



Q1

Q1/24 FINANCIAL RESULTS

MARC LLISTOSELLA | CEO

FRANK WEBER | CFO

May 8, 2024



KNORR-BREMSE

Key take-aways today



- **Good start in 2024**
- **BOOST program on track**
 - **BROWNFIELD:** Kiepe and Safety Direct sold and process of other assets on track
 - **GREENFIELD:** Acquisition of Alstom Signalling NA
- **Continuation of reliable dividend strategy: € 264m paid**
- **Guidance FY24 confirmed**

Accretive Alstom Signalling NA business – strategic rationale



Accretive deal underpins BOOST



Underline KB's transformation path



Increase of rail revenue share



Increase of NA revenue share



Expansion of addressable rail market



CCS² market: high barriers to entry



Diversification of regional footprint

~€ 300m
revenues
FY24¹

~16%
op. EBIT margin
FY24¹

>60%
AM revenue
share

25-30%
market share

Market development: Rail solid globally and Truck challenging in EU

CURRENT SITUATION

OUTLOOK FY24



- EU/ NA: solid growth continues
- CN: good AM and supportive HS business due to improving ridership levels
- Global: High order books at OEMs continue
- Pricing of new OE contracts supportive



- Inflationary burden ongoing but further decreasing



- EU: solid growth continues, shift to rail (green deal) and replacement of obsolete fleets
- NA: good demand should continue
- CN: Increase of AM business should continue



- TPRs in Q1/24yoy¹:
 - EU/ NA: slightly lower
 - CN: up and good demand on high level
- Price development supportive



- TPRs¹: EU/ NA inline with expectations of truck OEMs
 - EU: significantly lower
 - NA: moderately lower
 - CN: flat to slightly increasing
- AM business: better development vs. OE expected and Cojali supportive



Q1/24: Strong margin increase and FCF improved

ORDER INTAKE

€ **2.11** bn

(-3% yoy)

REVENUES OF

€ **1.97** bn

(+3% yoy)

OPERATING
EBIT MARGIN

12.1%

(PY: 10.0%)

FREE
CASHFLOW

€ **-95**m

(PY: € -199m)

ORDER BOOK

€ **6.73** bn

(org. +3% yoy¹)

€ 0.96bn



15.1%

€ 1.01bn

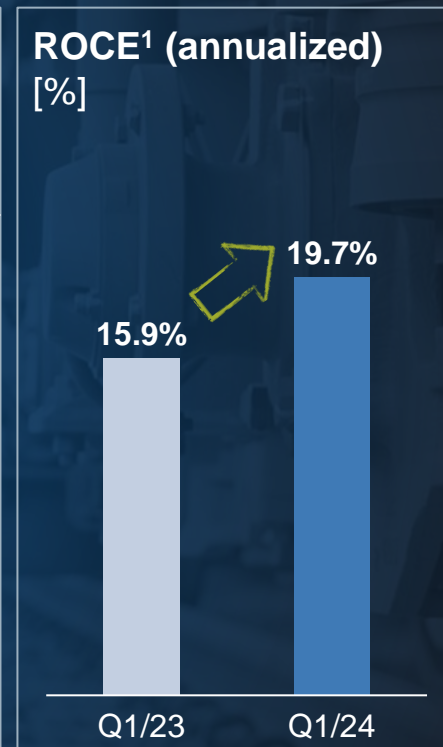
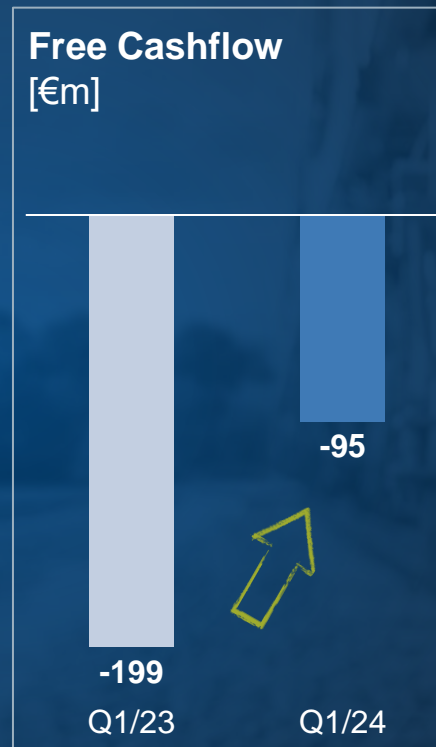
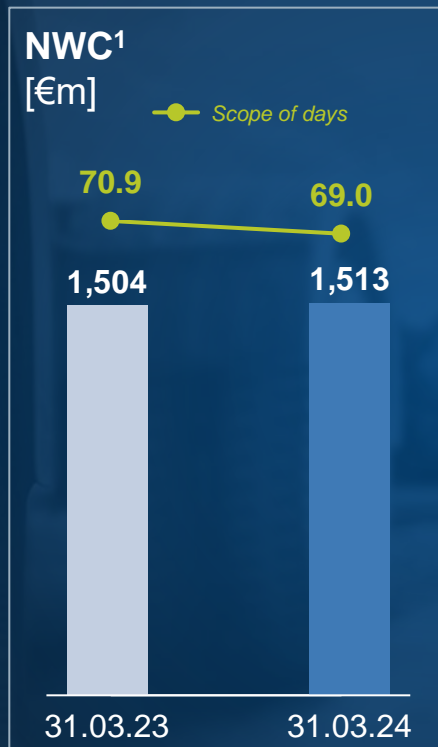
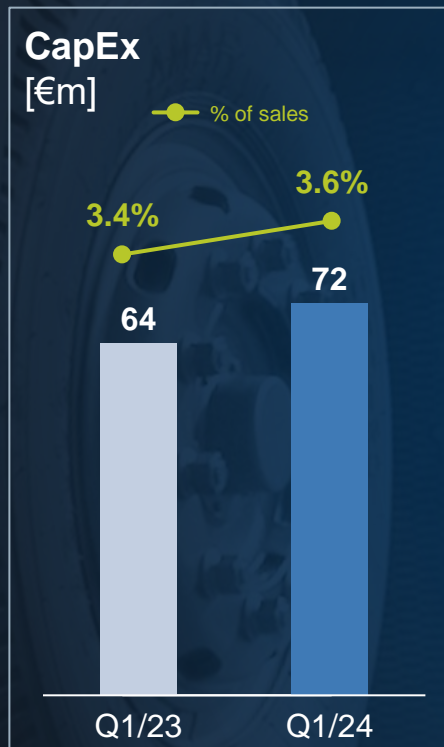


