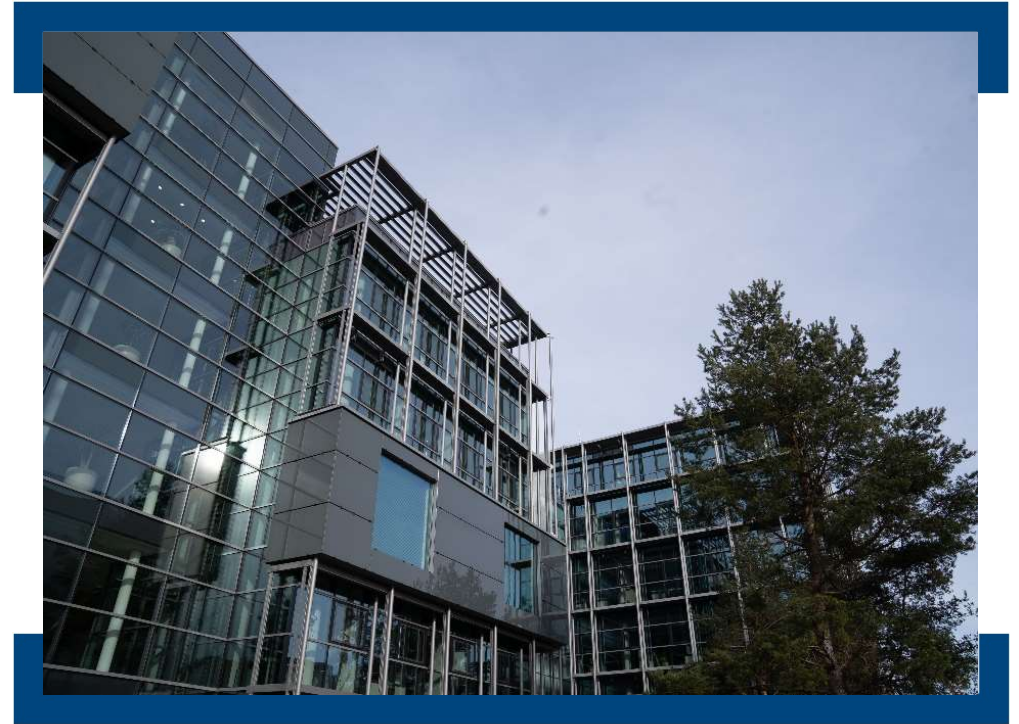




Introduction to the Knorr-Bremse AG 2020

Driven to create the best solutions.



Driven to create the best solutions

Rail Vehicle Systems

- High-speed trains
- Regional & commuter trains
- Metros
- LRVs
- Monorails
- Locomotives
- Passenger cars
- Freight cars
- Off-train

Commercial Vehicle Systems

- Trucks
- Trailers
- Buses
- Engines
- Special vehicles

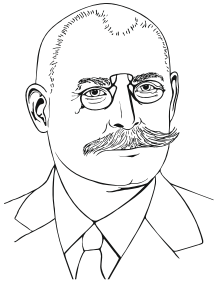


Knorr-Bremse is based in 30 countries/regions around the world at more than 100 locations, some 80 of which are manufacturing facilities



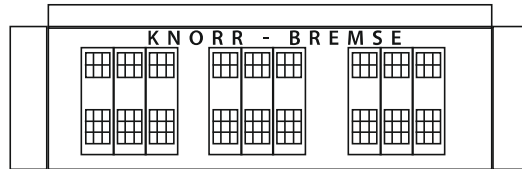
* FTE at 31.12.2020

115 years of Knorr-Bremse



GEORG KNORR

1905 – 1945
Founding and raising



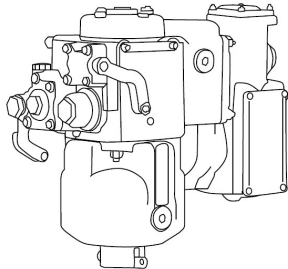
1945 – 1985
Reconstruction and product portfolio expansion



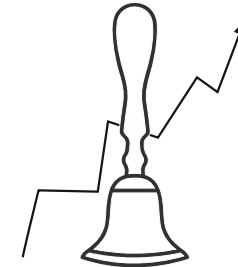
HEINZ HERMANN THIELE †

1985 – 2016
Expansion through concentration

1953
Introduction KE-Brake



2018
Stock Exchange listing



The Supervisory Board

Professor Dr. Klaus Mangold
Chair of the Supervisory Board,
independent contractor, Stuttgart



Julia Thiele-Schürhoff
Chief Executive Officer of
Knorr-Bremse Global Care e. V., Munich



Erich Starkl*
First Authorized Representative
of IG Metall Passau



Heinz Hermann Thiele † Feb. 23, 2021
Deputy Chair of the Supervisory Board, Munich



Werner Ratzisberger *
Project Engineer, Knorr-Bremse Systeme für
Nutzfahrzeuge GmbH, Aldersbach



Franz-Josef Birkeneder*
Deputy Chair of the Supervisory Board;
Plant Manager, Aldersbach



