Company Presentation

VTG AG – Connecting worlds

Analyst Conference

April 14, 2015

Table of content

Executive Summary

Highlights 2014

- Group development largely driven by Railcar Division
- Strong investments into new builds
- Utilization showing continuous upward trend
- Reorganization of Rail Logistics Division
- AAE acquisition will strengthen VTG´s position as leading European wagon hire company

Group figures

	2013	2014
Sales	€ 783.7 million	€ 818.3 million
EBITDA	€ 183.8 million	€ 191.0 million
Number of Railcars	52,700	53,100
ROCE	8.2%	8.4%

Railcar Division – Highlights 2014

1

Europe

- Continuous investment into new builds to maintain and grow existing fleet
- 1,500 new railcars added
- Slight decrease of average fleet age
- Acquisition of AAE with additional ~ 28,000 railcars

2

North America

- High utilization maintained
- Business opportunities monitored over the year
- Largest order for new builds placed end of 2014
- Delivery expected in 2017

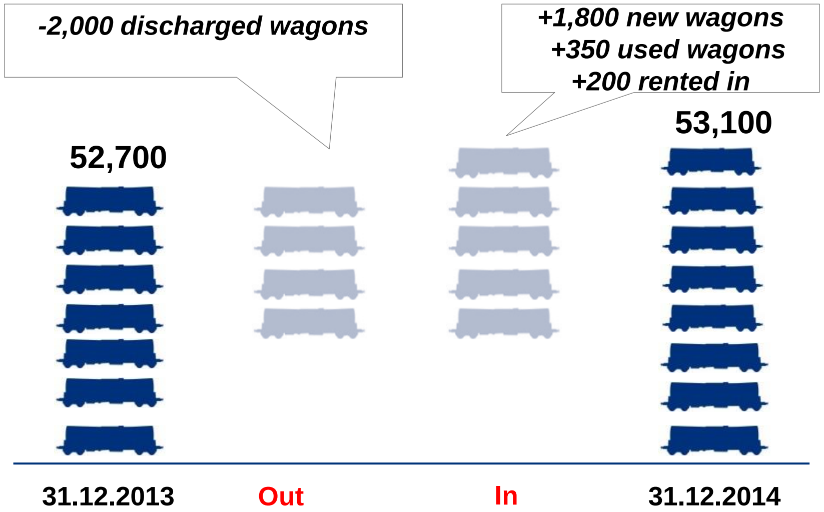
3

Russia

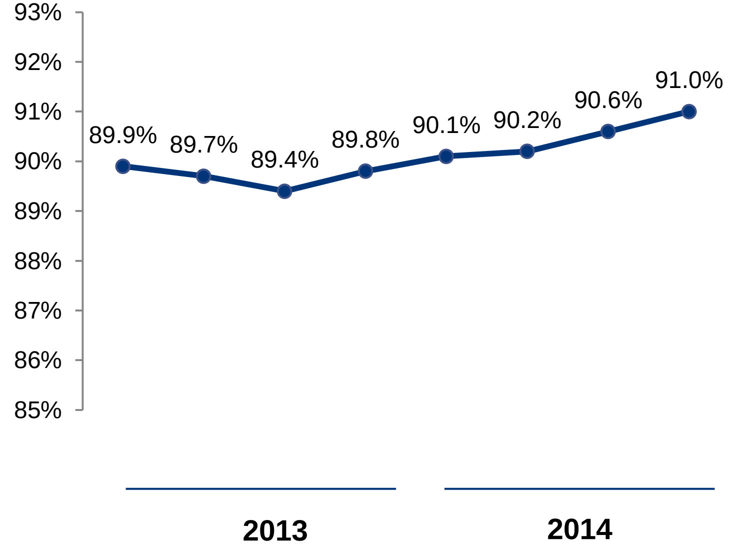
- Expanding fleet with additional 350 new build railcars
- +2,000 railcars with the acquisition of AAE
- Utilization on a high level with a downward trend in pricing
- Further capex plans on hold due to uncertain political and economical situation

Railcar Division – Fleet development

Fleet development 2014



Utilization



- Majority of new railcars built for the European market. Small investments into Russia
- Utilization with continuing upward trend throughout 2014

Mixed picture in Logistics Divisions

Rail Logistics

- Expectations on Joint Venture with Kühne+Nagel could not be met in 2014
- Increasing competition in liquid goods segment
- Development of new corridor concepts
- Starting optimization of processes and structures

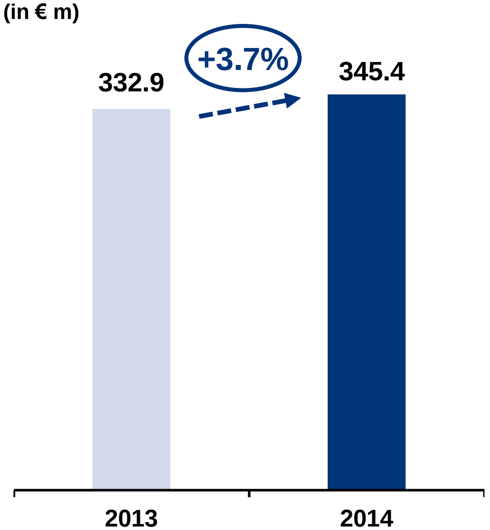
Tank Container Logistics

- Defending margins in a difficult environment
- Despite weak economy volumes in Europe slightly increased, Asia and North America stabilized
- Focus on expansion of collaboration with selected strategic customers
- Optimization and reduction of imbalances