11.0%

-59%

CASH
CONVERSION
RATE

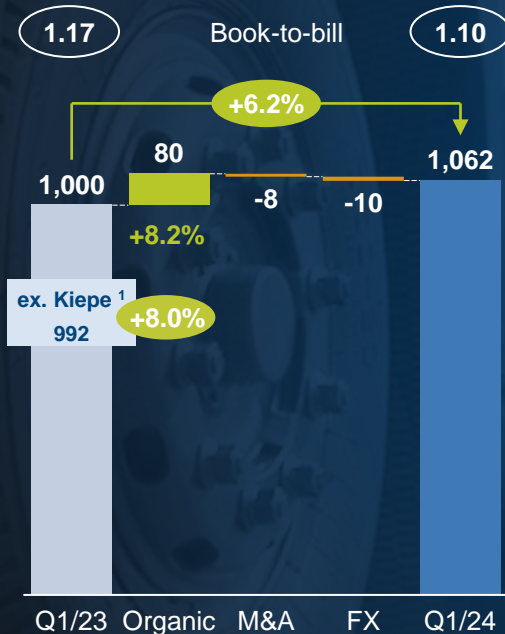
FCF & ROCE strongly improved Net Working Capital Efficiency by increased EBIT



RVS: Strong order book and Book-to-bill >1 for 10 quarters in a row



Order intake [€m]



OI higher yoy due to EU

- **EU:** significantly higher driven by OE and AM
- **AP:** Increase in India compensating softer development in China
- **NA:** Overall lower driven by tough comps, higher OI in freight partially compensating lower OI in passenger; AM comparable

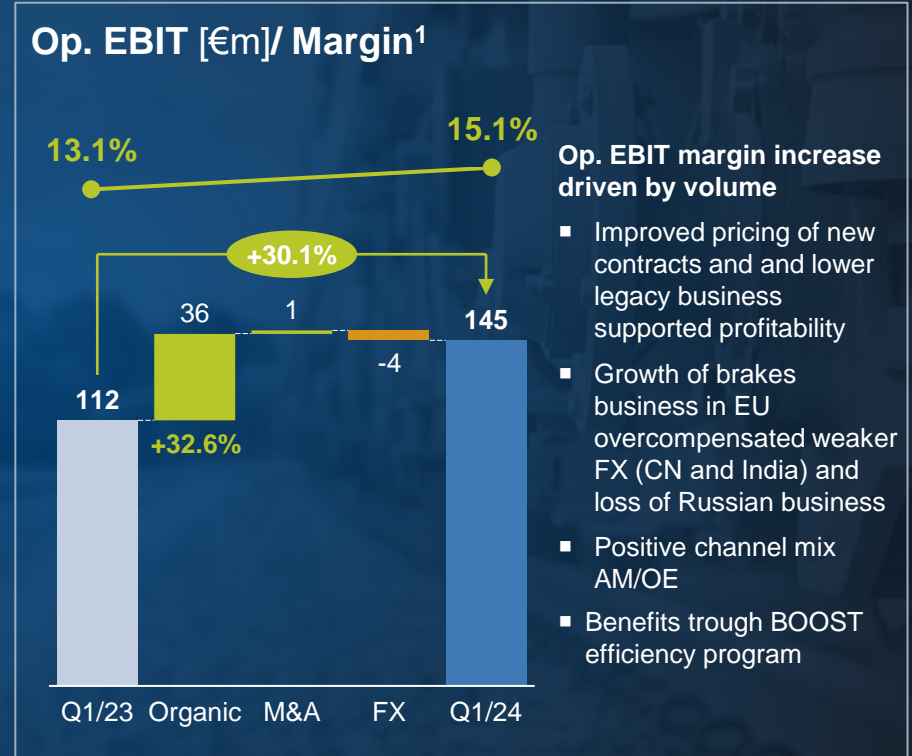
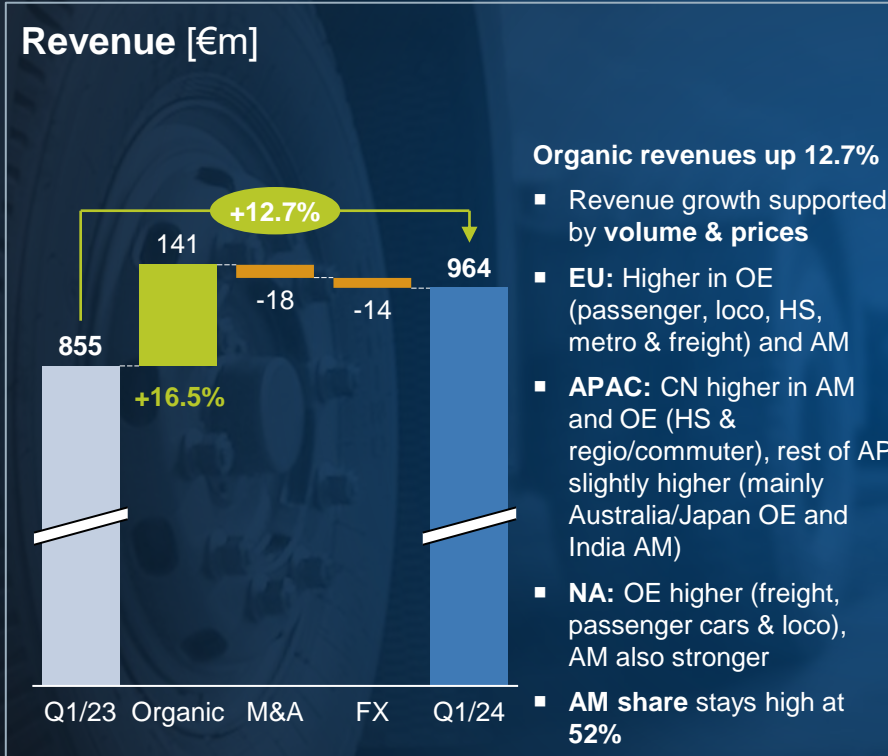
Order book [€m]



