

Quarterly Statement
January 1 to March 31, 2024



KNORR-BREMSE

Quarterly Statement

JANUARY 1 TO MARCH 31, 2024
KNORR-BREMSE AG

KNORR-BREMSE GROUP KEY INDICATORS (IFRS)

		Q1/2024	Q1/2023
Revenues	€ million	1,974.2	1,907.6
EBIT	€ million	237.5	190.1
EBIT margin	%	12.0	10.0
Operating EBIT	€ million	238.2	191.7
Operating EBIT margin	%	12.1	10.0
EBT	€ million	214.8	187.1
EBT margin	%	10.9	9.8
Net income	€ million	159.1	132.5
Return on sales after taxes	%	8.1	6.9
Earnings per share*	€	0.95	0.80
Incoming orders	€ million	2,112.0	2,175.9
Order book (March 31)	€ million	6,728.4	7,116.0
Free cash flow	€ million	(94.6)	(198.9)
Cash flow from operating activities	€ million	(48.3)	(137.0)
Capital expenditure	€ million	71.6	64.3
Capital expenditure as % of revenues	%	3.6	3.4
R & D costs	€ million	138.9	130.6
R & D as % of revenues	%	7.0	6.8
		Mar. 31, 2024	Dec. 31, 2023
Total assets	€ million	8,344.8	8,248.6
Equity	€ million	3,050.8	2,903.5
Equity ratio	%	36.6	35.2
ROCE (annualized)	%	19.7	19.5
Net working capital	Days' sales	69.0	51.4

* The comparative information was adjusted in accordance with IAS 8.41 in connection with the Cojali purchase price allocation (see Chapter C.3. in the notes of the 2023 Annual Report).

FIRST THREE MONTHS OF 2024

- Order intake stable at € 2,112.0 million, a slight € 63.9 million below the previous year's level due to lower demand in North America when compared with the previous year's strong quarter
- Order book remains at a high level at € 6,728.4 million; the decline of € 387.6 million includes the disposal of the € 602.6 million order book of the Kiepe Group, which was deconsolidated in Q1 2024
- Revenues of € 1,974.2 million a slight 3.5% up on the previous year
- Positive development in aftermarket revenue; share in total revenue increased from 39.2% to 40.5%
- Profitability: operating EBIT of € 238.2 million 24.2% up on the previous year with a significantly increased operating EBIT margin of 12.1% (previous year: 10.0%)
- R & D ratio of 7.0% of revenue (previous year: 6.8%) emphasizes the focus on strategic and future-oriented projects for innovation and technology
- Free cash flow, at € -94.6 million, up € 104.3 million on the previous year (€ -198.9 million), resulting from lower tax payments and increased quarterly income, among other things
- Knorr-Bremse confirms its full-year guidance for 2024:
 - Revenue: € 7,700 million to € 8,000 million (2023: € 7,926 million)
 - Operating EBIT margin: 11.5% to 12.5% (2023: 11.3 %)
 - Free cash flow: € 550 million to € 650 million (2023: € 552 million)

BUSINESS PERFORMANCE IN THE FIRST THREE MONTHS OF 2024

Stable Order Intake: € 2,112.0 Million

The order intake of the Knorr-Bremse Group as at the end of March 2024 decreased slightly by € 63.9 million or 2.9% from the comparable period of the previous year. The increased demand in the rail vehicle market was partly able to offset the shrinking commercial vehicle order intake. The increase in the rail vehicle market was attributable to the Europe region. After a strong quarter the previous year, the commercial vehicle segment saw declining order intake in Europe and North America in particular.

The positive development of the order situation resulted in an order book of € 6,728.4 million as at the end of March 2024. This was € 215.0 million up on the previous year's order book, which was € 6,513.4 million when adjusted for the Kiepe Group.

