PRELIMINARY FINANCIAL RESULTS FY20

DR. JAN MICHAEL MROSIK I CEO
FRANK MARKUS WEBER I CFO
MARCH 4, 2021
Heinz Hermann Thiele
1941-2021
Dr. Jan Michael Mrosik – new CEO of Knorr-Bremse

Business experience at Siemens
- COO of Digital Industries
- CEO of Digital Factory Division
- CEO of Energy Management Division
- CEO of Business Unit Energy Automation
- CEO of Siemens Telecommunications Ltd. in South Africa
- Education: PhD in Electrical Engineering and Business Administration (RWTH University, Aachen)

Responsibilities
- CEO and Member of the Executive Board of Knorr-Bremse AG
- Strategy, Communications, Human Resources, Audit and IT/ Digitalization
KB Group
Highlights FY20

Strengthen Corporate Governance

- Completion of Management Team
- Earlier Reporting implemented
- Supervisory Board strengthened

Business Expansion
Highlights in FY20 – win of major orders

Largest entrance system contract ever for London underground

KB and TMH International sign contract for 1,300 passenger cars for Egypt

KB becomes a strategic partner for a new high-speed train generation in Russia

Equipment contract for 23 ECx (2021)

RailVision integrates detection systems into SBB Cargo’s locomotives

Brakes, doors and HVACs for >600 Stadler Metro cars in Berlin (2021)
Operational highlights in FY20 – securing market leading position

- Major contract with Schmitz Cargobull for trailer air disk brakes extended
- Retrofittable turning assistant to improve traffic safety
- KB expands Chinese truck capacities and continues cooperation with Dongfeng
- KB wins ‘Best Brand’ award
- Strong development in challenging times

Rotary Vane: development of new e-compressor platform for variable eTruck air requirements
We delivered what we have promised for FY20

Guidance achieved in FY20

- Outperformance in major markets
- Resilient profitability
- Countermeasures against COVID-19
- Strong cash preservation in crisis year
- Shortening of disclosure times

Promised

Delivered

- Knorr-Bremse gained market shares during crisis
- EBITDA margin of 18.0%
- Strong cost savings implemented
- FCF of €687m and CCR\(^1\) of 129%
- ≤90 days following DCGK / -26 days improved

1) Cash Conversion Rate
COVID-19 pandemic still impacting our business

### Market

**Rail**
- Most OEMs back to operation level, operators underutilized, stimulus programs put in place
- China moderately developing, India market still uncertain
- Strong impacts on freight and transit market, project decisions delayed

**Truck**
- Strong demand recovery for trucks and trailers
- China continues on high level, India started to recover, Japan recovers continuously
- Strong demand recovery for trucks and trailers. High number of infected people negatively influence industrial processes (e.g. logistics)

### Business development

**Supplies**
- Supply chain fully stabilized and increasing demand secured
- Only very few critical suppliers still impacted
- Supply chain teams globally established
- Truck: global shortage of semiconductors

**Own plants**
- Safety measures introduced effective to safeguard operations, employees and customer effectively
- Processes stable and supporting volume increase
- Productivity level almost at pre-COVID-19 level

We are prepared to adjust counter-measures quickly, if necessary.
# Rail and truck market should continue to recover in FY21

## Near future

- No cancellations of contracts by rail operators, but postponements
- Recovery demand leads to growth of OEMs’ order intake
- Reduction of rail traffic impacting AM business

## Until YE21

- Further recovery of demand from postponements in FY20 expected
  - Recovery of OE demand in passenger and freight
    - AM demand rather flat (FY21 = FY20)

- Increasing demand in Europe and NA
- Slight growth in AM business expected
- Lower demand in China expected from mid 2021 driven by new emission regulations
- Shortage of components should have an impact into H2/21

- Strong market recovery in Europe and NA
- Regulatory requirements (e.g. CN 6) lead to decent demand in China
- Challenges in supply of components, esp. electronics, and raw materials

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**Note:** KNORR-BREMSE
Innovations secure tomorrow's profitable growth of KB