Order book remains on high level

- Order book adjusted by deconsolidation of Kiepe increasing
- Strong Order book **provides good visibility into FY24**
- **Order book** well supported by resilient and stable rail demand

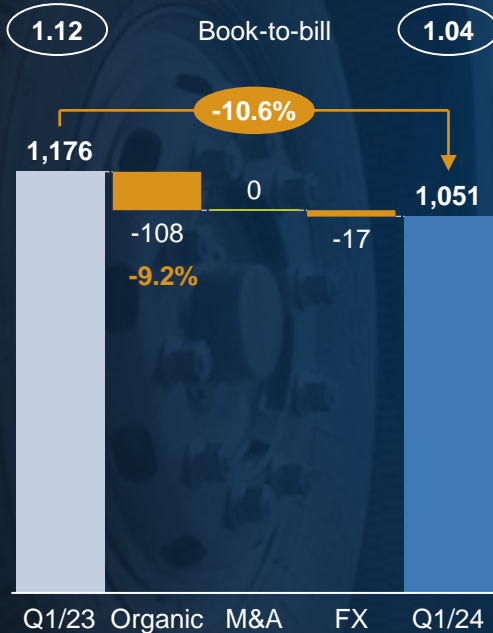
RVS: All regions grew in OE and AM business as well as significant margin improvement overall



CVS: Order book of € 2bn provides sound visibility and B-t-B >1



Order intake [€m]



OI solid on high level, after record demand

- **EU:** weaker in Q1/24 after very high Q1/23
- **APAC:** on same level as Q1/23 due to solid high demand in China, but Japan weaker driven by SEA impact
- **NA:** softer (mainly due to weakening trailer demand)

Order book [€m]



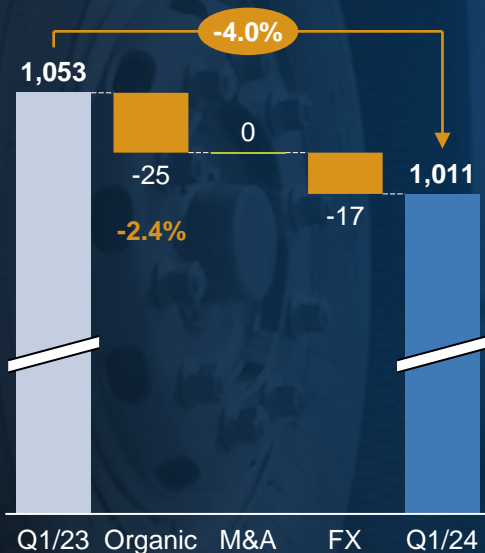
Order book remains on high level and close to € 2bn

- EU and NA slightly lower than Q1/23 (due to trailer market) APAC significantly above last year with strong China and continued economic recovery in Brazil

CVS: Better pricing and cost discipline lead to solid margin increase



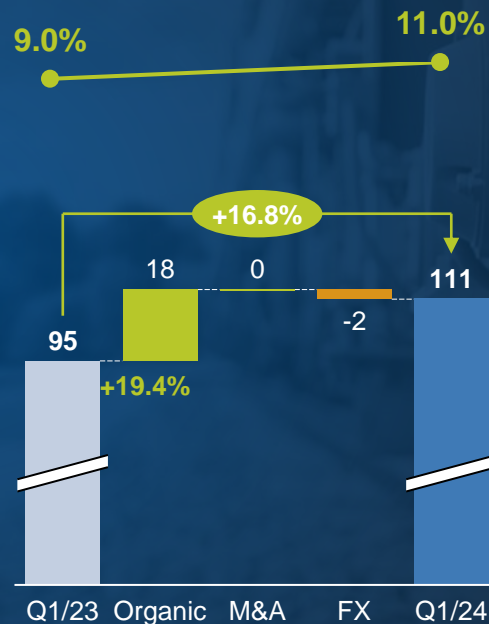
Revenue [€m]



Revenue drivers

- **EU:** slight revenue decrease due to OE in Q1/24, but good demand in AM business
- **APAC:** OE stable on high level mainly due to China, AM stable
- **NA:** OE truck sales stable but trailer lower, AM on solid level
- **AM share** increased to 30%

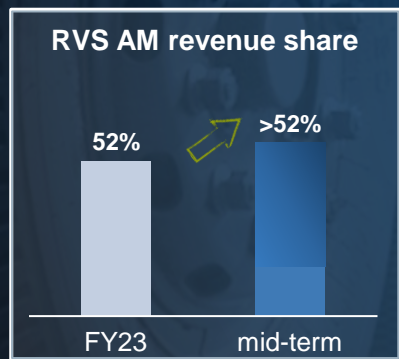
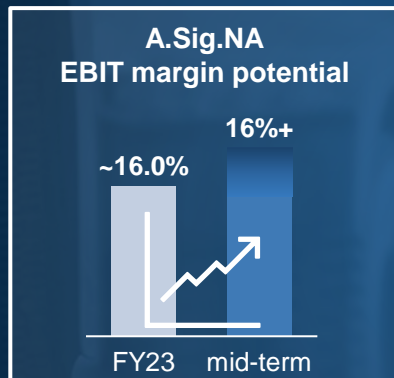
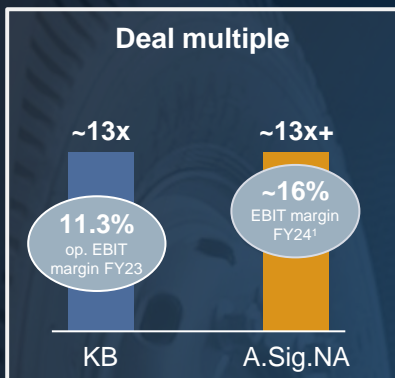
Op. EBIT [€m]/ Margin¹



