes
	ETH Zürich Foundation	Member of the Board of Trustees	no
	Venture	Member of the Board of Trustees	no
Dr. Stefan Asenkerschbaumer	Robert Bosch GmbH	Chairman of the Supervisory Board	no
	Robert Bosch Industrietreuhand KG	Managing Partner	no
	BASF AG	Deputy Chairman of the Supervisory Board	yes
Dr. Christoph Franz	Chugai Pharmaceutical Co., Ltd.	Member of the Board of Directors	yes
	Zurich Insurance Group AG	Vice-Chairman of the Board of Directors	yes
	Zürich Versicherungs-Gesellschaft AG	Vice-Chairman of the Board of Directors	no
	Konzernvorsorgestiftung der Zürich Versicherungs-Gruppe	Member of the Board of Trustees	no
	Ernst-Göhner-Stiftung	Member of the Board of Trustees	no
	Rantum Equity Participation GmbH & Co. KG	Member of the Advisory Board	no
	Artemis Holding AG	Vice-Chairman of the Board of Directors	no
Wojciech Kostrzewa [3]	Billon Group Ltd.	Chairman of the Board of Directors	no
	ERGO Hestia SA	Vice-Chairman of the Supervisory Board	no
	ERGO Hestia Life SA	Member of the Supervisory Board	no
	Wydawnictwo Pascal	Chairman of the Supervisory Board	no
	WK Consult	CEO	no
	Art Polonia SL	Director	no
	Gremi Media SA	Member of the Supervisory Board	yes
	Cricklade Investments	Director	no
	Kostrzewa, Marciniak-Małecka, Evox KG	General Partner	no
	Squirro AG	Member of the Advisory Board	no
Barbara Egger-Jenzer	Kraftwerke Oberhasli AG	Chairwoman of the Board of Directors	no
Danijela Karelse	NETSTAL Maschinen AG	CFO	no
	Personalvorsorgestiftung der NETSTAL Maschinen AG	Vice-Chairwoman	no
	NETSTAL Benelux BV	Director	no
	NETSTAL Shanghai Machinery LLC	Director	no
	NETSTAL Iberica SA	Director	no
	NETSTAL France SAS	Director	no
	NETSTAL Italia S.r.l.	Director	no
	NETSTAL Singapore Pte. Ltd.	Director	no
	NETSTAL UK Ltd.	Director	no
	NETSTAL Inc.	Director	no
	MAARDA GmbH	Managing Director	no
Niko Warbanoff	Deutsche Bahn AG; DB E.C.O. Group	CEO	no
	DB International Operations GmbH	CEO	no

[1] Mr. Schwald resigned from his position as a member of the Executive Board of AVIA International in 2024.

[2] Mr. Rüegg resigned from his position as a member of the Board of Directors of St. Galler Kantonalbank and as Chairman of the Board of Directors of Alantra AG in 2024.

[3] Mr. Kostrzewa resigned from his position as President of the Supervisory Board of Poland Investments, as a member of the Executive Board of Evox and as a member of the Advisory Board of ERBUD SA in 2024.

Group Executive Board

	Company	Function exercised	Listed on the stock exchange
Raphael Widmer	Pensionskasse der Stadler Rail Group Hürlimann Railtec AG	Chairman of the Board of Trustees Chairman of the Board of Directors	no no
Ansgar Brockmeyer	–	–	–
Jure Mikolčić	–	–	–
Markus Bernsteiner	–	–	–
Philipp Brunner	AsstrA-Associated Traffic AG	Member of the Executive Committee	no
Iñigo Parra [1]	Colegio Guadalaviar Hinojosa S.A.	Chairman of the Board of Directors Member of the Board of Directors	no no
Marc Trippel	AngelStar S.r.l. BW Center GmbH	Member of the Board of Directors Managing Director	no no
Daniel Baer	ÖBB Stadler Service GmbH	Partner	no
Lucius Gerig	Ostschweizer Ausgleichskasse für Handel und Industrie LITRA	Chief Executive Member of the Finance Committee	no no
Benjamin Niederhauser	–	–	–

[1] Mr. Parra resigned from his position as Chairman of the Board of Directors of Altaviana (Foundation) in 2024.

Report of the statutory auditor

To the General Meeting of Stadler Rail AG, Bussnang

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Stadler Rail AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the sections 3 to 8 on pages 70 to 74 of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Remuneration Report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections 3 to 8 in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge

Nicolas Wuffli
Licensed Audit Expert

Zurich, 18 March 2025

KPMG AG, Badenerstrasse 172, CH-8036 Zurich


8029
DM8029
STADLER

CONSOLIDATED FINANCIAL STATEMENTS

Contents

Consolidated financial statements
82 – Consolidated income statement
83 – Consolidated balance sheet
84 – Consolidated cash flow statement
86 – Consolidated statement of changes in equity

Notes to the consolidated financial statements
87 – Information on the report
89 – 1. Operating performance
89 – 1.1 Segment reporting
92 – 1.2 Work in progress
95 – 1.3 Compensation claims from work in progress
95 – 1.4 Personnel expenses
96 – 1.5 Earnings per share
97 – 2. Operating assets and liabilities
97 – 2.1 Trade receivables and payables
98 – 2.2 Inventories
99 – 2.3 Property, plant and equipment
101 – 2.4 Financial assets
102 – 2.5 Intangible assets
104 – 2.6 Provisions and contingent liabilities
106 – 2.7 Other operating assets and liabilities
107 – 3. Financing
107 – 3.1 Financial liabilities
108 – 3.2 Guarantees and pledged assets
108 – 3.3 Share capital and reserves
110 – 3.4 Derivative financial instruments
111 – 4. Group structure
111 – 4.1 Changes in the scope of consolidation
112 – 4.2 Scope of consolidation and consolidation principles
114 – 4.3 Investments in associated companies
115 – 4.4 List of investments
117 – 4.5 Related parties and companies
118 – 4.6 Goodwill
119 – 5. Other information
119 – 5.1 Financial result
120 – 5.2 Income taxes
121 – 5.3 Employee benefits
122 – 5.4 Government grants
123 – 5.5 Non-operating result
123 – 5.6 Events after the reporting date
123 – 5.7 Approval of the consolidated financial statements

Report of the Statutory Auditor on the consolidated financial statements
124 – Report of the Statutory Auditor

Financial statements of Stadler Rail AG

132 – Income statement
133 – Balance sheet

Notes to the financial statements

134 – 1. Principles
135 – 2. Information on balance sheet and income statement items
135 – 2.1 Financial assets
135 – 2.2 Investments
136 – 2.3 Non-current interest-bearing liabilities
136 – 2.4 Share capital
137 – 2.5 Treasury shares
137 – 2.6 Other financial income
137 – 2.7 Other operating income
138 – 2.8 Financial expenses
138 – 2.9 Other operating expenses
138 – 3. Other information
139 – Appropriation of profit proposed to the Annual General Meeting

Report of the Statutory Auditor on the financial statements

140 – Report of the Statutory Auditor

Consolidated income statement

in thousands of CHF or as noted	Note	2024		2023	
Net revenue	1.1	**3,255,595**	**100.0%**	**3,608,436**	**100.0%**
Material and external services		(1,703,516)	52.3%	(2,012,284)	55.8%
Material overheads		(125,823)	3.9%	(124,004)	3.4%
Warranty costs	2.6	(92,164)	2.8%	(96,771)	2.7%
Production costs		(678,899)	20.9%	(689,316)	19.1%
Engineering costs		(249,096)	7.7%	(248,319)	6.9%
Project management costs		(35,186)	1.1%	(33,104)	0.9%
Cost of goods sold and services provided		**(2,884,684)**	**88.6%**	**(3,203,798)**	**88.8%**
Gross margin		**370,911**	**11.4%**	**404,638**	**11.2%**
Development costs		(35,852)		(35,450)	
Marketing and sales costs		(78,420)		(61,033)	
Administration costs		(139,697)		(120,610)	
Other operating income		8,333		10,938	
Other operating expenses		(24,794)		(15,210)	
Operating result (EBIT)		**100,481**	**3.1%**	**183,273**	**5.1%**
Financial result	5.1	(1,519)		(34,675)	
Share of results from associated companies	4.3	4,002		3,832	
Ordinary result		**102,964**	**3.2%**	**152,430**	**4.2%**
Non-operating result	5.5	(169)		(414)	
Profit before income taxes		**102,795**	**3.2%**	**152,016**	**4.2%**
Income taxes	5.2	(47,829)		(13,453)	
Profit for the year		**54,966**	**1.7%**	**138,563**	**3.8%**
– thereof attributable to shareholders of Stadler Rail AG		38,417		124,318	
– thereof attributable to minority interests		16,549		14,245	
Basic and diluted earnings per share (in CHF)	1.5	**0.38**		**1.24**	

Consolidated balance sheet

in thousands of CHF	Note	31.12.2024		31.12.2023	
Assets					
Cash and cash equivalents		1,260,853		1,087,044	
Trade receivables	2.1	414,269		334,071	
Other current receivables	2.7	110,585		113,389	
Compensation claims from work in progress	1.3	775,715		695,245	
Inventories	2.2	327,863		302,010	
Work in progress	1.2	1,332,912		1,043,664	
Accrued income and deferred expenses		59,951		34,015	
Total current assets		**4,282,148**	**73.1%**	**3,609,438**	**72.1%**
Property, plant and equipment	2.3	1,095,731		998,045	
Financial assets	2.4	187,311		149,978	
Investments in associated companies	4.3	24,367		21,245	
Intangible assets	2.5	265,895		229,870	
Total non-current assets		**1,573,304**	**26.9%**	**1,399,138**	**27.9%**
Total assets		**5,855,452**	**100.0%**	**5,008,576**	**100.0%**
Liabilities & equity					
Current financial liabilities	3.1	49,787		171,730	
Trade payables	2.1	230,215		159,342	
Liabilities from work in progress	1.2	3,059,483		2,635,324	
Other current liabilities	2.7	171,019		106,912	
Current provisions	2.6	93,944		81,769	
Deferred income and accrued expenses	2.7	477,581		394,640	
Total current liabilities		**4,082,029**	**69.7%**	**3,549,717**	**70.9%**
Non-current financial liabilities	3.1	843,042		516,371	
Employee benefit obligations	5.3	2,620		3,970	
Non-current provisions	2.6	153,682		119,258	
Total non-current liabilities		**999,344**	**17.1%**	**639,599**	**12.8%**
Total liabilities		**5,081,373**	**86.8%**	**4,189,316**	**83.6%**
Share capital	3.3	20,000		20,000	
Capital reserves		17,583		17,389	
Treasury shares	3.3	(23)		(8)	
Retained earnings		663,259		628,582	
Profit for the year, attributable to shareholders of Stadler Rail AG		38,417		124,318	
Stadler Rail AG shareholders' equity		**739,236**	**12.6%**	**790,281**	**15.8%**
Minority interests		34,843		28,979	
Total equity		**774,079**	**13.2%**	**819,260**	**16.4%**
Total liabilities & equity		**5,855,452**	**100.0%**	**5,008,576**	**100.0%**

Consolidated cash flow statement

in thousands of CHF	Note	2024	2023[1]
Cash flow from operating activities			
Profit for the year		54,966	138,563
Depreciation and amortisation		117,209	111,883
Loss/(Profit) on disposal of non-current assets		(103)	1,499
Share of results from associated companies	4.3	(4,002)	(3,832)
Profit from sale of minority interests	4.1	–	(565)
Profit from sale of subsidiaries	4.1	–	(1,944)
Other non-cash items		(51,920)	(16,086)
Addition/(Reduction) employee benefit obligations	5.3	(1,546)	1,583
Addition/(Reduction) non-current provisions	2.6	32,664	15,096
Change in net current assets			
– Reduction/(Addition) trade receivables	2.1	(76,538)	125,884
– Reduction/(Addition) other current receivables	2.7	2,707	13,307
– Reduction/(Addition) compensation claims from work in progress	1.3	(72,770)	(91,247)
– Reduction/(Addition) inventories	2.2	(25,430)	(72,277)
– Reduction/(Addition) work in progress	1.2	(287,260)	(281,724)
– Reduction/(Addition) accrued income and deferred expenses		(25,666)	(12,154)
– Addition/(Reduction) trade payables	2.1	69,854	(71,795)
– Addition/(Reduction) liabilities from work in progress	1.2	407,920	1,036,250
– Addition/(Reduction) other current liabilities	2.7	56,197	(42,528)
– Addition/(Reduction) current provisions	2.6	11,394	1,033
– Addition/(Reduction) deferred income and accrued expenses	2.7	78,725	54,337
Net cash flow from operating activities		**286,401**	**905,283**
Cash flow from investing activities			
Investments in property, plant and equipment	2.3	(169,368)	(166,777)
Grants received for property, plant and equipment	5.4	6,588	1,249
Proceeds from sales of property, plant and equipment	2.3	1,995	1,996
Investments in financial assets	2.4	(1,963)	(1,392)
Proceeds from sales of financial assets	2.4	4,287	45,188
Acquisition of subsidiaries, net of cash and cash equivalents acquired	4.1	–	43,719
Proceeds from sales of subsidiaries, net of cash and cash equivalents received	4.1	–	(33)
Investments in associated companies	4.3	–	(971)
Dividends received from associated companies	4.3	1,246	661
Investments in intangible assets	2.5	(70,941)	(79,527)
Grants received for intangible assets	5.4	790	777
Proceeds from sales of intangible assets	2.5	1,571	2,736
Net cash flow from investing activities		**(225,795)**	**(152,374)**
Cash flow from financing activities			
Proceeds from current financial liabilities	3.1	–	240,018
Repayment of current financial liabilities	3.1	(115,774)	(592,700)
Proceeds from non-current financial liabilities	3.1	173,472	–
Repayment of non-current financial liabilities	3.1	–	(1,364)
Proceeds from/(Repayment of) bond issuance	3.1	200,000	–
Proceeds from/(Repayment of) promissory note loans	3.1	(57,142)	–
(Purchase)/Sale of treasury shares	3.3	(2,786)	(2,532)
Dividends paid to shareholders of Stadler Rail AG	3.3	(89,928)	(89,952)
Dividends paid to minority interests		(8,684)	(900)
Net cash flow from financing activities		**99,158**	**(447,430)**
Total net cash flow		**159,764**	**305,479**
Cash and cash equivalents as at 1 January		1,087,044	831,682
Currency translation differences on cash and cash equivalents		14,045	(50,117)
Cash and cash equivalents as at 31 December		**1,260,853**	**1,087,044**

[1] Adjustment of the statement of government grants related to assets received due to the initial application of Swiss GAAP FER 28, see “Basis for the preparation of the financial statements”

The other non-cash items include, in particular, changes in deferred tax assets as well as the effects of share-based remuneration and currency translation differences.

