



PRELIMINARY FINANCIAL RESULTS 2024

MARC LLISTOSELLA | CEO

FRANK WEBER | CFO

February 20, 2025



KNORR-BREMSE

RELIABLE

INNOVATIVE

LEADING



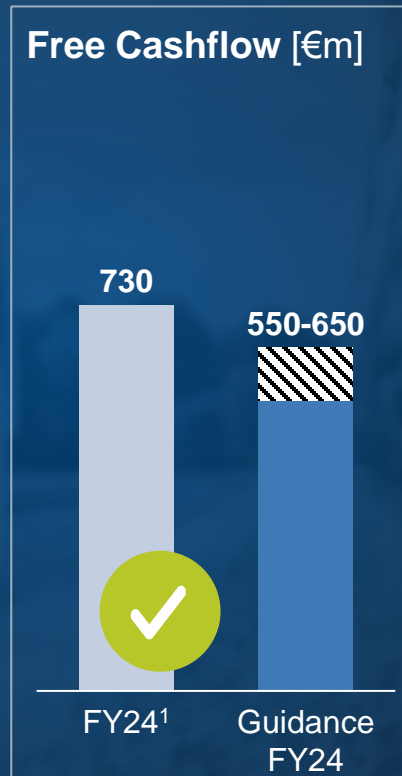
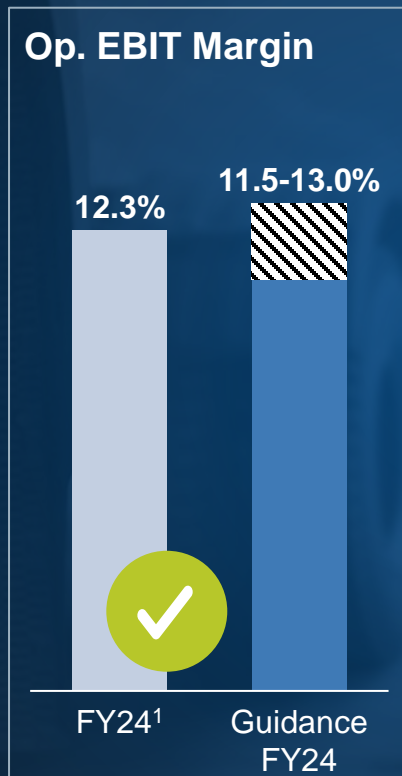
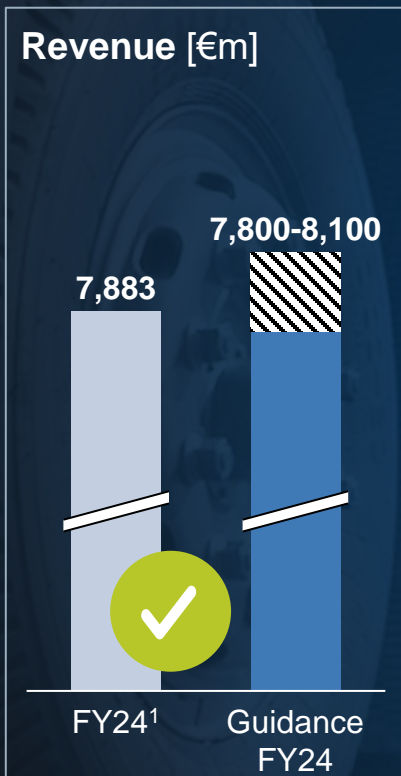
KNORR-BREMSE
1905 - 2025

Key take-aways



- Global challenges in 2024/2025 seen as opportunity to demonstrate **KB's resilience and good base to execute structural changes**
- **RVS: revenue share >50% again and growing profitably**
- **BOOST well underway**
- **Superior financial profile and long-term financing secured**
- **Governance further improved:** CEO contract extension, Management stability, stability from anchor investor
- **Financials FY24 and guidance FY25 fully supportive for mid-term targets**

Guidance FY24 achieved



Additional achievements

- Record order book of € >7bn provides solid foundation for 2025 and beyond
- Record operating FCF²
- CCR³: 113% (Target: 80-90%)
- Net Debt/ EBITDA of 0.70 and € 1.5bn⁴ of liquidity underlines strong financial resilience

BOOST BROWNFIELD/GREENFIELD

Brownfield (Housekeeping)

Greenfield (Expansion)

2023

2024

2025

2026

2027

Globally >1000 measures implemented



KNORR-BREMSE

1) In progress

2) North America Signaling business of KB

level of implementation: low



high

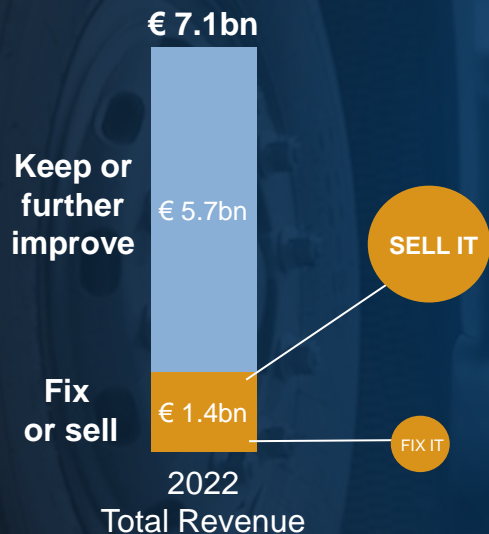
Indicative illustration

5

BOOST BROWNFIELD

SELL IT – Ahead of schedule

Recap Strategy Update in 07/23



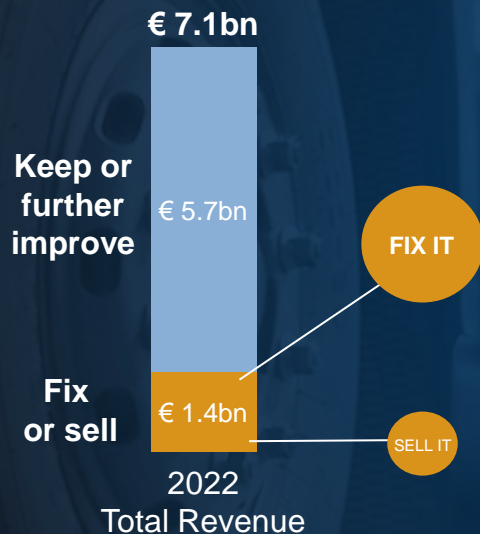
	Revenue volume	Margin improv. ¹	Project status		
			Carve out	Investor Approach	Signing / Closing
4 entities ² sold	>€ 400m	~80bps	✓	✓	✓
→ ~60% completed					
2+ entities	>€ 350m	~50bps	Well underway		2025/2026
Total	Σ >€ 750m	~130bps	All projects on track		

Op. EBIT margin **+130bps** until FY26 vs. FY22

BOOST BROWNFIELD

FIX IT – Strong structural changes implemented

Recap Strategy Update in 07/23



Implemented / in implementation

CVS

- Installation global responsibilities
- Prioritization of R&D projects
- SG&A Focus
- Efficiency of Global Steering
- One Japan

RVS

- Boosting profitable growth
- Global footprint optimization
- Defined portfolio → target picture
- Strengthening financial resilience

NEW

Group

- Regional **production footprint improvements**: e.g. Japan (CVS), India (RVS & CVS), EU (shift to BCCs¹) & NA (CVS & RVS)
- **Full transformation**: commercial and engineering excellence
- Increase share from **BCCs**¹
- Long-term targets reduced (Focus CVS)
Capex/ rev. ~4-5% (from 5-6%)
- Adjustment of **headcount in HCCs**¹
- Expansion of **AI pilot applications**
- Further **expansion of global shared services**

Op. EBIT margin **+70bps**
until **FY26** vs. FY22

Margin benefits **beyond 2026**

Operational highlights fully supporting KB's strategy

Power of innovation



Data2Action

Electro-mechanical brake



Synact



Electric Power Steering

Operations



Important Rail contracts won

- Siemens, EU
- Stadler, EU
- Alstom, EU, AP, NA
- CRRC, CN



Achievements in Truck

- Successful extension brake control business (European OE)
- R.H. Sheppard, GT and Safety Direct sold

Governance



- Contract of **CEO Marc Llistosella prolonged** by 5 years
- KB shares transferred into **Heinz Hermann Thiele Foundation**
- **Broad and experienced skill-set within supervisory and executive board**

Solid demand in Rail continues and improved Truck markets expected in H2/25

Current situation

Outlook FY25



- EU/ NA: **solid growth** in OE and AM
- CN: **good AM** and supportive HS at YE24
- **High order books** at OEMs continue
- Price/Cost gap closed at YE24



- **Global**: Book-to-bill >1 expected
- EU: ongoing **high demand**
- NA: **favorable** development
- IN: continued **positive** demand development
- CN: good demand continues → **flat revenue** development expected yoy



- Market developments as expected
- TPRs¹ in Q4/24 yoy:
 - EU: significantly lower
 - NA: significantly lower
 - CN: domestic weak, but export **supportive**



- **AM** better than OE development and Cojali supportive
- Development of TPRs inline with truck OEMs
 - EU: slightly lower yoy
 - NA: slightly lower yoy
 - CN: stable yoy
- TPRs H2/25 > TPRs H1/25 expected



FY24 – Strong KPIs driven by BOOST program & KB's resilience

ORDER INTAKE

€ **8.19**bn

(-0.8% yoy¹)

REVENUES OF

€ **7.88**bn

(+0.7% yoy¹)

OPERATING
EBIT MARGIN

12.3%

(PY: 11.3%)

FREE
CASHFLOW

€ **730**m

(PY: € 552m)

ORDER BOOK

€ **7.18**bn

(+3.8% yoy¹)

€ 4.04bn

(+9.5% yoy¹)



