13.03.2024

Markus Bernsteiner, Raphael Widmer

Full-Year 2023 Results

STADLER

Representing

Stadler today

Markus Bernsteiner
Group CEO

Raphael Widmer
Group CFO

AGENDA

01 Introduction/highlights 2023
Markus Bernsteiner, Group CEO

02 2023 financial results
Raphael Widmer, Group CFO

03 Summary and outlook
Markus Bernsteiner, Group CEO

04 Q&A

01

Introduction / highlights 2023

Stadler at a glance

Activities worldwide

14,000
FTEs worldwide

75
nationalities

8
production locations

8
component plants

5
engineering locations

80+
service locations

Orders

~12,000
vehicles sold in 47 countries since the founding of Stadler

~500
vehicles leave our plants every year

>2,500
FLIRT vehicles sold

~180
vehicles with alternative drive systems sold

~270
customers worldwide

Segment overview

Rolling Stock

– No. 2 in Europe for passenger trains

– Driver of innovation for alternative drive systems

75% of order backlog[1]
85% of net revenue[1]

Service & Components

– 17% average annual sales growth (CAGR) since 2016

– Growing installed base

24% of order backlog[1]
13% of net revenue[1]

Signalling

– Independence from suppliers (competitors)

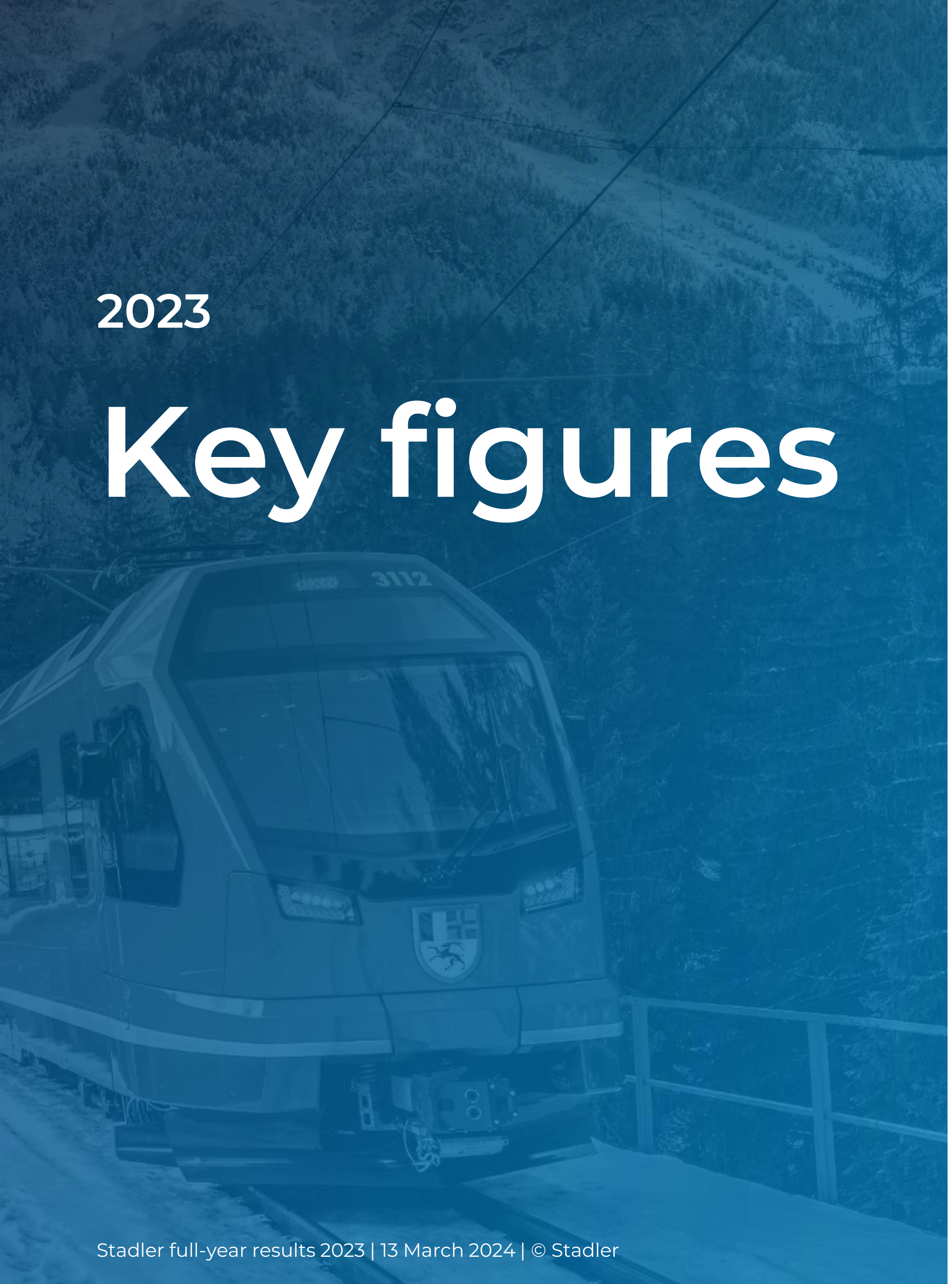
– Stadler as a system provider

1% of order backlog[1]
2% of net revenue[1]

(1) Third parties

2023

Key figures



Order Intake | CHF 6.8bn
Again exceeding our strategic ambition of 1.5x book-to-bill

Order Backlog | CHF 24.4bn
Increases by 11% versus year-end 2022

Net revenues | CHF 3.6bn
CHF 3.7bn before negative FX effects of c. 2%,
4% decline year on year incl. FX

EBIT margin | 5.1%
Including negative FX effects of c. CHF 25m

Profit for the year | CHF 138.6m
Highest profit for the year since IPO in 2019

Free Cash Flow | CHF 749.1m
Strong FCF (FY 2022: CHF 396.4m)

Rolling Stock
2023 order intake

CHF 5.0 billion[1]

Metro & LRV

- 10 TANGO for Sarajevo
- ARST 7 & FdC 3 hydrogen multiple units for Italy

Trains

- 17 FLIRT trains for Norway
- 35 KISS trains for ÖBB

Tailor-Made

- 537 sleeper and couchette cars for Kazakhstan
- Order from MGB for a further 25 ORION multiple units

Locomotives

- Incoming orders for locomotives: CHF 800 million
- 24 shunting locs

1 Third parties

Stadler is expanding its role as a driver of innovation in the Rolling Stock sector

Driver of innovation

TINA

- 100% low-floor technology with additional passage width
- Flexible bogie (with and without axles)
- Framework agreements for 244 TINA vehicles, 197 ordered

KISS (battery)

- World's first double-decker battery-powered vehicle
- Most battery-powered trains sold worldwide
- Framework agreements for 265 battery-powered trains, 153 ordered

H2 on narrow gauge

- Locally CO_2-free drive on narrow-gauge railways
- Range of 460 km and top speed of 130 km/h
- 26 hydrogen multiple units ordered

Leading provider of alternative drive systems, customised vehicle concepts and integrated mobility solutions

On-schedule backlog execution

SBB DOSTO

Punctual start of operations for the first 14 of 60 SBB Dosto vehicles on regional railway lines.

Berlin S-Bahn

On-schedule delivery of 106 new vehicles for the Berlin S-Bahn.

Pilatus Railway

Successful start for the Pilatus Railway with eight new Panorama railcars.

Punctual commissioning of large and small fleets

Rolling Stock

Further highlights

FLIRT multiple units

First of 286 FLIRT multiple units for SBB, Thurbo and RegionAlps handed over for commissioning on schedule.

Framework agreement: 510 vehicles

KISS vehicles for ÖBB

Assembly of the first of 79 KISS double-decker trains began on schedule at the St. Margrethen plant.

Framework agreement: 186 vehicles

Golden Spanner

The FLIRT train was awarded the prestigious British “Golden Spanner” as the most reliable train for the Greater Anglia network.

Reliable and meeting production deadlines

Service & Components
2023 order intake

CHF 1.7 billion[1]

Switzerland

Partnership with FART including a **20-year full-service contract for 8 tailor-made vehicles**.

Norway

8-year full-service contract signed for up to 197 vehicles with Vy AS.

Kazakhstan

Partnership between Stadler and KTZ including a **20-year full-service contract for 537 rail cars**.

Locomotives

Full-service contracts for a total of 54 locomotives with various customers within Europe.

1 Third parties

Service & Components

2023 highlights

Maintenance plant in the UK

- Opening of an innovative and environmentally friendly depot in Newcastle for **46 new METRO trains for the Tyne & Wear Metro**.
- **30-year partnership** between Stadler and Nexus.

Maintenance plant in Germany

- Construction of a **maintenance centre in Rendsburg** specially designed to cater for the specific features of the **FLIRT Akku trains** and the batteries in particular.
- The depot is the first of its kind and represents a further step towards a **CO_2-free future**.