Positive Year-over-Year Revenue Development: +3.5 %

The revenue of the Knorr-Bremse Group increased by 3.5% or € 66.6 million year over year, coming to € 1,974.2 million in the first three months of the 2024 fiscal year. This revenue development resulted from significant growth in the Rail Vehicle Systems segment, which more than offset the slightly declining revenues in the Commercial Vehicle Systems segment. The increased revenue in the Rail Vehicle Systems segment was seen in all regions and was comprised of a greater OE volume as well as increased aftermarket revenue. The increased OE revenues in the Europe region were in particular due to significantly increased locomotive, passenger, and regional and commuter business. In the Asia region, the increased revenue – especially in the Chinese market – was complemented with similarly increased revenues in India. In North America, OE revenue increases in OE passenger business in particular were able to be achieved. Because of the stronger increases in OE revenues, the share of the aftermarket in the division's total revenues was 51.9% and slightly below the previous year (52.8%). In the Commercial Vehicle Systems segment, the decline in revenues primarily resulted from the moderately shrinking OE business in Europe, North America, and Asia. This was partially able to be made up for with increased aftermarket business, especially in Europe and Asia. Thanks to the contrasting revenue development in the Commercial Vehicle Systems segment, the share of the aftermarket in the division's total revenues was 29.7% (previous year: 28.2%).

For the Group as a whole, the share of aftermarket revenue in total revenues increased from 39.2% in the same period of the previous year to 40.5%.

Significant Increase in Operating EBIT Margin

In the first three months of 2024, operating EBIT of € 238.2 million was generated with an operating EBIT margin of 12.1% (previous year: 10.0%). This is € 46.5 million or 24.2% more than in the same period of the previous year. This development was mainly due to cost and mix factors as well as volume effects. As part of our BOOST 2026 performance program, we are taking measures to safeguard income as well as to optimize variable and fixed cost structures, and initial success has been achieved in them. The development of the share of aftermarket revenues also contributes positively to the earnings performance. Operating EBIT and the operating EBIT margin were adjusted for expenses in connection with the BOOST 2026 cost reduction program in the Rail Vehicle Systems segment. The unadjusted EBIT within the Group is € 237.5 million with an unadjusted EBIT margin of 12.0%.

CONSOLIDATED STATEMENT OF INCOME (CONDENSED)

in € million	Q1/2024	Q1/2023
Revenues	1,974.2	1,907.6
Change in inventory of unfinished/finished products	52.1	5.4
Own work capitalized	32.4	27.1
Total operating performance	2,058.7	1,940.0
Cost of materials	(1,007.7)	(979.9)
Personnel expenses	(523.5)	(495.6)
Other operating income and expenses	(205.6)	(188.0)
Earnings before interest, tax, depreciation, and amortization (EBITDA)	321.9	276.6
Depreciation, amortization, and impairment	(84.4)	(86.5)
Earnings before interest and taxes (EBIT)	237.5	190.1
Financial result	(22.7)	(3.0)
Income before taxes	214.8	187.1
Taxes on income	(55.6)	(54.6)
Net income	159.1	132.5
Of which profit (loss) attributable to non-controlling interests*	5.4	3.5

* The comparative information was adjusted in accordance with IAS 8.41 in connection with the Cojali purchase price allocation (see Chapter C.3. in the notes of the 2023 Annual Report).

In the first three months of 2024, the material cost ratio shrank by a total of 40 basis points to 51.0% of revenues for reasons including a changed divisional mix as well as a general relaxation of procurement prices. In relation to the personnel costs ratio, there was a moderate year-over-year increase of 50 basis points to 26.5% of revenues (previous year: 26.0%), caused among other things by deals for higher wages and salaries taking effect after the first quarter of 2023. Other operating income and expenses totaled 10.4% of revenue, a figure above the previous year's level (9.9%). At 4.3% of revenue, depreciation and amortization developed at the previous year's level (4.5%). The negative financial result deteriorated year over year and brought down pre-tax income in the current fiscal year by € 22.7 million (previous year: € 3.0 million). Pre-tax income was 10.9% of revenues and therefore 110 basis points up on the corresponding level of 9.8% in the previous year, which resulted primarily from the improvement in the material cost ratio.

The tax rate fell by 330 basis points to 25.9% from 29.2% in the first three months of 2023. This led to net income for the period of 8.1% of revenues as at the end of March 2024, up on the previous year's level (6.9%).