15.6%

(PY: 14.3%)

€ 3.84bn

(-7.3% yoy¹)



10.4%

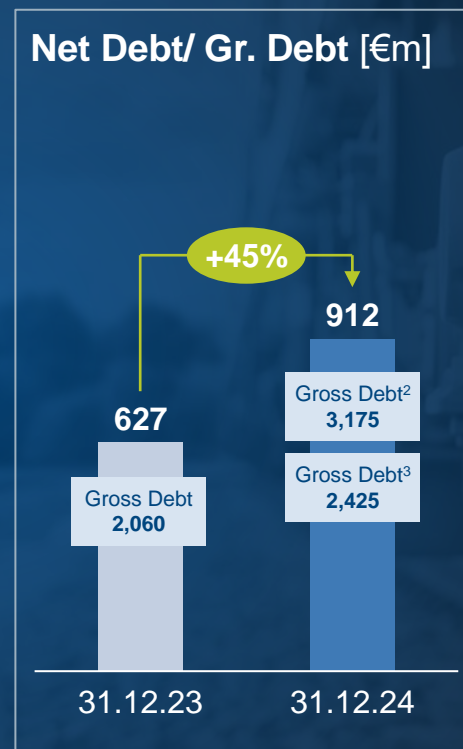
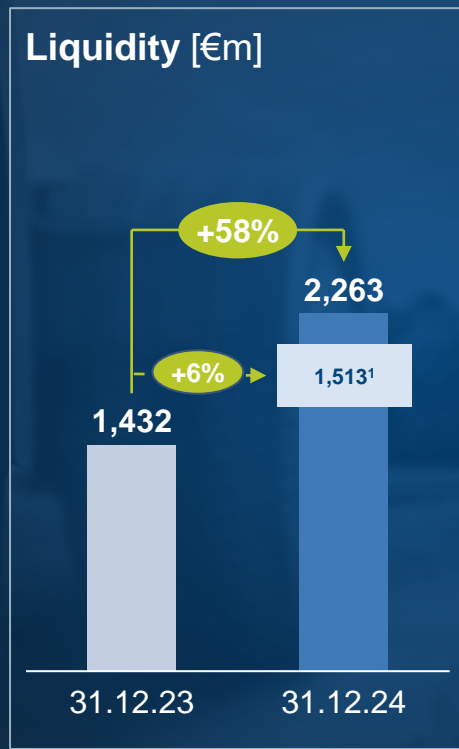
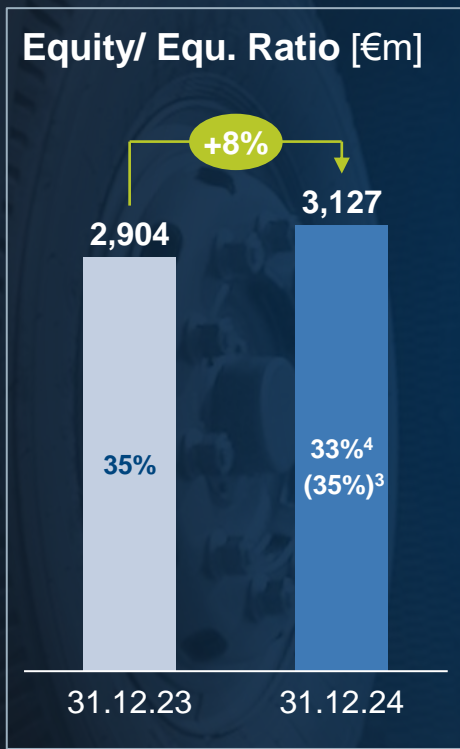
(PY: 10.0%)

113%²

CCR

(PY: 96%)

Rock-solid balance sheet is excellent basis for 2025 and beyond



Rating

STANDARD & POOR'S **A-**

MOODY'S **A3**

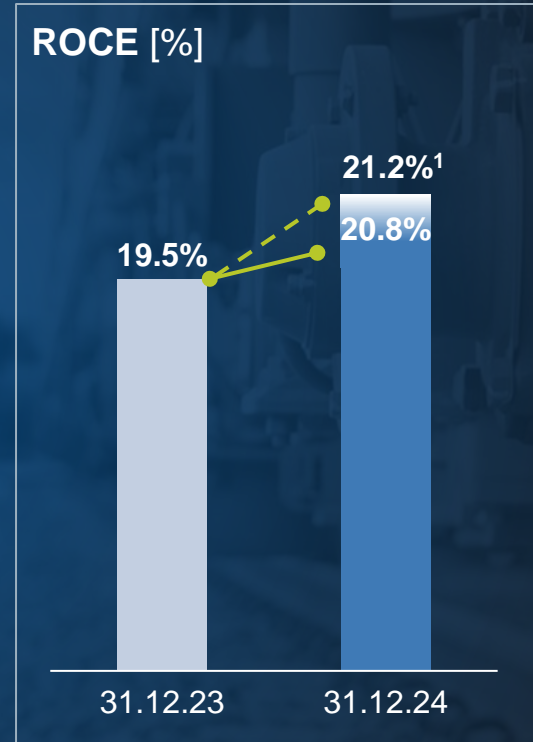
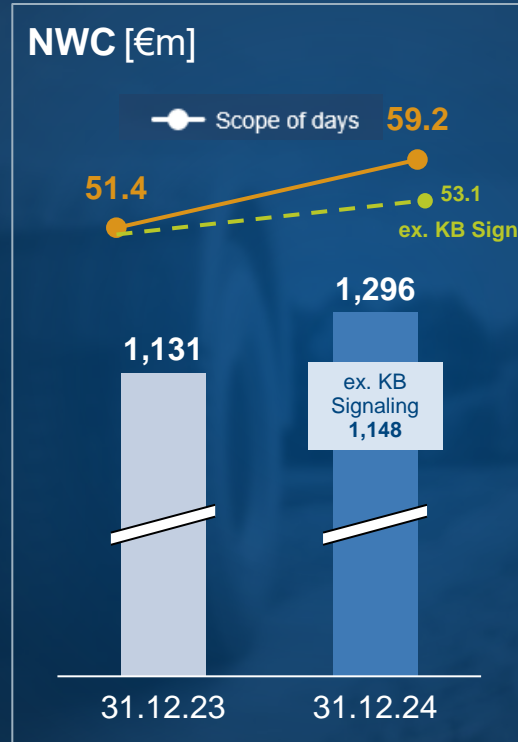
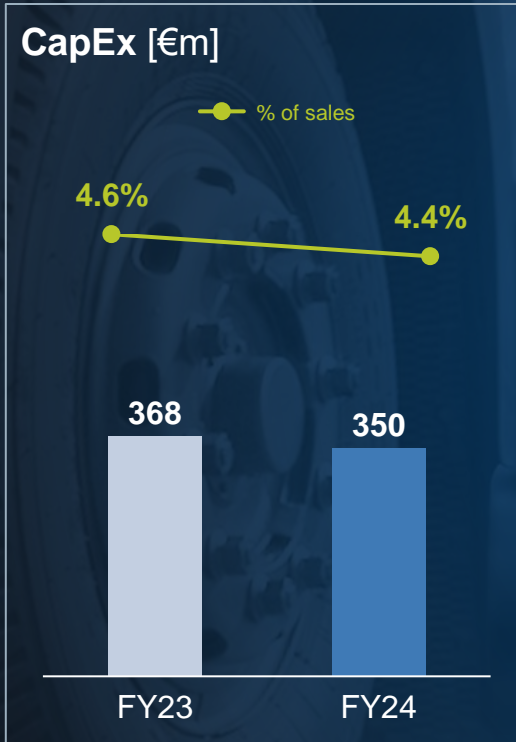
Outlook stable

Leverage

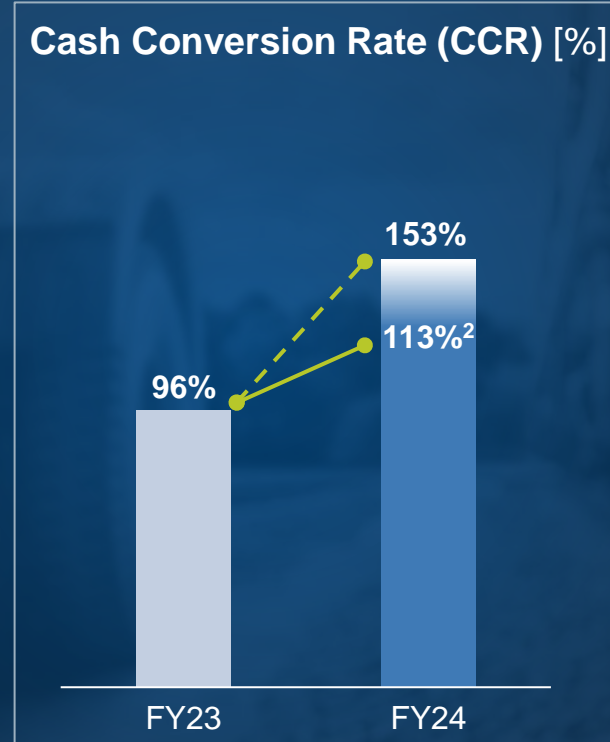
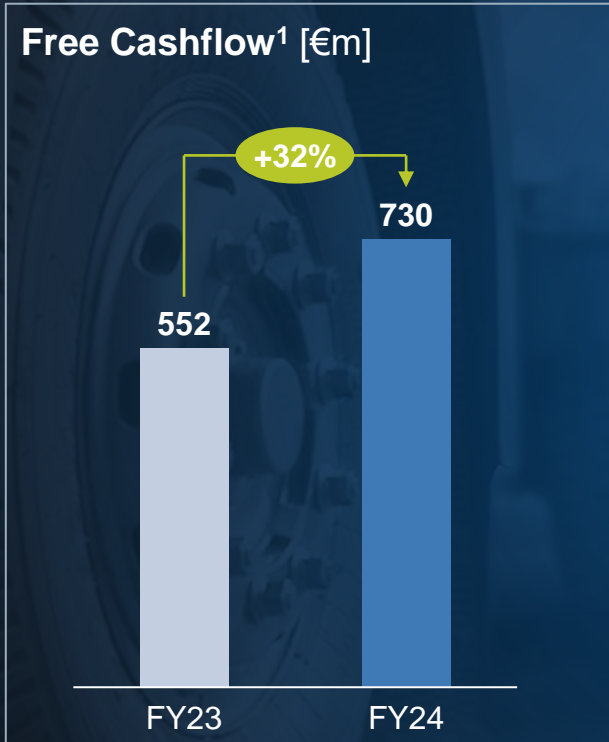
Net Debt/EBITDA **0.70x**