Signalling
2023 order intake / highlights

CHF 56 million[1]

ETCS Guardia

- **Orders from** Austria (ÖBB), Slovenia (SŽ), Germany (DB) and Italy (Trenitalia)
- **Retrofitting** in Germany (DB) and Switzerland (BLS)
- **Authorisations** in Switzerland, Germany, the Netherlands, Slovenia, Hungary, Poland, Belgium and Austria

- **Milestones to date:**
  - From project to product development
  - Synergies established, foundations laid for scaling up
  - Approval for “GUARDIA” ETCS system on class 185.2 (third-party manufacturer locomotive)
  - Order for maintenance vehicles

1 Third parties

Sustainability

The 2023 Sustainability Report will be published on 5 April 2024.

Attractiveness of rail

- The most efficient and environmentally friendly way to travel
- Alternative drive systems (battery and H2)

Environmentally friendly production

- Scope 1 and Scope 2 emissions to be halved by 2030
- Net zero by 2050 and SBTi-compliant reduction pathway by 2025

Focus on people

- Attractive employer worldwide
- Training and continuing education
- Internal career paths

Corporate governance

- Integrity of all Group activities
- Due diligence obligations in supply chains

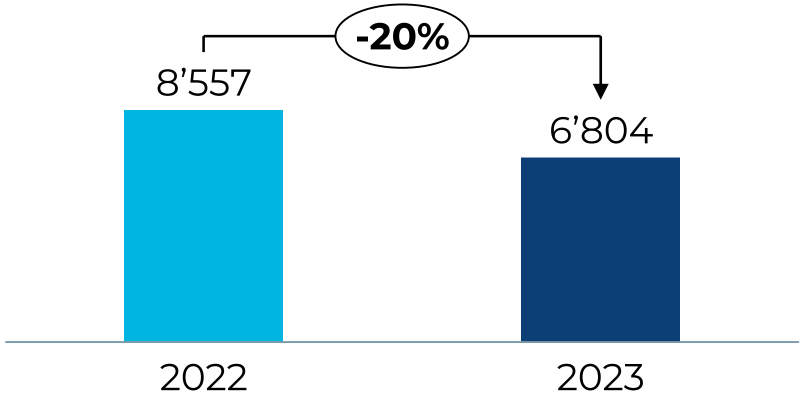
02

2023 financial results

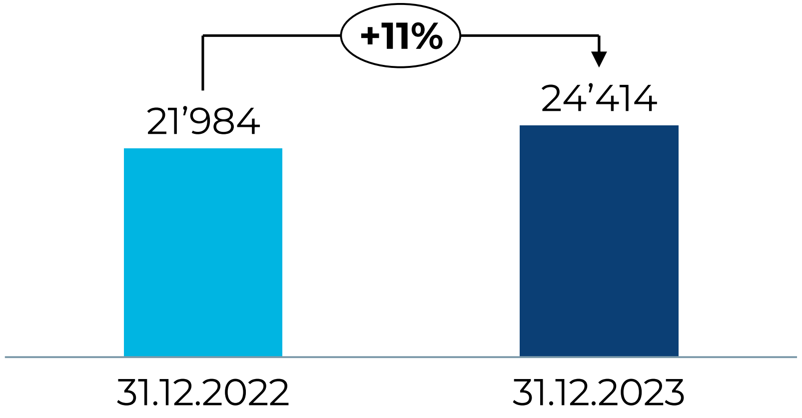
CHFm

Full-year results 2023 summary I

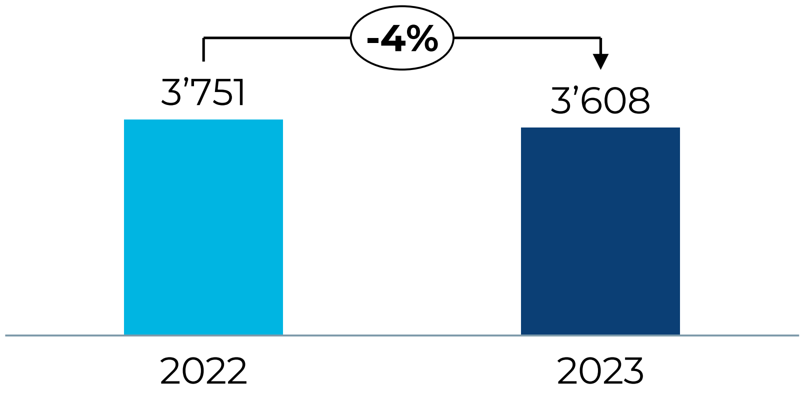
Order intake



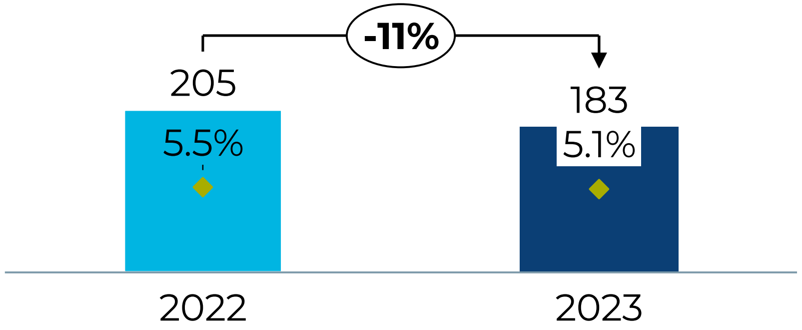
Order backlog



Net revenues



EBIT

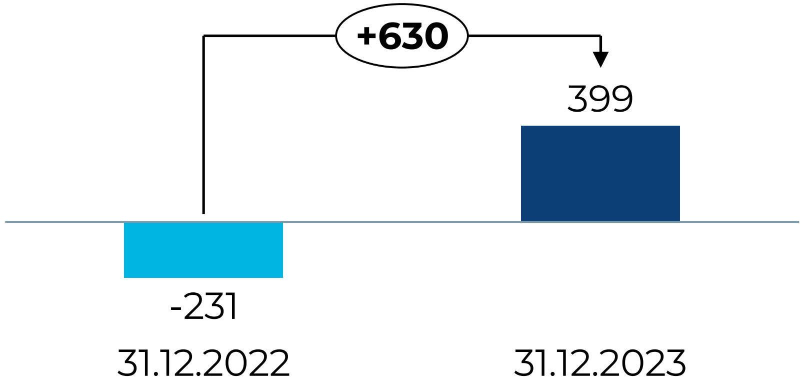


◆ EBIT as % of net revenues

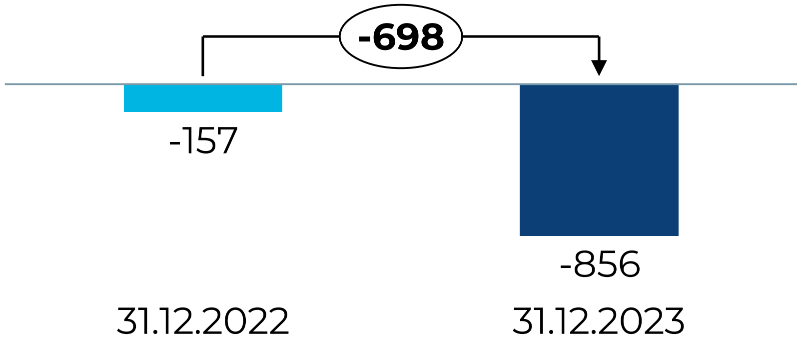
CHFm

Full-year results 2023 summary II

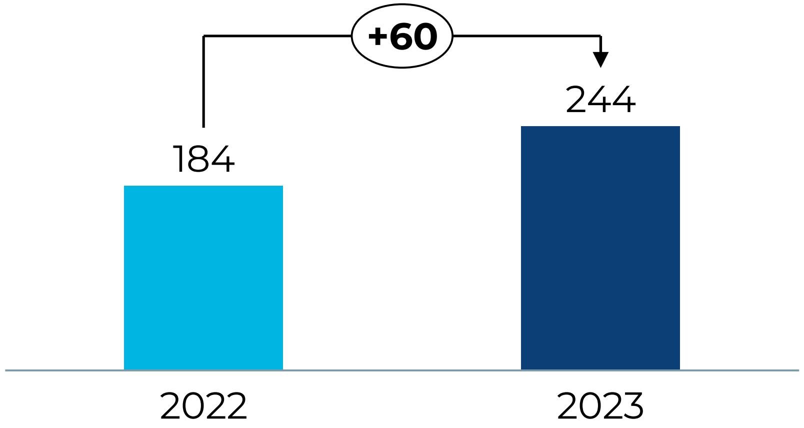
Net cash[1]



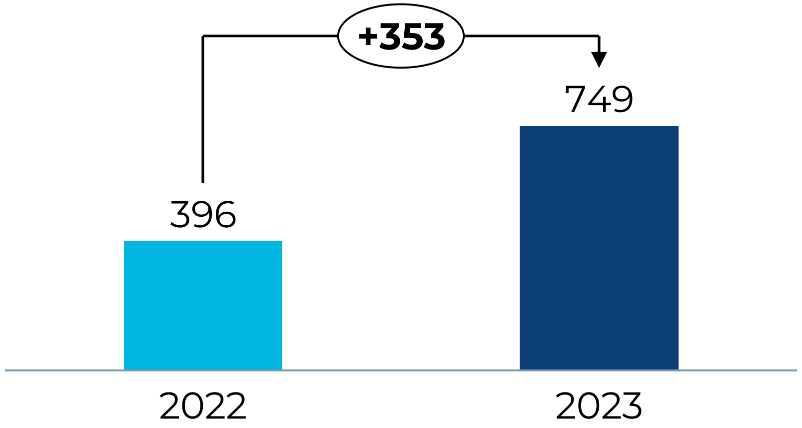
Net working capital[2]