Autonomous Driving
Global Scalable Brake Control

E-mobility
HVAC: efficient and effective clean[air] technology

Torque overlay steering
Reproducible Braking Distance

Well positioned for future trends

~3,800 engineers supporting our innovation leadership

KNORR-BREMSE
FY20: excellent performance in an extraordinary year

<table>
<thead>
<tr>
<th>REVENUES OF</th>
<th>€ 6.16bn (-11.2% yoy)</th>
<th>ORDER INTAKE</th>
<th>€ 6.44bn (-8.8% yoy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 3.34bn</td>
<td>(€ 2.82bn)</td>
<td>€ 3.34bn</td>
<td>€ 2.82bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA MARGIN</th>
<th>18.0% (PY: rep. 19.2% / op. 18.8%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORDER BOOK</td>
<td>€ 4.98bn (+6.1% yoy)</td>
</tr>
</tbody>
</table>

FREE CASHFLOW
€ 687m (yoY: -20.2% incl. SLB / +2.8% excl. SLB)
129% CCR

1) SLB = Sale and Lease Back
2) CCR = Cash Conversion Rate

1) SLB = Sale and Lease Back
2) CCR = Cash Conversion Rate
FY20: guidance achieved and good forecast quality despite Covid-19

Other KPIs
- Order backlog +6.1%
- EBIT margin at 13.2%
- Net Income of € 532m
- EPS of € 3.07

Revenue
- FY20 Guidance: 5,900-6,200
- FY20 Achievement: 6,157

EBITDA margin
- FY20 Guidance: 16.5-17.5%
- FY20 Achievement: 18.0%
FY20: strong balance sheet in challenging business environment

<table>
<thead>
<tr>
<th>Liquidity¹</th>
<th>Equity + Equity Ratio</th>
<th>Gross Debt²</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ m</td>
<td>€ m</td>
<td>€ m</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+24.6%</td>
<td></td>
</tr>
<tr>
<td>1,881</td>
<td>2,345</td>
<td>2,242</td>
<td>A2</td>
</tr>
<tr>
<td>27%</td>
<td>38%</td>
<td>21%</td>
<td>A</td>
</tr>
<tr>
<td>27%</td>
<td>32%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>YE19</td>
<td>YE20</td>
<td>YE20</td>
<td>YE20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.1%</td>
<td></td>
</tr>
<tr>
<td>1,902</td>
<td>1,922</td>
<td>1,823</td>
<td></td>
</tr>
<tr>
<td>28%</td>
<td>26%</td>
<td>28%</td>
<td></td>
</tr>
</tbody>
</table>

- Cash and cash equivalents, incl. securities
- Including: bank loans, lease liabilities and bonds as well as debt instruments; ex Bosch liability

Gross Debt/ EBITDA: 2.03x
Net Debt/ EBITDA: -0.09x

Drawn credit lines due to COVID-19
Repayment of drawn credit lines

confirmed within 2020
FY20: KB pushes future technologies and capacity to drive profitable growth

CapEx\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
<th>% of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>332</td>
<td>4.8%</td>
</tr>
<tr>
<td>FY20</td>
<td>342</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

NWC

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
<th>Scope of days</th>
</tr>
</thead>
<tbody>
<tr>
<td>YE19</td>
<td>42.0</td>
<td>809</td>
</tr>
<tr>
<td>YE20</td>
<td>43.6</td>
<td>746</td>
</tr>
</tbody>
</table>

ROCE

<table>
<thead>
<tr>
<th></th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>YE19</td>
<td>34.1%</td>
</tr>
<tr>
<td>YE20</td>
<td>25.6%</td>
</tr>
</tbody>
</table>

- **Portfolio prioritization and critical review** performed
- Only **selective scale back of investments** due to COVID-19 pandemic
- **CUSTOMER FIRST** – higher stock levels at mid 2020 to secure supply chain, strongly reversed until YE20
- Optimization in Q4/20 but higher NWC expected in FY21
- **ROCE** impacted by lower profitability, investments and WC measures

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1) Capex adjusted for Sale and Lease Back transaction 2019
FY20: Extremely strong FCF due to strict countermeasures and strong management focus

Free Cashflow\(^1\) | Cash Conversion Rate
--- | ---
€ m

<table>
<thead>
<tr>
<th>FY19</th>
<th>FY20</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>668 (\text{excl. SLB})</td>
<td>687</td>
<td>114(^2) (\text{excl. SLB})</td>
<td>129%</td>
</tr>
</tbody>
</table>