Michael Jell*
Chair of the Works Councils of Knorr-Bremse Systeme für
Schienenfahrzeuge GmbH, Knorr-Bremse AG, KB Media GmbH,
Knorr-Bremse Services GmbH; Chair of Group Works Council,
Munich



Dr. Thomas Enders
President of the German Council on
Foreign Relations, Tegernsee



Michael Jell*
Chair of the Works Councils of Knorr-Bremse Systeme für
Schienenfahrzeuge GmbH, Knorr-Bremse AG, KB Media GmbH,
Knorr-Bremse Services GmbH; Chair of Group Works Council,
Munich



Kathrin Dahnke
Chair of the Audit Committee,
Member of the Executive Board of OSRAM Licht AG,
Munich



Dr. Stefan Sommer
Former Member of the Board of Management
of Volkswagen AG with responsibility for the
Components and Procurement business, Consultant

Dr. Theodor Weimer
Chief Executive Officer of
Deutsche Börse AG, Frankfurt



Sylvia Walter*
Balance Sheet Accountant,
Commercial Administration Officer
Member of the Hasse & Wrede Works Council, Berlin



Annemarie Sedlmair*
Head of the Legal department of IG
Metall, Munich

* Employee representative.

The Board of Directors



Dr. Jan Michael Mrosik

- Member since 2021
- CEO

- Siemens AG | COO Digital Industries
- Siemens AG | CEO Digital Factory Division
- Siemens AG | CEO Energy Management Division
- Siemens AG | CEO Smart Grid Division
- PhD in Engineering



Frank Markus Weber

- Member since 2020
- CFO

- Daimler AG | Head of Corporate Development
- Mercedes-Benz AG | Head of Transformation
- Daimler Trucks Asia | CFO
- Mitsubishi Fuso Trucks & Bus Corporation | CFO
- Diploma in Business Administration



Dr. Jürgen Wilder

- Member since 2018
- Responsible for the Rail Vehicle Systems Division
- DB Cargo AG | CEO
- Siemens AG | CEO Mainline Transportation Global Business Unit
- Siemens AG | Head of Strategy Infrastructure and Cities Sector
- PhD in Physics



Dr. Claudia Mayfeld

- Member since 2021
- Responsible for the worldwide Integrity and Legal Affairs
- UniCredit Bank AG | Member of the Supervisory Board & Chairwoman of the Risk Committee
- RWE Group / innogy SE | Senior Vice President Legal & Compliance
- Süwag Energie AG | Member of the Supervisory Board
- PhD in Accounting Principles

Business model of Knorr-Bremse at a glance

Global #1

- Market leader in brake systems rail (~50%)
- Market leader in brake systems truck (~42%)
- Leading supplier of other safety-critical rail and commercial vehicle systems protected by high entry barriers



Market Outperformance

- Consistent outperformance of attractive end-markets driven by
- Megatrends and
- Increasing content per vehicle and aftermarket



Resilience

- Resilient business model, supported by
- Broad geographical and customer diversification
- High aftermarket exposure
- Strong localization



Superior Financial Profile

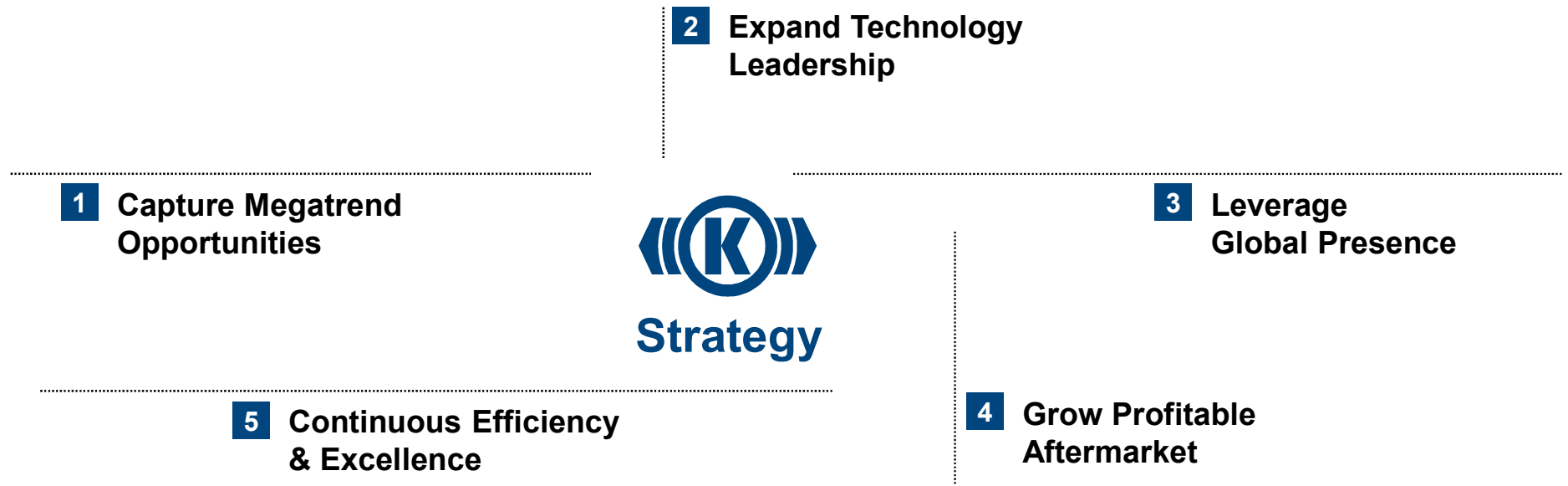
- Strong growth, profitability and cash generation with high earnings visibility
- Strong balance sheet & financing structure