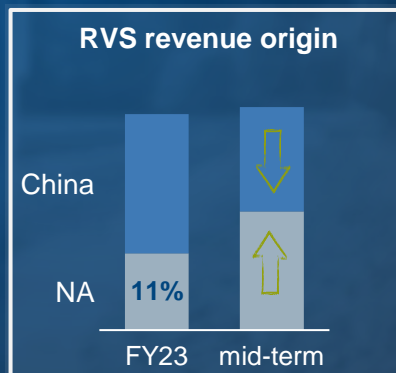
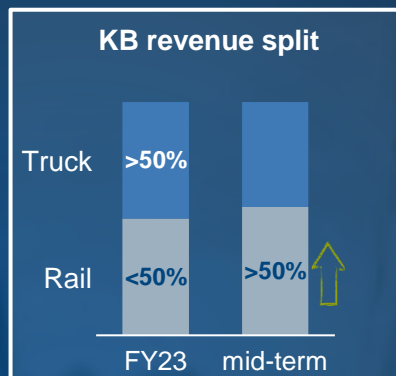
Profitability improved as promised

- Positive impact by price spill over effects yoy in EU and NA
- Cojali supportive
- Benefits trough BOOST efficiency program

Acquisition of Alstom Signalling NA with positive financial implications



- Mid-term drivers:**
- Market: growth CAGR ~5%
 - Focus on attractive projects
 - Better project execution



- ✓ Attractive price
- ✓ Accretive business
- ✓ More rail within KB
- ✓ Resilience increase
- ✓ Regional balancing

KB balance will become more “railish” again

Cultural development @KB in last 15 months

What's new

Speak-up / Failure culture

Remuneration bonus system **more profit and cash focused**

Clear strategy and portfolio optimization fuels team spirit

Walk the talk

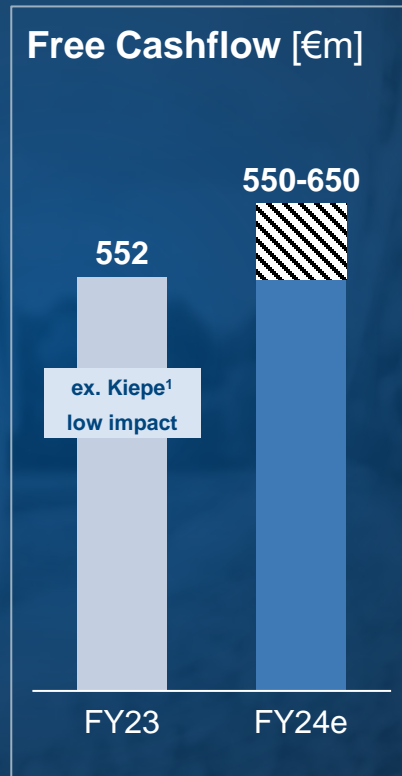
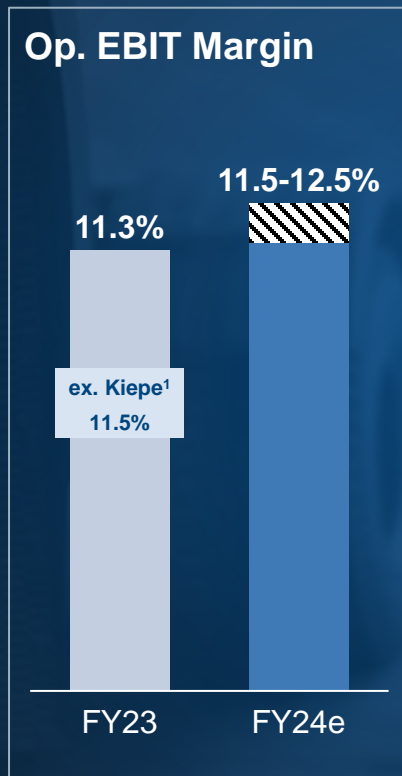
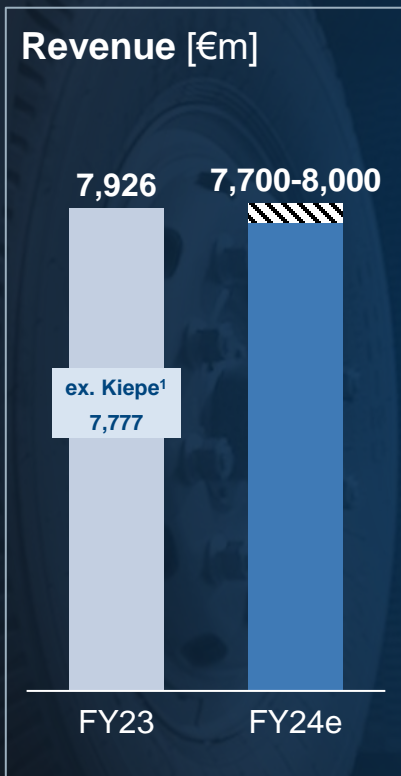
What's next

Expansion of **global responsibilities**

Execution is KING



Guidance FY24 confirmed



General Assumptions:

- Stable FX yoy
- Essentially stable geopolitical and macroeconomic conditions

Divisional Assumptions:

RVS:

- Solid organic revenue increase ↗
- Solid EBIT margin increase ↗

CVS:

- Slight revenue decrease ↘
- EBIT margin flat/ slight increase ↗

Alstom Signalling NA business will be part of guidance FY24 after closing (expected summer 2024)