\(^1\) Free Cashflow before M&A  \(^2\) SLB = Sale and Lease Back transaction, FCF adjusted by € 193m and net income adjusted by € 45m

Development in FY20
- Good earnings quality
- Strict and disciplined cash management, e.g.
  - CapEx/ R&D prioritization
  - NWC, e.g. lowered accounts receivables
  - Tax refunds and no pre-payments

Development in Q4/20
- Cash payments: lumpiness and seasonality had positive impact on development in Q4/20
- Tailwind 2020 leads to headwind 2021 due to lower NWC base YE20
FY20: Continued technology investments and headcount strictly managed

R&D

€ m | % of sales
---|---
5.7% | 397
6.4% | 396

- Portfolio prioritization performed
- Absolute R&D expenditures on continuously high level
- Long-term R&D/revenue ratio going forward: 5-6%

Employees¹

<table>
<thead>
<tr>
<th>FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
</tr>
<tr>
<td>3%</td>
</tr>
<tr>
<td>RVS</td>
</tr>
<tr>
<td>55%</td>
</tr>
<tr>
<td>CVS</td>
</tr>
<tr>
<td>42%</td>
</tr>
</tbody>
</table>

- Average headcount reduced to mitigate COVID-19 impact, however increased again to manage upswing towards YE20
- M&A: R.H. Sheppard added since June 2020²
- Careful ramp up of headcount as market and revenues grow

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>M&amp;A</th>
<th>FY20 w/o M&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>29,423</td>
<td>29,004</td>
<td>418</td>
<td>28,586</td>
<td></td>
</tr>
</tbody>
</table>

1) Average numbers including leasing
2) R.H. Sheppard had 677 employees at YE20
FY20: KB improved ESG status and is fully on track to carbon neutrality in 2021

**Environment**
- 50% CO\textsubscript{2} emission reduction by 2030 and carbon neutrality by FY21
- **Circular Economy** improvements
  - Remanufactured and overhauled products\(^1\) as well as EcoDesign

**Society & Employees**
- Various **Gender Equality and Diversity** initiatives in place
- **Conflict Minerals Policy**
- **Supplier Code of Conducts** is integral part of supplier contracts

**Governance**
- **Compliance** standards regularly evaluated and improved
- Supervisory Board strengthened
- Shortening of **reporting timelines**
- ESG to be included in management **bonus system in 2022**

\(^{1}\text{~10\% of KB revenues}\)

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**Ratings improved** in 2020 and overall at good levels

<table>
<thead>
<tr>
<th>Rating</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDP A-</td>
<td>MSCI A</td>
</tr>
</tbody>
</table>
Q4/20 results underpin rock solid business performance

<table>
<thead>
<tr>
<th><strong>REVENUES OF</strong></th>
<th>€ 1.57bn</th>
<th><strong>19.3%</strong> EBITDA MARGIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 774m</td>
<td>(+9.1% yoy)</td>
<td>(PY: rep. 21.3% / op. 18.7%)</td>
</tr>
<tr>
<td>€ 793m</td>
<td>25.3%</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ORDER INTAKE</strong></th>
<th>€ 2.09bn</th>
<th><strong>FREE CASHFLOW</strong> € 519</th>
</tr>
</thead>
<tbody>
<tr>
<td>(+9.1% yoy)</td>
<td>(+yoy: -1.4% incl. SLB / +55.8% excl. SLB)(^1)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ORDER BOOK</strong></th>
<th>€ 4.98bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>(+6.1% yoy)</td>
<td>385% CCR(^2)</td>
</tr>
</tbody>
</table>

1) SLB = Sale and Lease Back  
2) CCR = Cash Conversion Rate
Q4/20: Book-to-bill well above 1 and record order book being strong tailwind for FY21

Order intake

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/19</td>
<td>1,913</td>
</tr>
<tr>
<td>Organic</td>
<td>220</td>
</tr>
<tr>
<td>M&amp;A net disposals</td>
<td>23</td>
</tr>
<tr>
<td>FX</td>
<td>-69</td>
</tr>
<tr>
<td>Q4/20</td>
<td>2,087</td>
</tr>
</tbody>
</table>