Gross Debt/EBITDA **2.44x**

Improved EBIT and Capex boosted ROCE to >20%



“Walk the talk” – Historically strongest operational FCF and CCR above target range



**"Collect"
program
& improved
EBIT
boosted CCR**

Sustainability activities consistently driven forward

Our performance in focus

Progress on Climate Targets Scope 1&2¹

CO_{2e}-EMISSIONS
SCOPE 1&2



EMISSION
INTENSITY
(Scope 1&2/ Revenues)



SELF-PRODUCED
RENEWABLE
POWER



- Fully on track to reach Scope 1&2 climate target of -75% vs. 2018 in 2030
- Energy consumption from fossil sources decreased by ~11% vs. 2023, total energy consumption constant

EU Taxonomy

ALIGNED REVENUES



ALIGNED CAPEX

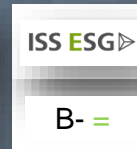
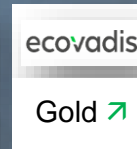


ALIGNED OPEX



Process highlights

- First **Green Bond** successfully placed
- First **CSRD-aligned Non-financial Declaration** filed
- Strong **ESG Rating Performance** in 2024



Q4/24 – Solid top and strong bottom line driven by RVS

ORDER INTAKE

€ **2.00**bn

(-7.4% yoy¹)

REVENUES OF

€ **1.99**bn

(-6.0% yoy¹)

OPERATING
EBIT MARGIN

12.2%

(PY: 12.3%)

FREE
CASHFLOW

€ **482m**

(PY: € 487m)

ORDER BOOK

€ **7.18**bn

(+3.8% yoy¹)

€ **1.07**bn

(+2.2% yoy¹)



15.6%

(PY: 14.8%)

€ **0.92**bn

(-13.7% yoy¹)



9.5%

(PY: 11.0%)

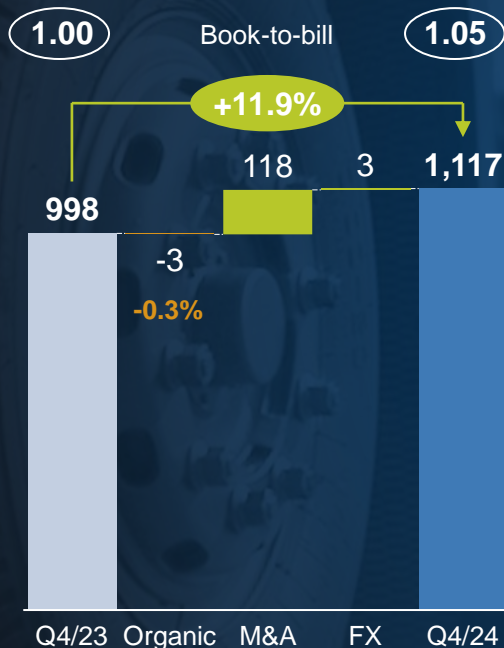
344%²

CCR
(PY: 274%)

RVS – Strong OI and B-t-B >1 in every quarter over the last 3 years



Order intake [€m]



OI yoy on high level and KB Signaling effect on top

- **EU:** lower yoy driven by Kiepe divest; organic AM remaining on high level
- **APAC:** flat yoy; India OE and CN AM positive
- **NA:** Overall comparable (w/o KB Signaling)

Order book [€m]



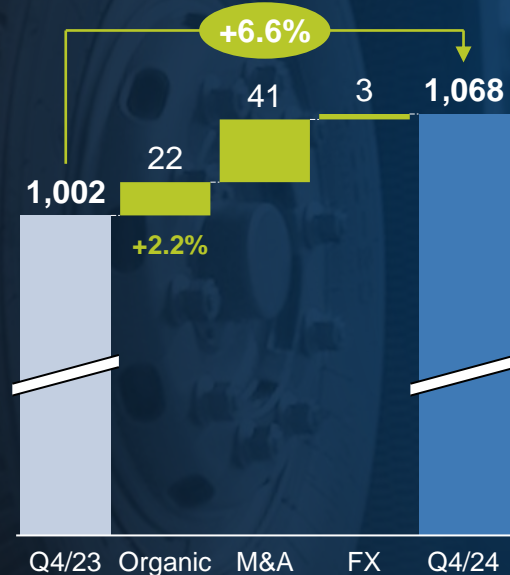
Order book at record level

- Order book **increased org. by 8%**
- Strong order book **provides good visibility for FY25 and beyond**
- **Order book** well supported by resilient and stable rail demand

RVS – All-time high in organic revenues in 2024 reached



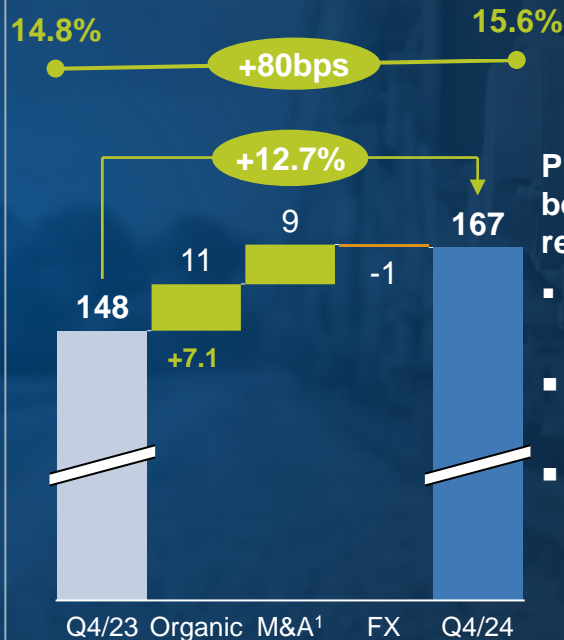
Revenue [€m]



Org. revenues up 2% driven by strong AM

- **EU:** Organic higher in AM and OE on high level
- **APAC:** CN overall higher driven by AM demands
- **NA:** Organic overall slightly softer, but strong AM demand
- **AM share up to 57%**

Op. EBIT [€m]/ op. EBIT margin [%]



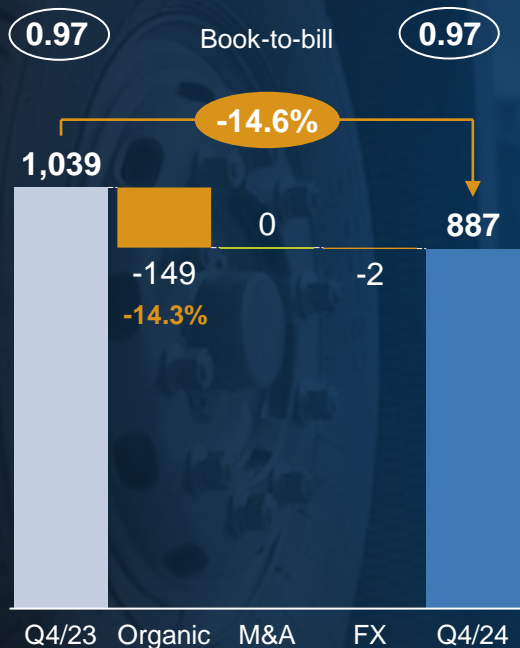
Profitability up ~80bps benefited from reduced legacy vol.

- **Good operating leverage**
- **Positive channel mix** AM vs. OE
- **BOOST:** benefits from cost efficiency & structural measures

CVS – Order development as expected and in line with truck market



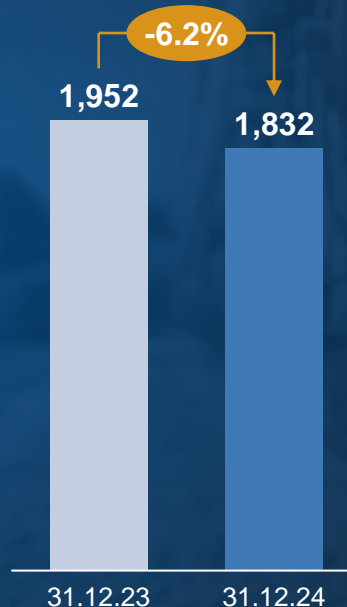
Order intake [€m]



OI mainly impacted by EU

- EU: significantly weaker yoy
- APAC: lower yoy; weaker demand in CN and India
- NA: lower yoy, driven mainly by OE demand

Order book [€m]



