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Financial highlights Q1/19 – successful start into 2019

- **Order intake**: €1.89bn, +5.3% yoy
- **Orderbook**: €4.70bn, +7.8% yoy
- **Revenue**: €1.76bn, +8.8% yoy
- **EBITDA**: €911m
- **EBITDA margin**: 19.0% (PY: 18.3%)
In Q1/19 Knorr-Bremse invested over € 200m in M&A

**Hitachi Steering**
- **Closing**: 29.03.2019
- Purchase price / Stake / FY sales: € 165m / 100% / € 80m

**Sentient**
- **Closing**: 01.02.2019
- Purchase price / Stake / FY sales: € 15m / 50% / n/a

**RailVision**
- **Closing**: 13.03.2019
- Purchase price / Stake / FY sales: $ 10m / 21.3% / n/a

**Snyder**
- **Closing**: 15.03.2019
- Purchase price / Stake / FY sales: $ 19m / 100% / $ 14m

**Railnova**
- **Closing**: 10.04.2019
- Purchase price / Stake / FY sales: € 7m / 32% / € 4m

- **CVS power steering components/systems**
- **Milestone for providing ADAS & HAD systems**

- **Strategic invest in software and IP rights for CVS power steering**

- **Strategic invest in obstacle detection systems for automated driving**

- **AM potential for remanufacturing of locomotive components**

- **Strategic invest in predictive fleet diagnostics**

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1) 04/19 – 12/19: € 60m expected
Q1/19 key figures: strong top-line development

<table>
<thead>
<tr>
<th>Order intake</th>
<th>Order book</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>€m</td>
<td>€m</td>
</tr>
<tr>
<td>Q1/18</td>
<td>Q1/19</td>
<td>31.03.18</td>
</tr>
<tr>
<td>1.798</td>
<td>1,893</td>
<td>4,361</td>
</tr>
<tr>
<td>+5.3%</td>
<td>+7.8%</td>
<td></td>
</tr>
</tbody>
</table>

- **Order intake**:
  - Q1/18: 1.798, Q1/19: 1,893, +5.3%
  - Q1/18: 1.11, Q1/19: 1.08, +5.3%

- **Order book**:
  - Q1/18: 4,361, Q1/19: 4,701, +7.8%

- **Revenue**:
  - Q1/18: 1,614, Q1/19: 1,755, +8.8%
  - Q1/18: 443, Q1/19: 477, +7.7%
  - Q1/18: 320, Q1/19: 406, +27.1%
  - Q1/18: 822, Q1/19: 843, +2.6%

Visibility in months defined as Order book FY guidance (mid) × 12 x.x% y-o-y growth
Q1/19 key figures: solid margin development

- Margins above 2018 and within guidance
- RVS with margin expansion vs. Q1/19
- CVS in line with Q3/Q4 2018
- Stable AM share at 31% (Q1/18: 31%)
- IFRS16 impact in Q1/19:
  - EBITDA +70bp
  - EBIT +5bp
- Disposal impact in Q1/18:
  - EBITDA € -8m
  - EBIT € -29m
### Good development of operating cash flow in Q1/19

<table>
<thead>
<tr>
<th>NWC</th>
<th>€m</th>
<th>Scope of days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>943</td>
<td>53</td>
</tr>
<tr>
<td>Q1/19</td>
<td>1,144</td>
<td>59</td>
</tr>
</tbody>
</table>

- Improvement of NWC towards year end expected

<table>
<thead>
<tr>
<th>FCF&amp;OCF</th>
<th>€m</th>
<th>FCF</th>
<th>OCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>42</td>
<td>81</td>
<td>89</td>
</tr>
<tr>
<td>Q1/19</td>
<td>27</td>
<td>81</td>
<td>89</td>
</tr>
</tbody>
</table>

- Development of FCF mainly driven by CapEx increase
- Development of operating cash flow in Q1/19

<table>
<thead>
<tr>
<th>ROCE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>35.6%</td>
</tr>
<tr>
<td>Q1/19</td>
<td>32.2%</td>
</tr>
</tbody>
</table>

- IFRS16 impact on ROCE of -300bps in Q1/19

<table>
<thead>
<tr>
<th>CapEx</th>
<th>€m</th>
<th>% of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>41</td>
<td>2.6%</td>
</tr>
<tr>
<td>Q1/19</td>
<td>85</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

- Expansion of ADB capacity in NA and site investment in Munich

1) Before asset deals
RVS: Strong order book development provides good visibility for 2019

<table>
<thead>
<tr>
<th>Order intake</th>
<th>Order book</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td></td>
</tr>
<tr>
<td>Q1/18</td>
<td>943</td>
</tr>
<tr>
<td>Q1/19</td>
<td>1,035</td>
</tr>
</tbody>
</table>