Sales development by division

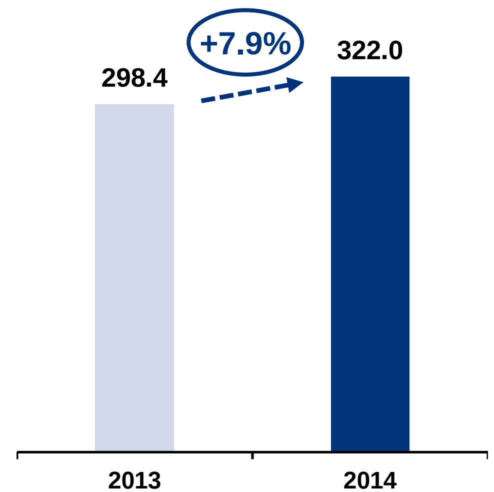
Railcar

(in € m)



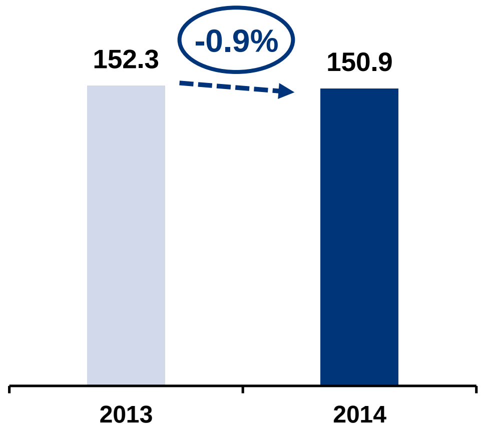
Rail Logistics

(in € m)



Tank Container Logistics

(in € m)



Comment

- Investments into new railcars and a higher utilization supporting sales development
- Utilization with 91.0% on the highest level since Q1 2012

Comment

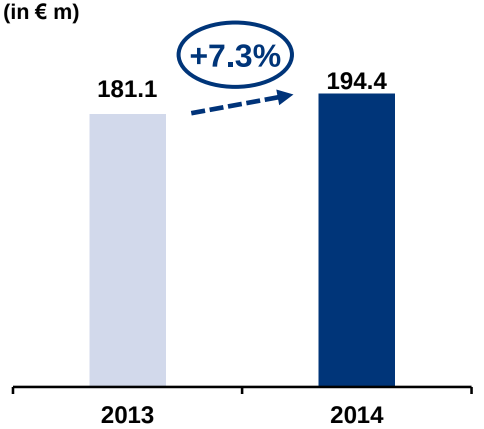
- Increase in sales driven by addition of the K+N business since January 2014
- Liquid goods segment affected by higher competition

Comment

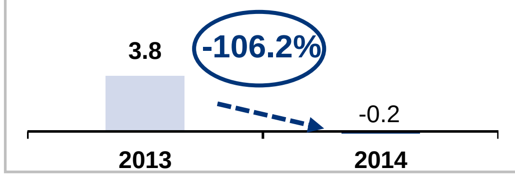
- Increasing volumes in Europe, stable situation in North America und Asia
- Despite ongoing overcapacities sales almost unchanged

EBITDA development by division

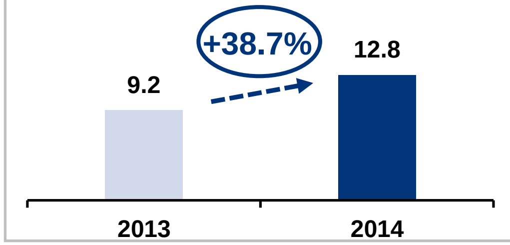
Railcar
(in € m)



Rail Logistics
(in € m)



Tank Container Logistics
(in € m)



Comment (Railcar)

- EBITDA increased even stronger compared to sales
- EBITDA margins slightly higher:
  - 56.3% (2014)
  - 54.4% (2013)

Comment (Rail Logistics)

- EBITDA strongly decreased due to:
  - Market factors (Rus./Ukr.)
  - Overhead addition
  - Restructuring charges
  - Competitive environment
- EBITDA margins* down:
  - -0.9% (2014)
  - 16.8% (2013)

Comment (Tank Container Logistics)

- Strong increase in EBITDA supported also by extra-ordinary effect (€ 2.3 m)
- On a normalized basis EBITDA margins* still improved:
  - 40.1% (2014)
  - 38.1% (2013)

* EBITDA margins calculated on gross profit.

Table of content

Group key figures

Key figures

(in € m)	2013	2014	Δ in %
Sales	783.7	818.3	+4.4
EBITDA	183.8	191.0	+4.0
EBIT	77.7	83.5	+7.4
EBT	27.4	29.8	+8.6
Net income	17.2	18.8	+9.2
Net income to VTG shareholders	15.2	19.8	+30.4
EPS (in €)	0.71	0.93	+30.4

Comment

- **Group sales** increased slightly
- **EBITDA and EBIT** continued their upward development
- **Group EBT and net income** well above last year's period
- **EPS** significantly above 2013

Better (net) financial result

Split of financial result (in € m)