Accounting principles

Cash and cash equivalents include cash on hand, postal and bank deposits as well as sight deposits and deposits with a residual term of 90 days or less. These are valued at nominal values.

Consolidated statement of changes in equity

in thousands of CHF	Share capital	Capital reserves	Treasury shares	Goodwill offset	Currency translation differences	Other retained earnings	Total retained earnings	Stadler Rail AG shareholders' equity	Minority interests	Total equity
Balance at 1 January 2023[1]	**20,000**	**16,866**	**(99)**	(242,190)	–	977,998	**735,808**	**772,575**	**6,519**	**779,094**
Reclassification[2]	–	–	–	–	(43,948)	43,948	–	–	–	–
Profit for the year	–	–	–	–	–	124,318	124,318	124,318	14,245	138,563
Dividends paid	–	–	–	–	–	(89,952)	(89,952)	(89,952)	(900)	(90,852)
Transactions with subsidiaries	–	–	–	(4,838)	–	–	(4,838)	(4,838)	–	(4,838)
Transactions with minority interests	–	–	–	1,294	563	(563)	1,294	1,294	9,956	11,250
Transactions with associated companies	–	–	–	2,222	–	–	2,222	2,222	–	2,222
Purchase of treasury shares	–	–	(2,532)	–	–	–	–	(2,532)	–	(2,532)
Share-based payments	–	523	2,623	–	–	–	–	3,146	9	3,155
Currency translation differences	–	–	–	–	(15,952)	–	(15,952)	(15,952)	(850)	(16,802)
Balance at 31 December 2023	**20,000**	**17,389**	**(8)**	(243,512)	(59,337)	1,055,749	**752,900**	**790,281**	**28,979**	**819,260**
Balance at 1 January 2024[1]	**20,000**	**17,389**	**(8)**	(243,512)	–	996,412	**752,900**	**790,281**	**28,979**	**819,260**
Reclassification[2]	–	–	–	–	(59,337)	59,337	–	–	–	–
Profit for the year	–	–	–	–	–	38,417	38,417	38,417	16,549	54,966
Dividends paid	–	–	–	–	–	(89,928)	(89,928)	(89,928)	(8,684)	(98,612)
Purchase of treasury shares	–	–	(2,786)	–	–	–	–	(2,786)	–	(2,786)
Share-based payments	–	194	2,771	–	–	–	–	2,965	5	2,970
Currency translation differences	–	–	–	–	287	–	287	287	(2,006)	(1,719)
Balance at 31 December 2024	**20,000**	**17,583**	**(23)**	(243,512)	(59,050)	1,004,238	**701,676**	**739,236**	**34,843**	**774,079**

[1] As reported as at 31 December 2022 resp. 31 December 2023
[2] Adjustment of the statement of other retained earnings due to the initial application of Swiss GAAP FER 30 (revised), see "Basis for the preparation of the financial statements"

Notes to the consolidated financial statements

Information on the report

This section describes the basis for preparing the financial statements and gives an overview of the key assumptions and estimates made by the management. It also provides an insight into the main events in the financial year that have an impact on the consolidated financial statements.

The Stadler Rail Group
Stadler Rail AG ("Holding" or "Company"), headquartered in 9565 Bussnang at Ernst-Stadler-Strasse 1, is a public limited company incorporated under Swiss law, which has been listed on the SIX Swiss Exchange in Zurich with the securities symbol SRAIL since 12 April 2019. The Stadler Rail Group (hereinafter Stadler) is an international, independent rail vehicle manufacturer with a focus on Europe and the development of further regions, which pursues a targeted segment and market strategy with high-quality and customer-specific products.

The consolidated financial statements as at 31 December 2024 present the net assets, financial position and results of operations of Stadler Rail AG and its subsidiaries disclosed in Note 4.4 "List of investments".

Basis for the preparation of the financial statements
The consolidated financial statements have been prepared in compliance with all existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations). They provide a true and fair view of the net assets, financial position and results of operations and meet the requirements of Swiss law.

The consolidated financial statements are presented in Swiss francs. Unless otherwise stated, all financial information in Swiss francs has been rounded to the nearest thousand. For this reason, rounding differences may occur.

The valuation basis used in these consolidated financial statements is based on historical acquisition or production costs, unless a standard requires a different valuation basis for an item or a different valuation basis has been used to exercise an option. In this case, it is explicitly mentioned in the accounting principles. Accounting principles that are relevant to an understanding of the consolidated financial statements are set out in the specific notes. The consolidated income statement is presented according to the cost of sales method. The same consolidation, accounting and valuation principles were applied as in the previous year, with the exception of the revised or new provisions of Swiss GAAP FER 30 and 28 explained in the following sections.

Swiss GAAP FER 30
In 2022, the Swiss GAAP FER Commission approved the revised "Consolidated financial statements" standard (Swiss GAAP FER 30) to be applied from 1 January 2024. The consolidated financial statements have been prepared in accordance with these new accounting principles and valuation basis, and the changes have been applied retrospectively, with the exception of the transitional relief granted for acquisitions and disposals completed before 1 January 2024 (Notes 14 to 23 "Goodwill" and Notes 25 and 82 "Reclassification to profit or loss of accumulated foreign currency differences"). In general, the accounting principles revised in Swiss GAAP FER 30 had already been applied in the annual consolidated financial statements as at 31 December 2023, with the exception of the identification and recognition of intangible assets relevant to decision-making in the event of acquisitions, and the derecognition through profit or loss of accumulated currency translation differences recognised in equity arising from disposals. Due to the requirement set out in Note 37 to present the accumulated currency translation differences as a separate column within the statement of changes in equity, the presentation of the statement of changes in equity has been adjusted accordingly.

Swiss GAAP FER 28

Also in 2022, the Swiss GAAP FER Commission adopted the new standard “Government Grants” (Swiss GAAP FER 28), which came into force on 1 January 2024. The new provisions are applied retrospectively in the consolidated financial statements. With the exception of the additional disclosure requirements, government grants had previously already been treated in accordance with the new standard.

Management assumptions and estimates

The preparation of the consolidated financial statements in accordance with Swiss GAAP FER requires management to make estimates, judgements and assumptions that have an effect on the application of accounting and measurement methods and impact the reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on past experience and various other factors deemed appropriate. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed regularly. Changes in accounting-related estimates are recognised in the current period and in the periods affected in the future.

Judgements made by management in applying Swiss GAAP FER which have a significant impact on the financial statements, and estimates with a high adjustment risk in the coming year, are presented in the following notes:

Further information	Description
Note 1.2	Work in progress – assessment of the percentage of completion and of total costs

Situation in Belarus and impact on the Fanipol plant

Russia’s ongoing war of aggression against Ukraine and the associated sanctions against Belarus continued to have an impact on Stadler and the plant in Fanipol in the past financial year. On account of the very good order situation, the high capacity utilisation of the other Group locations and the high level of skills and quality offered by the Fanipol plant in terms of value added, Stadler is holding on to the plant in Belarus so that it can reopen it as soon as the sanctions have been lifted. The plant continues to provide services in car body and component production, as well as in the field of engineering, in strict compliance with all the sanctions.

During the preparation of the 2024 annual financial statements, Stadler’s management prepared a business plan for the Fanipol plant. An impairment test was then conducted based on this plan. This shows that the existing assets are covered by future cash flows despite the current restrictions and the temporary reduction of capacities.

Stadler is constantly monitoring the situation and taking all possible measures to minimise any negative effects.

1. Operating performance

This section presents Stadler's operating performance. Segment reporting reflects the segment revenue taken into consideration at top management level for corporate management purposes. Details of work in progress, personnel expenses and earnings per share are also shown.

1.1 Segment reporting

External segment reporting is based on internal reporting, which is used by Group Management for corporate management purposes. Group Management consists of the Group Executive Board and the Board of Directors.

The following three segments exist:

Segment	Activity
Rolling Stock	The "Rolling Stock" business segment manufactures various types of rail vehicles. This segment includes various product types in the following sectors: high-speed, intercity, regional trains, city transport, locomotives and Tailor Made. The range of services also encompasses the sale of spare material, the provision of engineering services and small orders.
Service & Components	The "Service & Components" business segment includes the sale of spare parts, the completion of revision, repair and modernisation work (refits) in the 3R business and the performance of preventive and corrective maintenance in the full-service business. This business segment also includes the supply of vehicle components such as car bodies or bogies.
Signalling	The "Signalling" business segment develops and distributes various signalling solutions for vehicles and infrastructures. The portfolio includes solutions in the areas of train protection (ETCS and national automatic train protection systems), communication-based train control for driverless operation (CBTC), automatic train operation (ATO), driving assistance systems (CWS/CDAS/DAS), interlocking technologies (RSTW/ESTW) and other trackside components that make up the complete automatic train protection system. The range of services also encompasses the sale of spare parts and, as a digitalisation partner, the provision of services relating to the planning and implementation of safety systems.

With reference to the complementary recommendation for listed companies (FER 31/8) on segment reporting, Stadler does not report segment results in the interests of shareholders for the following reasons:

1. Detrimental effect on the negotiating position:

The disclosure of segment results would allow conclusions to be drawn on pricing, which could significantly impair Stadler's negotiating position.

2. Competitive disadvantage in relation to competitors:

Stadler's competitors generally do not report segment information and detailed segment results. The disclosure of segment results would put Stadler at a competitive disadvantage vis-à-vis its competitors, as the results allow conclusions to be drawn about the margin and cost situation per segment.

in thousands of CHF or as noted	"Rolling Stock"		"Service & Components"		"Signalling"		"Corporate Centre" & Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net revenue										
Net revenue per segment	2,738,166	3,123,590	866,432	767,545	109,108	102,990	(458,111)	(385,689)	3,255,595	3,608,436
Intersegment revenue	(41,952)	(42,846)	(356,062)	(303,960)	(60,097)	(38,883)	458,111	385,689	–	–
Total net revenue (third parties)	**2,696,214**	**3,080,744**	**510,370**	**463,585**	**49,011**	**64,107**	**–**	**–**	**3,255,595**	**3,608,436**
of which according to the PoC method	2,651,194	3,046,959	378,069	348,621	38,287	58,925	–	–	3,067,550	3,454,505
Net revenue by geographical market										
Germany, Austria, Switzerland	1,482,594	1,559,031	120,581	129,966	51,309	48,509	–	–	1,654,484	1,737,506
Western Europe	662,030	959,883	293,152	257,248	1,993	1,552	–	–	957,175	1,218,683
Eastern Europe	154,364	269,704	68,506	49,216	1,989	1,807	–	–	224,859	320,727
America	146,612	221,002	10,886	5,497	(6,950)	12,239	–	–	150,548	238,738
CIS	68,573	52,061	15,659	7,368	–	–	–	–	84,232	59,429
Rest of the world	182,041	19,063	1,586	14,290	670	–	–	–	184,297	33,353
Total net revenue by market	**2,696,214**	**3,080,744**	**510,370**	**463,585**	**49,011**	**64,107**	**–**	**–**	**3,255,595**	**3,608,436**
Net revenue by product group										
Trains	1,236,363	1,493,816								
Locomotives	451,256	428,069								
LRV	285,532	360,171								
METRO	281,206	179,212								
TAILOR MADE	441,857	619,476								
Total net revenue by product	**2,696,214**	**3,080,744**								
Additions to PPE										
Additions to PPE	112,336	113,662	54,638	39,046	900	881	3,013	8,347	170,887	161,936
Total additions to PPE	**112,336**	**113,662**	**54,638**	**39,046**	**900**	**881**	**3,013**	**8,347**	**170,887**	**161,936**
Staff as FTEs										
Permanent employees	9,814	8,850	3,595	3,379	629	551	238	229	14,276	13,009
Temporary employees	331	349	302	321	2	6	–	–	635	676
Apprentices	242	211	40	39	10	9	–	–	292	259
Total staff as FTEs	**10,387**	**9,410**	**3,937**	**3,739**	**641**	**566**	**238**	**229**	**15,203**	**13,944**

The Corporate Centre is not an operating segment, but is a service provider within Stadler.

Accounting principles

Recognition of revenue: “Rolling Stock”
Revenue in the “Rolling Stock” segment is mainly generated from the sale of rolling stock, and is recognised using the percentage of completion method (see Note 1.2 “Work in progress”). Revenue also includes the sale of spare material and the provision of engineering services and small orders, which are recognised as soon as a service has been provided.

Recognition of revenue: “Service & Components”
Revenue in the “Service” subsegment is made up of the sale of spare parts, the completion of revision, repair and modernisation work (refits) in the 3R business and the performance of preventive and corrective maintenance in the full-service business. Revenue from the sale of spare parts is recognised upon the provision of a service. In the 3R business and the full-service business, revenue is recognised according to the percentage of completion method (see Note 1.2 “Work in progress”).

Revenue in the “Components” subsegment is recognised upon delivery or transfer of the benefits and risks to the purchaser.

Recognition of revenue: “Signalling”
Revenue in the “Signalling” segment is mainly composed of vehicle and infrastructure signalling solutions and is recognised in both cases according to the percentage of completion method (see Note 1.2 “Work in progress”). The range of services also encompasses the sale of spare parts and, as a digitalisation partner, the provision of services relating to the planning and implementation of safety systems. Revenue is recognised upon the provision of a service.