Q&A / Backup

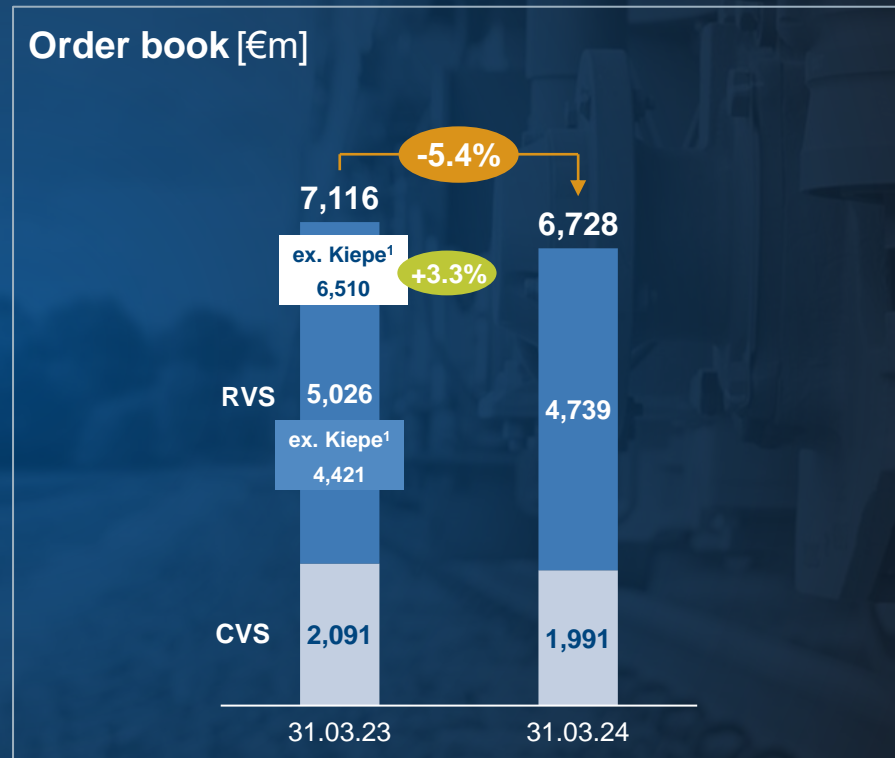
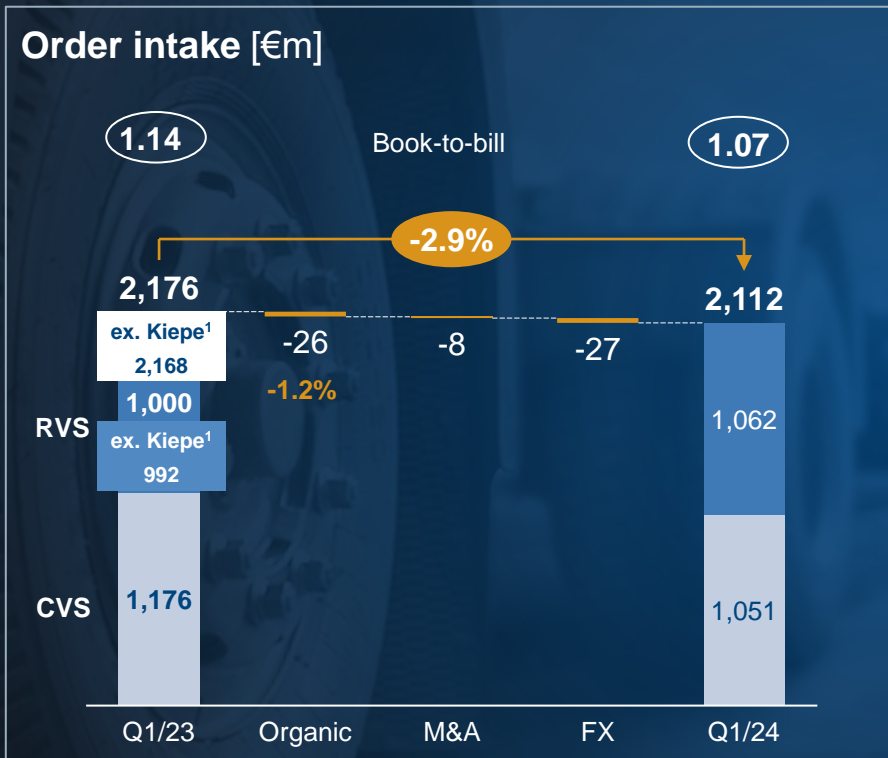