FINANCIAL SITUATION

FREE CASH FLOW

in € million	Q1/2024	Q1/2023
Net income (including earnings share of minority interests)	159.1	132.5
Depreciation, amortization, and impairment losses on intangible assets and property, plant, and equipment	84.4	86.5
Additions to, reversals of, and discounting of provisions	22.5	18.9
Non-cash changes in the measurement of derivatives	16.3	(26.9)
Other non-cash expenses and income	2.8	(18.7)
Income tax expense	55.6	54.6
Income tax payments	(38.2)	(29.0)
Changes in inventories, trade accounts receivable and other assets which cannot be allocated to investing or financing activities	(342.1)	(442.2)
Changes in trade accounts payable and other liabilities which cannot be allocated to investing or financing activities	(5.5)	86.0
Changes in provisions due to utilization	(27.1)	(28.9)
Other	23.8	30.0
Cash flow from operating activities	(48.3)	(137.0)
Cash changes in intangible assets and property, plant, and equipment	(46.3)	(61.9)
Free cash flow	(94.6)	(198.9)

In the first three months of 2024, the € 48.3 million cash outflow from operating activities represented a very significant € 88.7 million decrease from the previous year's quarter. This results from, among other things, the € 26.6 million increase in the net income for the period. Furthermore, following gains of € 26.9 million on the measurement of derivatives in the previous year's quarter, the net income for the period in Q1 2024 includes a loss of € 16.3 million as well as other non-cash expenses and income of € 2.8 million, mainly based on FX results (previous year: € -18.7 million).

The cash changes in intangible assets and property, plant, and equipment fell by a significant € 15.6 million as a result of the receipt of a purchase price installment for a past sale of property, from € 61.9 million in Q1 2023 to € 46.3 million in Q1 2024.

Free cash flow in the first three months of 2024 came to € -94.6 million, improving by a very significant € 104.3 million year over year (previous year: € -198.9 million).

CURRENT AND NON-CURRENT ASSETS

in € million	Mar. 31, 2024	Dec. 31, 2023
Intangible assets and goodwill	1,467.1	1,466.9
Property, plant, and equipment	1,864.1	1,863.9
Other non-current assets	407.4	398.9
Non-current assets	3,738.7	3,729.8
Inventories	1,231.4	1,142.3
Trade accounts receivable	1,605.0	1,359.3
Other financial assets	171.1	160.9
Contract assets	76.4	77.4
Cash and cash equivalents	1,268.6	1,291.4
Assets held for sale and disposal groups	5.3	221.1
Other current assets	248.5	266.5
Current assets	4,606.1	4,518.8

Q1 2024 also saw a seasonal increase in trade accounts receivable compared with December 31, 2023. In this regard – as in previous years – we expect a noticeable improvement by year end. Furthermore, the trend in inventories reflects

measures to preserve the global supply chains as well as efficiency improvement measures. The decline in assets held for sale and disposal groups mainly results from the deconsolidation of the Kiepe Group.

The absolute net working capital increased by € 381.9 million from its 2023 level (€ 1,131.3 million) to its current € 1,513.2 million. The commitment of the net working capital in days' sales did increase by a very significant 17.6 days from 51.4 days on December 31, 2023, to the current 69.0 days, however the days' sales improved from 70.9 days¹ by 2.8% when compared with the same period in 2023.

CAPITAL EXPENDITURE

		Q1/2024	Q1/2023
Capital expenditure (before IFRS 16 and acquisitions)	€ million	71.6	64.3
Capital expenditure as % of revenues	%	3.6	3.4

The capital expenditure on property, plant, and equipment and intangible assets was € 71.6 million and significantly above the previous year's level. Capital expenditure as a percentage of revenues increased slightly from 3.4% in the previous year to 3.6%. Significant capital expenditure in the first three months of 2024 went primarily toward increasing the efficiency of our global manufacturing processes and toward capacity adjustments. Furthermore, there was a focus on digitalization and on capital expenditure on research and development projects.