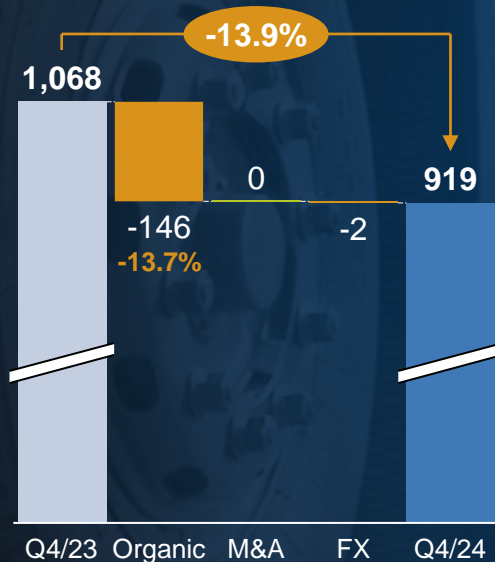
Decrease of order book driven by EU

- EU: significantly weaker truck demand overall
- APAC: up yoy
- NA: up yoy

CVS – Profitability hit by weak truck market



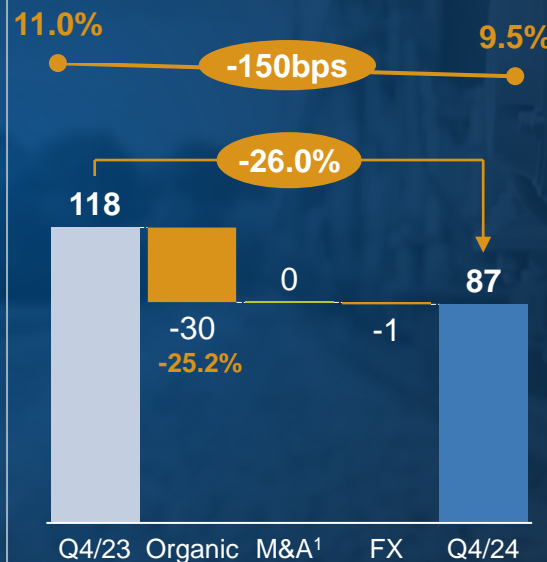
Revenue [€m]



Revenue impacted by OE, but AM up

- **EU:** significantly lower due to weak OE & trailer demand but growing AM
- **APAC:** weakening CN and India market
- **NA:** significantly lower (with weaker OE and trailer), but AM stable
- **AM share** above 30%

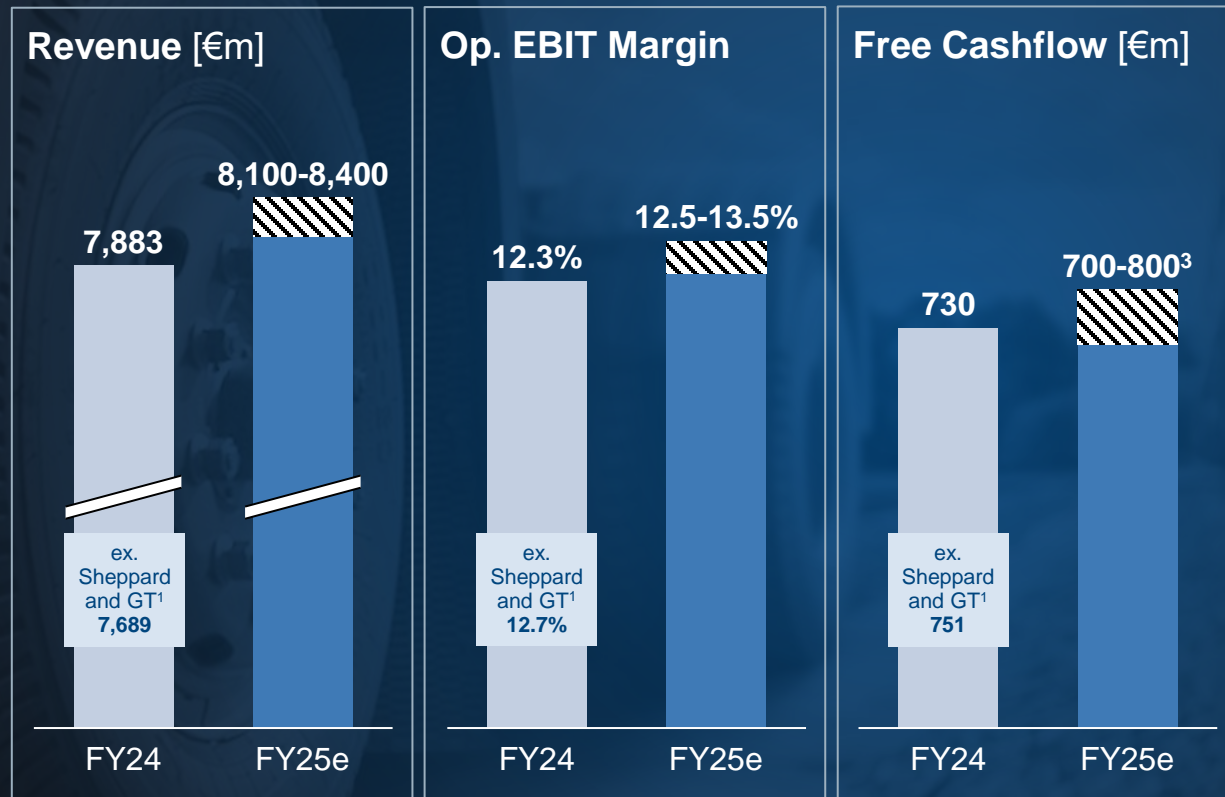
Op. EBIT [€m]/ op. EBIT margin [%]



Profitability mainly impacted by operating leverage

- **BOOST** efficiency program and adjustment of cost structures
- **Solid AM** business supportive
- **Weaker regional mix**

Guidance FY25



General Assumptions

- **Stable FX** vs. current levels
- Essentially **stable geopolitical and macroeconomic conditions**
- Potential restructuring costs of up to € 50m³ to adjust production footprint
- **Capex/rev.:** from 5-6% to 4-5%

Divisional assumptions

RVS¹:

- Rev.: solid increase ↗
- Op. EBIT margin: solid increase ↗

CVS²:

- Rev.: almost flat despite disposals →
- Op. EBIT margin: slight/solid increase ↗

Q&A / Backup



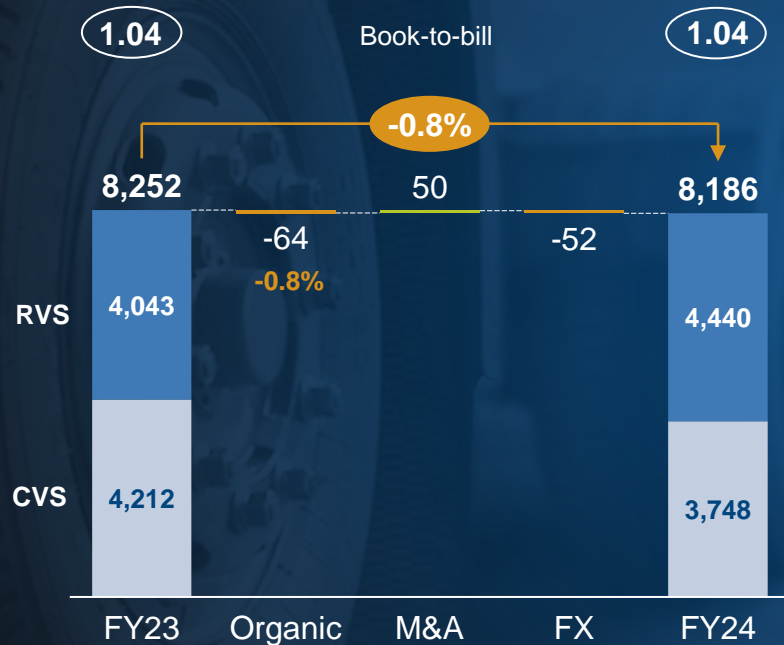
Financial calendar 2025 – Upcoming events and FY25 release dates



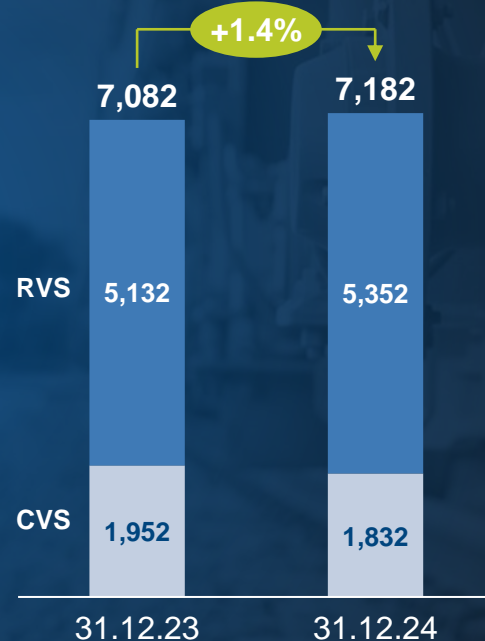
DATE	EVENT	LOCATION
Feb 20	Preliminary FY24 results	Online
Mar 13	Roadshow	London
Mar 19	BofA Global Industrials	London
Mar 20	Stifel Southern Germany Summit	Stuttgart
Mar 25-26	Roadshow	Frankfurt/ Paris
Apr 30	Annual General Meeting	Online
May 8	Q1/25 financial results	Online
May 21	Roadshow	Toronto
May 22	Berenberg European Conference	N.Y.
May 27	dbAccess Conference	Frankfurt
Jul 2	Roadshow	Zürich
Jul 31	Q2/25 financial results	Online
Oct 30	Q3/25 financial results	Online