Strong growth in order intake: € +92m
- Driven by demand from Metro (EU & NA), Freight & Locomotive (NA)
- Growing order intake AM China
- Book to bill of 1.14 supports revenues for coming quarters

Even stronger growth in order book: € +350m
- Visibility of 11 months
- Mirroring customers’ record order books
**RVS: Strong revenue growth with solid margin expansion**

<table>
<thead>
<tr>
<th>Revenue (€m)</th>
<th>EBITDA (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>Q1/18</td>
</tr>
<tr>
<td>833</td>
<td>157</td>
</tr>
<tr>
<td>+9.4%</td>
<td>18.8%</td>
</tr>
<tr>
<td>+27.3%</td>
<td>+27.3%</td>
</tr>
<tr>
<td>IFRS 16 impact</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>-</td>
</tr>
</tbody>
</table>

**Strong revenue growth: € +78m**
- EU: Growth in OE (Freight Cars, R&C, Metro)
- Asia: Outperformance esp. OE India & AM China
- NA /SA: Positive development in onboard, freight & aftermarket
- AM share of 38% (Q1/18: 36%)

**Strong EBITDA and EBITDA margin development**
- Operating leverage and performance improvement
- Positive OE/AM mix effect
- IFRS 16 impact on EBITDA margin in Q1/19: 80bp
- EBIT margin of 18.8% (Q1/18: 13.8% due to disposal losses)
CVS: Solid order intake despite global headwinds

Order intake continues on a high level
- Book to bill (1.02) suggesting no contraction in demand
- NA orders clearly outperformed TPR growth and benefitted from increased content per vehicle growth (i.e. ADAS, ADB)
- Solid OE order bookings in major key markets EU, Asia & NA

Order book unchanged, providing 5.1 months of visibility
**CVS: Strong revenue growth with margins at Q3/Q4 2018 levels**

<table>
<thead>
<tr>
<th>Revenue (€m)</th>
<th>EBITDA (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>Q1/19</td>
</tr>
<tr>
<td>781</td>
<td>132</td>
</tr>
<tr>
<td>846</td>
<td>141</td>
</tr>
</tbody>
</table>

- **Strong revenue growth**
  - Global TPR continuing on high level (+1.6% vs. Q1/18)
  - EU: Stable on prior year level
  - Asia: Stable overall, despite TPR decrease in China
  - NA: Outperformance of market in both OE and AM
  - AM share of 23% (Q1/18: 25%)

- **Moderate EBITDA growth at Q3/Q4 margin levels**
  - Material cost and supply chain situation unchanged
  - Negative OE/AM mix effect
  - Investments in ADAS/HAD to continue
  - IFRS 16 impact on EBITDA margin in Q1/19: 50bp
  - EBIT margin of 13.5% (Q1/18: 14.2%)
Acquisition of Hitachi’s Steering business – closed on March 29, 2019

Strategic rationale

- Braking and steering increasingly understood as integrated system in ADAS/HAD scenario
- Market access in Asia (focus Japan and China)
- Expansion of product portfolio of CVS
- Increased content per vehicle

Financial impact expected (€m)

<table>
<thead>
<tr>
<th>Hitachi’s Steering business</th>
<th>04/19 – 12/19e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€ +60m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>€ +6m</td>
</tr>
<tr>
<td>EBIT (operating)</td>
<td>€ +4m</td>
</tr>
<tr>
<td>PPA effect</td>
<td>€ -5m</td>
</tr>
</tbody>
</table>
Revenue bridge from 2018 to updated 2019 guidance

€m

2018

Organic Growth

Disposals

Sydac

Blueprint

3.8 – 6.9%

6,616

68

Previous 2019 Guidance

Acquisitions

CVS: € 60m

RVS: € 15m

Updated 2019 Guidance

6,875 - 7,075

6,800 - 7,000

~75
EBITDA margin bridge from 2018 to updated 2019 guidance

- **Reimbursement of IPO costs**: 17.8%
- **One-time IPO effect**: 0.2%
- **Operating losses of disposal units (Blueprint, Sydac)**: 0.4%
- **Previous 2019 Guidance**: 18.0 - 19.0%
- **IFRS 16**: 0.7%
- **Acquisitions**: -0.2%
- **Updated 2019 Guidance**: 18.5 - 19.5%

- Hitachi
- Snyder
- Others
Q&A

Q1
January 1 to March 31, 2019
Financial calendar

Upcoming events

<table>
<thead>
<tr>
<th>Event</th>
<th>Date [dd.mm.yyyy]</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>db Access</td>
<td>06.06.2019</td>
<td>Berlin</td>
</tr>
<tr>
<td>JPM CEO Conference</td>
<td>13.-14.06.2019</td>
<td>London</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>18.06.2019</td>
<td>Munich</td>
</tr>
</tbody>
</table>
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