	2013	2014	cash	non-cash
EBIT	77.7	83.5		
EBT	27.4	29.8		
Financial result	**(50.3)**	**(53.7)**		
Thereof:				
interest exp. of financial debt	(36.4)	(38.0)	cash [1]	
interest exp. from credit lines	(2.1)	(1.7)	cash	
	(38.5)	**(39.7)**		
swap cash effect } until 6/2015	(7.4)	(7.4)	cash [1]	
swap valuation (m-t-m) } until 6/2015	0.0	(0.5)		~~cash~~ [2]
	(7.4)	**(7.9)**		
transaction costs	(2.0)	(2.0)		~~cash~~ [2]
interest on pensions	(1.7)	(1.8)		~~cash~~ [2]
other financial result	(0.7)	(2.3)	cash	
	(4.4)	**(6.1)**		

Comment

- Financial result in 2014 decreased mainly on the back of higher net debt
- Expenses for **ineffective swaps** amounted to € 7.9 m (Swaps will expire June this year)
- [1] Cash related interest expenses: € 45.4 m representing an interest rate slightly below 6%
- [2] Non-cash related interest expenses amount to € 4.3 m

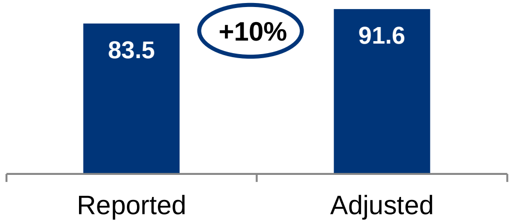
Earnings include temporary effects

Key Figures

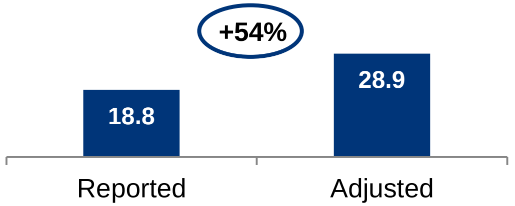
(in € m)	2013	2014
EBIT (reported)	**77.7**	**83.5**
*PPA**	*7.4*	*8.1*
EBIT (adj.)	**85.1**	**91.6**
EBT (reported)	**27.4**	**29.8**
*Interest swaps***	*7.4*	*7.9*
EBT (adj.)	**42.2**	**45.8**
Net income (adj.)***	**26.6**	**28.9**
EPS (adj.)***	**1.15**	**1.40**

* Running until 2021, reduced to € ~5m from 2018 onwards
** Running until mid 2015
*** Applying a group tax rate of 37% on temporary effects

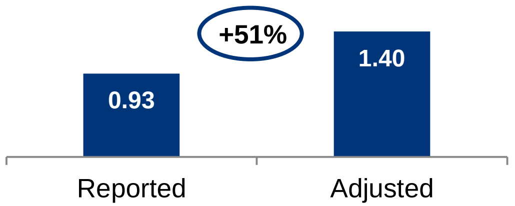
EBIT 2014



Net income 2014

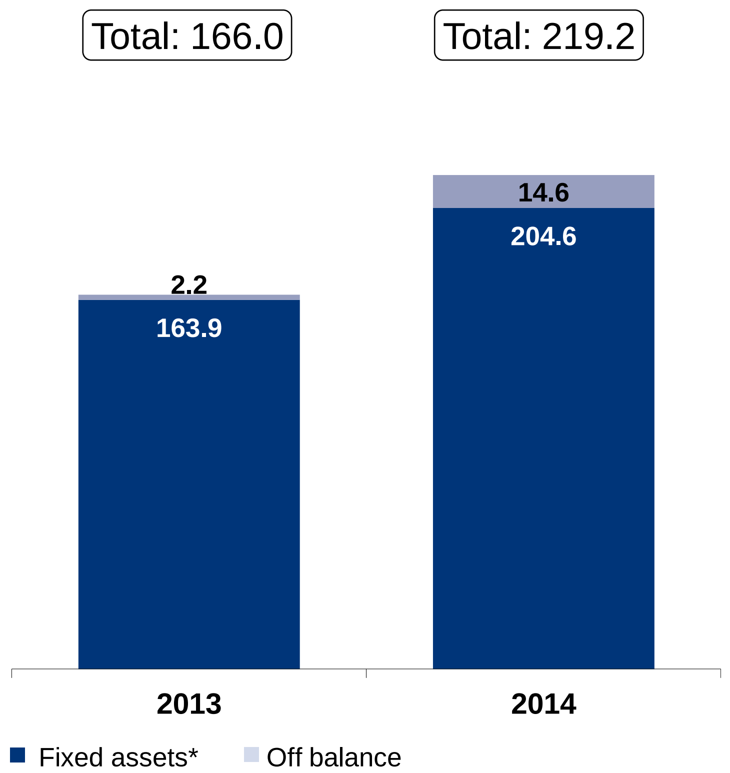


EPS 2014



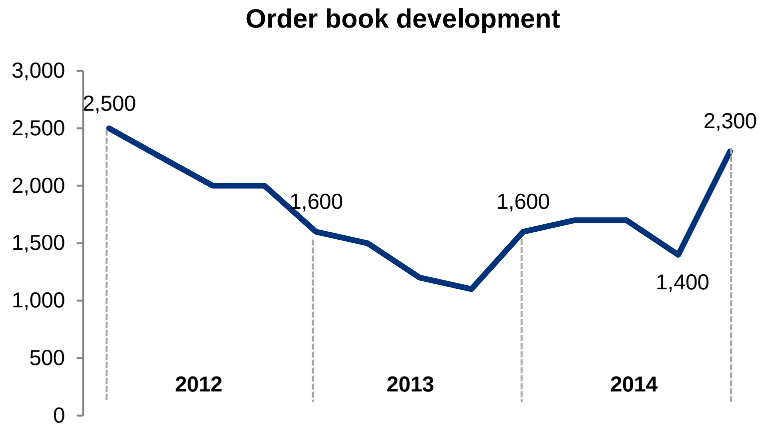
Capex – Above prior year´s level

Capital expenditures (in € m)