Group FY24 – Order intake and order book

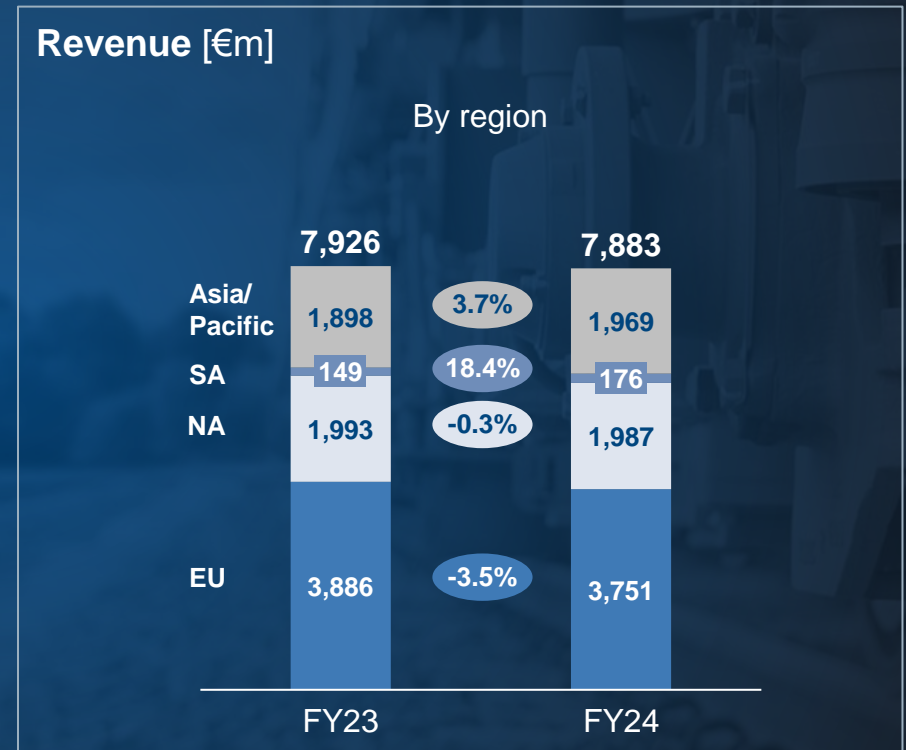
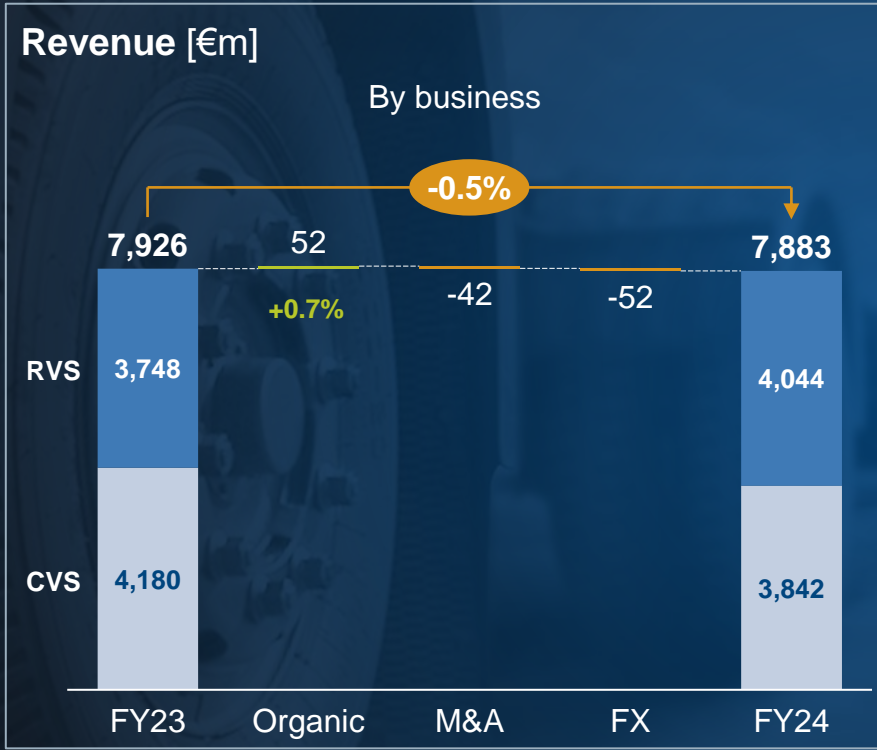
Order intake [€m]



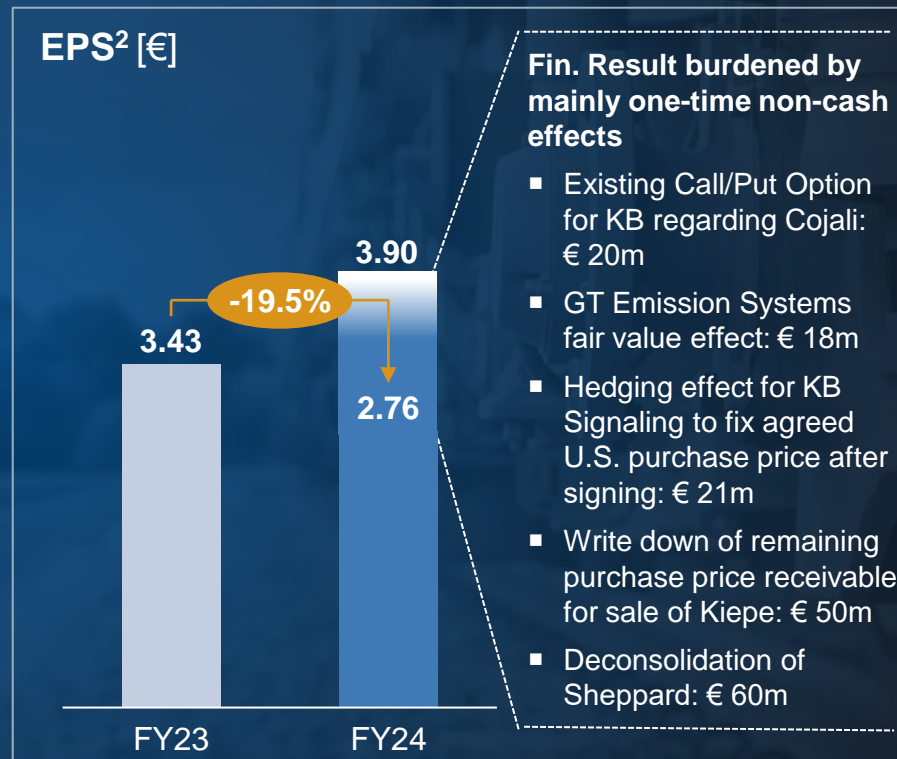
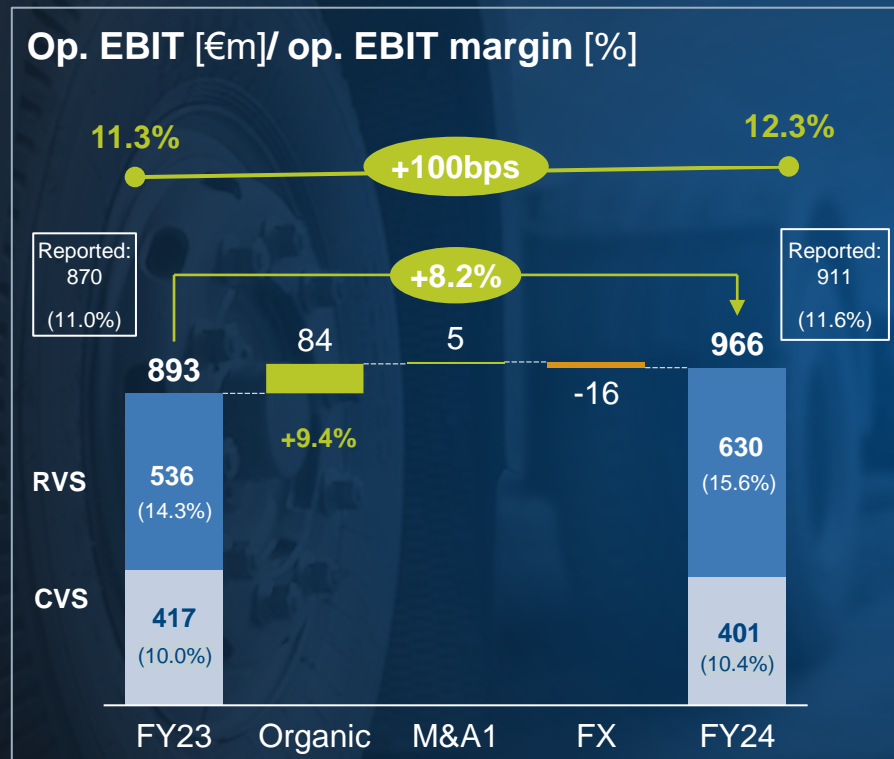
Order book¹ [€m]