Capital expen-diture[3]



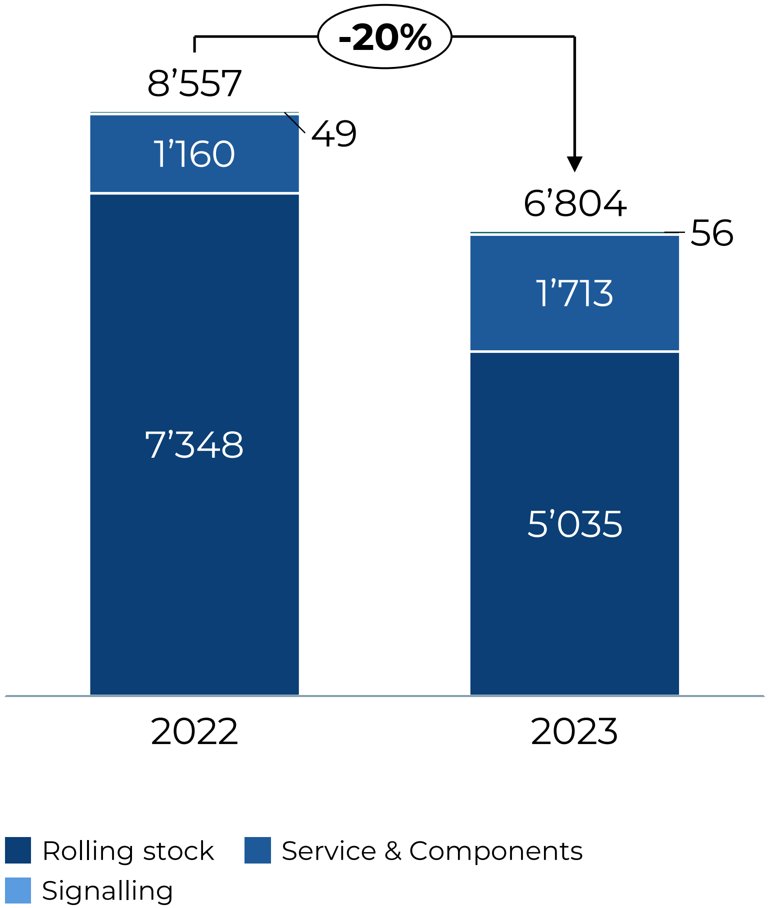
Free cash flow[4]

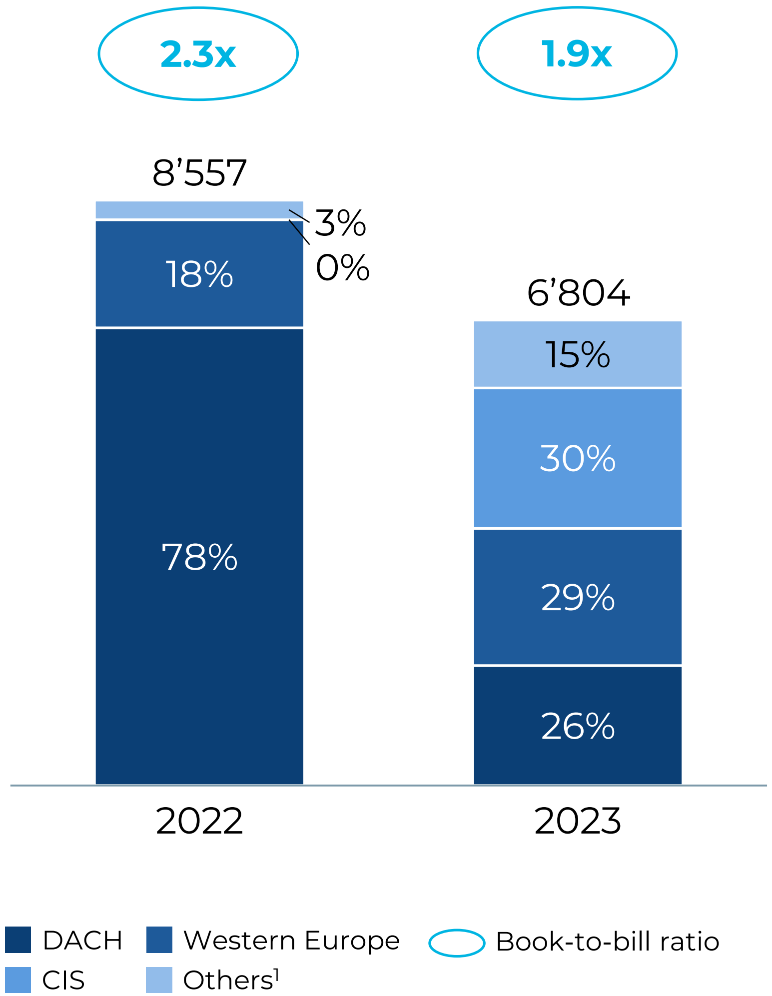


Notes: **1** Net cash is calculated as cash and cash equivalents less current and non-current financial liabilities. **2** Net working capital is calculated by subtracting the sum of trade payables, liabilities from work in progress and other current liabilities (including other current liabilities, current provisions and deferred income and accrued expenses) from the sum of trade receivables, inventories, work in progress and other current assets (including other current receivables, compensation claims from work in progress and accrued income and deferred expenses). **3** Capital expenditure is calculated as the sum of investments in tangible and intangible assets. **4** Free cash flow is calculated as EBITDA less capital expenditure less change in net working capital. EBITDA is calculated as the sum of EBIT and depreciation and amortisation.

CHFm

Order intake





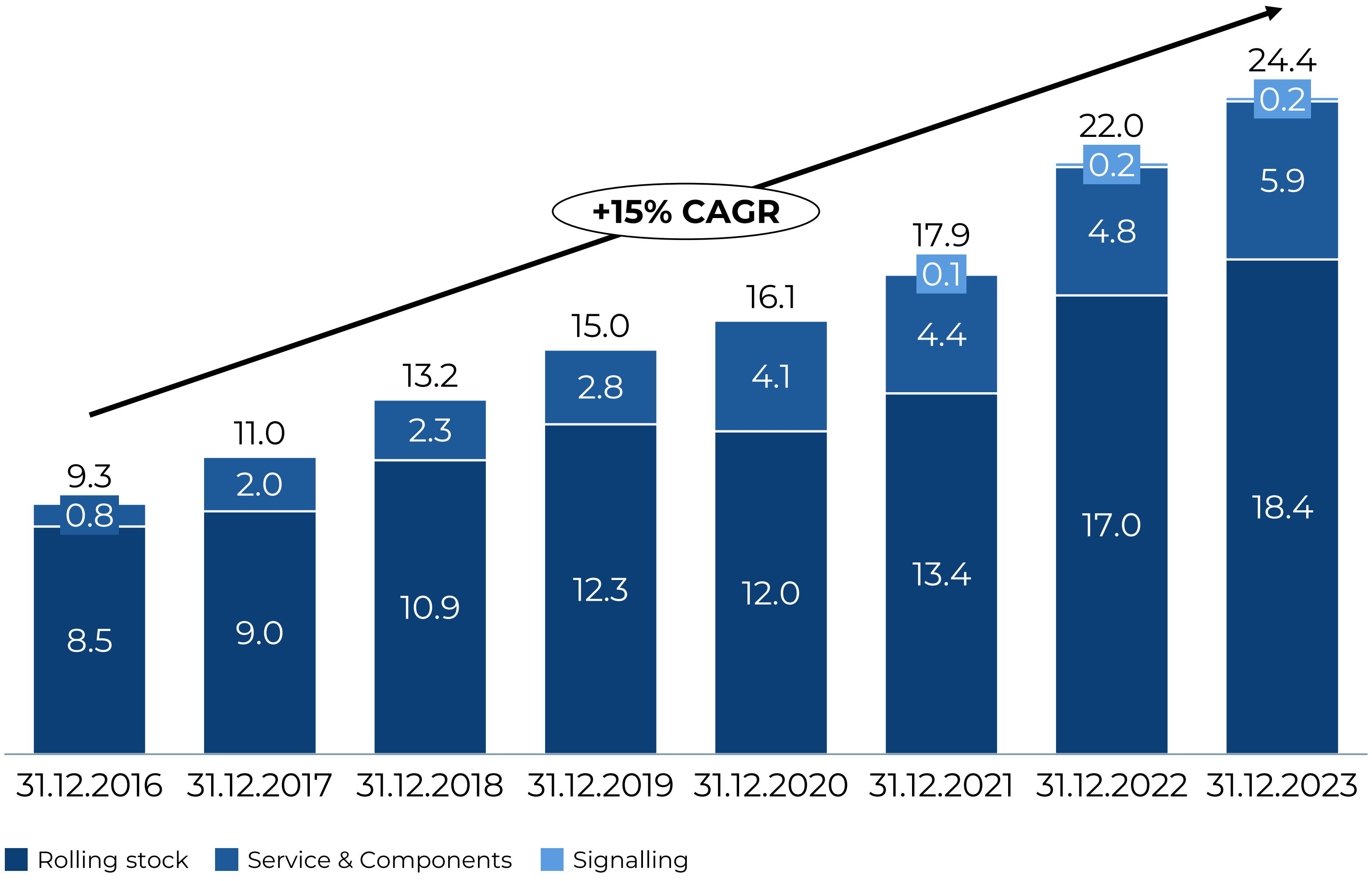
1 Others: Eastern Europe, Americas, and rest of the world.