Book-to-bill 1.18
+9.1%

Order book

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>YE19</td>
<td>4,692</td>
</tr>
<tr>
<td>YE20</td>
<td>4,977</td>
</tr>
</tbody>
</table>

R.H. Sheppard € +23m (Q4/20)
+11.5%

+6.1%
Q4/20: Only slight revenue decrease despite ongoing impact from COVID-19

<table>
<thead>
<tr>
<th></th>
<th>Revenue (€ m)</th>
<th>by region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4/19</td>
<td>Q4/20</td>
</tr>
<tr>
<td>CVS</td>
<td>756</td>
<td>793</td>
</tr>
<tr>
<td>RVS</td>
<td>865</td>
<td>774</td>
</tr>
<tr>
<td>Organic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M&amp;A net disposals</td>
<td>-25</td>
<td>-55</td>
</tr>
<tr>
<td>R.H. Sheppard</td>
<td>€ +24m (Q4/20)</td>
<td></td>
</tr>
</tbody>
</table>

-3.5% y-o-y growth

RVS
865
22
720
NA
381
-14%
701
EU
326
-1%
710
Asia/Pacific
501
+2%
510
SA
22
22

€ +24m (Q4/20)
Q4/20: Reduced but quite strong profitability due to strict COVID-19 management

**Development in Q4/20**

- **Operating leverage** burdened by lower revenue and mitigation costs
- **Cost measures** taken to mitigate COVID-19 impact on KB environment
- Revenue share from AM slightly decreased from 37% in Q4/19 to 35% in Q4/20
- **RVS strong**: 1) Strict cost measures overcompensated volume driven EBITDA reduction 2) Powertech divestment supportive yoy and 3) Favorable development AM vs. OE business
- **CVS on recovery path**: 1) Strict cost measures throughout 2020 2) Market recovery in H2/20 3) R.H. Sheppard still dilutive 4) AM vs. OE development not favorable

**EBITDA/ E. Margin**

<table>
<thead>
<tr>
<th></th>
<th>Q4/19</th>
<th>Q4/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>346</td>
<td>21.3%</td>
<td>19.3%</td>
</tr>
<tr>
<td>304</td>
<td>-12.5%</td>
<td></td>
</tr>
<tr>
<td>0.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EBIT/ E. Margin**

<table>
<thead>
<tr>
<th></th>
<th>Q4/19</th>
<th>Q4/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>280</td>
<td>17.2%</td>
<td>14.2%</td>
</tr>
<tr>
<td>237</td>
<td>-20.7%</td>
<td></td>
</tr>
<tr>
<td>-6.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Adjusted for Sale and Lease Back € -45m and Wülfrath € +3m
2) Adjusted for Sale and Lease Back € -45m and Wülfrath € +3m
RVS: Book-to-bill and order book are a solid foundation for FY21

Order book increased by 4.2 %yoy
- **Order book** well supported by resilient and stable rail industry despite COVID-19. No cancellations of contracts.

**Development of OI in Q4/20**
- **EU**: Slightly lower compared to Q4/19; OI mainly driven by OE contract awards for Germany and Russia (esp. PC & Metro) as well as Italy (esp. R&C), UK (esp. HS); strong upside in AM
- **APAC**: Comparable to Q4/19; OI mainly driven by contracts for China (esp. Metro), Taiwan and Australia (R&C); India still impacted by COVID-19
- **NA**: Freight & Loco OE&RS slightly higher compared to Q4/19; Mass Transit comparable to Q4/19, mainly driven by AM and OE LRV

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Order intake € m</th>
<th>Order book € m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/19</td>
<td>1,141</td>
<td>3,573</td>
</tr>
<tr>
<td>Organic</td>
<td>-1.7%</td>
<td>+4.2%</td>
</tr>
<tr>
<td>M&amp;A net disposals</td>
<td>-19</td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>-1.0%</td>
<td></td>
</tr>
<tr>
<td>Q4/20</td>
<td>1,095</td>
<td>3,721</td>
</tr>
<tr>
<td>FY</td>
<td>1.32</td>
<td>1.10</td>
</tr>
<tr>
<td>FY</td>
<td>1.41</td>
<td>1.04</td>
</tr>
</tbody>
</table>

