

Q1/2015 Results

VTG AG – Connecting worlds

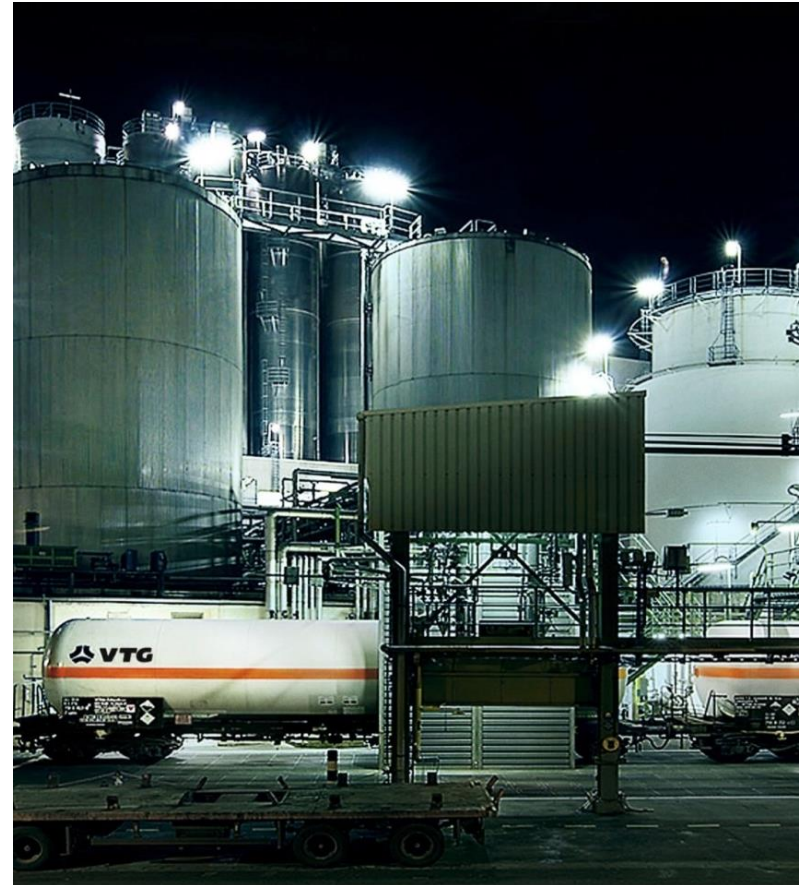
Dr. Heiko Fischer, CEO
Dr. Kai Kleeberg, CFO

May 21, 2015



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Executive Summary

Highlights Q1/2015

- Key figures largely driven by acquisition of AAE
- Beyond the takeover of AAE, all segments performed well
- Utilization slightly up vs. to Q1 2014 – almost unchanged vs. Q4 2014
- Rail Logistics Division with an upward development
- Investments on previous year’s level



Group figures

	Q1 / 2014	Q1 / 2015
Sales	€ 199.6 million	€ 251.7 million
EBITDA	€ 44.0 million	€ 83.6 million
Investments	€ 47.6 million	€ 50.5 million
Utilization	90.1%	90.9%

Highlights by divisions

1

Railcar



- Positive start into the year
- Utilization slightly up (90.9%)
- Delivery of about 400 new-builds in Europe
- Slightly increased order book to 2,450 with the takeover of AAE

2

Rail Logistics



- Increasing sales in project business
- Liquid goods still challenging
- Reorganization continued in Q1 - first results in reducing cost structure
- EBITDA-Margin slightly improved

3

Tank Container Logistics



- Good demand from Asia and the US
- Sale of a non-consolidated company to streamline business
- Strong US-Dollar supported sales and earnings
- Margin improved