Comment

- Increased capex level in 2014 reflects growth strategy for the rail car business
- Higher portion of off balance financing
- Order book: 1,100 Europe
  1,200 North America (majority will be delivered in 2017)



* Capex for fixed assets, including intangible assets and capitalization of revision costs.

VTG Group – Operating cash flow and Net debt

Cash flow

(in € m)	2013	2014
Operating cash flow[2)]	149.8	159.9
Investing cash flow I (Maintenance capex*)	(90.8)	(91.5)
FCF before growth	59.0	68.4
Investing cash flow II (Growth capex)	(49.9)	(82.3)
FCF after growth	9.1	(13.9)
Total investing cash flow [2)]	(140.7)	(171.1)

* Maintenance capex = depreciation on railcars and tankcontainers - PPA.

[2)] Figures from consolidated annual financial statements

Net debt

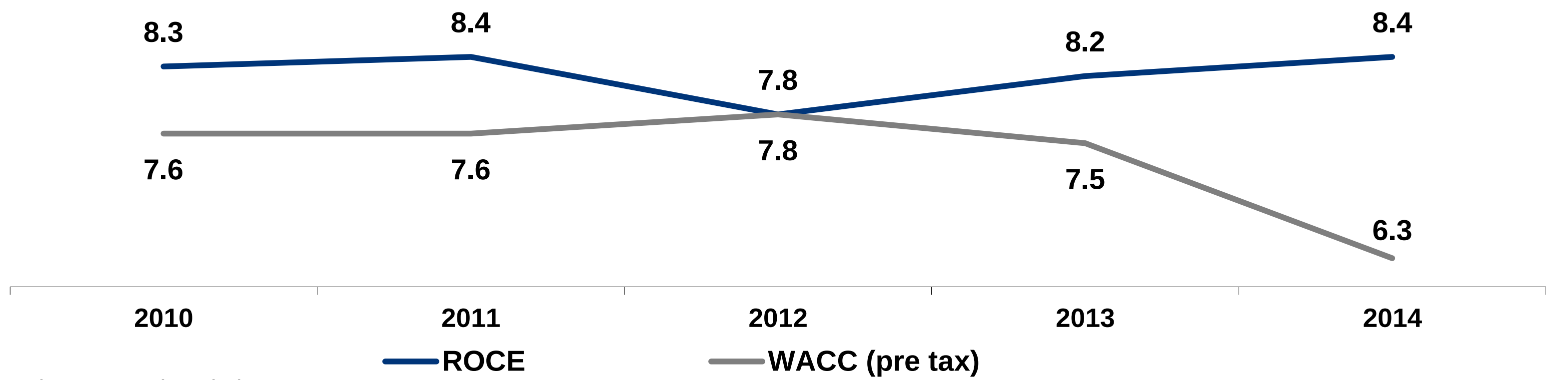
(in € m)	31.12.2013	31.12.2014
Net debt	(749.1)	(829.3)
Net debt adjusted (incl. pensions)	(804.4)	(893.9)
Net debt adj./EBITDA	4.4	4.7

Comment

- 2014 operating cash flow increased by 6.7%
- Positive free cash flow before growth capex in 2014 of € 68.4m
- Nebt debt adj./EBITDA ratio in line with market standard and still on a conservative level:
  - Infrastructure-like business model
  - Strong operating cash flow

Comparing ROCE and WACC

ROCE and WACC*



* Using targeted capital structure

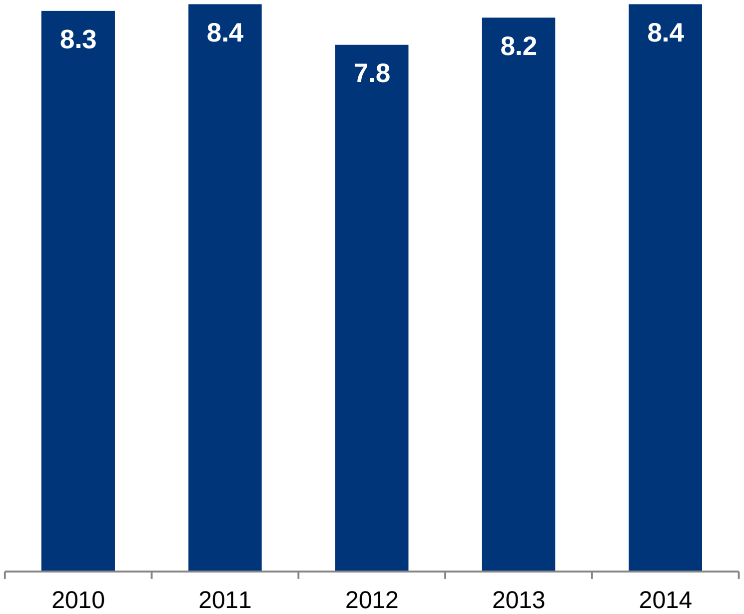
Comment

- VTG has always covered its capital costs
- ROCE rose in 2014 again, despite the weaker performance of the logistics divisions
- WACC strongly decreased due to lower risk free rate and reduced beta