Financial calendar 2024: Upcoming events and FY24 release dates

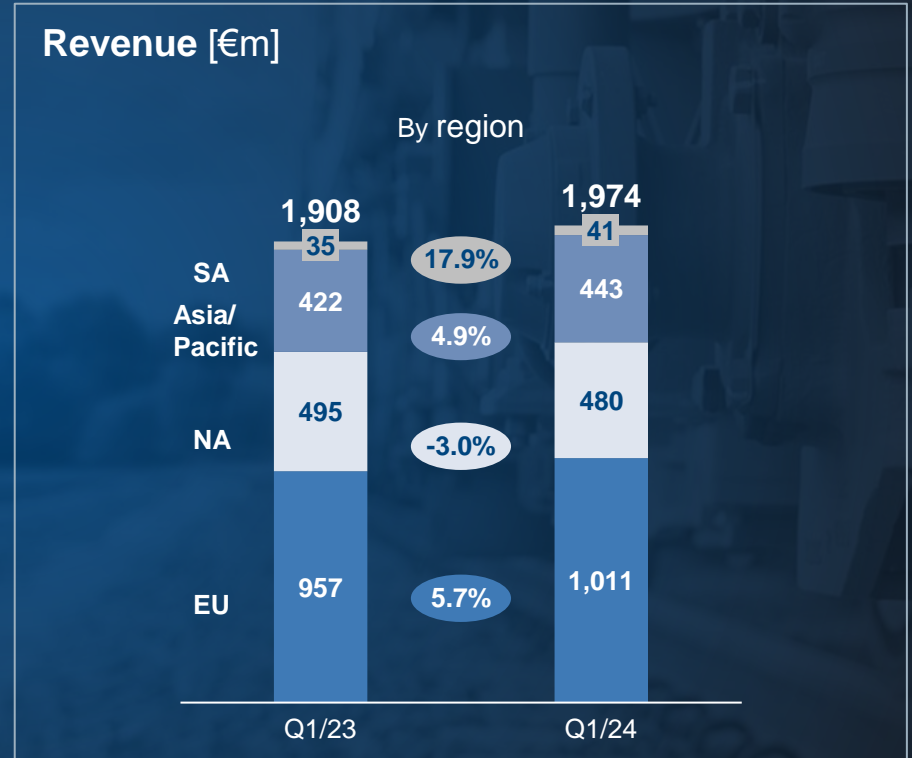
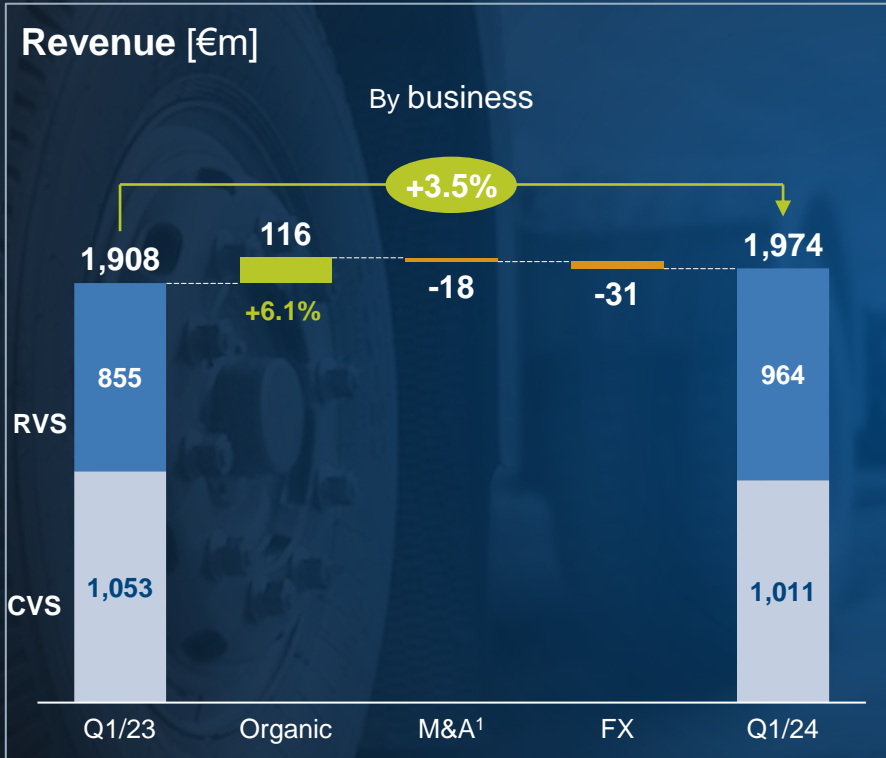


DATE	EVENT	LOCATION
May 8	Q1/24 financial results	Online
May 14	UBS Midcap Conference	London
May 15	Stifel Conference	Frankfurt
May 21	Berenberg Conference	New York
May 22-23	db Access European Conference	Frankfurt
Jun 12-13	JPM European Capital CEO Conference	London
Aug 8	Q2/24 financial results	Online
Sep 4	Commerzbank& ODDO Corporate Conference	Frankfurt
Sep 5	MS Unplugged Conference	London
Sep 23	Baader Conference	Munich
Sep 24	Berenberg Conference	Munich
Oct 31	Q3/24 financial results	Online