CONSOLIDATED EQUITY

in € million	Mar. 31, 2024	Dec. 31, 2023
Subscribed capital	161.2	161.2
Other equity	2,818.3	2,674.7
Equity attributable to the shareholders of Knorr-Bremse AG	2,979.5	2,835.9
Non-controlling interests	71.4	67.6
Total equity	3,050.8	2,903.5

As at March 31, 2024, the Knorr-Bremse Group had an equity ratio of 36.6%. The increase from December 31, 2023, (35.2%) is mainly attributable to the profit contribution from the first quarter of 2024.

CURRENT AND NON-CURRENT LIABILITIES

in € million	Mar. 31, 2024	Dec. 31, 2023
Provisions (incl. pensions)	435.0	447.7
Financial liabilities	2,210.8	2,172.8
Other non-current liabilities	159.1	144.3
Non-current liabilities	2,804.9	2,764.8
Trade accounts payable	1,199.2	1,201.5
Financial liabilities	649.7	587.1
Contract liabilities	225.8	233.0
Liabilities directly associated with assets held for sale	2.8	153.0
Other liabilities	411.5	405.6
Current liabilities	2,489.1	2,580.2
Total liabilities	5,294.0	5,345.0

¹ The comparative information was adjusted in accordance with IAS 8.41 in connection with the Cojali purchase price allocation (see Chapter C.3. in the notes of the 2023 Annual Report).

The non-current liabilities increased slightly from year end 2023 by an amount of € 40.1 million.

The current liabilities decreased by a slight € 91.2 million to € 2,489.1 million. The current financial liabilities increased by € 62.7 million to € 649.7 million, mainly as a result of an increase in short-term bank debt and liabilities to employees. Countering this was a € 150.2 million decrease in liabilities in connection with assets held for sale, mainly as a result of the deconsolidation of the Kiepe Group.

The following debt financing existed as of March 31, 2024:

- Corporate bond of Knorr-Bremse AG in the amount of € 750.0 million (maturing in June 2025)
- Corporate bond of Knorr-Bremse AG in the amount of € 700.0 million (maturing in September 2027)
- Lease liabilities in the amount of € 535.5 million
- Bank liabilities of the Knorr-Bremse Group in the amount of € 93.4 million

INFORMATION ON REPORTABLE SEGMENTS

REVENUES BY SEGMENT

in € million	Q1/2024	Q1/2023
Rail Vehicle Systems	964.1	855.2
Commercial Vehicle Systems	1,010.7	1,052.9
Other segments and consolidation	(0.6)	(0.6)
Group	1,974.2	1,907.6

EBT BY SEGMENT

in € million	Q1/2024	Q1/2023
Rail Vehicle Systems	122.3	103.6
Commercial Vehicle Systems	104.6	92.6
Other segments and consolidation	(12.2)	(9.0)
Group	214.8	187.1

Our two segments performed as follows in the first three months of 2024:

RAIL VEHICLE SYSTEMS SEGMENT

		Q1/2024	Q1/2023
Revenues	€ million	964.1	855.2
Of which aftermarket	%	51.9	52.8
EBIT	€ million	144.8	111.8
EBIT margin	%	15.0	13.1
Operating EBIT	€ million	145.5	111.8
Operating EBIT margin	%	15.1	13.1
Incoming orders	€ million	1,062.0	1,000.3
Order book (March 31)	€ million	4,739.0	5,026.5

Order intake in the Rail Vehicle Systems segment, with an increase of € 61.7 million, is moderately above the previous year's level and amounted to € 1,062.0 million as at the end of March 2024 (previous year: € 1,000.3 million). As a result of the sale of the Kiepe companies, the order book as at March 31, 2024, decreased by 5.7% to € 4,739.0 million (previous year: € 5,026.5 million). However, adjusted for the order book of the Kiepe companies in the previous year's quarter, the order book increased organically by 7.1%.

Revenue in the Rail Vehicle Systems segment in the first three months of 2024 was € 964.1 million and therefore 12.7% up on the previous year. This development mainly results from the significant revenue increases in the aftermarket as well as in OE business. The division was able to raise its aftermarket revenues in all regions. In Europe, OE business recorded significant growth, especially in regional and commuter as well as in the passenger and locomotive businesses. Among North American OE revenues, growth in the passenger and metro businesses more than compensated for slightly declining revenues from freight business. In the Asia region, the increased revenue resulted in particular from revenue in the Chinese high-speed business. Because of the stronger increases in OE revenues, the share of the aftermarket in the division's total revenues was 51.9% and slightly below the corresponding level in the previous year (52.8%), despite rising aftermarket revenues.