Order book increased by 4.2 %yoy
RVS: Better quarter-over-quarter profitability despite lower revenues

Revenue decreased 10.5% yoy in Q4/20
- **AM**: Pull-in effects into H1/20 and lower ridership in trains burdened development in Q4/20
- **EU**: Decrease of OE driven by COVID-19
- **APAC**: Decrease in OE almost fully compensated by increase in AM
- **NA**: Generally lower due to COVID-19

EBITDA margin of 25.3% in Q4/20 on good level
- COVID-19 saving measures well supportive
- AM share: 47% vs. 44% in Q4/19
**CVS: Significant increase of OI will support good start into 2021**

<table>
<thead>
<tr>
<th>Order intake</th>
<th>Order book</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ m</td>
<td></td>
</tr>
<tr>
<td>Q4/19</td>
<td>YE19</td>
</tr>
<tr>
<td>771</td>
<td>1,134</td>
</tr>
<tr>
<td>Organic</td>
<td></td>
</tr>
<tr>
<td>R.H. Sheppard</td>
<td></td>
</tr>
<tr>
<td>€ +23m (Q4/20)</td>
<td></td>
</tr>
</tbody>
</table>

- **Book-to-bill Quarter**
  - Q4/20: 240 (Organic) + 23 (M&A net disposals) - 43 (FX) = 992
  - YE19: 1,134
  - YE20: 1,269

**Very favorable book-to-bill ratio, still affected by COVID-19 pandemic**

- **EU/ NA:** Market recovery continued in Q4/20. Q4/19 was impacted by slower demand after boom in H1/19, which leads to higher spread in OI.
- **APAC:** OI increased also in Japan and India after low demand Q3/20, China still on high level.

**Order book at YE20 above pre-COVID-19 level at YE19**

- Development of order book according to order intake.
- **EU/ NA:** Effect of inverse market trends end of 2019 and 2020 also visible in order book.
- Acquisition of R.H. Sheppard supports order book at YE20 vs. YE19.
CVS: profitability back at Q4/19 levels

Revenue

<table>
<thead>
<tr>
<th></th>
<th>Q4/19</th>
<th>Organic</th>
<th>M&amp;A net disposals</th>
<th>FX</th>
<th>Q4/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€ 756</td>
<td>+43</td>
<td>+24</td>
<td>-30</td>
<td>€ 793</td>
</tr>
</tbody>
</table>

EBITDA¹ / EBIT¹

<table>
<thead>
<tr>
<th></th>
<th>Q4/19</th>
<th>Q4/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>113</td>
<td>121</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>14.9%</td>
<td>15.3%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>10.9%</td>
<td>9.7%</td>
</tr>
</tbody>
</table>

Q4/20 highest quarterly revenue in 2020

- **EU & NA**: Strong improvement vs. previous quarter driven by strong market demand
- **APAC**: Recovery of markets in Japan and India, China stable, increased content per vehicle yoy
- Share of AM vs. Q3/20 reduced due to further recovery of OE business, still 2020 share above 2019

Profitability well supported by recovery of revenues and strong cost cutting measures

- Global cost adaption program finalized successfully
- Improved profitability also despite first impacts in Q4/20 from supply chain limitations
- Margin from R.H. Sheppard steering business dilutive, but Q4/20 better than Q3/20

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1) Operating | rep.: EBITDA: EUR 110m (14.5%); rep EBIT: EUR 80m (10.5%)
**Group Guidance 2021**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>EBITDA margin</th>
<th>EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY20</td>
<td>6,157</td>
<td>18.0%</td>
</tr>
<tr>
<td>FY21e</td>
<td>6,500-6,900</td>
<td>17.5-19.0%</td>
</tr>
</tbody>
</table>

**Assumptions**

- Stable economic environment in important markets
- Current FX rates
- No further setbacks occur as a result of COVID-19
- Although bottlenecks in the semiconductor industry might impact revenues, it is currently assumed that lost production volume can be made up in the further course of 2021

<table>
<thead>
<tr>
<th>ROCE:</th>
<th>FTE:</th>
<th>NWC:</th>
<th>Capex:</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-30%</td>
<td>29,500-30,500</td>
<td>45-50 days</td>
<td>5.0-6.0% of revenue</td>
</tr>
</tbody>
</table>
KB runs a unique business – entrepreneurial, innovative and successful