Several effects influenced ROCE development

ROCE Development

(in %)



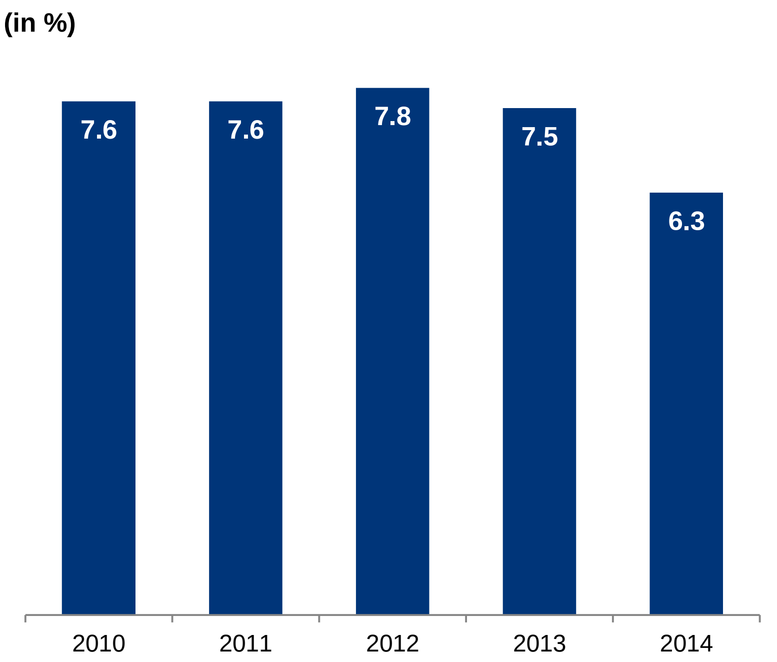
ROCE Calculation

(in m €)	2013	2014
EBIT	77.8	83.5
Elimination PPA	7.4	8.1
Elimination extraordinary result	5.4	7.7
EBIT normalized	90.5	99.3
Av. capital employed	1,097.3	1,180.1
$\text{ROCE} = \frac{\text{EBIT normalized}}{\text{Capital employed}}$	8.2%	8.4%

- Average Capital Employed increased by 7.5% compared to last year
- Normalized EBIT went up 9.7% in 2014
- ROCE increased in two consecutive years

WACC development

WACC Development



WACC Calculation

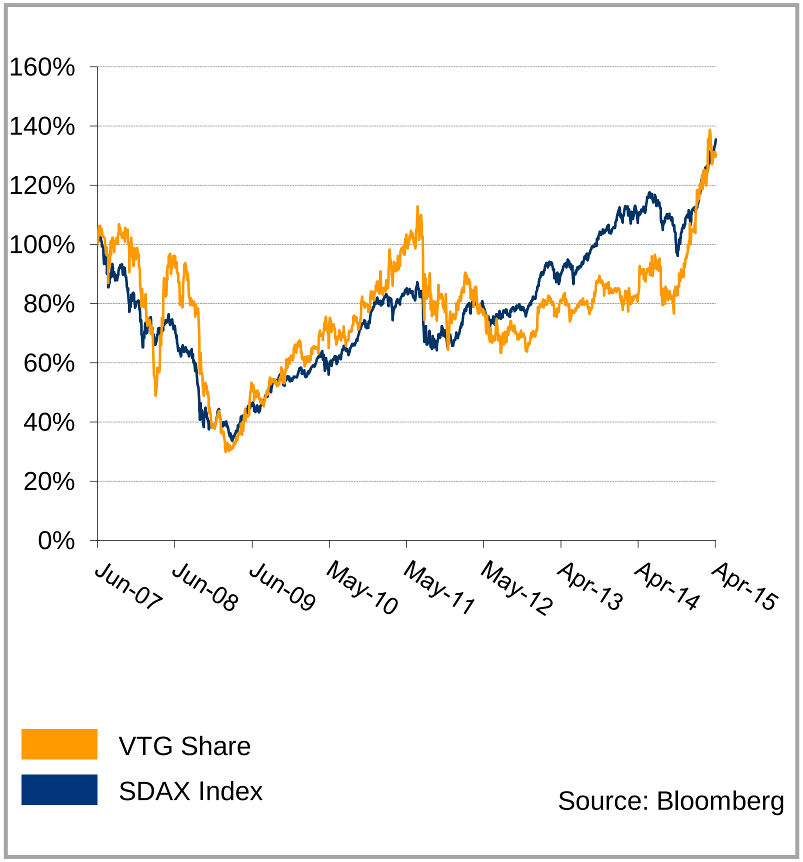
	2013	2014
Risk free rate	2.7 %	1.9 %
Market Risk premium	6.0 %	6.0 %
Beta	1.25x	0.92x
Cost of Equity (pre tax)	**16.3 %**	**11.8 %**
Debt premium	187 bp*	252 bp*
Cost of debt (pre tax)	**4.6 %***	**4.4 %***
Share of equity	25.0 %	25.0 %
Share of debt	75.0 %	75.0 %
WACC (pre tax)	**7.5 %**	**6.3 %**