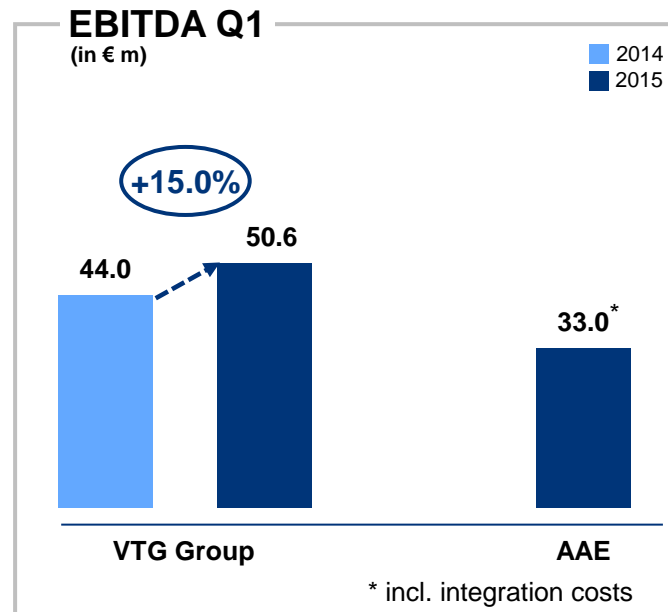
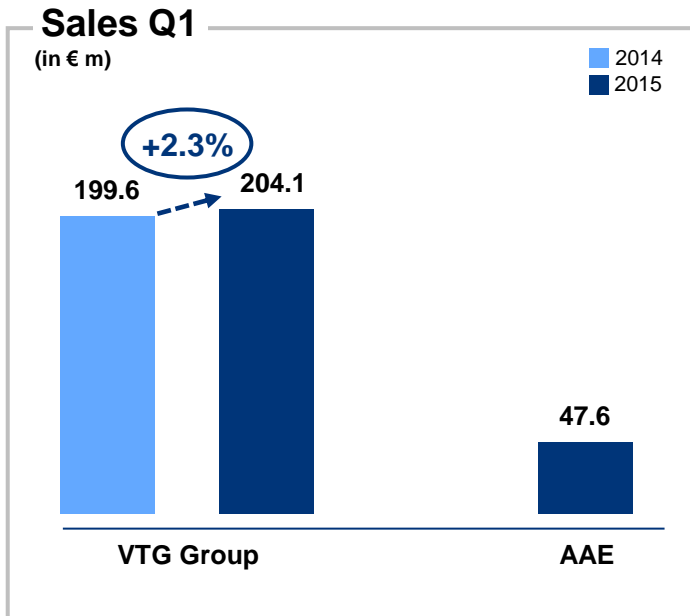
Update on AAE integration



First steps

- Defining new organizational structure
- Setup of Centers of Competence for different wagon types
- Start to jointly manage central functions such as purchasing, spare parts management etc.
- IT integration as an ongoing process

Split of Sales and EBITDA



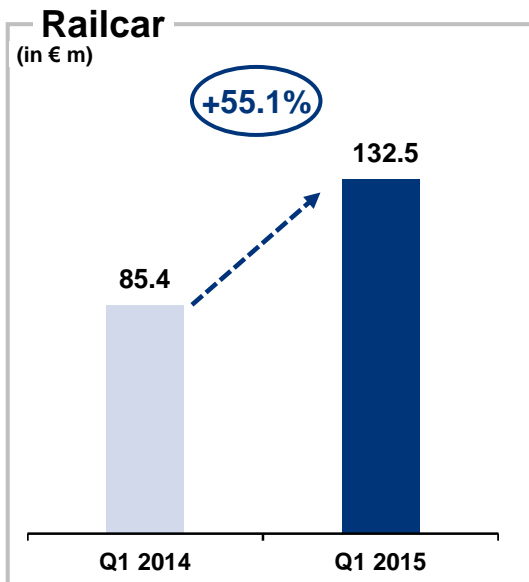
Comment

- VTG sales figures on a like-for-like basis with + 2.3% compared to Q1 2014 show a positive development

Comment

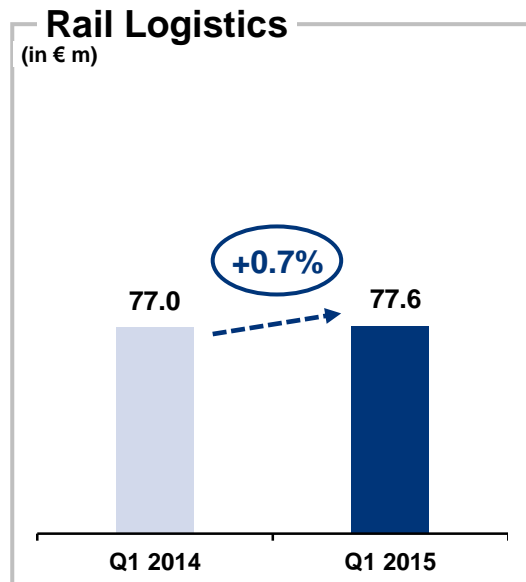
- Like-for-like VTG increased EBITDA in Q1 2015 by 15.0%
- Increase also supported by the sale of assets