1.2 Work in progress

in thousands of CHF	31.12.2024	31.12.2023
Work in progress		
“Units of delivery” method		
Work in progress, gross	2,103,661	2,052,096
Advance payments to suppliers	77,519	64,314
Advance payments to suppliers, related parties	1,482	214
Advance payments to suppliers, associated companies	22,392	18,964
Advance payments from customers	(914,116)	(1,143,692)
Advance payments from customers, related parties	(47,483)	(15,836)
Total work in progress “units of delivery” method	**1,243,455**	**976,060**
“Cost to cost” method		
Work in progress, gross	10,138	24,486
Advance payments to suppliers	1,243	752
Advance payments from customers	(3,807)	(6,877)
Full-service contracts, net	81,883	49,243
Total work in progress “cost to cost” method	**89,457**	**67,604**
Total work in progress	**1,332,912**	**1,043,664**
Liabilities from work in progress		
“Units of delivery” method		
Work in progress, gross	1,761,941	878,031
Advance payments to suppliers	181,461	147,912
Advance payments to suppliers, related parties	–	7,050
Advance payments to suppliers, associated companies	13,519	18,685
Advance payments from customers	(4,820,109)	(3,513,484)
Advance payments from customers, related parties	(11,887)	(44,173)
Advance payments from customers, associated companies	(7,320)	(4,646)
Total liabilities from work in progress “units of delivery” method	**(2,882,395)**	**(2,510,625)**
“Cost to cost” method		
Work in progress, gross	2,718	2,980
Advance payments to suppliers	319	361
Advance payments from customers	(39,515)	(27,128)
Full-service contracts, net	(140,610)	(100,912)
Total liabilities from work in progress “cost to cost” method	**(177,088)**	**(124,699)**
Total liabilities from work in progress	**(3,059,483)**	**(2,635,324)**
Net work in progress / (liabilities from work in progress)	**(1,726,571)**	**(1,591,660)**

Accounting principles

Recognition and measurement of work in progress and revenue recognition
“Rolling Stock” business segment
Revenue (net proceeds) from the sale of rail vehicles is recognised on the basis of the percentage of completion on the balance sheet date, provided the relevant conditions are met. The percentage of completion is determined individually for each order on the basis of the units of delivery method. Acceptance by the customer generally marks the completion of a unit, whereby a unit usually corresponds to a car or vehicle, and the percentage of completion is calculated according to the ratio of delivered units to the total contractually agreed delivery quantity. There are justified cases in which acceptance by the customer is delayed merely for administrative or organisational reasons, but all significant performance obligations have been met. In such cases, the company management assesses the economic situation and may decide to recognise revenue prior to customer acceptance (see Note 1.3 “Compensation claims from work in progress”).

Order costs consist of material and external service costs (incl. bank guarantee costs), material overheads (procurement and logistics) as well as production, engineering and project management costs. The cost rates for measuring productive hours are based on a period of several years at normal employment levels.

Costs in connection with development work are allocated to orders to the extent that they are required for customer-specific production. At the latest before the first delivery of a vehicle, the market potential of the associated development is assessed. If this development can be used for future potential orders, the proportion of development costs not borne by the customer is reclassified from work in progress to intangible assets.

Costs incurred for bank guarantees in connection with customer-specific orders are reported under financial expenses on the date of revenue recognition for the corresponding order. The costs of interest-bearing liabilities are recognised directly in the income statement under financial expenses and are not part of order-related expenses.

Contractual penalties owed are recorded as a reduction in revenue according to the percentage of completion and, if not yet paid, are shown under deferred income.

Subsequent costs for an order already recognised in revenue are entered in deferred income.

For loss-free valuation, work in progress is assessed individually. As soon as a loss becomes apparent, a value adjustment is recognised to the full extent of the expected loss. If the value adjustment exceeds the value of the asset for the order, a provision is recognised for the excess amount.

Work in progress comprises orders for which the cumulative services exceed the payments already made. If the advance payments received are higher than the cumulative services provided, they are reported under liabilities from work in progress.

Advance payments received are recognised in the balance sheet and not through the income statement. They are offset against the corresponding orders or compensation claims for which the advance payments were made and disclosed in the notes.

“Service & Components” business segment – 3R business
Revenue (net proceeds) from the completion of revision, repair and modernisation work (refits) in the 3R business is recognised on the basis of the percentage of completion on the balance sheet date, provided the relevant conditions are met. The percentage of completion is determined individually for each order on the basis of the units of delivery method. Please refer to the relevant explanations regarding the “Rolling Stock” business segment.

“Service & Components” business segment – full-service business

Revenue (net proceeds) from the performance of preventive and corrective maintenance in the full-service business is recognised on the basis of the percentage of completion on the balance sheet date, provided the relevant conditions are met. The percentage of completion is determined individually for each order on the basis of the cost to cost method. This results from the ratio between the costs accumulated on orders and the total expected costs over the term of the contract.

Order costs consist of material and external service costs, material overheads (procurement and logistics) as well as production, engineering and order processing costs. The cost rates for measuring productive hours are based on a period of several years at normal employment levels.

Contractual penalties owed are recorded as a reduction in revenue according to the percentage of completion and, if not yet paid, are shown under deferred income.

For loss-free valuation, work in progress is assessed individually. As soon as a loss becomes apparent, a value adjustment is recognised to the full extent of the expected loss. If the value adjustment exceeds the value of the asset for the order, a provision is recognised for the excess amount.

The kilometre allowances received from customers are continually offset against the services provided as an integral part of work in progress. The resulting net position is recognised per contract in the balance sheet item “Work in progress” (if the cumulative services provided exceed the kilometre allowances received) or “Liabilities from work in progress” (if the allowances received exceed the cumulative services provided).

“Signalling” business segment – vehicle solutions

Revenue (net proceeds) from signalling solutions on the vehicle side is recognised on the basis of the percentage of completion on the balance sheet date, provided the relevant conditions are met. The percentage of completion is determined individually for each order on the basis of the units of delivery method. Please refer to the explanations regarding the “Rolling Stock” business segment.

“Signalling” business segment – infrastructure solutions

Revenue (net proceeds) from signalling solutions on the infrastructure side is recognised on the basis of the percentage of completion on the balance sheet date, provided the relevant conditions are met. The percentage of completion is determined individually for each order on the basis of the cost to cost method. This results from the ratio between the costs accumulated on orders and the total expected costs over the term of the contract.

Order costs consist of material and external service costs, material overheads (procurement and logistics) as well as production, engineering and order processing costs. The cost rates for measuring productive hours are based on a period of several years at normal employment levels.

Contractual penalties owed are recorded as a reduction in revenue according to the percentage of completion and, if not yet paid, are shown under deferred income.

For loss-free valuation, work in progress is assessed individually. As soon as a loss becomes apparent, a value adjustment is recognised to the full extent of the expected loss. If the value adjustment exceeds the value of the asset for the order, a provision is recognised for the excess amount.

Work in progress comprises orders for which the cumulative services exceed the payments already made. If the advance payments received are higher than the cumulative services provided, they are reported under liabilities from work in progress.

Advance payments received are recognised in the balance sheet and not through the income statement. They are offset against the corresponding orders for which the advance payments were made and disclosed in the notes.

1.3 Compensation claims from work in progress

in thousands of CHF	31.12.2024	31.12.2023
Compensation claims from work in progress		
Compensation claims for vehicles whose revenue has been recognised but not yet invoiced	2,188,274	2,692,207
Compensation claims from related parties for vehicles whose revenue has been recognised but not yet invoiced	109,190	–
Advance payments from customers for vehicles whose revenue has been recognised but not yet invoiced	(1,419,532)	(1,996,962)
Advance payments from related parties for vehicles whose revenue has been recognised but not yet invoiced	(102,217)	–
Total compensation claims from work in progress	**775,715**	**695,245**

Compensation claims from work in progress amounting to CHF 775.7 million (previous year: CHF 695.2 million) are composed of claims from contracts where acceptance by customers has not yet taken place but all significant performance obligations have been fulfilled (CHF 300.7 million, previous year: CHF 122.4 million) and claims from contracts where acceptance by customers has already taken place but invoices have not yet been issued in accordance with individual payment plans (CHF 475.0 million, previous year: CHF 572.8 million).

Accounting principles

Recognition and measurement of compensation claims from work in progress
As a rule, a unit is fully invoiced upon its acceptance (and charged against the advance payments received or recognised as a trade receivable for the amount exceeding the advance payments). In cases where the payment schedule does not correspond to the acceptance schedule and invoicing can therefore not take place until a later date, a compensation claim is recorded. If situations listed in the accounting principles set out in Note 1.2 “Recognition and measurement of work in progress and revenue recognition” result in the recognition of revenue prior to acceptance by the customer, a compensation claim is recognised in the amount of this revenue (less any advance payments received). Otherwise, the accounting principles described in “Recognition and measurement of work in progress and revenue recognition” according to Note 1.2 apply.

1.4 Personnel expenses

in thousands of CHF	2024	2023
Personnel expenses		
Wages and salaries	(955,708)	(853,975)
Social security costs	(137,048)	(120,246)
Pension costs	(38,136)	(35,361)
Other personnel expenses	(31,188)	(22,071)
Total personnel expenses	**(1,162,080)**	**(1,031,653)**

In accordance with the remuneration regulations, a total of 21,969 shares were issued to the Board of Directors in the 2024 financial year as part of their fee (previous year: 9,202). Personnel expenses were charged accordingly with CHF 0.5 million (previous year: CHF 0.4 million). In addition, personnel expenses of CHF 2.8 million were accrued for share-based bonus payments in 2024 in accordance with the remuneration regulations (previous year: CHF 2.6 million). These bonus shares will be allocated in 2025.

Please refer to Note 5.3 “Employee benefits” for information on expenses for employee benefits.

Accounting principles

Share-based remuneration

Under the remuneration regulations, members of the Group Executive Board (GEB), the extended Group Executive Board and managerial levels 1 and 2 receive between 20% and 100% of their variable remuneration in the form of shares. The number of shares to be allocated is calculated on the basis of the volume-weighted average price during the month of March of the following financial year. The shares are subject to a four-year vesting period after allocation and are allocated at a vesting discount of 20% in relation to the defined value. They are granted with no other vesting conditions. The expense is recognised in the year in which the benefit is provided and recorded as an increase in equity (capital reserves). Any differences in relation to the effective allocation value are corrected in the following year and recognised in the income statement.

The members of the Board of Directors have the option to have their fee paid in cash and/or in shares. The number of shares to be allocated is calculated on the basis of the volume-weighted average price during the month of November of the financial year of allocation. The shares are subject to a four-year vesting period after allocation in December and are allocated at a vesting discount of 20% in relation to the defined value. The expense is recognised in the income statement at the current value of the allocation with a corresponding offsetting entry in equity (capital reserves).

Stadler holds treasury shares for the purpose of fulfilling share plans.

1.5 Earnings per share

in thousands of CHF or as noted	2024	2023
Earnings per share		
Profit for the year attributable to shareholders	38,417	124,318
Weighted average number of shares outstanding	99,988,955	99,988,600
Basic and diluted earnings per share (in CHF)	**0.38**	**1.24**

Treasury shares held by the company are not taken into account when calculating earnings per share. There are no circumstances leading to a dilution of earnings per share. Shares allocated to employees as share-based remuneration (see Note 1.4 “Personnel expenses”) were, or are, entitled to dividends.

2. Operating assets and liabilities

Items of current and non-current assets and liabilities relevant to Stadler's operating activities are presented in the following section. The notes on assets focus on trade receivables and payables, inventories and property, plant and equipment, including leased assets. This section also presents the development of provisions and contingent liabilities and contains notes on selected items which are of relevance to operations.

2.1 Trade receivables and payables

Receivables for goods and services

in thousands of CHF	31.12.2024	31.12.2023
Trade receivables		
Third parties	415,023	335,182
Related parties	2,410	2,207
Associated companies	464	151
Value adjustments	(3,628)	(3,469)
Total trade receivables	**414,269**	**334,071**

Accounting principles

Receivables are reported at nominal value. Business default risks are taken into account by individual and general value adjustments. General value adjustments are made for items which have not already been subject to individual value adjustments. Individual value adjustments are verified for items exceeding a value of CHF 0.2 million. General value adjustments are based on the past experience of Stadler. The change in value adjustments recognised in profit or loss is reported under "Other operating income" or "Other operating expenses".

Trade payables

in thousands of CHF	31.12.2024	31.12.2023
Trade payables		
Third parties	226,911	157,607
Related parties	2,502	1,671
Associated companies	802	64
Total trade payables	**230,215**	**159,342**

Accounting principles

Trade payables are reported at nominal value.

2.2 Inventories

in thousands of CHF	31.12.2024	31.12.2023
Inventories		
Spare parts	290,834	253,615
Components	57,169	57,253
Value adjustments	(20,140)	(8,858)
Total inventories	**327,863**	**302,010**

Accounting principles

Inventories are composed of spare parts and components. Acquisition or production costs include all direct and indirect expenses to bring the inventories to their present location or to their present state (full costs). In principle, the actual costs incurred are decisive for the determination of the acquisition and production costs. They are calculated according to the average method. Cash discounts (in the sense of a discount for rapid payment) are booked as acquisition price reductions. The difference between the acquisition or production costs and any lower net market value is recorded as a value adjustment (lowest value principle). The change in value adjustments recognised in profit or loss is reported under “Other operating income” or “Other operating expenses”.