Operating EBIT was € 145.5 million as at March 2024 and had therefore increased by 30.1% from the previous year's level (€ 111.8 million) for cost, volume, and mix reasons, with an operating EBIT margin of 15.1% which was significantly up on the previous year (13.1%). The positive development is in particular due to initial success in the BOOST 2026 performance program as well as growth in the European brake business.

COMMERCIAL VEHICLE SYSTEMS SEGMENT

		Q1/2024	Q1/2023
Revenues	€ million	1,010.7	1,052.9
Of which aftermarket	%	29.7	28.2
EBIT	€ million	111.2	93.5
EBIT margin	%	11.0	8.9
Operating EBIT	€ million	111.2	95.2
Operating EBIT margin	%	11.0	9.0
Incoming orders	€ million	1,051.1	1,176.1
Order book (March 31)	€ million	1,991.4	2,090.6

Order intake in the Commercial Vehicle Systems segment was € 1,051.1 million in the first three months of 2024 and was therefore 10.6% down on the previous year. The larger number of orders in South America was only able to partly compensate for the declining order intake in other regions. This can also be seen in the development of the truck production rate, in which an increase in Asia partially compensated for the declining production in Europe and North America. The order book as at March 31, 2024, subsequently fell by 4.7% year over year.

The revenues attained as at the end of March 2024 were € 1,010.7 million and 4.0% down year over year. While the aftermarket business saw a slight increase, the OE business declined moderately. As a result of this development, the share of aftermarket revenue in the total revenue of the Commercial Vehicle Systems division as at March 2024 increased slightly to 29.7% compared with the previous year (28.2%).

The operating EBIT in the Commercial Vehicle Systems segment successfully increased by a significant 16.8% from the previous year to € 111.2 million as at the end of March 2024. This also led to the operating EBIT margin increasing to 11.0% compared with the previous year (9.0%). Price effects in Europe and North America, along with cost reduction measures, contributed to this, too.

REVENUE BY COUNTRY OF KNORR-BREMSE COMPANY

in € million	Q1/2024	Q1/2023
Europe/Africa	1,011.1	956.6
North America	479.8	494.6
South America	40.7	34.5
Asia-Pacific	442.5	421.8
	1,974.2	1,907.6

As at the end of March 2024, 51.2% of the Group's revenues was attributable to the Europe/Africa region (previous year: 50.1%), 24.3% to North America (previous year: 25.9%), 2.1% to South America (previous year: 1.8%), and 22.4% (previous year: 22.1%) to the Asia-Pacific region.

SPECIAL EVENTS DURING THE REPORTING PERIOD

For the sale of the Kiepe Group and the sale of the Safety Direct business in the US, please refer to the information in chapter H.2 Events after the Reporting Date in the notes of the 2023 Annual Report.

EVENTS AFTER THE REPORTING DATE

Acquisition of the Rail Signaling Technology Business from Alstom Signaling North America

Knorr-Bremse signed a purchase agreement for the acquisition of the rail signaling technology business of Alstom Signaling North America in April 2024. The transaction is expected to close in summer 2024. The agreed purchase price is approximately € 630 million.

OUTLOOK

Knorr-Bremse confirms its guidance for the 2024 fiscal year. Assuming that exchange rates remain largely stable year over year, that there are no significant setbacks from Russia's war in Ukraine, and that the geopolitical and economic environmental generally remain stable, Knorr-Bremse continues to expect revenues of € 7,700 million to € 8,000 million (2023: € 7,926 million), an operating EBIT margin of between 11.5% and 12.5% (2023: 11.3%), and free cash flow between € 550 million and € 600 million (2023: € 552 million). The influence to be expected on revenues, the operating EBIT margin, and free cash flow from the acquisition of the rail signaling technology business from Alstom Signaling North America is not yet considered in this guidance. It will be incorporated once the purchase has closed.