Q1/24 – Group: Order intake and Order book

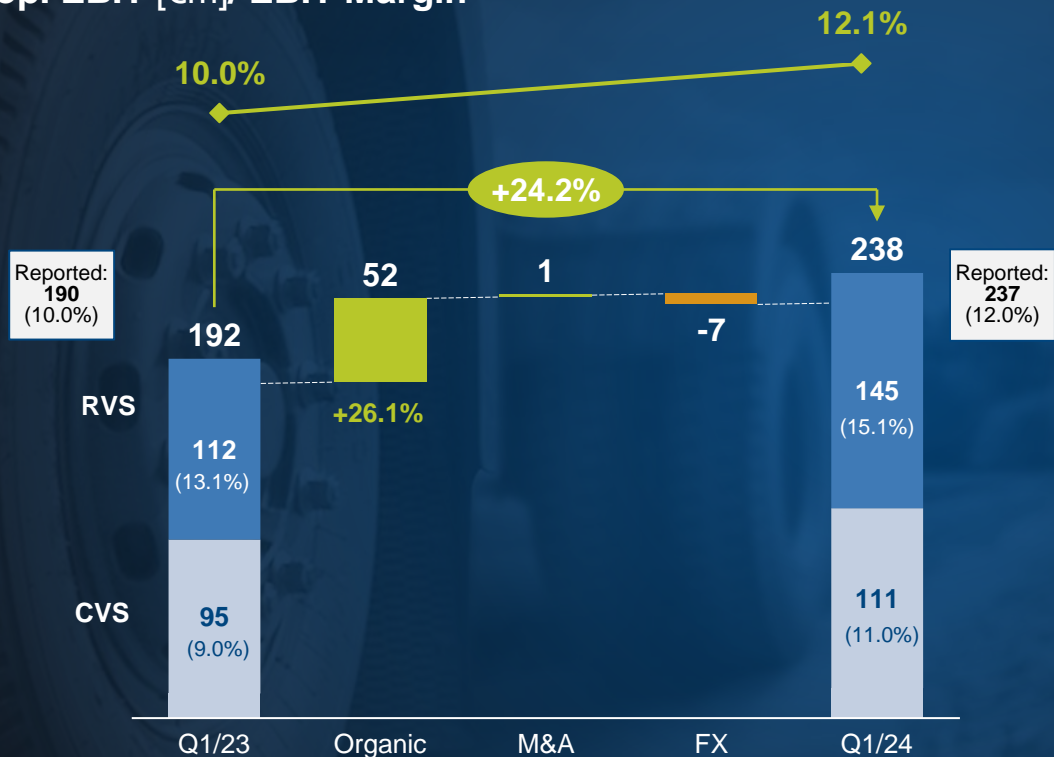


Q1/24 – Group: Revenue development



Q1/24 – Group op. EBIT growth vs. prior year

op. EBIT [€m]/ EBIT Margin¹



Group: Income statement

EUR million	2023					2024
	Q1/23	Q2/23	Q3/23	Q4/23	FY23	Q1/24
Revenues	1,907.6	2,009.9	1,938.8	2,069.3	7,925.6	1,974.2
Change in inventory of unfinished/finished products	5.4	12.0	9.1	-36.1	-9.6	52.1
Own work capitalized	27.1	26.1	25.2	34.9	113.3	32.4
Total operating performance	1,940.0	2,047.9	1,973.1	2,068.3	8,029.3	2,058.7
Other operating income	22.3	25.4	28.3	28.8	104.8	19.1
Cost of materials	-979.9	-1,034.1	-998.2	-1,001.0	-4,013.2	-1,007.7
Personnel expenses	-495.6	-491.0	-488.2	-495.0	-1,969.8	-523.5
Other operating expenses	-210.3	-248.9	-211.1	-259.7	-930.0	-224.7
Earnings before interest, tax, depreciation and amortization (EBITDA)	276.6	299.3	303.9	341.2	1,221.0	321.9
Depreciation and amortization	-86.5	-90.2	-81.2	-93.3	-351.2	-84.4
Earnings before interests and taxes (EBIT)	190.1	209.2	222.7	247.9	869.9	237.5
Interest income	8.8	6.1	8.6	8.4	31.9	14.3
Interest expenses	-21.5	-20.2	-22.2	-37.1	-101.0	-23.4
Other financial result	9.8	-5.4	-25.1	12.4	-8.3	-13.6
Income before taxes	187.1	189.6	184.1	213.0	773.8	214.8
Taxes on income	-54.6	-61.1	-46.9	-34.0	-196.6	-55.6
Net income	132.5	128.5	137.2	178.0	576.2	159.1
Profit (loss) attributable to non-controlling interests	7.8	9.4	10.3	-3.8	23.7	0.0
Profit (loss) attributable to the shareholders of Knorr-Bremse AG	124.7	119.1	126.8	181.9	552.5	5.4
Earnings per share in Euro	0.80	0.7	0.8	1.1	3.43	0.95

Group: Cashflow statement

	2023					2024
in EUR million	Q1/23	Q2/23	Q3/23	Q4/23	FY23	Q1/24
Net cash flows from/used in operating activities	-137.0	105.3	306.8	639.5	914.6	-48.3
Net cash flows from/used in investing activities	-110.7	-69.1	-88.3	-14.3	-410.6	-8.1
Net cash flows from/used in financing activities	-17.1	-263.6	-69.7	-47.3	-397.7	-23.9
Cash flow changes	-264.8	-227.3	148.7	449.7	106.3	-80.3
thereof change in cash funds resulting from exchange rate and valuation-related movements	-11.6	-16.8	6.0	-11.5	-33.9	7.8
Change of cash fund	0.0	0.0	0.0	0.0	1.0	-72.5
Cash funds at the beginning of the period	-276.4	-244.1	154.7	439.2	73.4	1,253.6
Cash funds at the end of the period	1,210.7	0.0	-5.2	0.0	1,205.6	1,181.1

Group: Balance sheet/ assets

	2023				2024
	31.03.2023	30.06.2023	30.09.2023	31.12.2023	31.03.2024
in EUR million					
Assets					
Intangible assets and goodwill	1,337.7	1,331.9	1,343.8	1,466.9	1,467.1
Property, plant and equipment	1,820.0	1,798.0	1,804.3	1,863.9	1,864.1
Investments accounted for using the equity method	75.3	67.6	67.8	60.8	62.5
Other financial assets	147.7	159.1	158.0	141.4	116.2
Other assets	94.9	94.4	94.5	94.9	97.3
Income tax receivables	0.8	1.3	1.8	2.4	0.6
Assets from employee benefits	24.1	14.0	9.8	26.2	21.2
Deferred tax assets	130.5	137.1	137.3	73.2	81.3
Non-current assets	3,630.8	3,603.4	3,617.3	3,729.8	3,710.2
Inventories	1,267.1	1,229.2	1,250.9	1,142.3	1,231.4
Trade accounts receivable	1,644.5	1,638.2	1,634.9	1,359.3	1,605.0
Other financial assets	139.4	168.9	172.8	160.9	171.1
Other assets	169.9	189.3	178.2	183.0	168.9
Contract assets	73.7	81.1	79.5	77.4	76.4
Income tax receivables	39.7	94.8	82.5	83.5	79.6
Cash and cash equivalents	954.1	688.5	884.2	1,291.4	1,268.6
Current assets	4,458.0	4,290.1	4,470.5	4,518.8	4,606.1
Total assets	8,088.8	7,893.4	8,087.7	8,248.6	8,316.3

Group: Balance sheet/ liabilities

	2023				2024
in EUR million	31.03.2023	30.06.2023	30.09.2023	31.12.2023	31.03.2024
Equity					
Subscribed capital	161.2	161.2	161.2	161.2	161.2
Capital reserves	13.9	13.9	13.9	13.9	13.9
Retained earnings	10.3	10.3	4.8	9.4	9.4
Other components of equity	-138.1	-167.8	-131.2	-169.3	-181.4
Profit carried forward	2,500.3	2,266.6	2,266.6	2,268.1	2,822.7
Profit attributable to the shareholders of Knorr-Bremse AG	124.7	243.8	370.6	552.5	153.7
Equity attributable to the shareholders of Knorr-Bremse AG	2,672.3	2,528.0	2,685.9	2,835.9	2,979.5
Equity attributable to non-controlling interests	135.9	132.7	133.1	67.6	71.4
thereof share of non-controlling interests in net income	7.9	17.3	27.6	23.7	5.4
Equity	2,808.2	2,660.7	2,819.0	2,903.5	3,050.8