Group FY24 – Revenue development



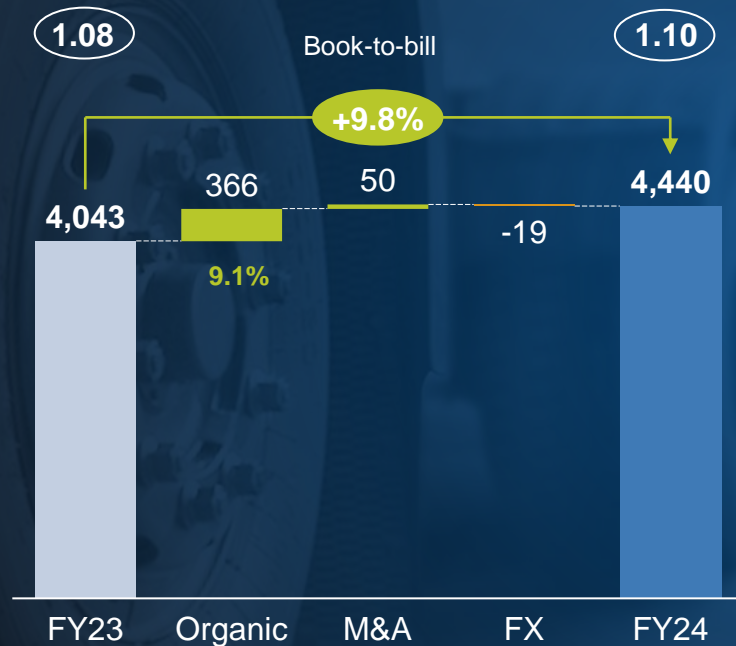
Group FY24 – Profitability and EPS



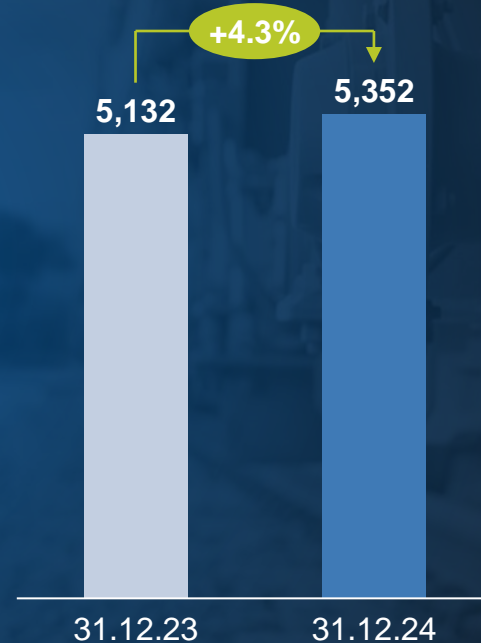
RVS FY24 – Order intake and order book



Order intake [€m]



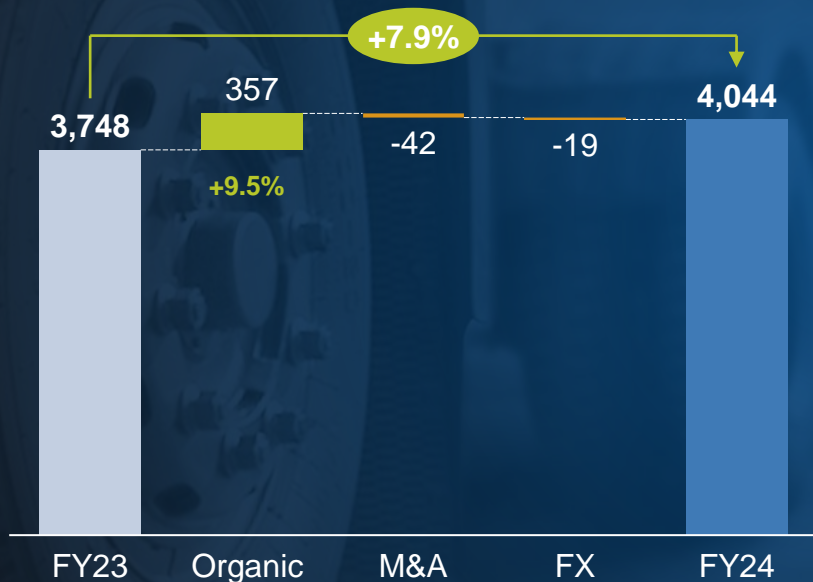
Order book¹ [€m]



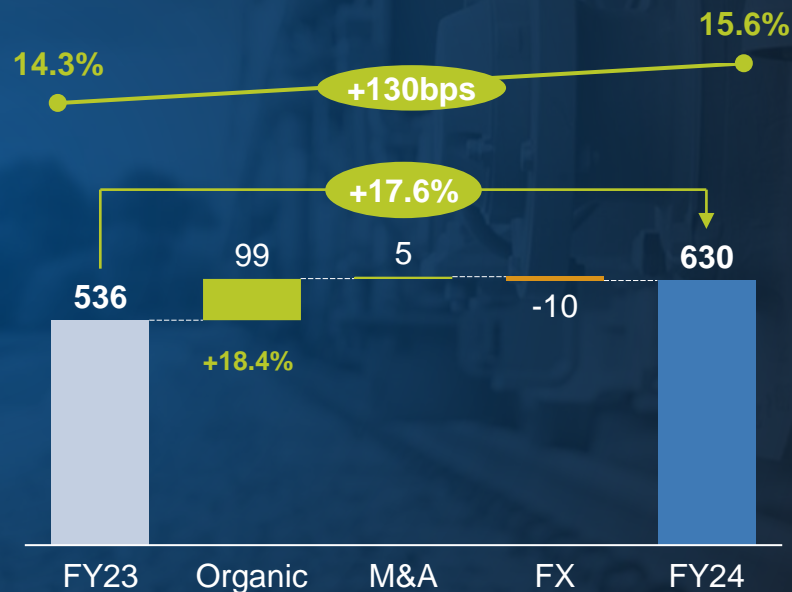
RVS FY24 – Revenue and profitability



Revenue [€m]



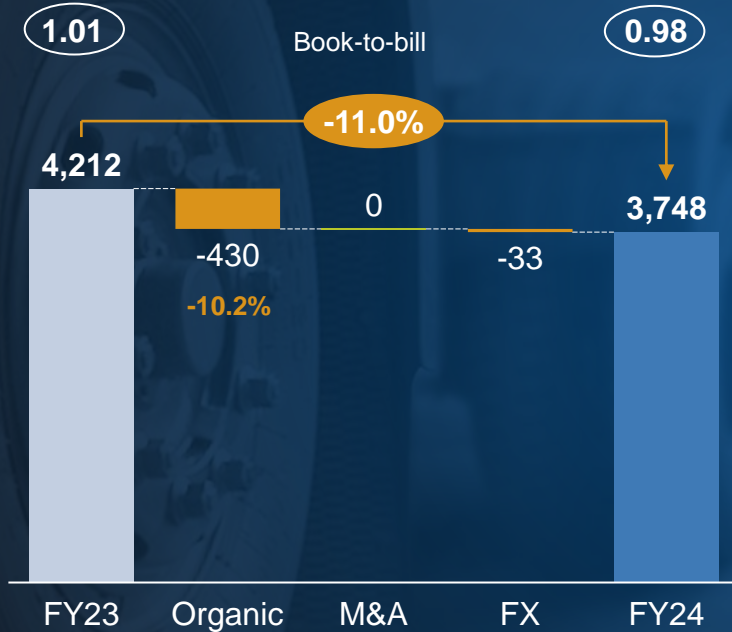
op. EBIT [€m]/Margin¹



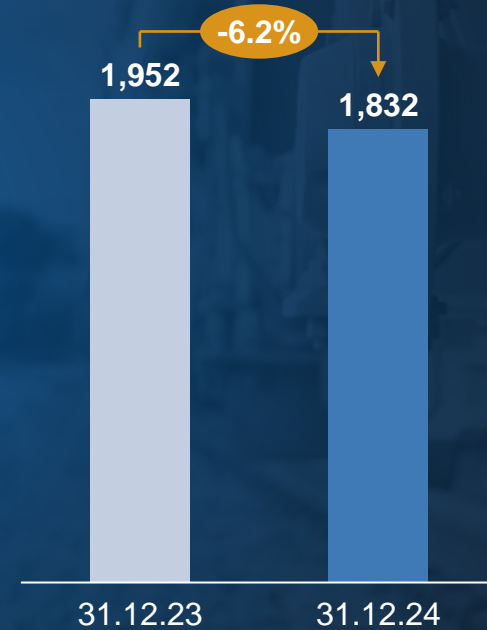
CVS FY24 – Order intake and order book



Order intake [€m]



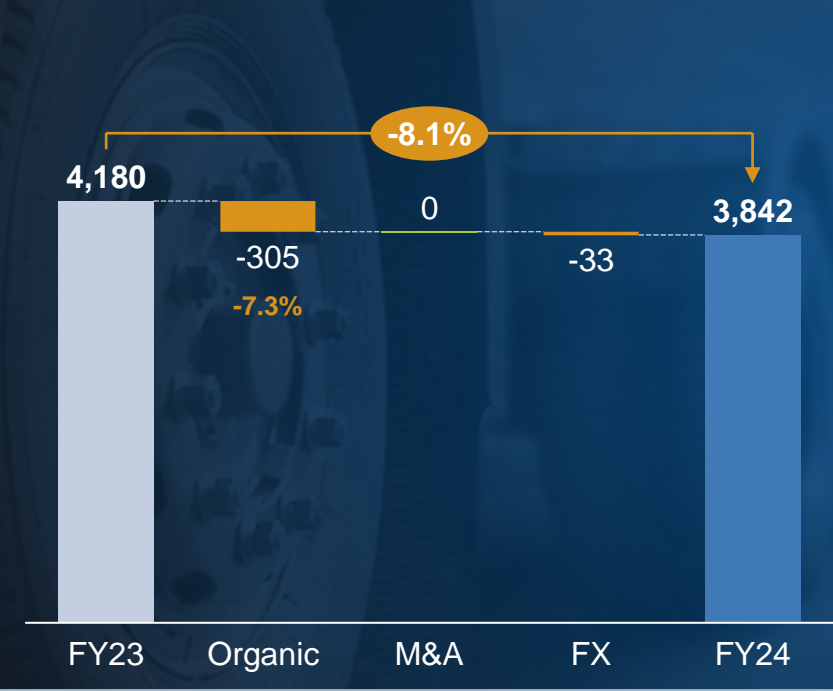
Order book [€m]