2.3 Property, plant and equipment

in thousands of CHF	Land and buildings	Plant and machinery	Equipment	Tools	Vehicles and means of transport	Hardware	Assets under lease	Assets under construction	Total
Acquisition value									
Balance at 1 January 2023	**683,930**	**309,263**	**112,078**	**65,408**	**29,268**	**51,957**	**42,189**	**80,445**	**1,374,538**
Change in scope of consolidation	23,362	6,443	229	73	191	140	–	5	30,443
Additions	32,202	8,707	10,413	6,985	2,139	11,312	–	90,178	161,936
Disposals	(446)	(5,638)	(4,711)	(4,451)	(2,891)	(3,938)	–	(1,603)	(23,678)
Reclassifications	61,242	17,378	1,218	453	213	64	(7,811)	(72,757)	–
Currency translation differences	(25,111)	(9,685)	(2,559)	(3,143)	(966)	(1,189)	(124)	(5,136)	(47,913)
Balance at 31 December 2023	**775,179**	**326,468**	**116,668**	**65,325**	**27,954**	**58,346**	**34,254**	**91,132**	**1,495,326**
Additions	29,603	15,466	12,813	13,289	4,780	5,320	–	89,616	170,887
Disposals	(1,090)	(3,429)	(3,922)	(943)	(1,526)	(9,194)	–	(18)	(20,122)
Reclassifications	53,271	15,600	4,886	167	(238)	281	–	(73,967)	–
Currency translation differences	6,045	(819)	890	668	150	298	78	968	8,278
Balance at 31 December 2024	**863,008**	**353,286**	**131,335**	**78,506**	**31,120**	**55,051**	**34,332**	**107,731**	**1,654,369**
Accumulated depreciation and impairment									
Balance at 1 January 2023	**137,032**	**160,872**	**49,826**	**42,282**	**14,428**	**34,382**	**15,898**	**–**	**454,720**
Additions	21,839	23,253	8,469	7,062	2,877	9,100	1,107	–	73,707
Disposals	–	(4,882)	(2,793)	(4,353)	(2,744)	(3,878)	–	–	(18,650)
Reclassifications	(2)	7,015	(1)	(1)	–	1	(7,012)	–	–
Currency translation differences	(3,639)	(4,925)	(1,048)	(1,767)	(363)	(891)	137	–	(12,496)
Balance at 31 December 2023	**155,230**	**181,333**	**54,453**	**43,223**	**14,198**	**38,714**	**10,130**	**–**	**497,281**
Additions	24,776	24,076	9,378	6,776	2,943	9,635	984	–	78,568
Disposals	(802)	(2,756)	(3,277)	(930)	(1,302)	(9,175)	–	–	(18,242)
Reclassifications	(1)	–	(138)	(6)	–	145	–	–	–
Currency translation differences	881	(992)	386	442	79	227	8	–	1,031
Balance at 31 December 2024	**180,084**	**201,661**	**60,802**	**49,505**	**15,918**	**39,546**	**11,122**	**–**	**558,638**
Net carrying amounts									
Balance at 31 December 2024	**682,924**	**151,625**	**70,533**	**29,001**	**15,202**	**15,505**	**23,210**	**107,731**	**1,095,731**
Balance at 31 December 2023	**619,949**	**145,135**	**62,215**	**22,102**	**13,756**	**19,632**	**24,124**	**91,132**	**998,045**
Balance at 1 January 2023	**546,898**	**148,391**	**62,252**	**23,126**	**14,840**	**17,575**	**26,291**	**80,445**	**919,818**

The above-mentioned additions to assets totalling CHF 170.9 million (previous year: CHF 161.9 million) include investments in the new commissioning centre in Hennigsdorf and the new maintenance centre in Rendsburg, in addition to ongoing replacement investments. Further investments were also made in car body production in Szolnok and in the production plants in Valencia and Salt Lake City as part of the capacity expansion programme.

As in the previous year, the difference between the reported asset additions and the cash outflows for asset purchases results from the change in unpaid creditor invoices recorded in other current liabilities and from government grants offset against asset additions.

As at the balance sheet date, investment obligations amounted to CHF 8.9 million (previous year: CHF 13.3 million).

Accounting principles

Property, plant and equipment is valued at acquisition or production costs less depreciation and impairment necessary for business reasons. Own manufactured assets are only capitalised if they are clearly identifiable and the costs can be reliably determined and if they bring the company a measurable benefit over several years. Depreciation is charged on a straight-line basis over the economic useful life of the asset.

The depreciation periods are as follows:

Category	Estimated useful life (years)
Land and buildings	max. 33
Plant and machinery	8 – 20
Equipment	10 – 15
Tools	2 – 3
Vehicles and means of transport	6 – 8
Hardware (IT)	3 – 6
Assets under lease	the shorter of useful life or contract duration
Assets under construction	no depreciation

Impairment

An assessment is made on each balance sheet date as to whether there are any indications that the carrying amount of the asset may exceed its recoverable amount (the higher of its fair value and value in use) (impairment). If impairment exists, the carrying amount is reduced to the recoverable amount, with the impairment charged to profit or loss for the period.

If there is a significant improvement in the indications, the recoverable amount is recalculated. If the net carrying amount of the asset is lower than the newly determined recoverable amount, the impairment recognised in prior periods is reversed through profit or loss. The new carrying amount resulting from the reversal is the lower of the recoverable amount and the carrying amount after normal depreciation which would have resulted if no impairment had been recorded.

Finance leases

Assets under lease include the buildings in Winterthur and Montceau-les-Mines (see also Note 3.1 “Financial liabilities”). The term of the Winterthur lease contract lasts until the year 2030, and that of Montceau-les-Mines up to the year 2034.

A number of finance leases for machinery and equipment were repaid early in the previous year. The acquisition costs and accumulated depreciation were reclassified accordingly in the statement of changes in fixed assets.

in thousands of CHF	31.12.2024	31.12.2023
Liabilities from finance leases		
Due within 1 year	1,230	1,216
Current finance lease liabilities (Note 3.1)	**1,230**	**1,216**
Due within 1 to 5 years	5,164	5,131
Due after more than 5 years	17,212	18,421
Non-current finance lease obligations (Note 3.1)	**22,376**	**23,552**
Total liabilities from finance leases	**23,606**	**24,768**

Operating lease liabilities

in thousands of CHF	31.12.2024	31.12.2023
Operating lease liabilities		
Due within 1 year	26,788	17,703
Due within 1 to 5 years	57,374	49,081
Due after more than 5 years	59,786	54,218
Total undiscounted lease payments	**143,948**	**121,002**

Accounting principles

Usage rights acquired by means of lease contracts under which the opportunities and risks associated with the economic use of the leased asset are essentially transferred to Stadler are classified as finance leases and are initially recognised at the lower of the two values of the present value of future lease payments and the acquisition or net market value. Investments in financial leases are depreciated over their estimated useful lives or shorter lease term if it is not possible to determine with reasonable certainty whether the ownership is transferred to the lessee at the end of the lease term. Payments from operating leases are recognised in the income statement on a straight-line basis over the lease term.

Gains from the sale of property, plant and equipment with subsequent rental under a finance lease (sale and leaseback finance leases) are deferred and amortised over the term of the lease.

2.4 Financial assets

in thousands of CHF	31.12.2024	31.12.2023
Financial assets		
Other financial assets, third parties	33,497	34,384
Other financial assets, associated companies	2,320	2,424
Deferred income tax assets	151,494	113,170
Total financial assets	**187,311**	**149,978**

Accounting principles

Other financial assets
Other financial assets include loans and receivables which are recognised at acquisition cost less any necessary impairment.

Deferred income tax assets
This item includes deferred tax assets from losses carried forward and from deductible temporary differences. Further details can be found in Note 5.2 “Income taxes”.

2.5 Intangible assets

in thousands of CHF	Software	Licenses, patents	Development costs	Assets in development	Total
Acquisition value					
Balance at 1 January 2023	**61,049**	**17,335**	**198,732**	**95,780**	**372,896**
Additions	16,538	–	2,701	56,796	76,035
Additions due to reclassifications of work in progress	–	–	–	3,022	3,022
Disposals	(2,634)	(16)	–	(81)	(2,731)
Reclassifications	23,909	–	2,263	(26,172)	–
Currency translation differences	(2,512)	(93)	(3,858)	1,114	(5,349)
Balance at 31 December 2023	**96,350**	**17,226**	**199,838**	**130,459**	**443,873**
Additions	9,325	27	11,368	48,415	69,135
Additions due to reclassifications of work in progress	–	–	–	5,726	5,726
Disposals	(11,057)	(87)	–	(1,046)	(12,190)
Reclassifications	3,918	711	20,180	(24,809)	–
Currency translation differences	725	18	933	75	1,751
Balance at 31 December 2024	**99,261**	**17,895**	**232,319**	**158,820**	**508,295**
Accumulated depreciation and impairment					
Balance at 1 January 2023	**40,777**	**15,004**	**126,461**	**–**	**182,242**
Additions	9,728	1,040	27,408	–	38,176
Disposals	(2,607)	(14)	–	–	(2,621)
Currency translation differences	(1,152)	(64)	(2,578)	–	(3,794)
Balance at 31 December 2023	**46,746**	**15,966**	**151,291**	**–**	**214,003**
Additions	12,591	1,089	24,961	–	38,641
Disposals	(10,996)	(87)	–	–	(11,083)
Reclassifications	(635)	635	–	–	–
Currency translation differences	259	10	570	–	839
Balance at 31 December 2024	**47,965**	**17,613**	**176,822**	**–**	**242,400**
Net carrying amounts					
Balance at 31 December 2024	**51,296**	**282**	**55,497**	**158,820**	**265,895**
Balance at 31 December 2023	**49,604**	**1,260**	**48,547**	**130,459**	**229,870**
Balance at 1 January 2023	**20,272**	**2,331**	**72,271**	**95,780**	**190,654**

The above-mentioned additions to assets in development of CHF 48.4 million are mainly due to the capitalisation of development costs for new vehicle concepts and signalling solutions, as well as to the replacement of ERP systems, as in the previous year (CHF 56.8 million).

In the reporting year, development costs of CHF 5.7 million in connection with the firefighting and rescue train were reclassified from gross work in progress within the “Work in progress” balance sheet item to “Intangible assets”, as management believes that this vehicle can now be used for future orders. In the previous year, development costs of CHF 3.0 million had been reclassified for the battery-powered FLIRT Akku model (reclassification from gross work in progress within the “Work in progress” balance sheet item).

As in the previous year, the difference between the reported asset additions and the cash outflows for asset purchases results from the change in unpaid creditor invoices recorded in other current liabilities and from government grants offset against asset additions.

Accounting principles

Intangible assets include software, licenses and patents purchased from third parties, as well as capitalised development costs. They are valued at acquisition or production cost less necessary depreciation and impairment.

Intangible assets acquired from third parties are capitalised if they bring measurable future benefits over several years. Depreciation is calculated on a straight-line basis over a cautiously estimated useful life from the date on which the acquired intangible asset is available for use.

Development costs are capitalised if the required recognition criteria are met (essentially the identifiability and power of disposal over the asset, the existence of a measurable future benefit over several years, separate recognition and measurability of the corresponding expenses as well as the availability of the necessary funds for completion and use).

In the case of in-house developments, a distinction is made between those without and those with a customer order:

Developments without a customer order:
Development costs are capitalised from the date on which the aforementioned recognition criteria are cumulatively met. Depreciation is calculated on a straight-line basis over the useful life from the date on which the completed development is available for use. If the useful life cannot be clearly determined, depreciation is carried out over five years. Depreciation is recognised in the income statement under the item “Development costs”.

Development costs as part of a customer order:
Order-related development costs in the “Rolling Stock” business segment are initially capitalised in accordance with the units of delivery method in the balance sheet item “Work in progress” without affecting the income statement and, from the first delivery of a vehicle, are recognised as production costs in the income statement on a pro rata basis in relation to the number of vehicles ordered (including any options exercised on additional vehicles). At the latest before the first delivery of a vehicle, the market potential of the associated development is assessed. If this development can be used for future potential orders, the proportion of development costs not borne by the customer is reclassified from work in progress to intangible assets. Depreciation is calculated on a straight-line basis over the useful life from the date of receipt of the approval required for commercial use, but no later than the date of the first delivery of a vehicle. If the useful life cannot be clearly determined, depreciation is carried out over five years. Depreciation is recognised in the income statement under the item “Development costs”.

In the “Service & Components” business segment, no order-related developments have been carried out so far.

The depreciation periods are as follows:

Category	Estimated useful life (years)
Software	3 – 10
Patents, licenses	5
Development costs	max. 10

Impairment is treated in the same way as for property, plant and equipment (see Note 2.3 “Property, plant and equipment”).

2.6 Provisions and contingent liabilities

in thousands of CHF	Warranty provisions	Other personnel provisions	Other provisions	Deferred taxes	Total
Balance at 1 January 2023	**139,633**	**37,034**	**10,899**	**6,739**	**194,305**
Addition	104,192	39,993	1,162	8,798	154,145
Utilisation	(91,823)	(28,946)	(3,214)	–	(123,983)
Reversal	(7,421)	(4,501)	(5,131)	(175)	(17,228)
Currency translation differences	(4,500)	(1,252)	79	(539)	(6,212)
Balance at 31 December 2023	**140,081**	**42,328**	**3,795**	**14,823**	**201,027**
– thereof current	40,311	38,313	3,145	–	81,769
– thereof non-current	99,770	4,015	650	14,823	119,258
Addition	102,631	45,731	4,326	40,930	193,618
Utilisation	(97,168)	(34,740)	(1,141)	–	(133,049)
Reversal	(10,467)	(4,492)	(1,349)	(203)	(16,511)
Currency translation differences	2,261	444	33	(197)	2,541
Balance at 31 December 2024	**137,338**	**49,271**	**5,664**	**55,353**	**247,626**
– thereof current	44,340	44,907	4,697	–	93,944
– thereof non-current	92,998	4,364	967	55,353	153,682

The warranty costs reported in the income statement consist of the “Addition” and “Reversal” items in the “Warranty provisions” column.

Contingent liabilities and other obligations not to be recognised in the balance sheet
Contingent liabilities and other obligations not to be recognised in the balance sheet are disclosed directly in the respective sections of the relevant items:

Further information	Description
Note 2.3	Investment obligations
Note 2.3	Operating lease liabilities
Note 3.2	Sureties and guarantee obligations
Note 3.2	Pledged assets to secure own obligations
Note 5.5	Employee participation plan

Accounting principles

General – provisions
Provisions are made for current obligations with an indefinite settlement date or a non-determinable amount where they are due to a past event and a future outflow of funds is likely. Provisions are measured on the basis of the probable cash outflows and are increased, maintained or released as a result of the reassessment. If the effect of discounting is material, then the provision is recognised at present value.

Warranty provisions
Warranty provisions are estimated and recognised according to the best possible estimate at the beginning of the warranty period for each individual vehicle (addition warranty provisions) and are continually used to cover warranty claims (utilisation warranty provisions). The amount of the provision to be recognised is based on past experience. If the original provision is not sufficient, an additional provision is recognised (addition warranty provisions) and then used to cover warranty claims (utilisation warranty provisions). Any residual balance at the end of the guarantee period is released to income (reversal warranty provisions). Warranty provisions for vehicles whose warranty period ends within twelve months of the balance sheet date are reported as current. If the warranty period ends after twelve months, the related provisions are reported as non-current.

Other personnel matters and other provisions
Provisions for “Other personnel matters” are primarily provisions for anniversary, severance and bonus payments. The “Other provisions” mainly include possible risk and rework provisions as well as possible process costs. Contingent purchase price payments are also recorded under this item. For non-current provisions, a probability of an outflow of funds in an average of two to three years is assumed.

Deferred taxes
Deferred income tax liabilities are reported under “Deferred tax provisions” (see Note 5.2 “Income taxes”).

Contingent liabilities
Contingent liabilities and other obligations not to be recognised are valued and disclosed on each balance sheet date. If contingent liabilities and other obligations not to be recognised lead to an outflow of funds without a compensating inflow, and the outflow is probable and can be estimated reliably, a provision is recognised.