Comments

- Total order intake of CHF 6.8bn in 2023 which – as expected – is a decline year-on-year on a very high comparison base
- Order intake in the **Rolling Stock** segment of CHF 5.0bn
- Order intake in the **Service & Components** segment of CHF 1.7bn, up against a high comparison base (FY-22: CHF 1.2bn)
- Order intake in the **Signalling** segment of CHF 56m

CHFbn

Order backlog

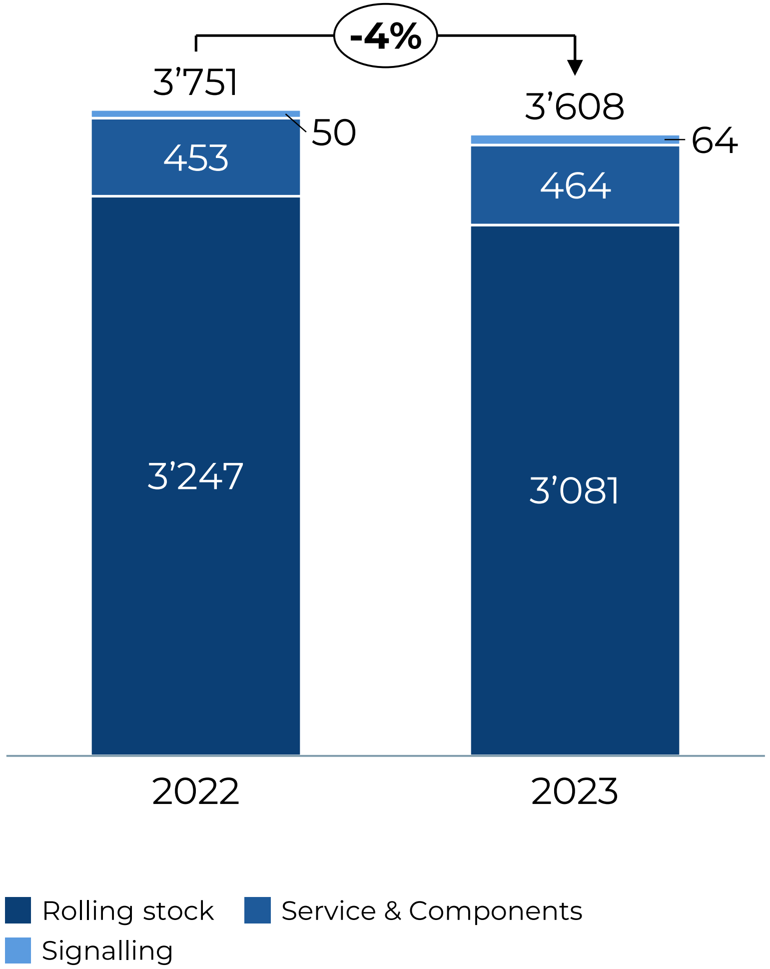


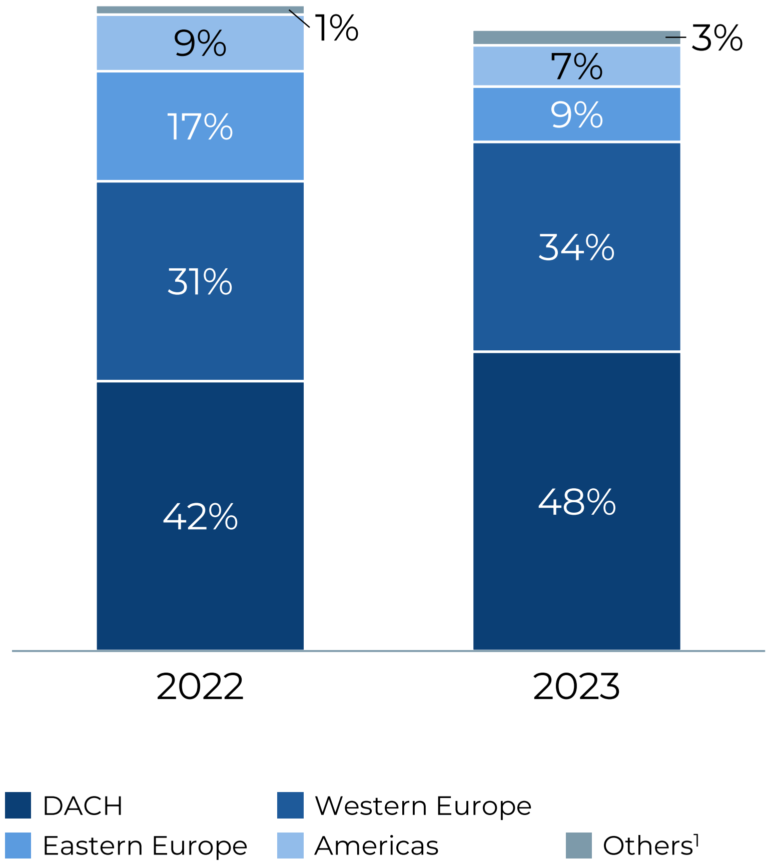
Comments

Order backlog of CHF 24.4bn with a growing Service & Components share providing long-term visibility

CHFm

Net revenues





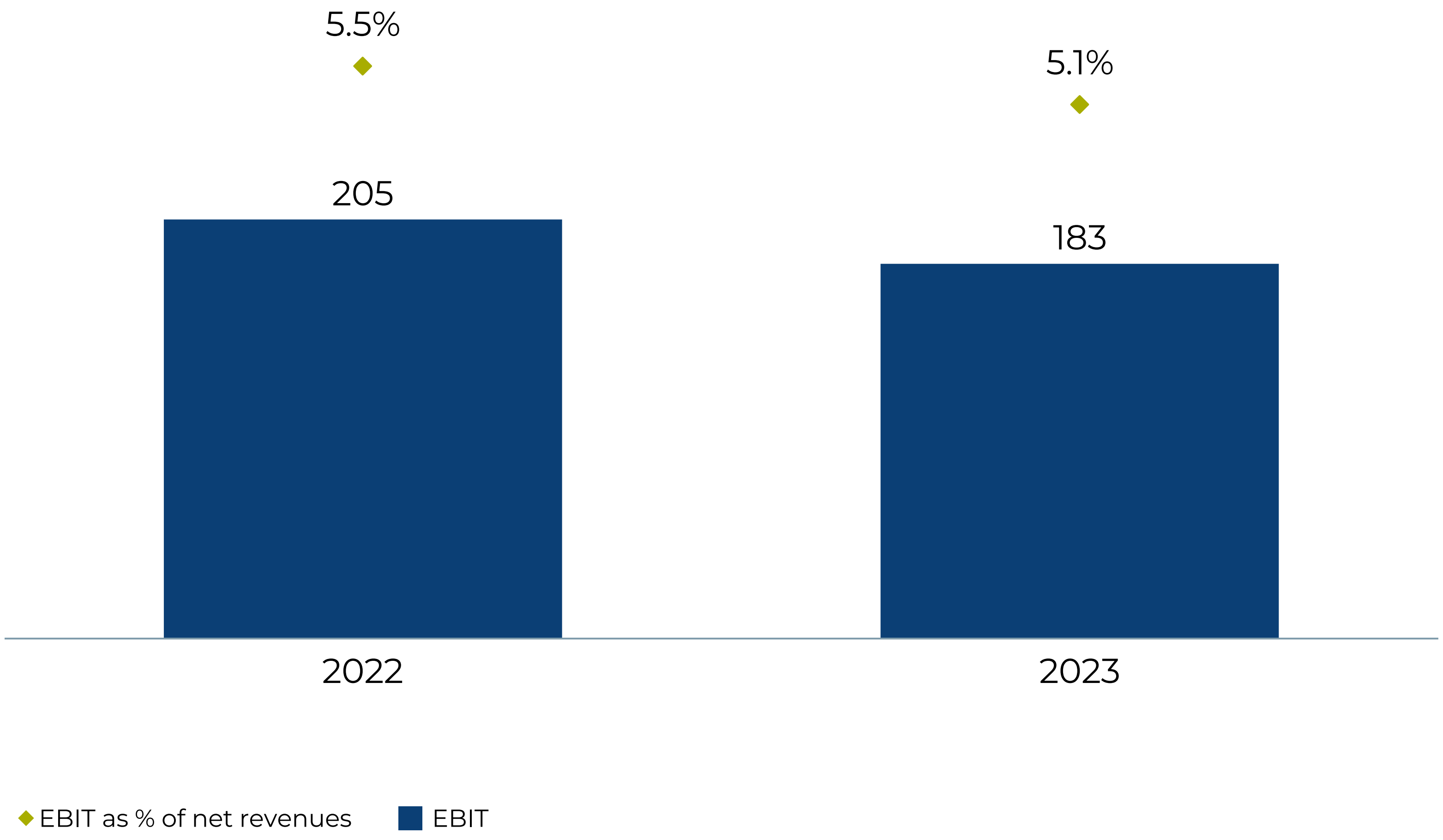
1 Others: CIS and rest of the world.