Sales development by division



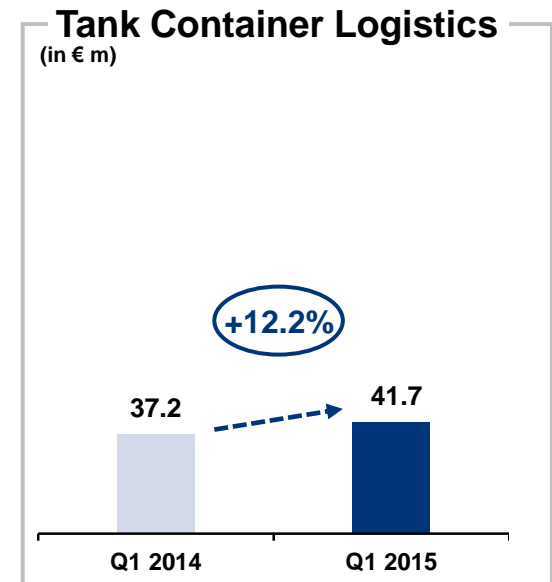
Comment

- Sales development largely driven by AAE acquisition
- Utilization with 90.9% on year's end level and above Q1 2014



Comment

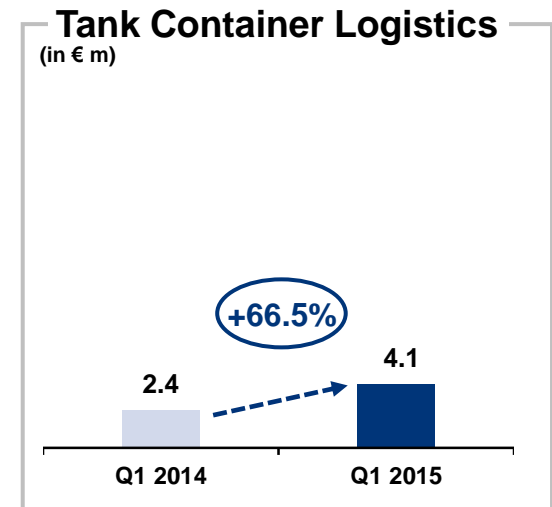
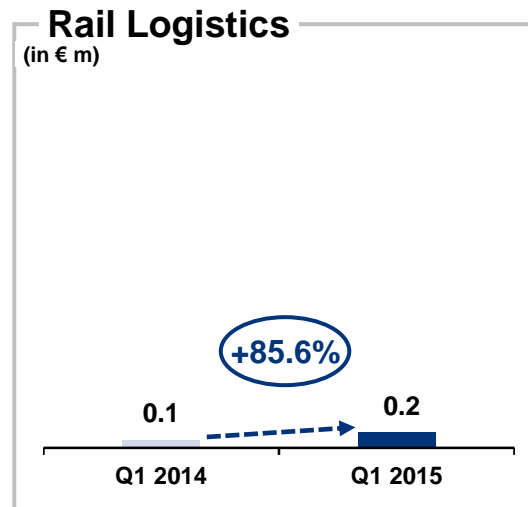
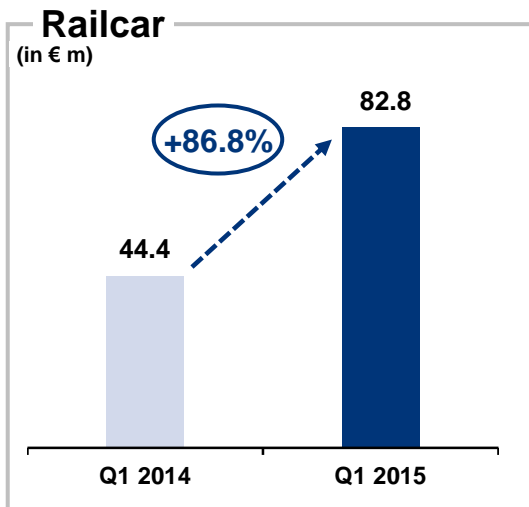
- Despite challenging environment in liquid goods sales are slightly up
- Improved development in the project business



Comment

- Better volumes to Asia and into the US
- Stronger US-Dollar supported sales development in Q1

EBITDA development by division



Comment

- EBITDA development shows acquisition of AAE
- Figures also include integration costs as well as gains from the sale of assets
- EBITDA margin at 62.5% compared to 51.9% last year

Comment

- Reorganization of division starting to show first signs of improvement
- EBITDA margin* slightly improved to 3.8% (Q1 2014: 1.9%)

Comment

- Strong increase in EBITDA supported by effect from sale of affiliate
- Further EBITDA margin* improvement to 57.3% (Q1 2014: 43.4%)

* EBITDA margins calculated on gross profit.