* excluding effects from interest swaps

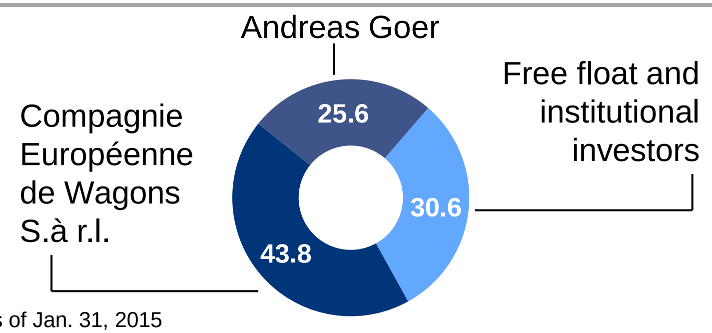
- Pre tax calculation uses a tax rate of 37.0 %
- WACC significantly below 2013
- Capital structure based on company targets

VTG Group with two strong anchor shareholders

Development of share price June 28th, 2007 – April10th, 2015



Ownership structure according to latest announcements*



* As of Jan. 31, 2015

Group dividend per share (in €)

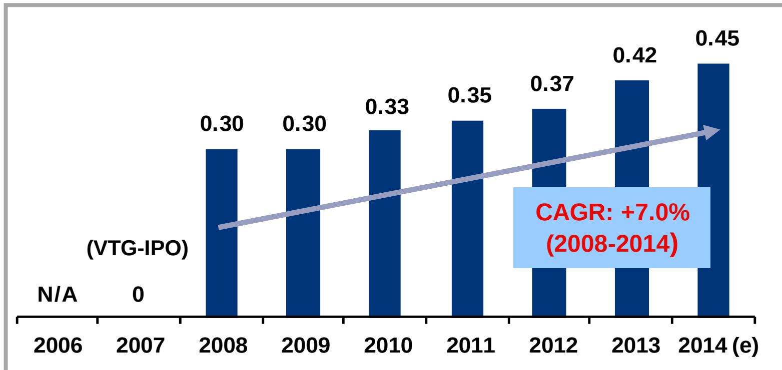


Table of content

Strategy of railcar division

1

Growth in existing markets

- Strengthening of position in European core market
- Diversification via M&A and new builds
- Extending service portfolio / mobile repairs
- Own production as innovation platform
- Starting partnerships with national railways (e.g. ZSSK)

2

Growth in new markets

North America:
- Enlarge existing fleet to mid-term target of about 10,000 wagons

Russia /CIS:
- Extend footprint and increase expertise

AAE – Overview

Member of the VTG Group

- Railcars in Europe and Russia
- Fleet of about 29,300 rail cars
  - 15,210 wagons for intermodal transports
  - 8,750 standard freight cars
  - 3,300 wagons (Slovakia, 50% JV)
  - 2,000 wagons (Russia, 57% JV)
- Founded in 1989
- Head Office: Baar, Switzerland
- Headcount: ~ 150

Advantages of AAE

- Leading operator for freight cars in intermodal transport
- Active in one of the fastest growing segments of rail transportation
- Young fleet: average age of appr. 15 years
- Strong experience in wagons with high mileage
- Business model caters more to the needs of railways (VTG: shipper focus)

VTG and AAE: a perfect match

Fleet focus

- VTG: Focus on **tank cars**
- AAE: Focus on **intermodel cars**

Average age

- VTG: grown organically and via M&A over decades **(Ø 23 years)**
- AAE: only organic growth **(over 80% is younger than 20 years)**