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME

In € thousand	Q1/2024	Q1/2023
Revenues	1,974,210	1,907,573
Change in inventory of unfinished/finished products	52,077	5,370
Own work capitalized	32,444	27,100
Total operating performance	2,058,731	1,940,043
Other operating income	19,118	22,317
Cost of materials	(1,007,746)	(979,872)
Personnel expenses	(523,467)	(495,631)
Other operating expenses	(224,740)	(210,288)
Earnings before interest, tax, depreciation, and amortization (EBITDA)	321,896	276,569
Depreciation, amortization, and impairment	(84,435)	(86,485)
Earnings before interest and taxes (EBIT)	237,461	190,084
Interest income	14,301	8,772
Interest expenses	(23,405)	(21,495)
Net income from investments measured at equity	1,699	(4,077)
Other financial result	(15,304)	13,848
Income before taxes	214,752	187,132
Taxes on income	(55,646)	(54,612)
Net income	159,106	132,520
Of which attributable to:		
Profit (loss) attributable to non-controlling interests*	5,379	3,517
Profit (loss) attributable to the shareholders of Knorr-Bremse AG*	153,727	129,003
Earnings per share in €*		
basic	0.95	0.80
diluted	0.95	0.80

* The comparative information was adjusted in accordance with IAS 8.41 in connection with the Cojali purchase price allocation (see Chapter C.3. in the notes of the 2023 Annual Report).

CONSOLIDATED BALANCE SHEET

ASSETS

in € thousand	Mar. 31, 2024	Dec. 31, 2023
Assets		
Intangible assets	778,583	770,569
Goodwill	688,527	696,376
Property, plant, and equipment	1,864,103	1,863,921
Investments accounted for using the equity method	62,470	60,811
Other financial assets	144,589	141,357
Other assets	97,308	94,914
Income tax receivables	601	2,414
Assets from employee benefits	21,214	26,172
Deferred tax assets	81,261	73,236
Non-current assets	3,738,656	3,729,770
Inventories	1,231,395	1,142,320
Trade accounts receivable	1,604,979	1,359,283
Other financial assets	171,075	160,859
Other assets	168,887	183,027
Contract assets	76,353	77,363
Income tax receivables	79,615	83,461
Cash and cash equivalents	1,268,565	1,291,385
Assets held for sale and disposal groups	5,261	221,094
Current assets	4,606,130	4,518,792
Total assets	8,344,786	8,248,562

LIABILITIES

in € thousand	Mar. 31, 2024	Dec. 31, 2023
Equity		
Subscribed capital	161,200	161,200
Capital reserves	13,884	13,884
Retained earnings	9,407	9,407
Other components of equity	(181,444)	(169,279)
Profit carried forward	2,822,686	2,268,149
Profit attributable to the shareholders of Knorr-Bremse AG	153,727	552,529
Equity attributable to the shareholders of Knorr-Bremse AG	2,979,460	2,835,890
Equity attributable to non-controlling interests	71,354	67,622
Equity	3,050,814	2,903,512
Liabilities		
Provisions for pensions	235,352	242,872
Provisions for other employee benefits	19,273	18,416
Other provisions	180,411	186,450
Financial liabilities	2,210,782	2,172,794
Other liabilities	10,761	7,089
Income tax liabilities	8,202	4,039
Deferred tax liabilities	140,122	133,167
Non-current liabilities	2,804,903	2,764,827
Provisions for other employee benefits	16,075	15,707
Other provisions	174,711	171,200
Trade accounts payable	1,199,215	1,201,516
Financial liabilities	649,713	587,056
Other liabilities	117,108	121,481
Contract liabilities	225,834	233,037
Income tax liabilities	103,583	97,235
Liabilities directly associated with assets held for sale	2,830	152,991
Current liabilities	2,489,069	2,580,223
Liabilities	5,293,972	5,345,050
Total equity and liabilities	8,344,786	8,248,562