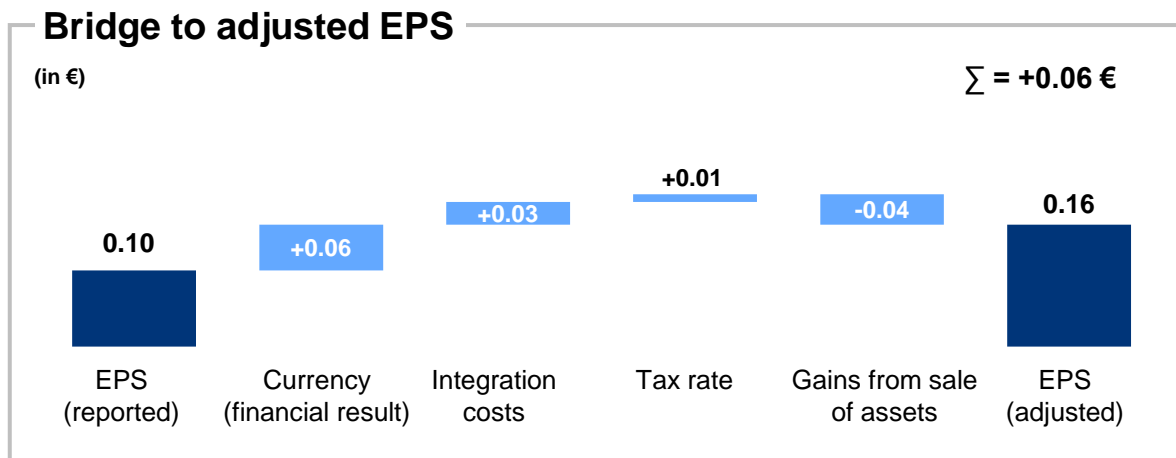
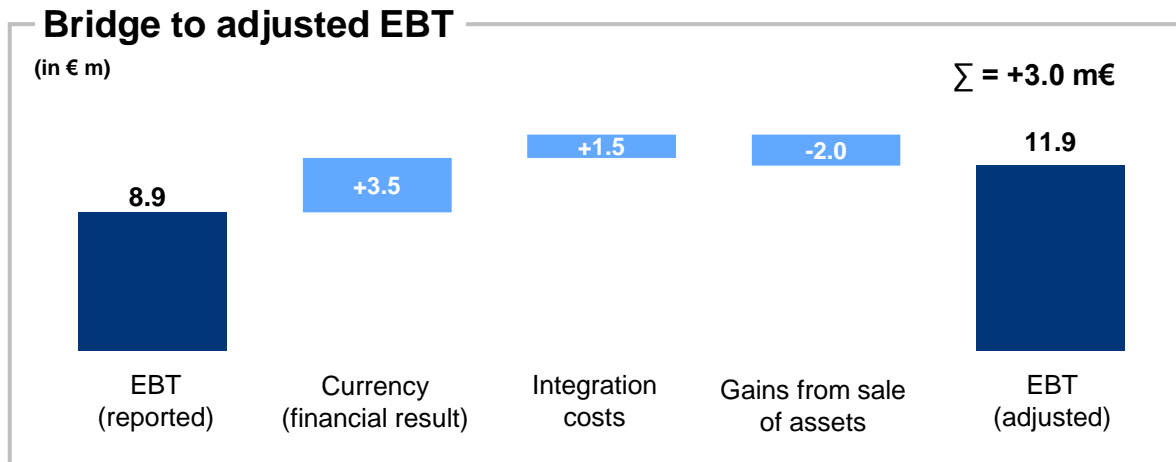
Group key figures