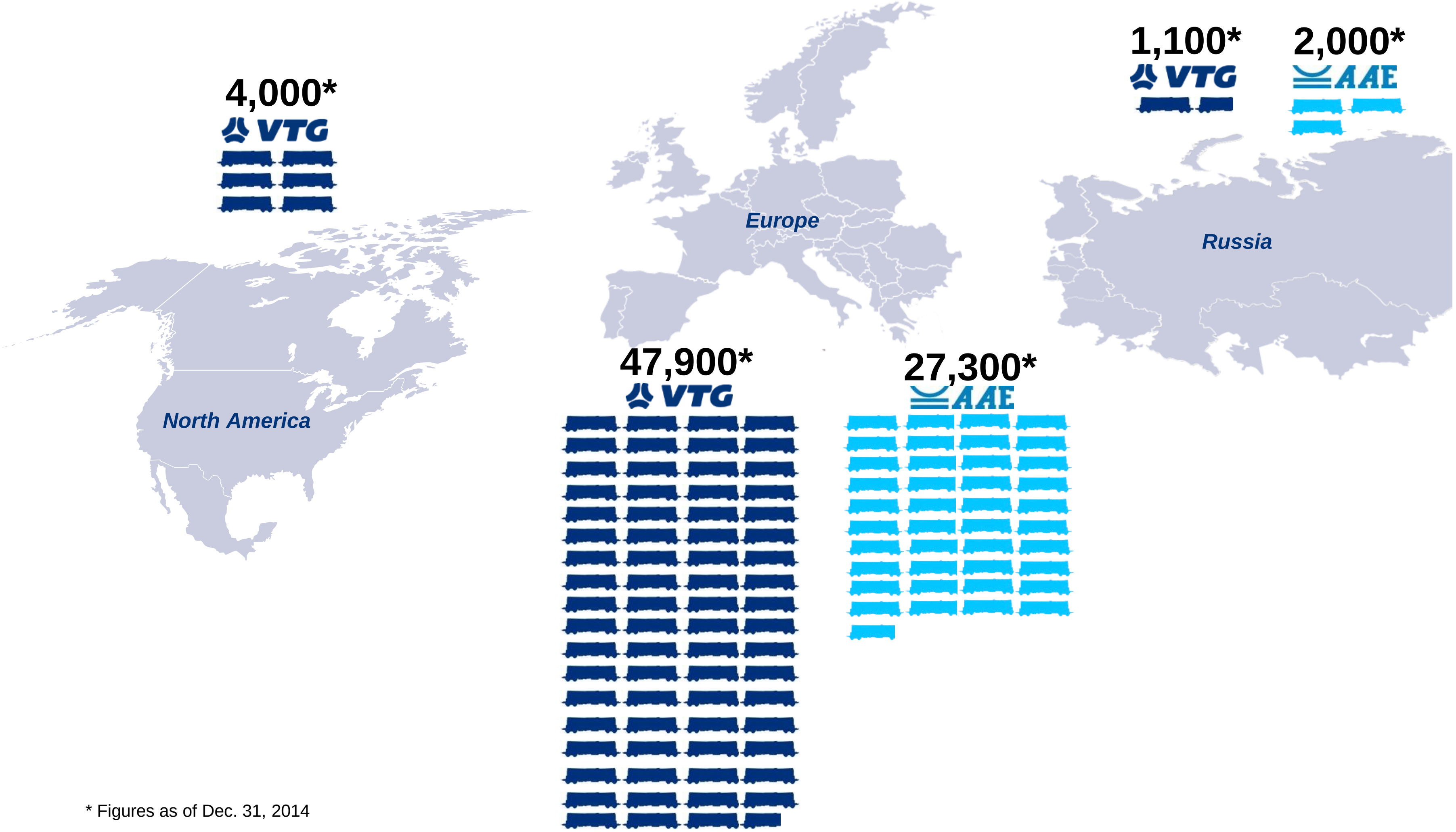
Customers

- VTG: Focus on **industrial customers (shippers)**
- AAE: Focus on **railways and operators**

Contracts

- VTG: Predominantly **Wet Lease contracts**
- AAE: Predominantly **Dry & Soggy Lease contracts**

Acquisition of AAE to strengthen European core market



* Figures as of Dec. 31, 2014

Strategy VTG Group

BUSINESS
- ONE VTG: Strengthening segment cooperation
- Profitable growth in existing markets
- Unlock the potential of new markets

People
- Support and develop employees
- Effective leadership is an important management skill
- Positioning ourselves as an attractive employer

Key strategic elements

PROFITABILITY
- Increasing profitability
- Delivering a premium over our capital costs

ENVIRONMENT AND SAFETY
- Increase environmentally friendly rail freight transport
- Expanding VTG´s position as leader in quality, safety and innovation

PROCESSES
Development, simplification and optimization of business processes

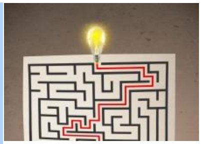


Table of content

Outlook FY 2015

1

Railcar

- Continued investments in 2015
- With the takeover of AAE capex in total numbers above 2014
- Stable utilization expected with minimal fluctuations

Sales and EBITDA are expected to increase significantly compared to 2014.

2

Rail Logistics

- Addressing new customer groups / industries
- Reorganization and realignment of processes and structures
- Measures expected to show full effect in the current year

Only moderately higher sales. EBITDA expected to increase significantly with the division getting profitable again.