Comments

- **Overall net revenues** decline 4% year-on-year, driven by FX translation impact of c. -2%
- **Rolling Stock** net revenues decline 5% year-on-year, FX translation impact of c. -2%
- **Service & Components** net revenues grow 2% year-on-year, including a negative FX translation impact of c. -5%
- **Signalling** net revenues grow 28% year-on-year, negative FX translation impact c. -2%

CHFm

EBIT



Comments

- EBIT reaches CHF 183.3m, including negative currency effects of c. CHF 25m
- EBIT margin at 5.1% remains negatively affected by currencies and inflation due to long term nature of orders

CHFm

Net income

	2022	2023	Change YOY
Earnings before interest & taxes (EBIT)	**205.1**	**183.3**	**(10.6%)**
Financial result	(122.0)	(34.7)	
Share of results from associates	2.8	3.8	
Ordinary result	**85.8**	**152.4**	**77.6%**
Non-operating result	(0.1)	(0.4)	
Profit before income taxes	**85.7**	**152.0**	**77.3%**
Income taxes	(10.6)	(13.5)	
Profit for the period	**75.1**	**138.6**	**84.4%**
Thereof attributable to			
Shareholders of Stadler Rail AG	72.9	124.3	
Non-controlling interests	2.2	14.2	

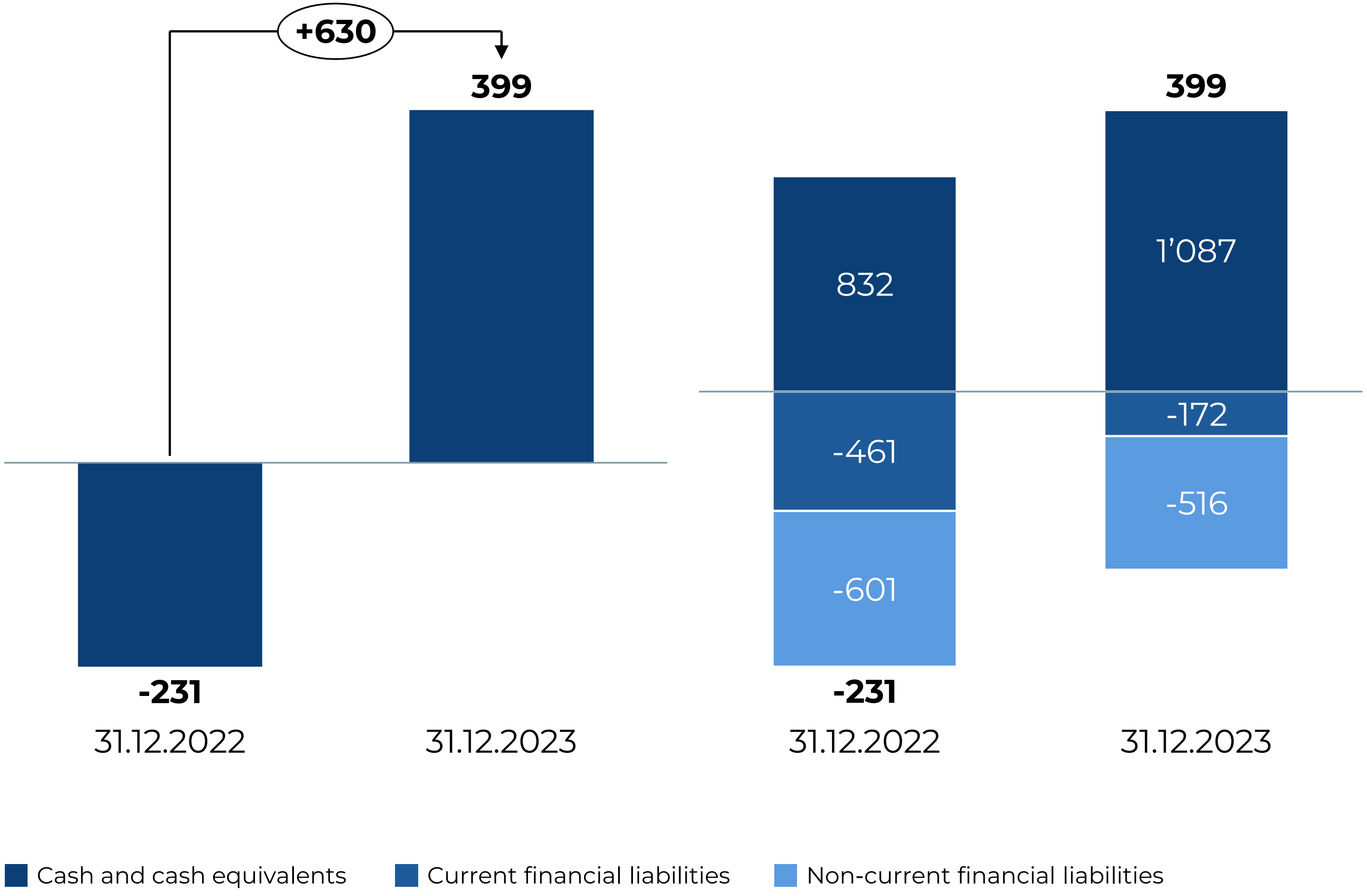
Comments

– Profit for the period significantly improved year-on-year

– Improvement mainly driven by significantly lower exchange rate losses within the financial result, a net interest income and lower bank guarantee costs

CHFm

Net cash position

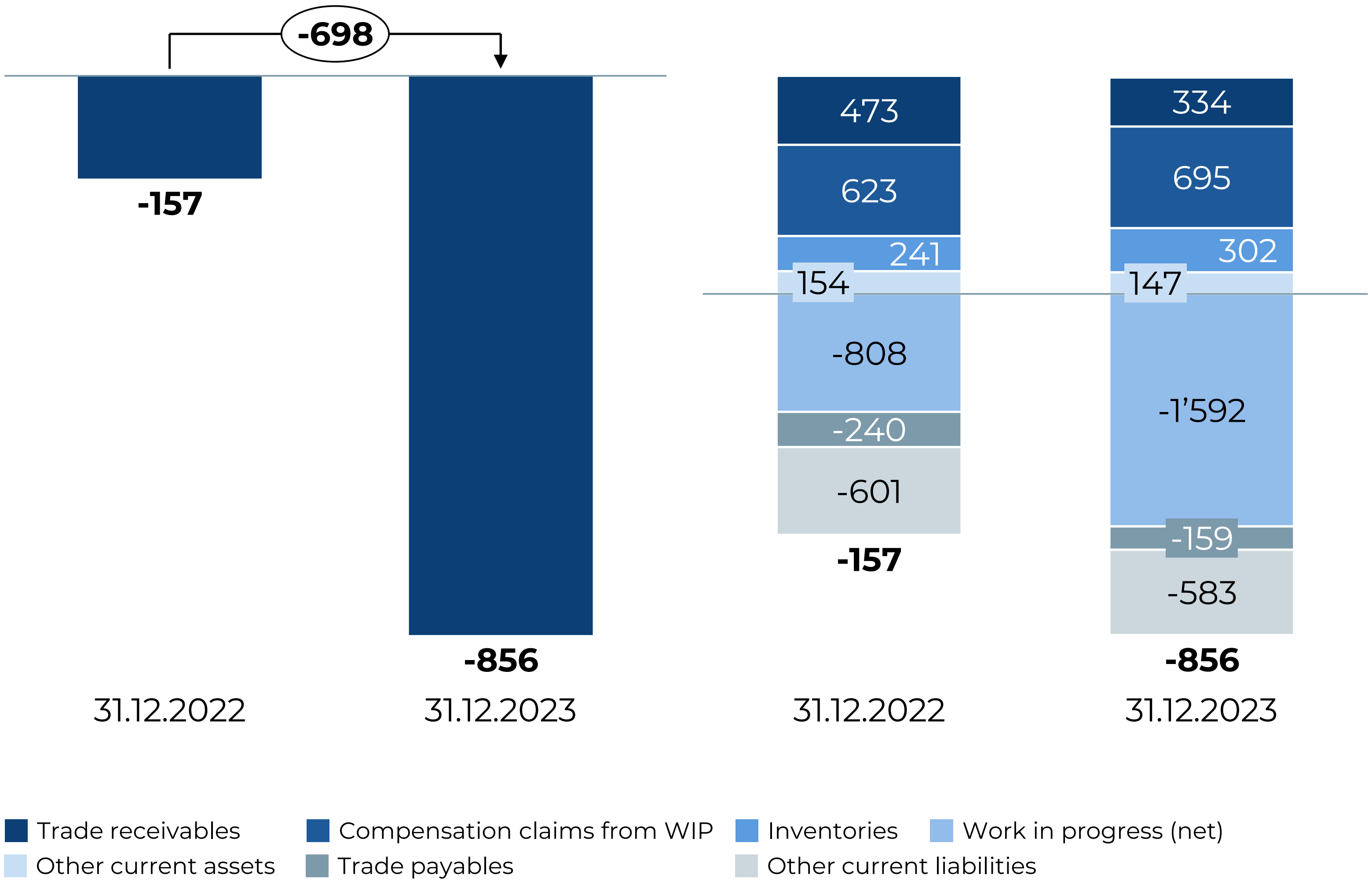


Comments

Progress payments and solid inflow of advance payments on new orders drive a significant improvement in net cash versus year-end 2022 despite high level of Capex