2.7 Other operating assets and liabilities

Other current receivables

in thousands of CHF	31.12.2024	31.12.2023
Other current receivables		
Social insurance, source and wage taxes	7,446	15,778
VAT receivables	37,408	43,235
Receivables from the sale of non-current assets	3,392	4,915
Income tax receivables	16,312	17,385
Derivative financial instruments	2,103	10,505
Other current receivables, related parties	37	161
Other current receivables	43,887	21,410
Total other current receivables	**110,585**	**113,389**

Other current liabilities

in thousands of CHF	31.12.2024	31.12.2023
Other current liabilities		
Social insurance, source and wage taxes	33,005	27,517
VAT liabilities	85,653	36,770
Liabilities from the purchase of non-current assets	17,260	9,704
Pension fund current account	146	67
Income tax liabilities	11,933	11,053
Derivative financial instruments	2,228	5,979
Other current liabilities from third parties	20,794	15,822
Total other current liabilities	**171,019**	**106,912**

Deferred income/accrued expenses

in thousands of CHF	31.12.2024	31.12.2023
Deferred income and accrued expenses		
Outstanding invoices	98,936	83,397
Accruals manufacturing costs	222,628	183,100
Vacation and overtime	57,985	55,593
Sales commissions, royalties and penalties	45,951	35,720
Other deferred income and accrued expenses	52,081	36,830
Total deferred income and accrued expenses	**477,581**	**394,640**

3. Financing

The following section explains the most important aspects of financing. Stadler aims to safeguard an adequate equity base in order to maintain the confidence of investors, creditors and the market and to continue the further expansion of the Group. It uses hedging instruments to manage foreign currency and interest rate risks.

3.1 Financial liabilities

in thousands of CHF or as noted	31.12.2024			31.12.2023		
	Interest rate	Maturity	Value	Interest rate	Maturity	Value
Current financial liabilities						
Operating loans	1.9 – 5.0%	< 1 year	3,825	1.9 – 5.0%	< 1 year	3,426
Project financing	n/a	n/a	–	4.2 – 6.5%	< 1 year	98,480
Bank loans for property, plant and equipment	0.7 – 8.9%	< 1 year	24,140	0.7 – 13.8%	< 1 year	12,352
Lease liabilities for property, plant and equipment	1.0 – 3.2%	< 1 year	1,230	1.0 – 3.2%	< 1 year	1,216
Loans from governmental institutions	1.0%	< 1 year	20,592	1.0%	< 1 year	696
Promissory note loans	n/a	n/a	–	0.7%	< 1 year	55,560
Total current financial liabilities			**49,787**			**171,730**
Non-current financial liabilities						
Operating loans	3.3 – 4.8%	1 – 5 years	1,955	1.9 – 4.8%	1 – 4 years	1,218
Bank loans for property, plant and equipment	0.7 – 4.4%	1 – 13 years	234,003	0.7 – 13.8%	1 – 14 years	89,214
Lease liabilities for property, plant and equipment	1.0 – 3.2%	1 – 10 years	22,376	1.0 – 3.2%	1 – 11 years	23,552
Loans from governmental institutions	n/a	n/a	–	1.0%	1 – 2 years	19,047
Bonds	0.4 – 2.0%	2 – 8 years	500,000	0.4%	3 years	300,000
Promissory note loans	1.1%	4 years	84,708	1.1%	5 years	83,340
Total non-current financial liabilities			**843,042**			**516,371**
Breakdown by currency						
CHF			582,757			388,389
EUR			272,401			239,203
HUF			14,327			19,205
PLN			2,752			4,801
USD			20,592			36,503
Total financial liabilities			**892,829**			**688,101**

Operating loans include loans to finance current assets.

The reduction in project financing from CHF 98.5 million to CHF 0.0 million is due to the repayment of project loans for the execution of orders.

The increase in bank loans for buildings and property, plant and equipment is mainly due to the intake of investment loans totalling CHF 161.9 million to finance capacity expansion in Valencia. The loans have an interest rate of 3.0% – 3.1% and a term of 7 years.

On 12 July 2024, Stadler issued two bonds of CHF 100.0 million each with a coupon of 1.6925% and 1.9950% respectively. The issue price for both bonds was 100.000% of the nominal value. They will be redeemed at par value on 12 July 2029 and 12 July 2032. The bonds are listed on the SIX Swiss Exchange.

Certain financing contracts with lenders include contractual clauses regarding minimum capitalisation and returns (covenants). The key figures taken into account are absolute equity and the EBIT margin. The conditions were met as at the balance sheet date.

Accounting principles

Financial liabilities are reported at nominal value.

Bonds and promissory note loans are carried at nominal value. The issuing costs incurred in connection with the issue of the bond and the promissory note loans are capitalised under accrued income/deferred expenses and amortised over the term of the bond. Any premiums received on the issue of the bond are recognised under deferred income/accrued expenses and amortised over the term of the bond. The reversal of the issuing costs and of the premium are recognised in the financial result.

3.2 Guarantees and pledged assets

Sureties and guarantee obligations
As at the balance sheet date, guarantees (warranties and sureties) amounting to CHF 9,460 million (previous year: CHF 6,916 million) were outstanding.

Assets pledged to secure own liabilities

in thousands of CHF	Collateral for:	31.12.2024	31.12.2023
Pledged assets			
Property	Mortgages	227,307	230,200
Assets under lease	Finance leases	23,210	24,124
Total pledged assets		**250,517**	**254,324**

3.3 Share capital and reserves

Share capital
As at 31 December 2024, the share capital of the parent company Stadler Rail AG consisted of 100 million registered shares with a par value of CHF 0.20 each (31 December 2023: 100 million registered shares with a par value of CHF 0.20 each). Shareholders are entitled to receive the dividends decided upon and have one vote per share at the company's Annual General Meeting.

At the Annual General Meeting on 18 March 2019, conditional share capital of a maximum of 2 million registered shares with a par value of CHF 0.20 each was created for employee benefit plans, from which no shares had been issued as at the balance sheet date. Shareholders' subscription rights and advance subscription rights are excluded.

At the Annual General Meeting on 6 May 2021, authorised share capital of a maximum of 10 million registered shares with a par value of CHF 0.20 each was created, from which no shares had been issued by the expiry of the two-year authorisation period on 6 May 2023.

At the Annual General Meeting on 12 May 2023, a capital band of between CHF 19.0 million (lower limit) and CHF 22.0 million (upper limit) was introduced. Within the scope of the capital band, the Board of Directors is authorised to increase or reduce the share capital once or several times by any amount, or to acquire or sell shares directly or indirectly, until 11 May 2026. The capital increase or reduction may be effected by issuing up to 10 million registered shares with a par value of CHF 0.20 each or by cancelling up to 5 million registered shares with a par value of CHF 0.20 each or by increasing or reducing the par values of the existing registered shares within the scope of the capital band. As at the balance sheet date of 31 December 2024, neither an increase nor a reduction of the share capital had been carried out from the capital band.

Reserves

The non-distributable legal reserves of the parent company Stadler Rail AG amounted to CHF 4.0 million as at 31 December 2024 (previous year: CHF 4.0 million).

Dividends

The following dividends were decided upon by the Annual General Meeting and subsequently paid out:

in thousands of CHF or as noted	2024	2023
Dividends paid		
Number of registered shares entitled to dividend (in pcs.)	99,919,748	99,946,744
Ordinary dividend per registered share (in CHF)	0.90	0.90
Total dividends paid	**89,928**	**89,952**

After 31 December 2024, the Board of Directors proposed dividends of CHF 0.20 per registered share totalling CHF 20.0 million for 2024. The dividend proposal will be submitted to the Annual General Meeting on 7 May 2025 for approval.

Treasury shares

in thousands of CHF	2024		2023	
	Number	**Value**	**Number**	**Value**
Treasury shares				
Balance at 1 January	252	8	3,087	99
Purchases from third parties	109,000	2,786	71,169	2,532
Allocations of share-based payments	(108,138)	(2,790)	(74,004)	(2,599)
Adjustment to average price		19		(24)
Balance at 31 December	**1,114**	**23**	**252**	**8**

The amounts in the "Adjustment to average price" line correspond to the difference between the sales price/ defined value and the average acquisition cost of the treasury shares sold.

In 2024, 109,000 registered shares were acquired at an average price of CHF 25.56 per share (previous year: 71,169 registered shares at an average price of CHF 35.58). There were no sales of registered shares in the 2024 financial year (previous year: none). Within the framework of share-based remuneration (see Note 1.4 "Personnel expenses"), 108,138 registered shares were allocated in the reporting year at an average defined value of CHF 25.80 (previous year: 74,004 registered shares at an average of CHF 35.12).

Accounting principles

The purchase of treasury shares is made at acquisition cost and is recognised as a negative item in equity. In the event of subsequent sale or allocation (supply) within the scope of share-based remuneration, any excess or shortfall is recognised in the capital reserves without affecting the income statement. Share-based remuneration allocations take place in accordance with the principles described in Note 1.4 "Personnel expenses".

3.4 Derivative financial instruments

Stadler uses derivative financial instruments firstly to hedge contractually fixed cash flows from operating activities and in connection with financial transactions to cover interest rate and currency risks. Secondly, derivative financial instruments are used to hedge existing balance sheet items in foreign currencies.

in thousands of CHF	Purpose	31.12.2024		31.12.2023	
		Positive value	**(Negative value)**	**Positive value**	**(Negative value)**
Basic values					
Currency	Hedge	34,911	(37,521)	62,109	(23,925)
Interest	Hedge	95	–	242	–
Total derivative financial instruments		**35,006**	**(37,521)**	**62,351**	**(23,925)**
– thereof to hedge future cash flows		32,903	(35,293)	51,846	(17,946)
Total recognised values		**2,103**	**(2,228)**	**10,505**	**(5,979)**

Accounting principles

Derivative financial instruments are used to hedge future cash flows against foreign currency or interest rate risks. These instruments are not recognised in the balance sheet, but are disclosed in the notes until the hedged underlying transaction occurs. When the underlying transaction occurs, the current value of the derivative financial instrument is recognised in the balance sheet at the same time as the hedged transaction. If the occurrence of the future transaction is no longer expected, immediate recognition of the accumulated profits or losses is made. In such cases, positive replacement values are reported under other current receivables, and negative replacement values under other current liabilities. Positive or negative replacement values of derivative financial instruments used to hedge existing balance sheet items in foreign currencies are recognised in other current receivables or other current liabilities. The ineffective portion of a hedging relationship is recognised immediately in the income statement. All changes in the value of the hedging instrument are reported in the income statement under the same item as the changes in the value of the underlying transaction.

4. Group structure

The following section explains Stadler's structure, including the main changes and the resulting effects on the consolidated financial statements. This section also contains disclosures on transactions with related parties and companies, and specifies the general consolidation principles.

4.1 Changes in the scope of consolidation

4.1.1 Changes in 2024

Additions (companies founded)

– As at 3 September 2024: Stadler Converter Sp. z o.o., Białystok, Poland (purpose: Components)
– As at 20 September 2024: Limited liability partnership "SRS Kazakhstan", Almaty, Kazakhstan (purpose: Service)

4.1.2 Changes in 2023

Additions (companies founded)

– As at 5 June 2023: Stadler Service Azerbaijan LLC, Baku, Azerbaijan (purpose: Service)

Additions (acquisitions of subsidiaries)

In September 2022, a contract was concluded with FWM – Fahrzeugwerke Miraustrasse GmbH (Hennigsdorf, Germany) for the purchase of an operating site, including buildings and operating equipment (property, plant and equipment), as well as for the takeover of employees, for a price of CHF 12.3 million. The closing conditions agreed upon in the purchase agreement were met in full on 3 January 2023. The purchase was therefore only recognised in the consolidated financial statements from this date. The goodwill of CHF 2.2 million arising from the acquisition was recognised directly in equity. The acquisition of this business will expand capacities for vehicle commissioning in Germany.

In addition, a contract for the purchase of 100% of the capital shares of the limited liability partnership "ZSPV" (Astana, Kazakhstan) was concluded in December 2022. This purchase was subject to various closing conditions, which were met on 27 January 2023. Consequently, the new company was only included in the consolidated financial statements from this date. The acquisition was related to a major contract worth EUR 2.3 billion signed with Kazakhstan Railways (KTZ). In addition to the delivery of 537 sleeper and couchette cars, including a 20-year full-service contract, the contract also includes the transfer of technology from Switzerland to Kazakhstan and the acquisition of the limited liability partnership "ZSPV", a local production plant with around 100 employees. The purchase price of CHF 24.1 million was offset by cash and cash equivalents acquired of CHF 80.2 million. The high level of cash and cash equivalents taken over results from advance payments received, recognised in liabilities from work in progress, in connection with the above-mentioned major contract with Kazakhstan Railways (KTZ). The goodwill of CHF 2.6 million arising from the acquisition was recognised directly in equity. The acquired company has since been renamed as the limited liability partnership "Stadler Kazakhstan".

Disposals (sales of minority interests)

Following the prior acquisition of 100% of the capital shares of the limited liability partnership "Stadler Kazakhstan", 49% of the capital shares were sold on with effect from 20 September 2023 as part of the establishment of a strategic partnership for the Kazakhstan region. CHF 0.6 million of profit from the sale of minority interests was recognised in "Other operating income" after goodwill recycling of CHF 1.3 million. The purchase price receivable of CHF 11.8 million was converted into a long-term interest-bearing loan.

Disposals (sales of subsidiaries)
Stadler CIS AG (Bussnang, Switzerland) and its subsidiaries Stadler Kazakhstan Ltd (Astana, Kazakhstan) and Stadler Service Kazakhstan Ltd (Astana, Kazakhstan) were sold with effect from 1 March 2023, Stadler CIS AG being a sales company for the CIS market. The two subsidiaries had been newly founded in 2022 and had not yet started their operational activities. CHF 1.9 million of profit from the sale was recognised in “Other operating income” after goodwill recycling of TCHF 18. The sales price of CHF 2.0 million (including the settlement of previous intragroup financing of CHF 1.2 million) was offset by cash and cash equivalents of TCHF 33.

Disposals (mergers within the scope of consolidation)
The net assets of BBR Intelis SA (Vufflens-la-Ville, Switzerland) were transferred to the parent company Stadler Signalling AG (Wallisellen, Switzerland) on 29 March 2023 with effect from 1 January 2023.