Key figures			
(in € m)	Q1/ 2014	Q1/ 2015	Δ
Sales	199.6	251.7	+26.1 %
EBITDA	44.0	83.6	+90.0 %
EBIT	18.0	34.8	+93.8 %
EBT	5.3	8.9	+68.2 %
Net income	3.3	5.4	+60.2 %
Net income to shareholders	3.5	2.9	-18.1 %
EPS in € (reported)	0.17	0.10	-0.07 €
Key figures (adjusted)			
EBT (adj.)	5.3	11.9	+124.5 %
Net income to shareholders (adj.)	3.5	4.7	+33.1%
EPS in € (adj.)	0.17	0.16	-0.01 €

Comment

- Strong increase in key figures driven by the acquisition of AAE and a better development in all divisions
- Positive one-time effects from sales of a non-consolidated affiliate and a wagon portfolio (+2.0 m€)
- Negative one-time effects (-5.0 m€) from integration cost of AAE and unfavorable currency development
- One-off effects influence Q1 corporate tax rate negatively (40%)
- Normalized EPS almost on previous year's level despite a 35% higher number of shares outstanding

One-offs effecting Q1 2015 results



Financial result

Split of financial result (in € m)

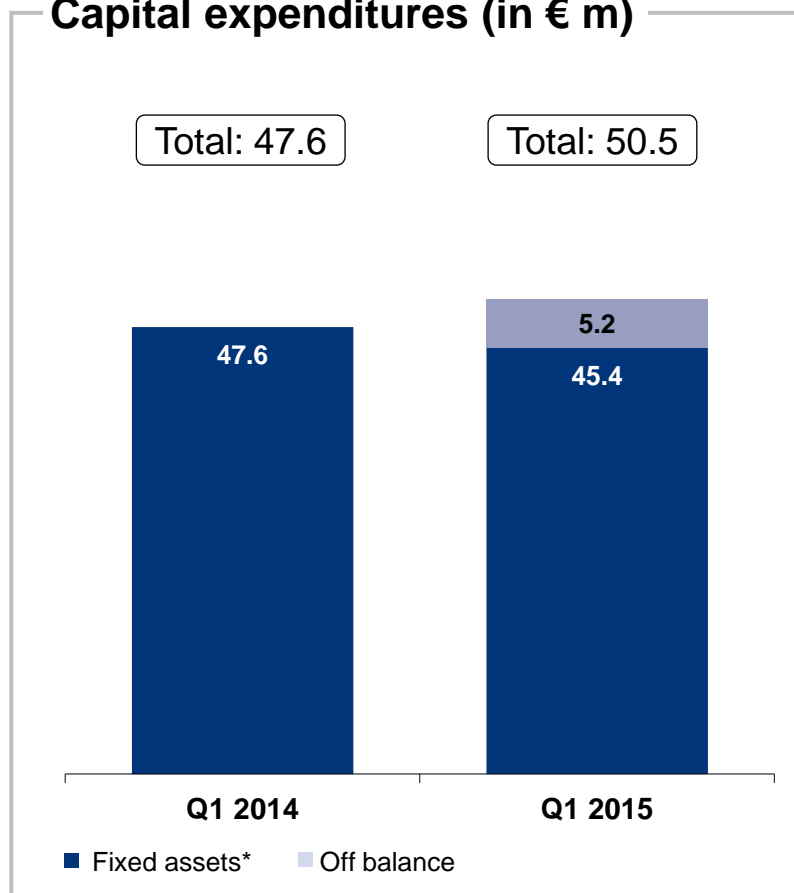
	Q1 / 2014	Q1 2015
EBIT	18.0	34.8
EBT	5.3	8.9
Financial result	(12.7)	(25.9)
Thereof:		
interest exp. of financial debt	(9.2)	(15.8)
interest exp. from credit lines	(0.4)	(0.4)
	(9.6)	(16.2)
swap cash effect	(1.9)	(1.9)
swap valuation (m-t-m)	(0.2)	(0.0)
Swap valuation AAE	-	(3.0)
	(2.2)	(4.9)
transaction costs	(0.5)	(1.1)
interest on pensions	(0.4)	(0.4)
other financial result	0.1	(3.3)
	(0.8)	(4.8)

Comment

- Financial result in Q1 2015 increased through the indebtedness of AAE
- Expenses for **ineffective VTG swap** amounted to € 1.9 m in the first three months (Swap will expire in June 2015)
- Negative effect from **ineffective AAE swaps** in the amount of € 3.0 m
- Other financial result includes negative one-offs from FX
- Interest rate around 5.5%