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousand	Q1/2024	Q1/2023
Net income (including earnings share of minority interests)	159,106	132,518
Adjustments for		
Depreciation, amortization, and impairment losses on intangible assets and property, plant, and equipment	84,435	86,485
Change of impairment on inventories	3,508	5,634
Change of impairment on trade accounts receivable and contract assets	4,718	6,698
(Gain)/loss on the sale of consolidated companies and other business units	8,029	–
(Gain)/loss on the disposal of fixed assets	140	819
Additions to, reversals of, and discounting of provisions	22,548	18,945
Non-cash changes in the measurement of derivatives	16,311	(26,870)
Other non-cash expenses and income	2,794	(18,661)
Interest result	9,104	12,723
Investment result	(1,699)	4,077
Income tax expense	55,645	54,612
Income tax payments	(38,226)	(28,966)
Changes of		
inventories, trade accounts receivable, and other assets that cannot be allocated to investing or financing activities	(342,124)	(442,176)
trade accounts payable as well as other liabilities that cannot be allocated to investing or financing activities	(5,495)	86,049
Provisions due to utilization	(27,085)	(28,911)
Cash flow from operating activities	(48,291)	(137,024)
Proceeds from the sale of intangible assets	4,192	–
Disbursements for investments in intangible assets	(31,727)	(29,150)
Proceeds from the sale of property, plant, and equipment	21,040	2,364
Disbursements for investments in property, plant, and equipment	(39,848)	(35,137)
Proceeds from financial investments and from the sale of investments	71,966	11,816
Disbursements for investments in financial assets	(25,214)	(39,568)
Disbursements from the sale of consolidated companies and other business units	(17,107)	–
Payments for the acquisition of consolidated companies and other business units	–	(25,406)
Interest received	9,418	5,424
Other disbursements	(812)	(1,036)
Cash flow from investing activities	(8,092)	(110,692)
Proceeds from borrowings	1,922	9,236
Disbursements from the repayment of borrowings	(3,951)	(4,752)
Disbursements for lease liabilities	(16,503)	(17,515)
Interest paid	(6,077)	(6,111)
Proceeds from grants and subsidies	702	2,061
(Disbursements)/proceeds from settlement of derivatives	16	–
Cash flow from financing activities	(23,891)	(17,080)
Cash flow changes	(80,274)	(264,797)
Change in cash funds resulting from exchange rate and valuation-related movements	7,812	(11,614)
Change in cash funds	(72,462)	(276,411)
Cash funds at the beginning of the period	1,283,463	1,210,739
Cash funds at the end of the period	1,211,001	934,327
Cash and cash equivalents	1,268,565	954,097
Short-term securities available for sale	–	2
Reclassification as assets held for sale and disposal groups	1,677	4,342
Short-term bank debt (less than 3 months)	(59,241)	(24,114)

This interim report contains statements regarding future developments which can represent forward-looking statements. Such statements are to be recognized in terms, among others, such as "expect", "anticipate" and their negation and similar variations or comparable terminology. These statements – just as every business activity in a global environment – are always associated with uncertainty. These statements are based on convictions and assumptions of the management board of Knorr-Bremse AG, which in turn are based on currently-available information. The following factors could affect the success of our strategic and operational measures: macroeconomic or regional developments, changes in the general economic conditions, especially a continuing economic recession, changes in exchange rates and interest rates, changes in energy prices and material costs, insufficient customer acceptance of new Knorr-Bremse products or services, including growing competitive pressure. Should these factors or other uncertainties arise, or the assumptions underlying the statements turn out to be incorrect, the actual results can vary from the forecast results. Knorr-Bremse assumes no obligation and does not intend to continually update or correct forward-looking statements and information. They relate to the conditions as of the date of their publication.

This document contains supplementary financial figures not precisely defined in the relevant financial reporting framework which represent or could represent so-called alternative performance indicators. For the assessment of the net assets, financial position and results of operations of Knorr-Bremse, these supplementary financial figures should not be used in isolation or as alternatives to the financial figures presented in the consolidated financial statements and determined in accordance with the relevant financial reporting framework. Other companies which present or report performance figures with similar designations may calculate these differently. Due to rounding, it is possible that individual figures in this and other documents do not add up exactly to the reported total and that reported percentages do not reflect the absolute values to which they relate.

This document is a quarterly report pursuant to Section 53 of the Stock Exchange Regulations issued by the Frankfurt Stock Exchange.