4.2 Scope of consolidation and consolidation principles

Accounting principles

The consolidated financial statements include the annual financial statements of Stadler Rail AG and the companies which Stadler Rail AG controls. Control exists provided Stadler Rail AG can determine the financial and business policy and thus also benefit from business activities. This is the case if more than 50% of the voting rights are held or if control can be otherwise exercised (see Note 4.4 “List of investments”).

Capital consolidation is based on the Anglo-Saxon purchase method. The equity of the Group companies on the date of acquisition or date of founding is offset against the carrying amount of the investment. When a new Group company is acquired, its assets (including previously unrecognised intangible assets relevant to decision-making) and liabilities (together net assets) are valued at current values on this date. Any difference between the acquisition costs and the equity (net assets) of the acquired company is recorded as positive or negative goodwill directly in retained earnings. Transaction costs incurred in connection with the acquisition of a company are included in acquisition costs. The acquisition costs also include deferred or owed purchase price payments. Contingent purchase price payments (e.g. earn-out) are recognised if they are considered probable. They are recorded in provisions until the date of payment. Changes in the estimate of the contingent purchase price payment are recognised directly in equity. Contingent purchase price payments affect goodwill and are offset directly against retained earnings. If shares are acquired in stages, the positive or negative goodwill is calculated separately for each acquisition stage as the difference between the acquisition costs and the pro rata net assets (or, for minority interests, the pro rata carrying amount of the minority interests) and is offset directly against retained earnings. At the time of the acquisition of control, valuation differences on previously held shares are offset directly against retained earnings.

On the basis of the full consolidation method, the assets, liabilities, income and expenses of the consolidated companies are recognised in full. Minority interests in equity and earnings are shown separately in the consolidated balance sheet and consolidated income statement. All intragroup transactions and relationships are offset mutually and eliminated in the consolidated financial statements. Unrealised gains contained in inventories or work in progress resulting from intragroup deliveries are eliminated in full. Unrealised losses on intragroup transactions are also eliminated, unless there is evidence of impairment.

Investments over which a significant influence can be exercised are not fully consolidated. Significant influence is presumed if the share in voting rights is at least 20% but less than 50% and control cannot be exercised. Significant influence may also exist as a result of specific contractual agreements if the share of voting rights is less than 20%. Associated companies are accounted for using the equity method. At the time significant influence is obtained, the net assets acquired (including previously unrecognised intangible assets relevant to decision-making) of the associated company are revalued if their current value differs significantly from the value that would have resulted if FER had always been applied. Following this revaluation, any difference remaining between the acquisition costs and the pro rata equity (net assets) of the associated company is offset directly against retained earnings as positive or negative goodwill. Transaction costs incurred in connection with the acquisition are part of the acquisition costs. The carrying amount is subsequently adjusted to reflect Stadler's share of the associated company's profit or loss for the year and changes in capital. This amount is shown in the consolidated balance sheet under investments in associated companies. If shares are acquired in stages within the category of associated companies, goodwill is calculated without revaluing the underlying net assets.

Investments of less than 20% are valued at acquisition cost less any value adjustments necessary for business reasons. They are reported under financial assets.

For disposals of shares (in stages), the corresponding gain or loss is calculated separately for each stage of the disposal and recognised in the income statement. The outgoing (pro rata) positive or negative goodwill is also calculated separately for each disposal of shares and recognised in profit or loss. If a significant influence continues to exist after the sale of shares in fully consolidated companies, the remaining share is valued according to the pro rata net assets. The same applies to a disposal of shares (in stages) that leads to recognition as a financial asset. In this case, the remaining pro rata positive or negative goodwill offset against equity at the time of acquisition is reclassified from equity to financial assets without affecting profit or loss. This goodwill now forms part of the acquisition costs of the financial asset and is not amortised on a linear basis.

The presentation currency of the consolidated financial statements is the Swiss franc (CHF). The annual financial statements of Group companies in foreign currency are converted into Swiss francs as follows:
– Assets and liabilities at closing rates
– Equity at historical prices
– Income statements at average rates for the year
– Cash flow statements at average rates for the year

The differences resulting from the application of the above-mentioned exchange rates are taken to currency translation differences in retained earnings with no effect on income.

Foreign currency effects on long-term intragroup loans with equity character are recognised directly in equity under currency translation differences in retained earnings. Any such differences are not recycled when the loans are repaid.

If a disposal of shares in a Group company with financial statements in a foreign currency leads to a loss of control or of significant influence, the cumulative currency translation differences recognised in equity (including those on loans with equity character) are derecognised in full through profit or loss. If the shares in a Group company are disposed of in stages without leading to a loss of control, the cumulative currency translation differences are allocated proportionately to the minority interests without affecting profit or loss. In other cases of disposals of shares in stages, the cumulative currency translation differences are recognised in the income statement on a pro rata basis.

Gains and losses from transactions in foreign currencies and from adjustments on foreign currency balances at the balance sheet date are recognised in the income statement.

Exchange rates:

in CHF	Average rates		Closing rates	
	2024	**2023**	**31.12.2024**	**31.12.2023**
Currency				
EUR	0.9524	0.9719	0.9412	0.9260
USD	0.8801	0.8990	0.9060	0.8380
GBP	1.1249	1.1173	1.1351	1.0655
NOK	0.0819	0.0852	0.0798	0.0824
PLN	0.2212	0.2141	0.2202	0.2134
HUF	0.0024	0.0025	0.0023	0.0024
CZK	0.0379	0.0405	0.0374	0.0375
DZD	0.0066	0.0066	0.0067	0.0062
SEK	0.0833	0.0847	0.0821	0.0835
RUB	0.0095	0.0104	0.0089	0.0094
RSD	0.0081	0.0083	0.0080	0.0079
DKK	0.1277	0.1304	0.1262	0.1242
GEL	0.3238	0.3428	0.3212	0.3110
KZT	0.0019	0.0020	0.0017	0.0018
AZN	0.5177	0.5287	0.5318	0.4918

4.3 Investments in associated companies

in thousands of CHF	2024	2023
Investments in associated companies		
Balance at 1 January	21,245	19,465
Share of results from associated companies	4,002	3,832
Dividends received	(1,246)	(661)
Currency translation differences	366	(1,391)
Balance at 31 December	**24,367**	**21,245**

In 2019, various contingent purchase price payments in connection with the AngelStar S.r.l. joint venture were recognised as provisions and offset directly against retained earnings as an increase in goodwill. In 2023, a payment of CHF 1.0 million became due upon fulfilment of a condition. However, as the remaining purchase price conditions had not been met, the remaining provision of CHF 2.2 million was reversed in the previous period. Goodwill was reduced by the equivalent amount, which in turn was offset directly against retained earnings.

4.4 List of investments

All subsidiaries which are under the legal or effective control of Stadler Rail AG are included in the consolidated financial statements. This applies to the investments listed below. The stakes/capital shares shown here also correspond to the respective proportion of voting rights.

Country	Company	Headquarters	Operating currency	Basic capital in thousands	Share in % 31.12.2024	Share in % 31.12.2023	Consolidation	Function
Switzerland								
	Stadler Rail AG	Bussnang	CHF	20,000				CS
	Stadler Rail Management AG	Bussnang	CHF	100	100	100	▯	E, V, CS
	Stadler Bussnang AG	Bussnang	CHF	10,000	100	100	▯	P, E
	Stadler Rheintal AG	St. Margrethen	CHF	2,000	100	100	▯	P, E
	Stadler Winterthur AG	Winterthur	CHF	800	100	100	▯	P
	Stadler Service AG	Bussnang	CHF	200	100	100	▯	E, S, V, CS
	Stadler Stahlguss AG	Biel	CHF	1,000	100	100	▯	P
	Stadler Signalling AG	Wallisellen	CHF	100	81	81	▯	P, E, V, CS
Algeria								
	Stadler Algérie Eurl	Algiers	DZD	1,200	100	100	▯	S
Azerbaijan								
	Stadler Service Azerbaijan LLC	Baku	AZN	1	100	100	▯	S
Belarus								
	CJSC Stadler Minsk	Minsk	EUR	51,322	100	100	▯	P, E, V
Denmark								
	Stadler Service Denmark Aps	Aarhus	DKK	50	100	100	▯	S
Germany								
	Stadler Deutschland GmbH	Berlin	EUR	6,180	100	100	▯	P, E, V, CS
	STAP Grundstücks-Vermietungsgesellschaft GmbH	Berlin	EUR	25	100	100	▯	I
	Stadler Rail Service Deutschland GmbH	Berlin	EUR	3,500	100	100	▯	S
	Stadler Chemnitz GmbH	Chemnitz	EUR	25	100	100	▯	E
	Stadler Mannheim GmbH	Mannheim	EUR	100	100	100	▯	E
	Stadler Signalling Deutschland GmbH (formerly BBR Verkehrstechnik GmbH)	Braunschweig	EUR	3,000	100	100	▯	P, E
Finland								
	Stadler Service Finland Oy	Helsinki	EUR	–	100	100	▯	S
France								
	Erion France S.A.S.	Montceau-les-Mines	EUR	150	100	100	▯	S
Georgia								
	Stadler Service Georgia LLC	Tbilisi	GEL	–	100	100	▯	S
Great Britain								
	Stadler Rail Service UK Ltd.	Liverpool	GBP	0.001	100	100	▯	S
Italy								
	Stadler Service Italy S.r.l.	Venice	EUR	10	100	100	▯	S
	AngelStar S.r.l.	Mola di Bari	EUR	3,000	40	40	△	E
Kazakhstan								
	Limited liability partnership “Stadler Kazakhstan”	Astana	KZT	5,846,319	51	51	▯	P
	Limited liability partnership “SRS Kazakhstan”	Almaty	KZT	369	51	–	▯	S
Netherlands								
	Stadler Service Nederland B.V.	Apeldoorn	EUR	20	100	100	▯	S
	WHAT B.V.	Venlo	EUR	1	50	50	△	I
Norway								
	Stadler Service Norway AS	Oslo	NOK	33	100	100	▯	S
Austria								
	ÖBB Stadler Service GmbH	Vienna	EUR	200	40	40	△	S
	Stadler Austria GmbH	Vienna	EUR	35	100	100	▯	V, E

Poland								
	Stadler Polska Sp. z o.o.	Siedlce	PLN	1,000	100	100	▯	P, E, V, CS
	Stadler Service Polska Sp. z o.o.	Warsaw	PLN	100	100	100	▯	S
	Stadler Środa Sp. z o.o.	Środa Wielkopolska	PLN	26,005	100	100	▯	P
	Stadler Converter Sp. z o.o.	Białystok	PLN	5	100	–	▯	P
Russia								
	LLC Stadler Rus	Moscow	RUB	500	100	100	▯	S
Sweden								
	Stadler Service Sweden AB	Stockholm	SEK	50	100	100	▯	S
Serbia								
	Stadler Rail d.o.o.	Belgrade	RSD	60	100	100	▯	S
Spain								
	Stadler Rail Valencia S.A.U.	Albuixech Valencia	EUR	7,060	100	100	▯	P, E, S, V, CS
	Erion Mantenimiento Ferroviario S.A.	Madrid	EUR	500	51	51	▯	S
Czech Republic								
	Stadler Praha s.r.o.	Prague	CZK	2,000	100	100	▯	E
Turkey								
	Stadler Demiryolu Araçları Servisi Anonim Şirketi	Ataşehir	EUR	100	100	100	▯	S
Hungary								
	Stadler Trains Mag. Zrt.	Budapest	HUF	23,000	100	100	▯	V
	Stadler Szolnok Kft.	Szolnok	HUF	400,000	100	100	▯	P
	Stadler Mag. Vas. Karb.	Pusztaszabolcs	HUF	320,000	100	100	▯	S
USA								
	Stadler US Inc.	Salt Lake City	USD	100	100	100	▯	P, E, S, V
	BBR rail automation (US) Inc.	Atlanta	USD	10	100	100	▯	E

Consolidation

▯ Fully consolidated company
Δ Equity method

Function

P Production
E Engineering
S Service
V Sales
I Property
CS Corporate Services

4.5 Related parties and companies

Related parties and companies are associated companies and members of the Board of Directors, members of the Group Executive Board, pension funds and shareholders with at least 20% of the voting rights in Stadler Rail AG, as well as companies controlled by the aforementioned related parties and companies. Transactions with related parties are generally based on market conditions. All transactions are included in the consolidated financial statements.

in thousands of CHF	31.12.2024	31.12.2023
Balance sheet		
Advance payments to suppliers (Note 1.2)	37,393	44,913
Advance payments from customers (Note 1.2)	66,690	64,655
Compensation claims from work in progress (Note 1.3)	6,973	–
Trade receivables (Note 2.1)	2,874	2,358
Trade payables (Note 2.1)	3,304	1,735
Other financial assets (Note 2.4)	2,320	2,424
Other current receivables (Note 2.7)	37	161

in thousands of CHF	2024	2023
Income statement		
Purchase of goods and services	126,088	98,265
Sale of goods and services	108,220	161,686
Interest received	107	117
Interest paid	540	350
Dividends received	1,246	661

As in the previous year, the sale of goods and services for CHF 108.2 million (previous year: CHF 161.7 million) is mainly attributable to the sale of locomotives to the related company European Loc Pool AG (subsidiary of PCS Holding AG).

As in the previous year, advance payments from customers of CHF 66.7 million (previous year: CHF 64.7 million) originate mainly from European Loc Pool AG from orders for the delivery of locomotives.

Compensation claims from work in progress amounting to CHF 7.0 million (previous year: CHF 0.0 million) also resulted from the sale of locomotives to European Loc Pool AG.

The purchase of goods and services totalled CHF 126.1 million (previous year: CHF 98.3 million). Of this amount, approximately CHF 110.6 million (previous year: CHF 82.3 million) was spent on purchases for the execution of orders, in particular the purchase of compressors from the related company Aebi Schmidt Group (subsidiary of PCS Holding AG), the purchase of traction systems from the related company Traktionssysteme Austria GmbH (subsidiary of PCS Holding AG) and the purchase of ETCS systems from the associated company AngelStar S.r.l. In addition, CHF 15.5 million (previous year: CHF 16.0 million) in services were purchased from the related company Innflow AG (subsidiary of PCS Holding AG) in connection with the replacement of ERP systems.

PCS Holding AG (and its subsidiaries) is an organisation which indirectly, through its owner Peter Spuhler, has a significant influence on Stadler and is regarded as a related party within the meaning of FER 15/2.