CHFm

Net working capital

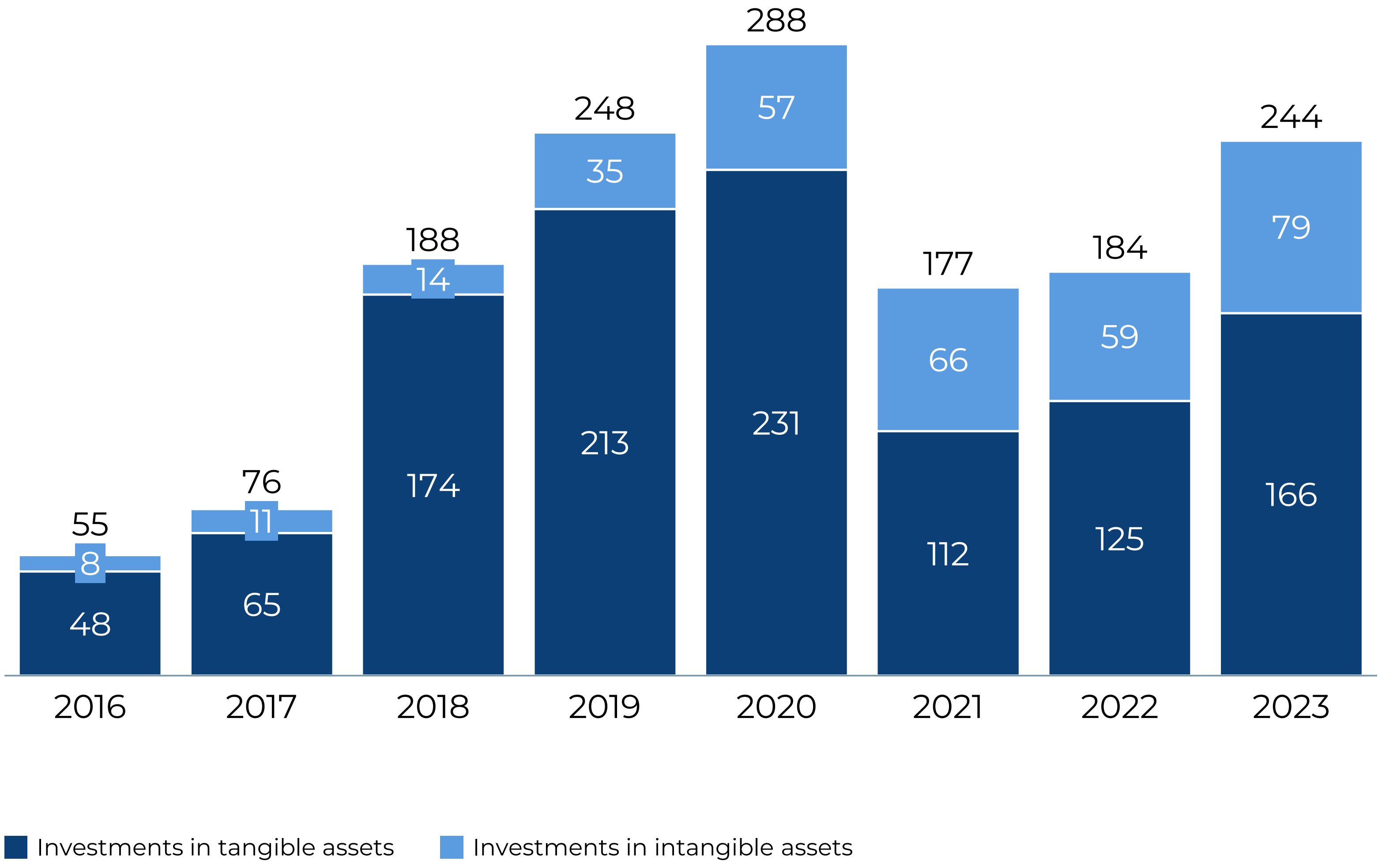


Comments

Overall reduction of net working capital of CHF 698m mainly driven by a significant decline of work in progress (net) and a lower level of trade receivables

CHFm

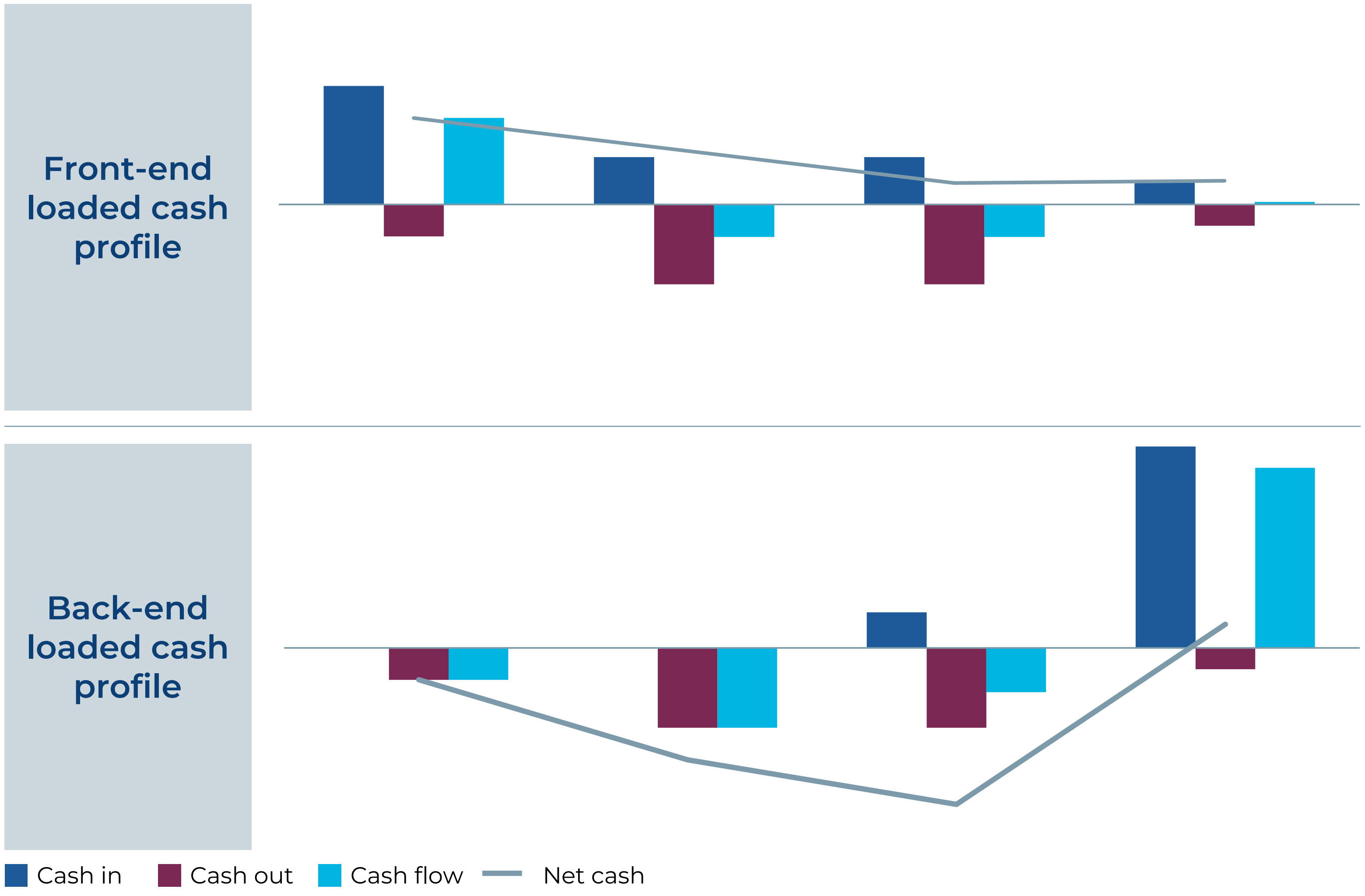
Capital Expenditure



Comments

- Capacity investments driven by land acquisition in Switzerland (St. Margrethen) as well as expansions in Germany, Spain and Hungary
- Intangibles Capex mainly relate to R&D in locomotives, alternative drive systems and signalling