- Business model intact – proof in 2020
  - Growing faster than the markets
  - High resilience of profitability
- Long-term growth opportunities in Rail and Truck
- Focus on attractive segments
- Emphasis on ESG
- KB promised and delivered
RVS – opportunities and challenges

Opportunities
- Global stimulus programs
- Global target: CO₂ reduction
- Green Deal in Europe
- Attractive segments within rail

Challenges
- Impact from COVID-19 pandemic
- Autonomous policy in China
CVS – opportunities and challenges

Opportunities
- Growth in Content per Vehicle
- E-mobility of trucks
- Combination of braking and steering
- Automated driving trucks

Challenges
- Impact from COVID-19 pandemic
- Shortage of components
- Intensifying competitive environment
Top priorities of KB management team

- Secure innovation leadership in Rail and Truck
- Growing faster than the markets
- Strengthen Corporate Governance further
- Strengthen ESG
- Drive profitable growth and Free Cashflow
KB is well prepared for the future

- **Future**: Strong positioning - setup, technology and markets

- **Resiliency**: Increased market share and solid profitability during pandemic

- **Corporate Governance**: Good corporate governance today and further improvement ahead

- **Strong foundation**: Stability and continuity proven in difficult situations
Investor relations contact

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**FY/20 – Group**

**Order intake**

€ m

- **FY19**
  - Organic
  - M&A net disposals: -514
  - FX: 18
  - FY20: 6,442

- **Order book**
  - € m
  - FY20: 4,977
  - YE19: 4,692
  - Book-to-bill: 1.05
  - -8.8%

**M&A net disposals**

- R.H. Sheppard € +52m (FY/20)
- Hitachi € +20m (Q1/20)
- Powertech € -54m (9M/19)

**Order book**

€ m

- **FY20**
  - M&A net disposals: -128
  - FX: 18
  - FY20: 6,442

- **YE19**
  - M&A net disposals: -128
  - FX: 18
  - YE20: 4,977

- **YE20**
  - Book-to-bill: 1.05
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- **Order intake**
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  - FX: 18
  - FY20: 6,442

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  - M&A net disposals: -128
  - FX: 18
  - YE20: 4,977

- **YE20**
  - Book-to-bill: 1.05
  - -8.8%
FY/20 – Group

Revenue

€ m

-11.2%

6,937

-679

6,157

-116

FY19

Organic

M&A net disposals

FX

FY20

Revenue by region

€ m

y-o-y growth

SA

Asia/Pacific

NA

EU

-28%

+2%

-23%

-13%

105

1,991

1,642

3,198

76

2,027

1,261

2,792

6,937

6,157

M&A net disposals

- R.H. Sheppard € +53m (FY/20)
- Hitachi € +22m (9M/20)
- Powertech € -59m (9M/19)
## FY/20 – Group

### EBITDA/ EBITDA Margin

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CVS</td>
<td>523</td>
<td>18.8%</td>
<td>16.0%</td>
</tr>
<tr>
<td>RVS</td>
<td>815</td>
<td>22.3%</td>
<td></td>
</tr>
<tr>
<td>FY19¹</td>
<td>1,303</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CVS</td>
<td>381</td>
<td>13.5%</td>
<td></td>
</tr>
<tr>
<td>RVS</td>
<td>764</td>
<td>22.9%</td>
<td></td>
</tr>
<tr>
<td>FY20</td>
<td>1,107</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### EBIT/ EBIT Margin

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CVS</td>
<td>404</td>
<td>15.1%</td>
<td>12.3%</td>
</tr>
<tr>
<td>RVS</td>
<td>697</td>
<td>19.1%</td>
<td></td>
</tr>
<tr>
<td>FY19²</td>
<td>1,048</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CVS</td>
<td>235</td>
<td>8.3%</td>
<td></td>
</tr>
<tr>
<td>RVS</td>
<td>637</td>
<td>19.1%</td>
<td></td>
</tr>
<tr>
<td>FY20</td>
<td>814</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Operating | rep.: EBITDA: EUR 1,329m (19.2%)
2) Operating | rep. EBIT: EUR 1,063m (15.3%)
FY/20 – Group