Capex – Above prior year level

Capital expenditures (in € m)



Comment

- Although Q1 numbers included capex for AAE, figure only slightly above Q1 2014
- Order book slightly increased to 2,450 wagons compared year end 2014 (thereof 1,000 for North American market to 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)	Q1 2014	Q1 2015
Operating cash flow (rep.)	30.7	93.2
- VAT not paid	-	10.0
Operating cash flow (adj.)	30.7	83.2
Payments for fixed assets	-44.4	-42.5
Disposal of fixed assets	3.1	33.9
Financial assets AAE (net)	-	19.4
Others	0.4	2.3
Total investing cash flow	-40.9	13.1
Free cash flow	-10.2	96.3
- Disposal of fixed assets	-3.1	-33.9
- Financial assets AAE (net)	-	-19.4
Free cash flow (adj.)	-13.3	43.0

Net debt

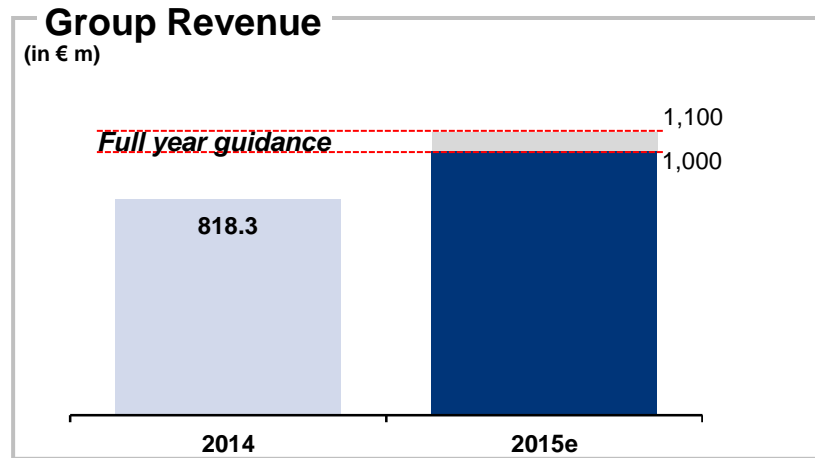
(in € m)	31.12.2014	31.03.2015
Net debt	(829.3)	(1,662.2)
Net debt adjusted (incl. pensions)	(893.9)	(1,735.9)
Net debt adj./EBITDA	4.7	5.1*

Comment

- Strong adj. operating cash flow as a result of AAE acquisition
- Investing cash flow shows positive effect from the sale of a wagon portfolio to an investor and from the take over of AAE
- Free cash flow even adjusted by positive one-offs well above last year
- With the additional net debt of AAE leverage up to slightly above 5x as expected

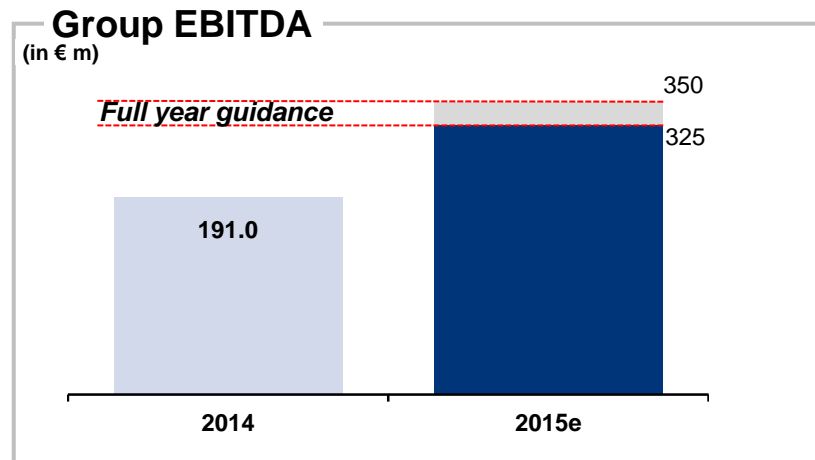
* Calculated on average of EBITDA guidance range for 2015.

Group guidance FY 2015 confirmed ¹⁾



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

unchanged



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

unchanged

¹⁾ incl. AAE Group

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Questions & Answers



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

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