Cash flow cycles through project execution

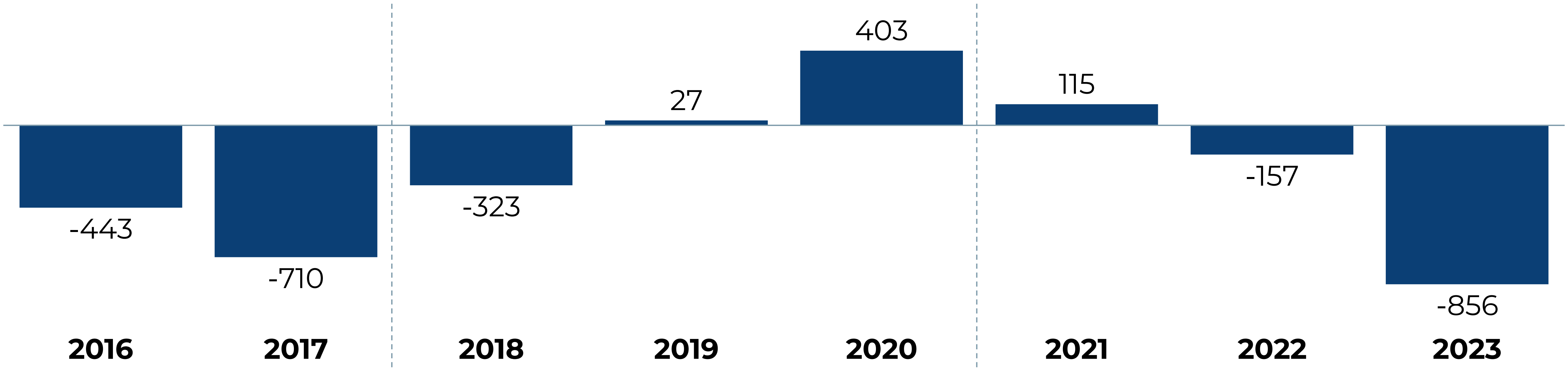


Comments

- No structural change in payment terms
- Customer and market specific cash flow profiles typically vary significantly
- Key driver for cashflows in a specific period are the mix of ongoing orders combined with advance payments on new orders
- Financing costs for cash-consuming projects are included in the offer calculation.
- Key criteria is the overall project margin

CHFm

Long-term net working capital evolution



Orders with substantial advance payments at early stage of order execution.

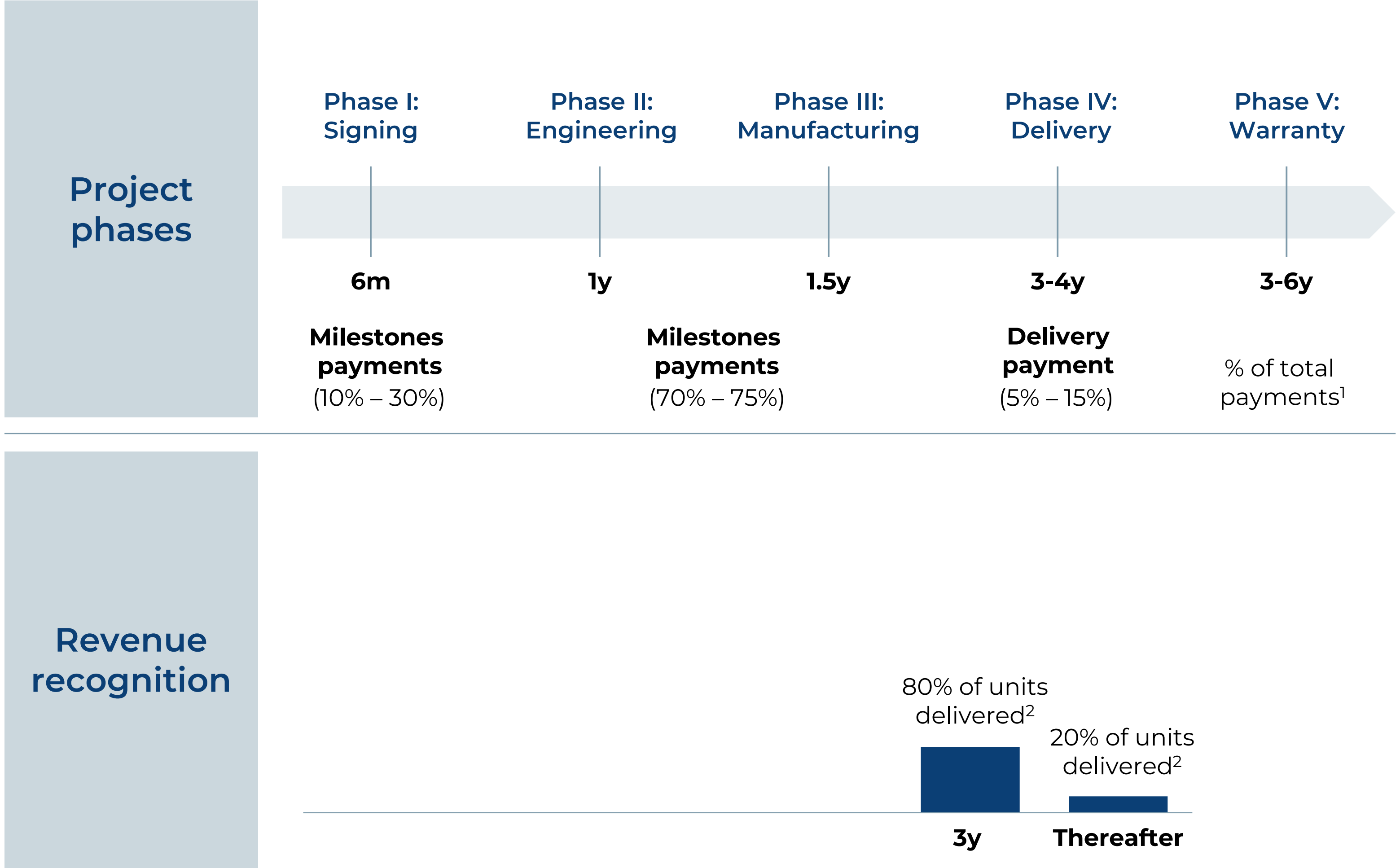
Consumption of advance payments as orders are being executed Pandemic-related delays in homolo-gation, customer takeover and final payments in 2020.

Catch-up of Covid delays, progress and final payments from orders in execution as well as solid inflow of advance payments on new orders.

Net working capital can be subject to significant swings as a result of the lumpy nature of advance, milestone and final payments. Long-term expectation of slightly negative NWC with swings over the cycle

Percentage of completion: units-of-delivery method

Conservative revenue recognition



1 Average values based on management estimates; distribution varies on a project-by-project basis.
2 Average values based on management estimates.

Rationale

- **Pressure on team:** Revenue recognition is the result of successfully executing orders as opposed to incurring costs
- **Conservative approach:** Revenues are recognised relatively late and risk of earnings surprises is minimized

Timing of revenue recognition – an example

Initial meeting – January 2021
- First approach
- Understand needs and requirements

Tender – April 2021
- Publication of require-ments

Offer – June 2021
- Offer preparation

Contract award – October 2021
- Evaluation of offers
- Contract award decision

Objections – October 2021
- Objections raised by competitors
- Project delay

Signature – February 2022
- Contract signature
- Official project launch

Engineering/ production – June 2023
- Start of planning and development
- Production vehicles