4.6 Goodwill

Accounting principles

The positive or negative goodwill resulting from an acquisition is recorded in retained earnings on the date of acquisition. When shares of a Group company are sold, the proportional goodwill recorded in retained earnings on the date of acquisition is transferred to the income statement. The closure and liquidation of a Group company are equivalent to a sale. The effects of theoretical capitalisation and amortisation, including any impairment resulting from the assessment of recoverability, are shown below.

For shadow accounting purposes, the goodwill is generally depreciated on a straight-line basis over the economic useful life. If the useful life cannot be determined, depreciation is carried out over five years. If shares are acquired in stages, the useful life of goodwill is determined separately for each acquisition of shares.

Effects of theoretical capitalisation of goodwill on the balance sheet:

in thousands of CHF	31.12.2024	31.12.2023
Effects of theoretical capitalisation of goodwill on the balance sheet		
Shareholders' equity including minority interests	774,079	819,260
Equity ratio	13.22%	16.36%
Acquisition value of goodwill at the beginning of the year	243,512	242,190
Additions	–	4,856
Disposals	–	(3,534)
Acquisition value of goodwill at the end of the year	243,512	243,512
Accumulated amortisation of goodwill at the beginning of the year	189,009	173,453
Amortisation current year	17,066	17,439
Disposals	–	(1,883)
Accumulated amortisation of goodwill at the end of the year	206,075	189,009
Theoretical net carrying amount of goodwill	**37,437**	**54,503**
Theoretical equity including minority interests and net carrying amount of goodwill	**811,516**	**873,763**
Theoretical equity ratio	13.77%	17.26%

Effects of theoretical amortisation of goodwill on profit for the year:

in thousands of CHF	2024	2023
Effects of theoretical amortisation of goodwill on profit for the year		
Reported profit for the year	54,966	138,563
Theoretical amortisation of goodwill	(17,066)	(17,439)
Annual profit after theoretical amortisation of goodwill	**37,900**	**121,124**

5. Other information

5.1 Financial result

in thousands of CHF	2024	2023
Financial income		
Interest income	31,007	36,785
Foreign exchange gains (net)	19,722	–
Total financial income	**50,729**	**36,785**
Financial expenses		
Interest expenses	(19,369)	(21,358)
Interest expenses on finance leases	(435)	(536)
Bank charges incl. hedging costs	(9,524)	(10,012)
Order-related bank guarantee costs	(22,920)	(28,165)
Foreign exchange losses (net)	–	(11,389)
Total financial expenses	**(52,248)**	**(71,460)**
Net financial result	**(1,519)**	**(34,675)**

The foreign exchange gains totalling CHF 19.7 million are mainly due to the foreign currency valuation of balance sheet items (previous year: foreign exchange losses of CHF 11.4 million). The reduction in order-related bank guarantee costs is due to the fact that fewer vehicles were sold in the reporting year than in the previous year for which bank guarantees were issued.

5.2 Income taxes

in thousands of CHF	2024	2023
Income taxes		
Current income taxes	(44,386)	(33,391)
Deferred income taxes	(3,443)	19,938
Total income taxes	**(47,829)**	**(13,453)**

in thousands of CHF	2024	2023
Income taxes		
Income taxes before consideration of losses carried forward	(8,123)	741
Effect of non-capitalisation of losses carried forward	(35,333)	(16,518)
Effect of the use of non-capitalised losses carried forward	84	1,254
Effect from capitalisation of previously unrecognised losses carried forward	575	1,181
Effect of the reassessment of previously capitalised losses carried forward	(5,032)	(111)
Income taxes after consideration of losses carried forward	**(47,829)**	**(13,453)**

The average applicable tax rate in relation to the ordinary result and deferred taxes is 16.2% (previous year: 18.5%).

The substantial increase in the income tax burden from CHF 13.5 million in the previous year to CHF 47.8 million in the reporting year is mainly due to the fact that no comprehensive deferred income taxes were recognised on losses on individual subsidiaries realised in the 2024 financial year on account of their current difficult economic situation, or that previously capitalised losses carried forward were partially reduced.

The Stadler Rail Group falls within the scope of the OECD's model global minimum tax rules (OECD Pillar Two). Since 1 January 2024, Stadler has been obliged to pay a supplementary tax if the minimum tax rate of 15% per country is not reached. However, based on the local implementation of OECD Pillar Two in the countries concerned and taking into account the applicable transitional safe harbour rules, there is no significant additional tax burden for Stadler in 2024 due to additional taxation.

in thousands of CHF	31.12.2024	31.12.2023
Entitlement for deferred income taxes on unused tax loss carryforwards		
Capitalised	62,146	32,949
Non-capitalised	76,495	36,207
Total entitlement for deferred income taxes on unused tax loss carryforwards	**138,641**	**69,156**

Accounting principles

Income taxes include both current and deferred income taxes. Current income taxes are calculated applying current tax rates to the taxable annual income or expected taxable income of the year according to the respective tax law regulations for calculating profit. Deferred income taxes are recognised for valuation differences between assets and liabilities measured according to uniform Group-wide guidelines in relation to the respective tax values. Deferred tax liabilities are recognised in the balance sheet under the item "Provisions". Deferred tax assets from losses carried forward and from deductible temporary differences are recognised only to the extent that they are likely to be offset against future taxable profits and are reported in the balance sheet under "Financial assets". Deferred taxes are calculated on the basis of the expected tax rates applicable to the individual companies for the corresponding assets and liabilities.

5.3 Employee benefits

There were no employer contribution reserves either in the reporting year or in the previous year.

Economic benefit/obligation and employee benefit expenses:

in thousands of CHF	Surplus / Deficit	Economic part of the organisation		Currency translation differences	Change from previous year	Contributions concerning the business period	Pension benefit expenses within personnel expenses	
	31.12.2024	31.12.2024	31.12.2023	2024	2024	2024	2024	2023
Economic benefit / economic obligation and pension benefit expenses								
Pension plans without surplus / deficit	–	–	–	–	–	30,605	30,605	26,967
Pension fund without own assets	–	2,620	3,970	196	(1,546)	9,077	7,531	8,394
Total economic benefit / economic obligation and pension benefit expenses	**–**	**2,620**	**3,970**	**196**	**(1,546)**	**39,682**	**38,136**	**35,361**

in thousands of CHF	Surplus / Deficit	Economic part of the organisation		Currency translation differences	Change from previous year	Contributions concerning the business period	Pension benefit expenses within personnel expenses	
	31.12.2023	31.12.2023	31.12.2022	2023	2023	2023	2023	2022
Economic benefit / economic obligation and pension benefit expenses								
Pension plans without surplus / deficit	–	–	–	–	–	26,967	26,967	24,747
Pension fund without own assets	–	3,970	2,585	(198)	1,583	6,811	8,394	7,827
Total economic benefit / economic obligation and pension benefit expenses	**–**	**3,970**	**2,585**	**(198)**	**1,583**	**33,778**	**35,361**	**32,574**

Accounting principles

Assets and liabilities from employee benefits (incl. employer contribution reserve)
The employee benefit plans are either financially independent entities and foundations outside of Stadler (funded plans) or unfunded plans with a corresponding liability in the balance sheet. Financing is provided by employee and employer contributions. The actual economic impact of all employee benefit plans that provide benefits for retirement, death or disability are calculated as at the balance sheet date. In the case of foreign plans, the provisions calculated according to local regulations are included in the consolidated financial statements. A benefit resulting from employer contribution reserves is recognised as an asset. Any additional economic benefit (from a surplus in pension fund cover) is not capitalised. An economic obligation is recognised as a liability if the conditions for the recognition of a provision are met.

5.4 Government grants

Stadler was awarded government grants related to income amounting to CHF 79.6 million to fulfil a specific customer order for the production of rail vehicles. The manufacturing order was placed by the government itself. The last tranche totalling CHF 8.7 million was finally paid out in the current financial year (previous year: CHF 44.5 million). Due to the recognition of revenue according to the percentage of completion of this order, the production costs reported in the 2024 financial year were reduced by CHF 26.2 million (previous year: CHF 22.2 million). The percentage of completion of this order was 100% as at the reporting date of 31 December 2024.

Accounting principles

Government grants are recognised when there is reasonable assurance that the attached conditions will be met and the value can be estimated reliably.

Government grants related to assets are offset directly against the asset.

Monetary government grants related to income are recognised in the periods in which the corresponding expenses are incurred. The relevant grants are reported in “Other operating income”. If the grants already received exceed the amounts recognised in profit or loss, the difference is recognised in deferred income/accrued expenses.

Monetary government grants related to income awarded for the fulfilment of a specific customer order are deducted from the planned costs of the corresponding order when there is reasonable assurance that the attached conditions will be met and the value can be estimated reliably. The costs incurred for “work in progress” or “liabilities from work in progress” are reduced on receipt of the grant (cash-in). Grants are recognised in the income statement at the time of the recognition of revenue according to the percentage of completion of the corresponding order as a reduction in production costs.

Non-monetary grants related to income are disclosed in the notes.

5.5 Non-operating result

Following the IPO on 12 April 2019, all shares from the former employee share plan (MAP for short) are freely tradable. The sale of the shares could result in tax consequences for the sellers (taxable income from equity securities). If it is determined that taxable income exists in principle, this is also subject to social insurance contributions to be settled with the social insurance authorities.

The social security contributions for the employer resulting from the sales are recorded in non-operating expenses. The social security contributions payable by Stadler on MAP sales are directly attributable to the IPO, which is not directly related to the ordinary course of business.

5.6 Events after the reporting date

No events occurred after the reporting date that could have a significant impact on the 2024 consolidated financial statements.

5.7 Approval of the consolidated financial statements

The 2024 financial statements were approved by the Board of Directors on 17 March 2025 and will be recommended for approval at the Annual General Meeting on 7 May 2025.

Statutory Auditor's Report

To the General Meeting of Stadler Rail AG, Bussnang

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Stadler Rail AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 79 to 123) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

VALUATION OF WORK IN PROGRESS "UNITS OF DELIVERY"

REVENUE RECOGNITION IN THE ROLLING STOCK BUSINESS SEGMENT

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF WORK IN PROGRESS “UNITS OF DELIVERY”

Key Audit Matter

As at 31 December 2024, work in progress “units of delivery” amounts to CHF 1’243 million and liabilities from work in progress “units of delivery” amounts to CHF 2’882 million.

Work in progress “units of delivery” (gross, before advance payments to suppliers and advance payments from customers) correspond to the accumulated manufacturing costs less the costs of the units already delivered and value allowances from loss-making orders. The manufacturing costs include order-specific material and external service costs, material overheads as well as production, engineering and project management costs.

Upon delivery of a unit, the proportionate manufacturing costs in relation to the estimated total costs are recognized in the income statement. When determining the estimated total costs, there is uncertainty regarding future costs. Therefore, there is significant judgement involved, and management has to make assumptions and estimates.

Due to the extended manufacturing time, there is also a risk that the total costs will change due to inaccurate estimates and have to be reassessed, whereby loss-making orders may not be identified, or not in due time.

Moreover, there is a risk that cost rates are calculated incorrectly or costs are charged to the wrong project.

Our response

Our procedures included amongst others an assessment of the processes and the relevant controls in the areas of order processing, project controlling and valuation of work in progress.

On a sample basis, we have reconciled new projects to the corresponding contracts. Furthermore, we have examined the correct allocation of costs based on the implemented key controls.

Moreover, for ongoing projects we have critically assessed on a sample basis the appropriateness of the estimates and assumptions regarding the total costs as well as their development over time by performing a retrospective comparison of the initially budgeted total costs and the currently estimated total costs.

Furthermore, we have challenged the valuation of work in progress by comparing the estimated total costs with the expected revenues.

For further information on VALUATION OF WORK IN PROGRESS “UNITS OF DELIVERY” refer to the following:
— 1.2 „Work in progress”, pages 92 to 94

KPMG

REVENUE RECOGNITION IN THE ROLLING STOCK BUSINESS SEGMENT

Key Audit Matter

In 2024, net sales of goods and services to third parties in the Rolling Stock business segment amount to CHF 2'696 million, thereof CHF 2'651 million according to the Percentage of Completion method.

Revenue recognition in the Rolling Stock business segment is performed almost entirely according to the Percentage of Completion method, whereby the degree of completion is determined following the Units of Delivery method.

Revenue is usually recognized upon acceptance of a unit by the customer, whereby a unit generally corresponds to a vehicle or wagon. The degree of completion is the ratio between the delivered units and the total quantity to be delivered according to a contract.

In some justified cases, acceptance can be delayed only due to administrative or organizational matters. In such cases, revenue is recognized before acceptance, when all significant performance obligations are fulfilled.

In case of revenue recognition before acceptance of a unit, management applies judgement when assessing the fulfillment of the performance obligations. Consequently, there is a risk that revenues are recognized in the wrong period.

Our response

Our procedures included amongst others an assessment of the processes and the relevant controls regarding revenue recognition.

On a sample basis, we have furthermore assessed the point in time at which revenue was recognized, focusing on transactions around the balance sheet date, by using appropriate third-party evidence (such as contracts or acceptance records).

In cases where revenue was recognized before acceptance by the customer, we have challenged management's assessment by using appropriate evidence.