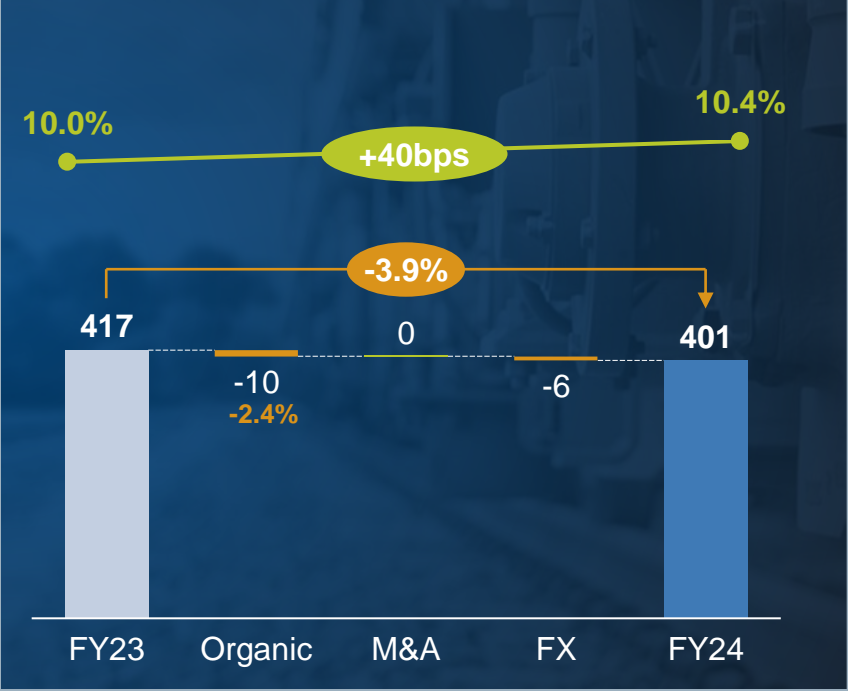
CVS FY24 – Revenue and profitability



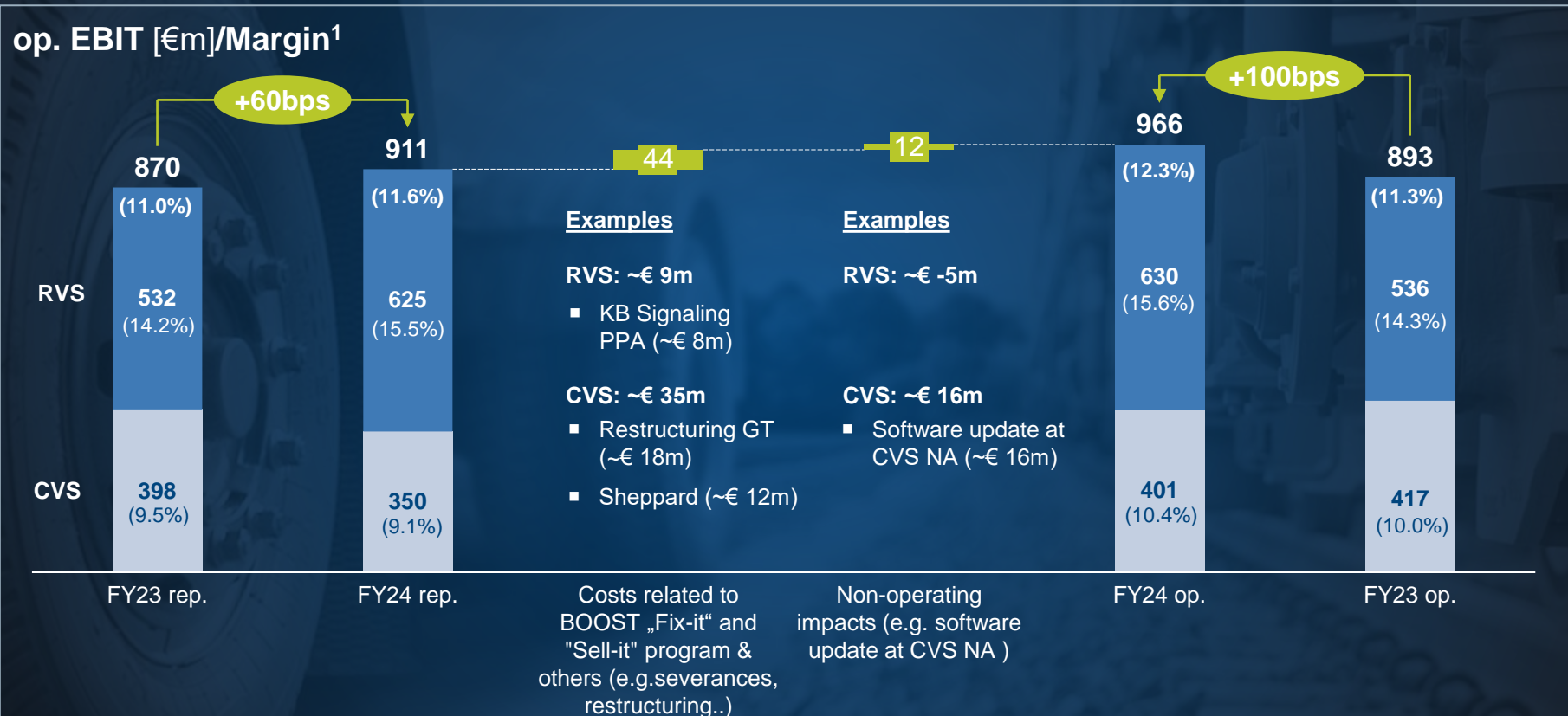
Revenue [€m]



op. EBIT [€m]/Margin¹

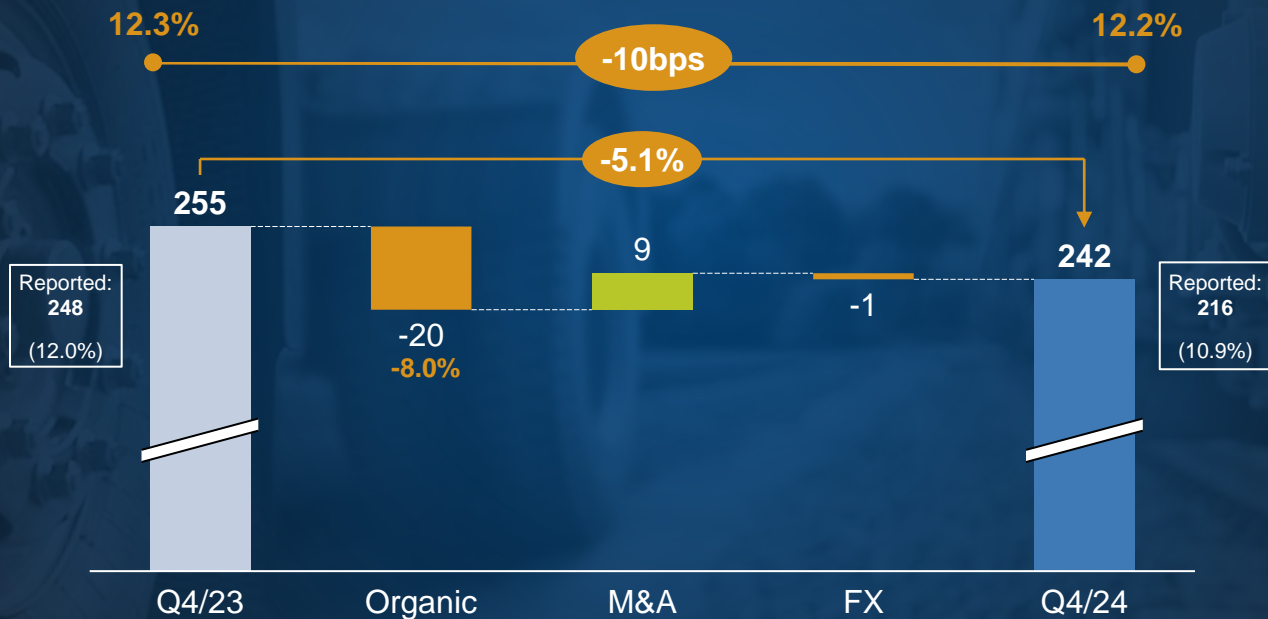


Group FY24 – Bridge reported EBIT to operating EBIT



Group Q4/24 – Op. EBIT growth vs. prior year

op. EBIT [€m]/Margin¹



Group – Income statement

	2023				2024				2023	2024
in € million	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24	FY23	FY24
Revenues	1,907.6	2,009.9	1,938.8	2,069.4	1,974.2	2,012.9	1,909.6	1,986.5	7,925.6	7,883.2
Change in inventory of unfinished/finished products	5.4	12.0	9.1	-36.0	52.1	4.3	32.6	-45.3	-9.6	43.7
Own work capitalized	27.1	26.1	25.2	34.9	32.4	25.9	26.1	28.7	113.3	113.2
Total operating performance	1,940.0	2,047.9	1,973.1	2,068.3	2,058.7	2,043.1	1,968.3	1,969.9	8,029.3	8,040.1
Other operating income	22.3	25.4	28.3	28.7	19.1	27.0	25.0	46.4	104.8	117.6
Cost of materials	-979.9	-1,034.1	-998.2	-1,001.1	-1,007.7	-965.1	-939.6	-890.5	-4,013.2	-3,803.0
Personnel expenses	-495.6	-491.0	-488.2	-494.9	-523.5	-515.0	-496.3	-519.8	-1,969.8	-2,054.5
Other operating expenses	-210.3	-248.9	-211.1	-259.7	-224.7	-241.2	-250.3	-281.1	-930.0	-997.4
Earnings before interest, tax, depreciation and amortization (EBITDA)	276.6	299.3	303.9	341.2	321.9	348.8	307.1	324.9	1,221.0	1,302.8
Depreciation, amortization, and impairment	-86.5	-90.2	-81.2	-93.3	-84.4	-110.8	-88.4	-108.0	-351.2	-391.7
Earnings before interests and taxes (EBIT)	190.1	209.2	222.7	247.9	237.5	238.0	218.7	216.9	869.9	911.1
Interest income	8.8	6.1	8.6	8.4	14.3	11.4	15.8	18.3	31.9	59.7
Interest expenses	-21.5	-20.2	-22.2	-37.1	-23.4	-25.4	-25.0	-33.0	-101.0	-106.8
Result from financial investments using the equity method	-4.1	-9.5	0.0	-6.0	1.7	-1.6	0.1	-15.8	-19.6	-15.6
Impairment of other financial assets	0.0	0.0	0.0	0.0	0.0	-6.8	-0.8	-57.8	0.0	-65.4
Other financial result	13.8	4.1	-25.1	-1.2	-15.3	-18.2	-25.6	-79.0	-8.3	-138.2
Income before taxes	187.1	189.6	184.1	212.0	214.8	197.4	183.1	49.6	772.8	644.9
Taxes on income	-54.6	-61.1	-46.9	-34.0	-55.6	-43.7	-43.4	-25.4	-196.6	-168.1
Net income	132.5	128.5	137.2	178.0	159.1	153.7	139.7	24.2	576.2	476.8
Profit (loss) attributable to non-controlling interests	3.5	6.9	7.2	6.0	5.4	9.4	9.8	7.3	23.7	31.8
Profit (loss) attributable to the shareholders of Knorr-Bremse AG	129.0	121.7	129.9	171.9	153.7	144.3	129.9	16.9	552.5	444.9
Earnings per share in Euro	0.80	0.76	0.81	1.07	0.95	0.90	0.81	0.11	3.43	2.76