Liabilities					
Provisions for pensions	223.9	219.3	202.1	242.9	235.4
Provisions for other employee benefits	17.8	18.0	18.5	18.4	19.3
Other provisions	184.7	191.8	191.0	186.4	180.4
Financial liabilities	2,042.5	2,015.7	2,014.7	2,172.8	2,210.8
Other liabilities	6.5	6.9	5.8	7.1	10.8
Income tax liabilities	6.4	9.0	9.1	4.0	8.2
Deferred tax liabilities	191.0	210.7	219.1	133.2	140.1
Non-current liabilities	2,672.8	2,671.5	2,660.2	2,764.8	2,804.9

Provisions for other employee benefits	6.6	6.9	7.6	15.7	16.1
Other provisions	169.6	172.8	175.7	171.2	174.7
Trade accounts payable	1,260.2	1,217.2	1,207.3	1,201.5	1,199.2
Financial liabilities	567.6	531.1	584.9	587.1	649.7
Other liabilities	100.6	132.7	120.8	121.5	117.1
Contract liabilities	207.5	197.1	212.8	233.0	225.8
Income tax liabilities	144.9	145.4	150.5	97.2	103.6
Current liabilities	2,607.8	2,561.2	2,608.5	2,580.2	2,489.1
Liabilities	0.0	5,232.7	0.0	5,345.0	0.0
Total assets	8,088.8	7,893.4	8,087.7	8,248.6	8,344.8

Investor relations contact



**Andreas
Spitzauer**



+49 89 3547 182310



+49 175 5281320



Andreas.Spitzauer@knorr-bremse.com



**Sophia
Kursawe**



+49 89 3547 187311



+49 151 62330709



Sophia.Kursawe@knorr-bremse.com



**Stephanie
Jaschiniok**



+49 89 3547 183466



+49 171 8451732



Stephanie.Jaschiniok@knorr-bremse.com

This presentation has been prepared for information and background purposes only. It does not constitute or form part of, and should not be construed as, an offer of, a solicitation of an offer to buy, or an invitation to subscribe for, underwrite or otherwise acquire, any securities of Knorr-Bremse AG (the “Company”) or any existing or future member of the Knorr-Bremse Group (the “Group”), nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company, any member of the Group or with any other contract or commitment whatsoever. This presentation does not constitute and shall not be construed as a prospectus in whole or in part.

Any assumptions, views or opinions (including statements, projections, forecasts or other forward-looking statements) contained in this presentation represent assumptions, views or opinions of the Company as of the date indicated and are subject to change without notice. The Company disclaims any obligation to update or revise any statements, in particular forward-looking statements, to reflect future events or developments. All information not separately sourced is derived from Company’s data and estimates. Information contained in this presentation related to past performance is not an indication of future performance. The information in this presentation is not intended to predict actual results, and no assurances are given with respect thereto.

The information contained in this presentation has not been independently verified, and no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information contained herein, and no reliance should be placed on it. Neither the Company nor its advisers and any of their respective affiliates, officers, directors, employees, representatives and advisers, connected persons or any other person accepts any liability for any loss howsoever arising (in negligence or otherwise), directly or indirectly, from this presentation or its contents or otherwise arising in connection with this presentation. This shall not, however, restrict or exclude or limit any duty or liability to a person under any applicable law or regulation of any jurisdiction which may not lawfully be disclaimed (including in relation to fraudulent misrepresentation).

Historical financial or operative information contained in this presentation, if not taken or derived from our accounting records or our management reporting or unless otherwise stated, is taken or derived from financial statements prepared in accordance with either IFRS (for the financial years 2014-2019) or German GAAP (HGB) (for the financial years 1989-2019), each as indicated in this presentation, for the respective period. The financial statements prepared in accordance with IFRS may deviate substantially from (segmental or other) information in the financial statements prepared in accordance with German GAAP (HGB) and, thus, may not be fully comparable to such financial statements. Accordingly, such information prepared in accordance with German GAAP (HGB) is not necessarily indicative for the future results of operations, financial position or cash flows for financial statements prepared in accordance with IFRS. All amounts are stated in million euros (€ million) unless otherwise indicated. Rounding differences may occur. This presentation contains certain supplemental financial or operative measures that are not calculated in accordance with IFRS or German GAAP (HGB) and are therefore considered as non-IFRS measures. The Group believes that such non-IFRS measures used, when considered in conjunction with (but not in lieu of) other measures that are computed in accordance with IFRS, enhance the understanding of our business, results of operations, financial position or cash flows. There are, however, material limitations associated with the use of non-IFRS measures including (without limitation) the limitations inherent in the determination of relevant adjustments. The non-IFRS measures used by us may differ from, and not be comparable to, similarly-titled measures used by other companies.

This presentation includes “forward-looking statements.” These statements contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect” and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations (including cost savings and productivity improvement plans) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the market environment in which the Company will operate in the future. These forward-looking statements speak only as of the date of this presentation. Each of the Company, the relevant Group entities and their respective agents, employees and advisers, expressly disclaims any obligation or undertaking to update any forward-looking statements contained herein. You are urged to consider these factors carefully in evaluating the forward-looking statements in this presentation and not to place undue reliance on such statements.

To the extent available, the industry and market data contained in this presentation has come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee, representation or warranty (either expressly or implied) of the accuracy or completeness of such data or changes to such data following publication thereof. Third party sources explicitly disclaim any liability for any loss or damage, howsoever caused, arising from any errors, omissions or reliance on any information or views contained in their reports. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this presentation.