For further information on REVENUE RECOGNITION IN THE ROLLING STOCK BUSINESS SEGMENT refer to the following:

— 1.1 „Segment reporting“, pages 89 to 91

— 1.2 „Work in progress“, pages 92 to 94

— 1.3 „Compensation claims from work in progress”, page 95

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge

Nicolas Wuffli
Licensed Audit Expert

Zurich, 18 March 2025


ÖBB
cityjet
VOR

FINANCIAL STATEMENTS

Income statement

in CHF	Note	2024		2023	
Dividend income		84,491,812		90,089,070	
Other financial income	2.6	87,570,526		59,283,196	
Other operating income	2.7	51,164,000		51,209,747	
Operating income		**223,226,338**	**100.0%**	**200,582,013**	**100.0%**
Value adjustments on investments		(7,000,000)		–	
Financial expenses	2.8	(89,717,782)		(57,605,394)	
Personnel expenses		(8,683,264)		(7,605,948)	
Other operating expenses	2.9	(14,944,092)		(12,244,074)	
Profit before taxes		**102,881,200**	**46.1%**	**123,126,597**	**61.4%**
Income taxes		(1,429,238)		(5,499,338)	
Profit for the year		**101,451,962**	**45.4%**	**117,627,259**	**58.6%**

Balance sheet

in CHF	Note	31.12.2024		31.12.2023	
Assets					
Cash and cash equivalents		496,273,160		132,814,952	
Other current receivables					
– from third parties		3,011,282		3,008,832	
– from group companies		158,850,090		113,688,510	
Accrued income and deferred expenses		2,913,725		670,904	
Total current assets		**661,048,257**	**29.8%**	**250,183,198**	**19.7%**
Financial assets	2.1	969,640,673		550,711,205	
Investments	2.2	588,339,821		471,168,703	
Total non-current assets		**1,557,980,494**	**70.2%**	**1,021,879,908**	**80.3%**
Total assets		**2,219,028,751**	**100.0%**	**1,272,063,106**	**100.0%**
Liabilities & equity					
Other current liabilities					
– from third parties		187,142		956,396	
– from group companies		1,088,684,550		504,778,137	
Current provisions		3,182,292		6,733,195	
Deferred income and accrued expenses		4,942,349		4,903,467	
Total current liabilities		**1,096,996,333**	**49.4%**	**517,371,195**	**40.7%**
Non-current interest-bearing liabilities					
– from third parties	2.3	500,000,000		300,000,000	
– from group companies		228,412,550		72,600,000	
Total non-current liabilities		**728,412,550**	**32.8%**	**372,600,000**	**29.3%**
Total liabilities		**1,825,408,883**	**82.3%**	**889,971,195**	**70.0%**
Share capital	2.4	20,000,000		20,000,000	
Legal retained earnings					
– Legal retained earnings in the narrower sense		4,000,000		4,000,000	
Treasury shares	2.5	(22,506)		(7,775)	
Available earnings					
– Result carried forward		268,190,412		240,472,427	
– Profit for the year		101,451,962		117,627,259	
Total equity		**393,619,868**	**17.7%**	**382,091,911**	**30.0%**
Total liabilities & equity		**2,219,028,751**	**100.0%**	**1,272,063,106**	**100.0%**

Notes to the financial statements

1. Principles

General information

These financial statements have been prepared in accordance with the provisions of Swiss Accounting Law (32^{nd} title of the Swiss Code of Obligations). The main valuation principles that are not required by law are described below.

Financial assets

Financial assets include long-term loans and securities with market prices. Loans granted in foreign currencies are valued at the current balance sheet date, whereby unrealised losses are recorded, whereas unrealised gains are not recognised (imparity principle).

Investments

Investments were valued at acquisition cost less any necessary value adjustments. The principle of individual valuation is applied.

Bond issues

Bonds are carried at nominal value under interest-bearing financial liabilities. The issuing costs incurred in connection with the issue of the bond are capitalised under accrued income/deferred expenses and amortised over the term of the bond. Any premiums received on the issue of the bond are recognised under deferred income/accrued expenses and amortised over the term of the bond. The reversal of the issuing costs and of the premium are recognised in the financial result.

Treasury shares

Treasury shares are recognised at acquisition cost and deducted from equity on the date of acquisition. In the event of subsequent sale or allocation (supply) within the scope of share-based remuneration, the gain or loss is recognised through retained earnings without affecting the income statement.

Share-based remuneration

The members of the Board of Directors have the option to have their fee paid in cash and/or in shares. In addition, members of the Group Executive Board (GEB), the extended GEB and managerial levels 1 and 2 receive between 20% and 100% of their variable remuneration in the form of shares. The shares are subject to a four-year vesting period after allocation and are allocated at a vesting discount of 20% in relation to the defined value. The expense for the remuneration of the Board of Directors is recognised in the income statement at the current value of the allocation. The expense for the variable remuneration of the (extended) GEB and managerial levels 1 and 2 is recognised and carried as a liability in the year in which the benefit is provided. Any differences in relation to the effective allocation value are corrected in the following year and recognised in the income statement.

Forgoing a cash flow statement and additional disclosures in the notes

Since Stadler Rail AG has prepared consolidated financial statements in accordance with a recognised accounting standard (Swiss GAAP FER), in these financial statements it has decided to forgo presenting additional information in the notes on interest-bearing liabilities and audit fees, or to provide a cash flow statement, in accordance with the legal requirements.

2. Information on balance sheet and income statement items

2.1 Financial assets

in CHF	31.12.2024	31.12.2023
Loans to third parties	15,886,662	14,695,125
Loans to group companies	953,754,011	536,016,080
Total financial assets	**969,640,673**	**550,711,205**

In the 2024 financial year, a subordination of debt of CHF 10.0 million was granted for a loan to Group companies of CHF 220.0 million.

2.2 Investments

Direct investments

Company	Headquarters	Share of capital and voting rights in %	
		31.12.2024	**31.12.2023**
Stadler Rail Management AG	Bussnang (CH)	100	100
Stadler Bussnang AG	Bussnang (CH)	100	100
Stadler Rheintal AG	St. Margrethen (CH)	100	100
Stadler Winterthur AG	Winterthur (CH)	100	100
Stadler Service AG	Bussnang (CH)	100	100
Stadler Signalling AG	Wallisellen (CH)	81	81
CJSC Stadler Minsk	Minsk (BY)	100	100
Stadler Deutschland GmbH	Berlin (DE)	100	100
AngelStar S.r.l.	Mola di Bari (IT)	40	40
Stadler Austria GmbH	Vienna (AT)	100	100
Stadler Polska Sp. z o.o.	Siedlce (PL)	100	100
Stadler Środa Sp. z o.o.	Środa Wielkopolska (PL)	100	100
Stadler Converter Sp. z o.o.	Białystok (PL)	100	–
Stadler Rail Valencia S.A.U.	Albuixech Valencia (ES)	100	100
Stadler Praha s.r.o.	Prague (CZ)	100	100
Stadler Trains Mag. Zrt.	Budapest (HU)	100	100
Stadler Szolnok Kft.	Szolnok (HU)	100	100
Stadler US Inc.	Salt Lake City (US)	100	100

Indirect investments

Company	Headquarters	Share of capital and voting rights in % 31.12.2024	31.12.2023
Stadler Stahlguss AG	Biel (CH)	100	100
Stadler Algérie Eurl	Algiers (DZ)	100	100
Stadler Service Azerbaijan LLC	Baku (AZ)	100	100
Stadler Service Denmark Aps	Aarhus (DK)	100	100
STAP Grundstücks-Vermietungsgesellschaft GmbH	Berlin (DE)	100	100
Stadler Rail Service Deutschland GmbH	Berlin (DE)	100	100
Stadler Chemnitz GmbH	Chemnitz (DE)	100	100
Stadler Mannheim GmbH	Mannheim (DE)	100	100
Stadler Signalling Deutschland GmbH (formerly BBR Verkehrstechnik GmbH)	Braunschweig (DE)	100	100
Stadler Service Finland Oy	Helsinki (FI)	100	100
Erion France S.A.S.	Montceau-les-Mines (FR)	100	100
Stadler Service Georgia LLC	Tbilisi (GE)	100	100
Stadler Rail Service UK Ltd.	Liverpool (GB)	100	100
Stadler Service Italy S.r.l.	Venice (IT)	100	100
Limited liability partnership “Stadler Kazakhstan”	Astana (KZ)	51	51
Limited liability partnership “SRS Kazakhstan”	Almaty (KZ)	51	–
Stadler Service Nederland B.V.	Apeldoorn (NL)	100	100
WHAT B.V.	Venlo (NL)	50	50
Stadler Service Norway AS	Oslo (NO)	100	100
ÖBB Stadler Service GmbH	Vienna (AT)	40	40
Stadler Service Polska Sp. z o.o.	Warsaw (PL)	100	100
LLC Stadler Rus	Moscow (RU)	100	100
Stadler Service Sweden AB	Stockholm (SE)	100	100
Stadler Rail d.o.o.	Belgrade (RS)	100	100
Erion Mantenimiento Ferroviario S.A.	Madrid (ES)	51	51
Stadler Demiryolu Araçları Servisi Anonim Şirketi	Ataşehir (TR)	100	100
Stadler Mag. Vas. Karb.	Pusztaszabolcs (HU)	100	100
BBR rail automation (US) Inc.	Atlanta (US)	100	100

2.3 Non-current interest-bearing liabilities

On 20 November 2019, Stadler issued a bond for a total of CHF 300.0 million with a coupon of 0.375%. The issue price was 100.553% of the nominal value. It will be redeemed at par value on 20 November 2026. Furthermore, on 12 July 2024, Stadler issued two bonds of CHF 100.0 million each with a coupon of 1.6925% and 1.9950% respectively. The issue price for both bonds was 100.000% of the nominal value. They will be redeemed at par value on 12 July 2029 and 12 July 2032. All bonds are listed on the SIX Swiss Exchange.

2.4 Share capital

The share capital of CHF 20.0 million consists of 100 million registered shares with a par value of CHF 0.20 each (31 December 2023: 100 million registered shares with a par value of CHF 0.20 each).

As at 31 December 2024, Stadler had conditional share capital of a maximum of CHF 0.4 million (previous year: CHF 0.4 million) and a capital band of between CHF 19.0 million (lower limit) and CHF 22.0 million (upper limit). The capital band was created at the Annual General Meeting on 12 May 2023.

No shares had been issued from the authorised share capital of a maximum of CHF 2.0 million by the expiry of the two-year authorisation period on 6 May 2023.

2.5 Treasury shares

	Number (pcs.)	Par value (CHF)	Average transaction price (CHF)	Carrying amount (CHF)
Balance at 1 January 2023	3,087	0.20	32.14	99,221
Purchases from third parties	71,169	0.20	35.58	2,532,323
Allocations of share-based payments to the Board of Directors	(9,202)	0.20	35.22	(324,136)
Allocations of share-based payments to the Group Executive Board	(28,696)	0.20	35.10	(1,007,230)
Sales to subsidiaries for share-based payments	(36,106)	0.20	35.10	(1,267,320)
Adjustment to average price				(25,083)
Balance at 31 December 2023	**252**	**0.20**	**30.85**	**7,775**
Balance at 1 January 2024	252	0.20	30.85	7,775
Purchases from third parties	109,000	0.20	25.56	2,785,949
Allocations of share-based payments to the Board of Directors	(21,969)	0.20	20.69	(454,539)
Allocations of share-based payments to the Group Executive Board	(39,282)	0.20	27.10	(1,064,542)
Sales to subsidiaries for share-based payments	(46,887)	0.20	27.10	(1,270,638)
Adjustment to average price				18,501
Balance at 31 December 2024	**1,114**	**0.20**	**20.20**	**22,506**

2.6 Other financial income

in CHF	2024	2023
Granting of group guarantees	3,405,813	2,998,855
Interest from loans to group companies	29,064,282	22,838,298
Interest from third parties	3,767,177	4,864,388
Foreign exchange gains	51,333,254	28,581,655
Total other financial income	**87,570,526**	**59,283,196**

2.7 Other operating income

in CHF	2024	2023
Income from services	14,860,000	12,543,000
Income from royalties	36,304,000	38,325,824
Profit from sale of subsidiaries	–	340,923
Total other operating income	**51,164,000**	**51,209,747**

The profit from the sale of subsidiaries in the previous year resulted from the sale of Stadler CIS AG (direct investment; see page 112).

2.8 Financial expenses

in CHF	2024	2023
Bank interest and fees	6,041,897	3,734,663
Interest from loans from group companies	18,033,507	18,555,157
Foreign exchange losses	65,642,378	35,315,574
Total financial expenses	**89,717,782**	**57,605,394**

2.9 Other operating expenses

in CHF	2024	2023
Administrative expenses	2,795,576	2,458,373
Consulting expenses	638,116	546,829
Other operating expenses	11,510,400	9,238,872
Total other operating expenses	**14,944,092**	**12,244,074**

3. Other information

Declaration of the average number of full-time employees during the year
The annual average number of full-time equivalents was between 10 and 50 in the reporting year (previous year: between 10 and 50).

Collateral provided for third-party liabilities
The collateral provided by the company amounts to CHF 12,391 million (previous year: CHF 10,077 million). These are sureties as well as letters of comfort and guarantees issued in favour of customers, suppliers and financial institutions.

Contingent liabilities
Stadler Rail AG belongs to the Stadler Bussnang AG VAT group and is jointly liable for its VAT liabilities to the tax authorities.

Under the cash pooling agreements with UBS and BNP, there is joint and several liability towards the affiliated Group companies.

Significant events after the reporting date
No events occurred after the reporting date that could have a significant impact on the 2024 financial statements.

Appropriation of profit proposed to the Annual General Meeting

in CHF	31.12.2024
For disposition by the General Meeting	
Results carried forward	268,190,412
Profit for the year	101,451,962
Accumulated profits	**369,642,374**
Total available earnings	**369,642,374**

in CHF	31.12.2024
Proposal of the Board of Directors	
Distribution of a dividend of 100% of the share capital of CHF 20,000,000[1]	20,000,000
To be carried forward	349,642,374
Total proposed appropriation by the Board of Directors	**369,642,374**

[1] Shares held as treasury shares at the time of the dividend distribution are not entitled to dividends.

KPMG

Statutory Auditor's Report

To the General Meeting of Stadler Rail AG, Bussnang

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Stadler Rail AG (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 131 to 138) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Toni Wattenhofer Licensed Audit Expert Auditor in Charge	Nicolas Wuffli Licensed Audit Expert

Zurich, 18 March 2025

Financial Calendar

2024 Annual Report	**19 March 2025**
2025 Annual General Meeting	**7 May 2025**
2025 Interim Report	**27 August 2025**

Contacts

Marc Meschenmoser
Head of Corporate Communications & Public Relations
Tel.: +41 71 626 19 19
E-mail: medien@stadlerrail.com

Daniel Strickler
Investor Relations Officer
Tel.: +41 71 626 86 47
E-mail: ir@stadlerrail.com

All statements in this report that are not based on historical facts are forward-looking statements that offer no guarantee whatsoever with regard to future performance; they involve risks and uncertainties including, but not limited to, future global economic conditions, exchange rates, legal provisions, market conditions, activities of competitors and other factors beyond the control of the company.

March 2025

Publication data
Text: Stadler & IRF Reputation AG
Design: NeidhartSchön AG
Photography: Gaëtan Bally/KEYSTONE
(Group CEO p. 20)
Milos Djuric
(Group Executive Board,
Board of Directors)
Daniel Hager
(Trainee)
Darryl Bond
(KiwiRail)
Stadler
(Remaining pictures)
Editorial system: mms solutions ag

Stadler Rail AG
Ernst-Stadler-Strasse 1
CH-9565 Bussnang, Switzerland
stadlerrail.com