**OCF & FCF**

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCF (€ m)</td>
<td>986</td>
<td>861</td>
</tr>
<tr>
<td>FCF (€ m)</td>
<td>1,073</td>
<td>729</td>
</tr>
</tbody>
</table>

- +8.8%
- -15.3%

**CapEx**

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of sales</td>
<td>4.8%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

**NWC**

<table>
<thead>
<tr>
<th></th>
<th>YE19</th>
<th>YE20</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ m</td>
<td>809</td>
<td>746</td>
</tr>
</tbody>
</table>

**Scope of days**

- 42.0
- 43.6

**ROCE**

<table>
<thead>
<tr>
<th></th>
<th>YE19</th>
<th>YE20</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>34.1</td>
<td>25.6</td>
</tr>
</tbody>
</table>

---

1) Incl. Sale & Lease back
2) FY19 adjusted for Sale and Lease Back EUR -33m
Organic M&A net disposals

FX FY20

YE19 YE20

Book-to-bill

-13.2%

-10.4%

FY19

Powertech € -54m (9M/19)

Order intake

Order book

€ m

1.10

1.04

3,485

3,573

3,721

4,017

-417

-54

-61

-1.10

1.04

4.2%

1.10

1.04

4.2%

€ m

%
FY/20 – RVS

Revenue

<table>
<thead>
<tr>
<th>€ m</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,656</td>
<td>3,337</td>
</tr>
<tr>
<td>Organic M&amp;A net disposals</td>
<td>-199</td>
<td>-62</td>
</tr>
<tr>
<td>FX</td>
<td>-59</td>
<td></td>
</tr>
<tr>
<td>Powertech</td>
<td>€ -59m (9M/19)</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA / EBITDA margin

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>815</td>
<td>764</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>-6.2%</td>
<td>22.3%</td>
</tr>
</tbody>
</table>

EBIT / EBIT margin

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<thead>
<tr>
<th></th>
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<th>FY20</th>
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<tr>
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<td>637</td>
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<tr>
<td>EBIT margin</td>
<td>-8.6%</td>
<td>19.1%</td>
</tr>
</tbody>
</table>
FY/20 – CVS

Order intake

€ m

<table>
<thead>
<tr>
<th>Year</th>
<th>Organic</th>
<th>M&amp;A net disposals</th>
<th>FX</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>0.93</td>
<td>2,954</td>
<td>72</td>
<td>3,051</td>
</tr>
<tr>
<td></td>
<td>-92</td>
<td>-68</td>
<td>-3.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-3.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Book-to-bill -3.2%

R.H. Sheppard € +52m (FY/20)
Hitachi € +20m (9M/20)

Order book

Century

€ m

<table>
<thead>
<tr>
<th>Year</th>
<th>YE19</th>
<th>YE20</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>1,134</td>
<td>1,269</td>
</tr>
<tr>
<td></td>
<td>+11.9%</td>
<td></td>
</tr>
</tbody>
</table>

Book-to-bill 1.05

Order intake

€ m

<table>
<thead>
<tr>
<th>Year</th>
<th>Organic</th>
<th>M&amp;A net disposals</th>
<th>FX</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
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Book-to-bill -3.2%

R.H. Sheppard € +52m (FY/20)
Hitachi € +20m (9M/20)

Order book

Century

€ m

<table>
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<tr>
<th>Year</th>
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<th>YE20</th>
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<td>1,269</td>
</tr>
<tr>
<td></td>
<td>+11.9%</td>
<td></td>
</tr>
</tbody>
</table>
FY/20 – CVS

Revenue

<table>
<thead>
<tr>
<th>€ m</th>
<th>FY19</th>
<th>Organic M&amp;A net disposals</th>
<th>FX</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,280</td>
<td>-441</td>
<td>75</td>
<td>2,819</td>
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</tbody>
</table>

EBITDA / EBITDA margin

<table>
<thead>
<tr>
<th>%</th>
<th>FY19¹</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16.0%</td>
<td>13.5%</td>
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</tbody>
</table>

EBIT / EBIT margin

<table>
<thead>
<tr>
<th>%</th>
<th>FY19²</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12.3%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

1) Operating | rep.: EBITDA: EUR 504m (15.4%)  
2) Operating | rep EBIT: EUR 374m (11.4%)