Group – Cashflow statement

	2023					2024				2023	2024
€ million	Q1/23	Q2/23	Q3/23	Q4/23	12M/23	Q1/24	Q2/24	Q3/24	Q4/24	12M/23	12M/24
Cash flow from operating activities	-137.0	105.3	306.8	639.5	914.6	-48.3	219.0	257.6	614.0	914.6	1,042.3
Cash flow from investing activities	-110.7	-69.1	-88.3	-142.6	-410.6	-8.1	-77.0	-574.9	-90.3	-410.6	-750.3
Cash flow from financing activities	-17.1	-263.6	-69.7	-47.3	-397.7	-23.9	-311.5	1,009.8	-44.9	-397.7	629.5
Cash flow changes	-264.8	-227.3	148.7	449.7	106.3	-80.3	-169.5	692.4	478.9	106.3	921.6
movements	-11.6	-16.8	6.0	-12.2	-34.6	7.8	4.3	-28.3	41.5	-34.6	25.3
Change in cash funds resulting from changes to the group structure	–	–	–	1.0	1.0	–	–	–	–	1.0	–
Change in cash funds	-276.4	-244.1	154.7	438.5	72.7	-72.5	-165.2	664.1	520.4	72.7	946.9
Cash and cash equivalents at the beginning of the period	1,210.7	934.3	690.2	844.9	1,210.7	1,283.5	1,211.0	1,045.8	1,709.9	1,210.7	1,283.5
Cash and cash equivalents at the end of the period	934.3	690.2	844.9	1,283.5	1,283.5	1,211.0	1,045.8	1,709.9	2,230.3	1,283.5	2,230.3

Group – Balance sheet/ assets

	2023				2024			
in € million	31.03.2023	30.06.2023	30.09.2023	31.12.2023	31.03.2024	30.06.2024	30.09.2024	31.12.2024
Assets								
Intangible assets	771.2	769.2	776.0	770.6	778.6	770.2	957.9	933.4
Goodwill	691.9	688.1	693.2	696.4	688.5	689.2	864.1	883.4
Property, plant and equipment	1,820.0	1,798.0	1,804.3	1,863.9	1,864.1	1,851.2	1,879.5	1,898.6
Investments accounted for using the equity method	75.3	67.6	67.8	60.8	62.5	56.9	56.2	36.3
Other financial assets	147.7	159.1	158.0	141.4	144.6	136.2	88.3	82.7
Other assets	94.9	94.4	94.5	94.9	97.3	99.6	100.0	101.5
Income tax receivables	0.8	1.3	1.8	2.4	0.6	0.2	0.3	1.0
Assets from employee benefits	24.1	14.0	9.8	26.2	21.2	25.5	19.1	24.3
Deferred tax assets	134.8	141.4	141.6	73.2	81.3	77.1	148.6	236.8
Non-current assets	3,760.5	3,733.0	3,746.9	3,729.8	3,738.7	3,706.1	4,114.1	4,198.1
Inventories	1,267.1	1,229.2	1,250.9	1,142.3	1,231.4	1,235.4	1,355.7	1,216.0
Trade accounts receivable	1,644.5	1,638.2	1,634.9	1,359.3	1,605.0	1,604.6	1,635.4	1,384.8
Other financial assets	139.4	168.9	172.8	160.9	171.1	180.9	152.3	89.0
Other assets	169.9	189.3	178.2	183.0	168.9	182.4	202.1	206.1
Contract assets	73.7	81.1	79.5	77.4	76.4	79.1	161.5	160.1
Income tax receivables	39.7	94.8	82.5	83.5	79.6	101.3	84.4	81.2
Cash and cash equivalents	954.1	688.5	884.2	1,291.4	1,268.6	1,075.7	1,760.3	2,263.0
Assets held for sale and disposal groups	169.5	200.1	187.4	221.1	5.3	27.3	22.9	15.9
Current assets	4,458.0	4,290.1	4,470.5	4,518.8	4,606.1	4,486.7	5,374.7	5,416.1
Total assets	8,218.5	8,023.1	8,217.4	8,248.6	8,344.8	8,192.7	9,488.9	9,614.2

Group – Balance sheet/ liabilities

in € million	2023				2024			
	31.03.2023	30.06.2023	30.09.2023	31.12.2023	31.03.2024	30.06.2024	30.09.2024	31.12.2024
Equity								
Subscribed capital	161.2	161.2	161.2	161.2	161.2	161.2	161.2	161.2
Capital reserves	13.9	13.9	13.9	13.9	13.9	13.9	13.9	13.9
Retained earnings	10.3	10.3	4.8	9.4	9.4	309.4	309.8	309.4
Other components of equity	-138.4	-168.2	-131.6	-169.3	-181.4	-165.8	-207.7	-144.4
Group earnings	2,630.9	2,518.8	2,648.8	2,820.7	2,976.4	2,556.4	2,686.3	2,705.1
Equity attributable to the shareholders of Knorr-Bremse AG	2,677.9	2,536.0	2,697.1	2,835.9	2,979.5	2,875.0	2,963.6	3,045.2
Equity attributable to non-controlling interests	66.9	69.3	66.6	67.6	71.4	80.4	77.8	82.0
Equity	2,744.8	2,605.4	2,763.7	2,903.5	3,050.8	2,955.4	3,041.4	3,127.2
Liabilities								
Provisions for pensions	223.9	219.3	202.1	242.9	235.4	227.4	243.6	239.3
Provisions for other employee benefits	17.8	18.0	18.5	18.4	19.3	28.4	31.3	32.4
Other provisions	184.7	191.8	191.0	224.5	180.4	183.5	183.0	227.5
Trade accounts payable	–	–	–	–	–	–	9.2	11.0
Financial liabilities	2,218.4	2,183.7	2,182.6	2,172.8	2,210.8	1,426.8	2,537.9	2,555.3
Other liabilities	6.5	6.9	5.8	7.1	10.8	9.6	12.0	13.0
Income tax liabilities	6.4	9.0	9.1	4.0	8.2	12.5	17.8	6.3
Deferred tax liabilities	191.0	210.7	219.1	133.2	140.1	135.2	135.1	89.6
Non-current liabilities	2,848.7	2,839.4	2,828.2	2,802.9	2,804.9	2,023.4	3,169.8	3,174.4
Provisions for other employee benefits	6.6	6.9	7.6	15.7	16.1	17.5	24.8	18.9
Other provisions	169.6	172.8	175.7	133.2	174.7	187.9	202.4	170.0
Trade accounts payable	1,260.2	1,217.2	1,207.3	1,201.5	1,199.2	1,170.0	1,160.7	1,128.4
Financial liabilities	567.6	531.1	584.9	587.1	649.7	1,350.4	1,370.9	1,390.9
Other liabilities	100.6	132.7	120.8	121.5	117.1	149.0	130.3	139.0
Contract liabilities	224.6	214.2	229.8	233.0	225.8	233.2	290.8	342.9
Income tax liabilities	144.9	145.4	150.5	97.2	103.6	93.5	89.2	112.5
Liabilities directly associated with assets held for sale	150.8	158.0	148.9	153.0	2.8	12.3	8.5	9.9
Current liabilities	2,624.9	2,578.3	2,625.6	2,542.2	2,489.1	3,213.9	3,277.7	3,312.5
Liabilities	5,473.6	5,417.7	5,453.7	5,345.1	5,294.0	5,237.3	6,447.5	6,486.9
Total equity and liabilities	8,218.5	8,023.1	8,217.4	8,248.6	8,344.8	8,192.7	9,488.9	9,614.2

Group – Net Financial Debt / (Cash) Balance

in € million	31.12.2022	31.12.2023	31.12.2024
Cash and cash equivalents	1,342.6	1,291.4	2,263.1
Short-term liabilities to banks	-172.4	-66.2	-60.7
Short-term bonds and obligations	-11.0	-11.0	-769.3
Short-term leasing liabilities	-63.1	-63.4	-72.1
Securities	102.5	141.1	–
Long-term liabilities to banks	-33.5	-7.7	-5.5
Long-term bonds and obligations	-1,444.5	-1,446.0	-1,783.6
Long-term leasing liabilities	-446.6	-464.6	-482.7
Long-term notes payable / receivable	-0.7	-0.6	-0.7
Net Financial Debt / (Cash)	-726.7	-627.2	-911.6

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