Type testing – May 2024
- Comprehen sive testing of first vehicles

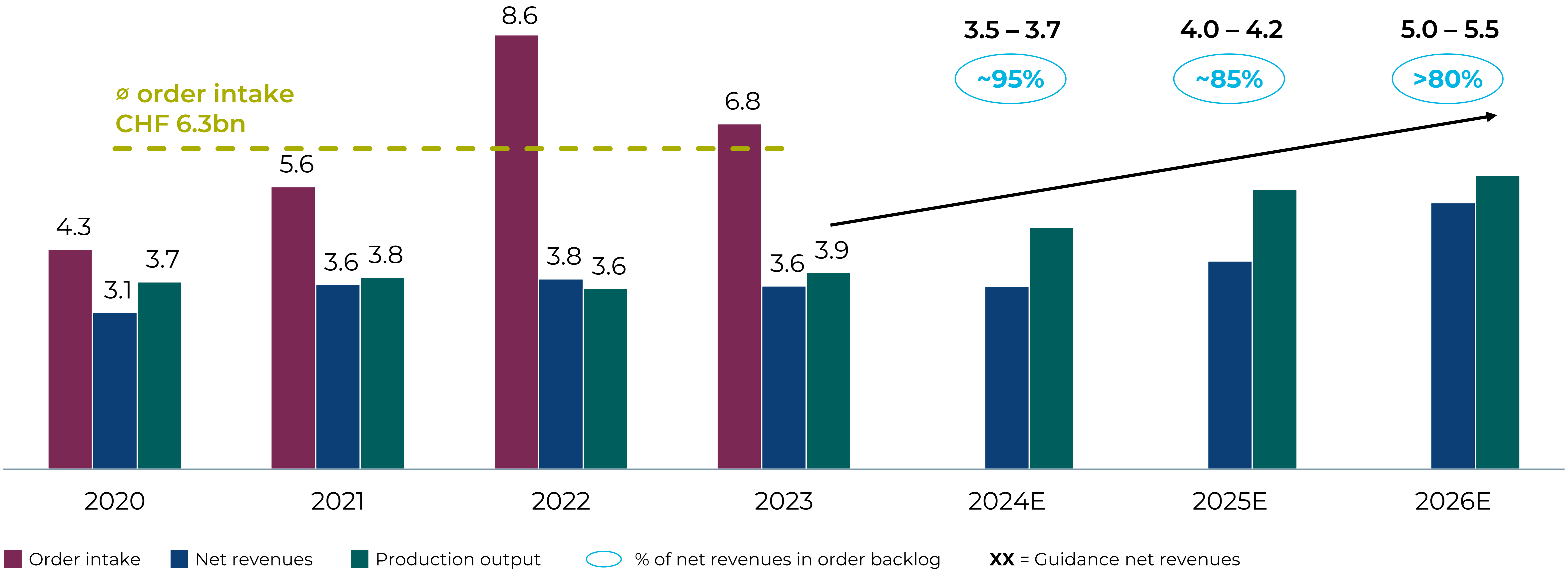
Homologation – December 2025
- Official vehicle homolo-gation

Revenue recognition – January 2026
- Customer acceptance
- Revenue and profit recognition

It takes 5 years from the initial meeting to the recognition of revenue of the first vehicle

CHFbn

Production output versus revenues



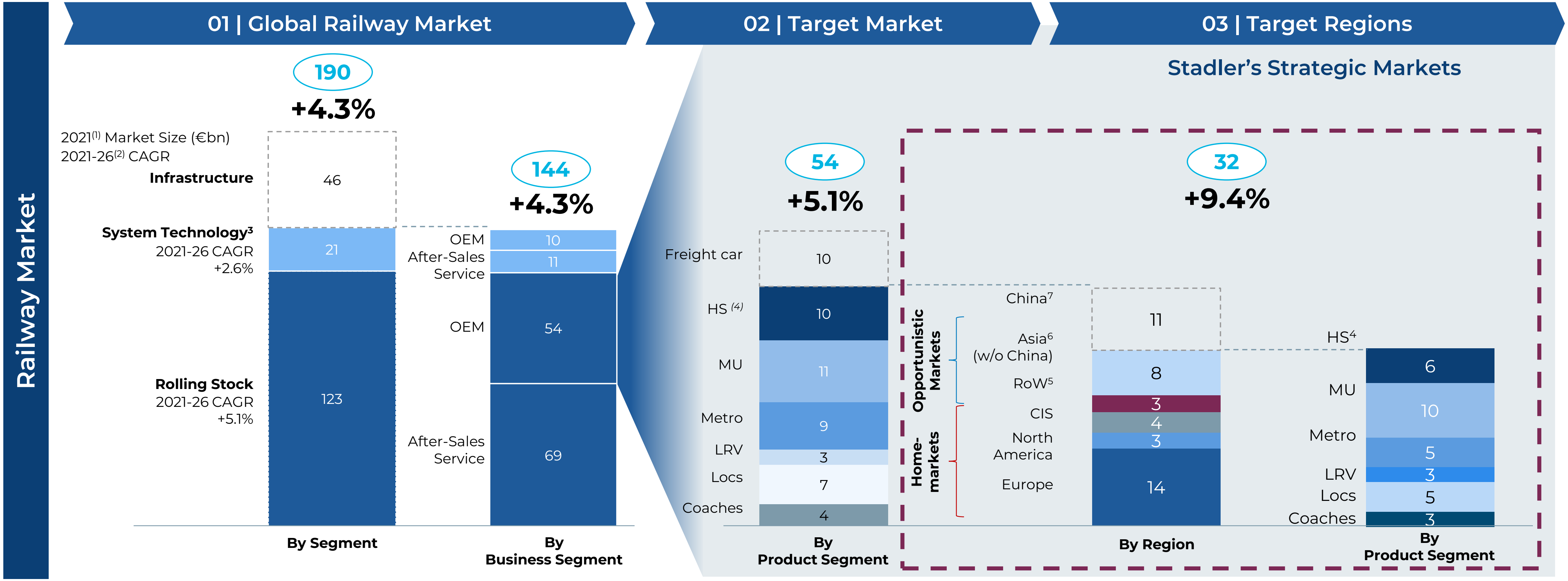
Net revenues significantly lag behind production output due to back end loaded revenue recognition (units-of-delivery)

Notes: Production output equals net revenues plus delta gross work in progress. Bar height for net revenue 2024E – 2026E correspond to midpoints of guidance ranges. Production output 2024E – 2026E illustrative only.

03

Summary and outlook

Overview of Global Railway Market and Stadler's Strategic Market



Source: SCI Worldwide Market for Railway Industries (2022), Study is published every two year. Market volume based on € values: **1** 2021 Market size defined as current average market volume in 2021 (in billions of euros) | **2** CAGR: Expected annual growth rate in the years 2021-2026 (in percent) | **3** Sys. Technologies includes *CCS* - Control, Command and Signalling (train control, train protection & operational telematics) and *PIS* – Passenger Information Technologies (fare mgmt, passenger information, passenger safety) | **4** High Speed (HS) segment according to SCI study includes Intercity HS trains (190 (in some cases also 160) -249 km/h), HS trains (250-300 km/h) and Very HS trains (>300 km/h) | **5** RoW includes the regions Africa & Middle East, Australia, New Zealand & Pacific, and South & Central America | **6** Asia includes (compared with last year's records) all areas in Asia (Southeast Asia, South Asia, East Asia excluding China), excluding China due to the market situation | **7** China's share of the global rail industry market volume in 2021 is 19% and in the Asian market 58% – these values are further used as an assumption to define the potential of the target market

Focused on profitable growth

Mid-Term Strategy confirmed

Markets

Europe
Win market share and stabilize in focus markets

North America
Growth and stabilization

SE Asia
Build up basis in SE Asia

CIS
Mostly on hold

RoW/New markets
Opportunistic cherry picking

Rolling Stock

- Selectively win market share through best products and new product pipeline (such as Locos, LRVs, Metro, Green Technology)
- Normalization of growth:
  - Focus on delivering backlog
  - Operational excellence

Signalling

- Must have ETCS
- Further advance in-house signalling solutions
- Growth through existing and new customers
- Potential complementary acquisitions
- Migration solutions as value proposition

Service & Compon.

- Growth in accessible markets and installed base
- Innovation through new service solutions (such as Digital Twin, Rail Diagnostic System)
- Capture opportunities from rolling stock and signalling
- Potential complementary acquisitions

Key Focus Areas

Actions to achieve our objectives

Order intake and revenue	– Selective tender participation – profitable growth in the Service & Signalling segments	– Optimisation of capacities – Continue on-schedule processing of order backlog
Operations	– Permanent optimisation of order execution – Continue strict monitoring of costs and project milestones	– Capture profitable benefits from use of digitalisation and automation – Decentralised supply chains and new strategic suppliers
Innovation	– Consolidation of our position as a driver of innovation – Successful commissioning of innovative drive systems and vehicle concepts	– Digitalisation: digital twin / depot automation / ETCS / CBTC / ATO – Decarbonisation of freight transport
Team	– Safeguarding of expertise – Training of internal specialists	– Strategic talent management – Appointment of managers from our own ranks

Guidance

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

	2024	2025	2026
Order intake	~1.5x ø book-to-bill	~1.5x ø book-to-bill	~1.5x ø book-to-bill
Net revenues	CHF 3.5 – 3.7bn	CHF 4.0 – 4.2bn	CHF 5.0 – 5.5bn
EBIT-margin	Comparable to FY 2023	approx. 7%	7 – 8%
CAPEX	~ CHF 200	~ CHF 200m	~ CHF 200m
Dividend (of net income)	60%	60%	60%

FCF

2024 may be negatively impacted by increase in production output and work in progress despite milestone payments from orders in execution. We continue to expect solid advance payments and improved milestone payments.

Leading global railway player

Stadler on track

Market environment	Leading position in a growing, dynamic market
Product portfolio	Stadler is increasingly operating as an integrated system provider
Order intake	Strong demand reflected in high order intake
Innovation	Technological leadership secures strong market position
Service & Signalling	Continuation of profitable growth strategy
Sustainability	Environmentally friendly products to drive achievement of global climate targets
Team	Targeted training of skilled labour and internal development of management


FUELED WITH H2
HYDROGEN POWERED
Caltrans
STADLER

Information

SHARE INFORMATION

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

FINANCIAL CALENDAR

13 March	Annual Report 2023
22 May	General Assembly
28 August	Half-Year Report 2024

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

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