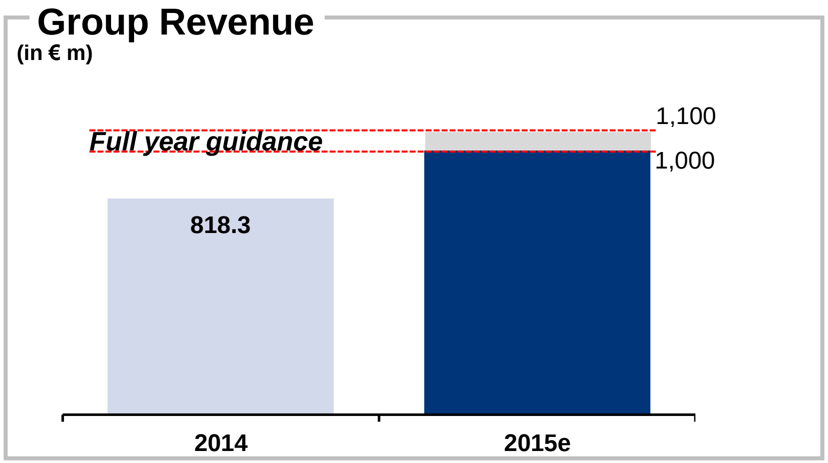
3

Tank Container Logistics

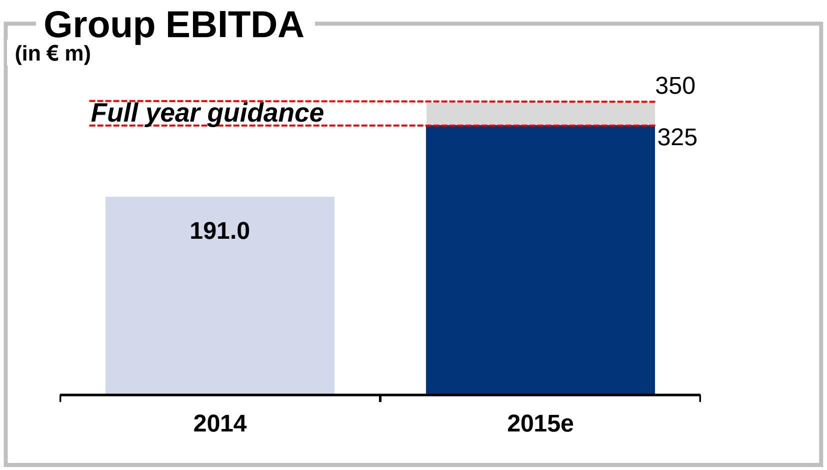
- Unchanged pressure on margins in 2015
- Slowly improving global economic outlook

Sales and EBITDA expected to stay on previous year´s level. On normalized level EBITDA will increase.

Group guidance FY 2015 [1)]



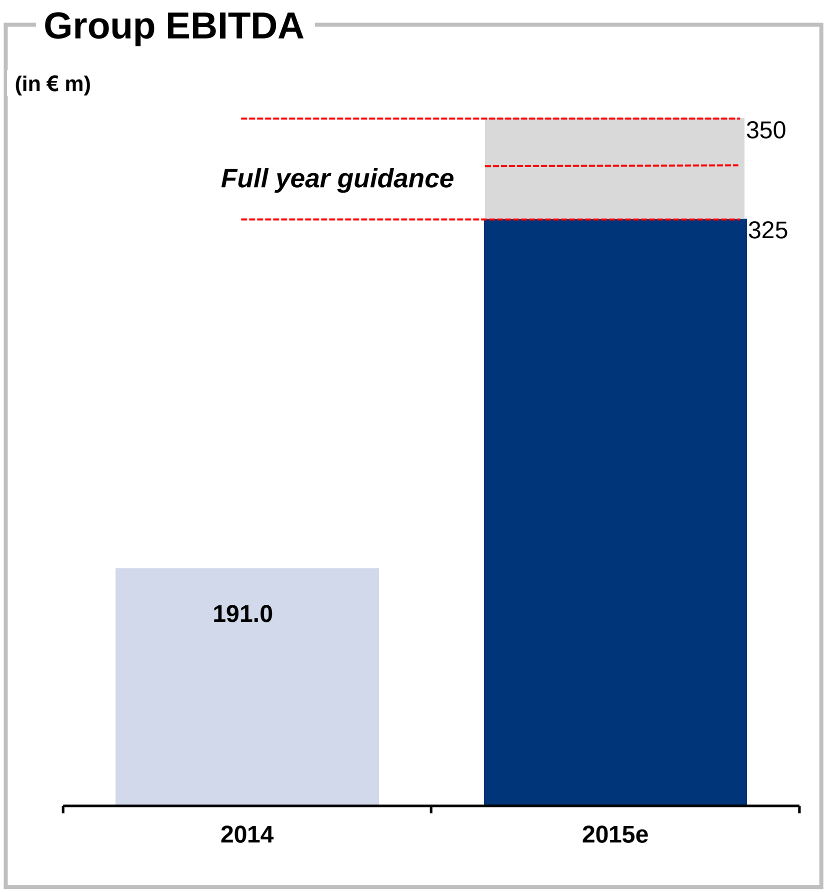
Group revenue incl. AAE for 2015 expected to range between of € 1.0 – 1.1bn



Group EBITDA incl. AAE for 2015 expected to range between of € 325 – 350m

[1)] incl. AAE Group

Details on group EBITDA guidance



Opportunities and risks include in guidance range

- Development of utilization rates for railcars (VTG and AAE)
- Development of Logistics Divisions
- Total amount of integration and transaction costs
- Exchange rates of Russian Ruble and Swiss Franc
- Sale of wagon portfolio to investors (deleveraging)

Table of content

Disclaimer

This presentation contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of VTG Aktiengesellschaft. Forward-looking statements shall not be construed as a promise for the materialization of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting VTG Aktiengesellschaft, and other factors. VTG Aktiengesellschaft does not assume any obligations to update any forward-looking statements.

This document and the information contained herein are for information purposes only and do not constitute a prospectus or an offer to sell or a solicitation of an offer to buy any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “Securities Act”) or the laws of any state of the United States, and may not be offered, sold or otherwise transferred in the United States absent registration or pursuant to an available exemption from registration under the Securities Act. VTG Aktiengesellschaft does not intend to register any securities referred to herein in the United States.

Save the date 2015

Preliminary Financial Calendar 2015:

- February — Preliminary Results FY 2014
- April 14th — Annual Report FY 2014
- April 14th — Analyst Conference
- May 21st — Interim Report for the 1st Quarter 2015
- May 29th — Annual General Meeting, Hamburg
- August 27th — Half-Yearly Financial Results 2015
- November 19th — Interim Report for the 3rd Quarter 2015

Contact Investor Relations

Christoph Marx
Head of Investor Relations
Phone: +49 40 2354 1351
Fax: +49 40 2354 1350
Email: christoph.marx@vtg.com

VTG Aktiengesellschaft, Nagelsweg 34, 20097 Hamburg, Germany