Industry Innovator

- Driving innovation in mobility and transportation technologies since 115 years
- Quality excellence and edge in connected systems



Clear vision for future value creation



Targets until 2022¹⁾: organic revenue growth of 4.5-5.5% p.a. and EBITDA margin expansion by +150bps

1) Base year FY17

Knorr-Bremse is ideally positioned to shape the trends of the future



Urbanization



Sustainability



Digitalization



Mobility

Industry trends: addressing industry trends with superior technological solutions



Transport Capacity
Availability
Eco Friendliness
Life Cycle Management



Traffic Safety
Emission Reduction & E-Mobility
Automated Driving
Connectivity

Q4/20 results underpin rock solid business performance

REVENUES OF **€ 1.57bn**
(-3.5% yoy)

19.3% EBITDA MARGIN
(PY: rep. 21.3% / op. 18.7%)



€ 774m



€ 793m



25.3%



15.3%



€ 560 FREE CASHFLOW

(yoy: +10.9% incl. SLB / +79.4% excl. SLB)¹

416% CCR²

ORDER INTAKE **€ 2.09bn**
(+9.1% yoy)

ORDER BOOK **€ 4.98bn**
(+6.1% yoy)



1) SLB = Sale and Lease Back

2) CCR = Cash Conversion Rate

FY20: excellent performance in an extraordinary year

REVENUES OF **€ 6.16bn**
(-11.2% yoy)

18.0% EBITDA MARGIN
(PY: rep.19.2% / op. 18.8%)



€ 3.34bn



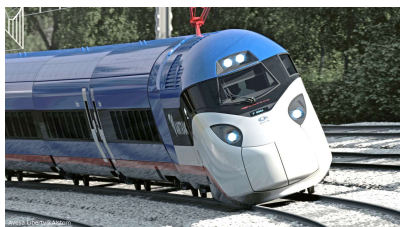
€ 2.82bn



22.9%



13.5%



€ 729m FREE CASHFLOW
(yoy: -15.3% incl. SLB / +9.2% excl. SLB)¹

137% CCR²

ORDER INTAKE **€ 6.44bn**
(-8.8% yoy)

ORDER BOOK **€ 4.98bn**
(+6.1% yoy)



1) SLB = Sale and Lease Back

2) CCR = Cash Conversion Rate

Employees by division (Stand: 31.12.; incl. leasing)

Rail Vehicles Systems
-0.1% (2020-2019)

Commercial Vehicle Systems
44%

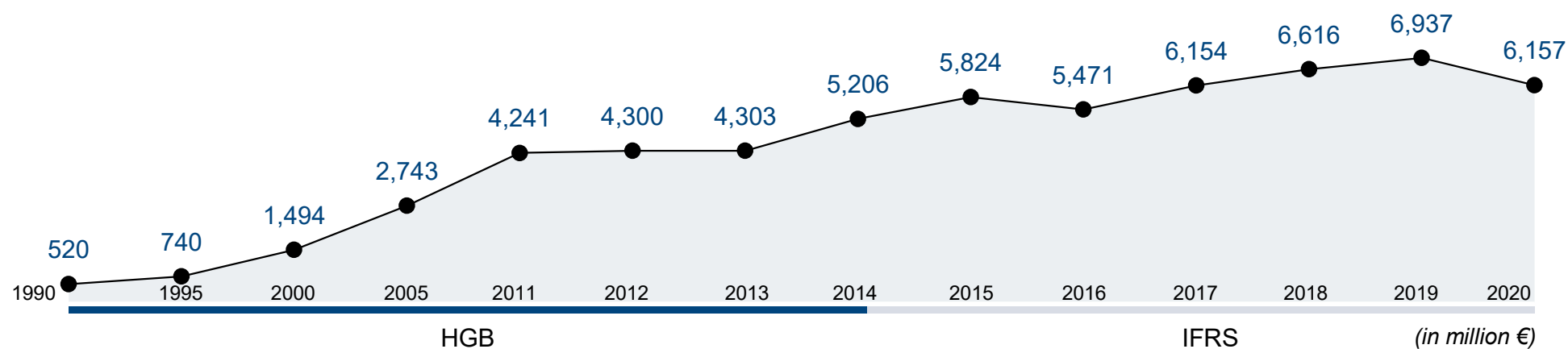
Knorr-Bremse Group
+2.8% (2020-2019)

Employee
spread
2020

Rail Vehicles Systems
56%

Commercial Vehicle Systems
+6.5% (2020-2019)

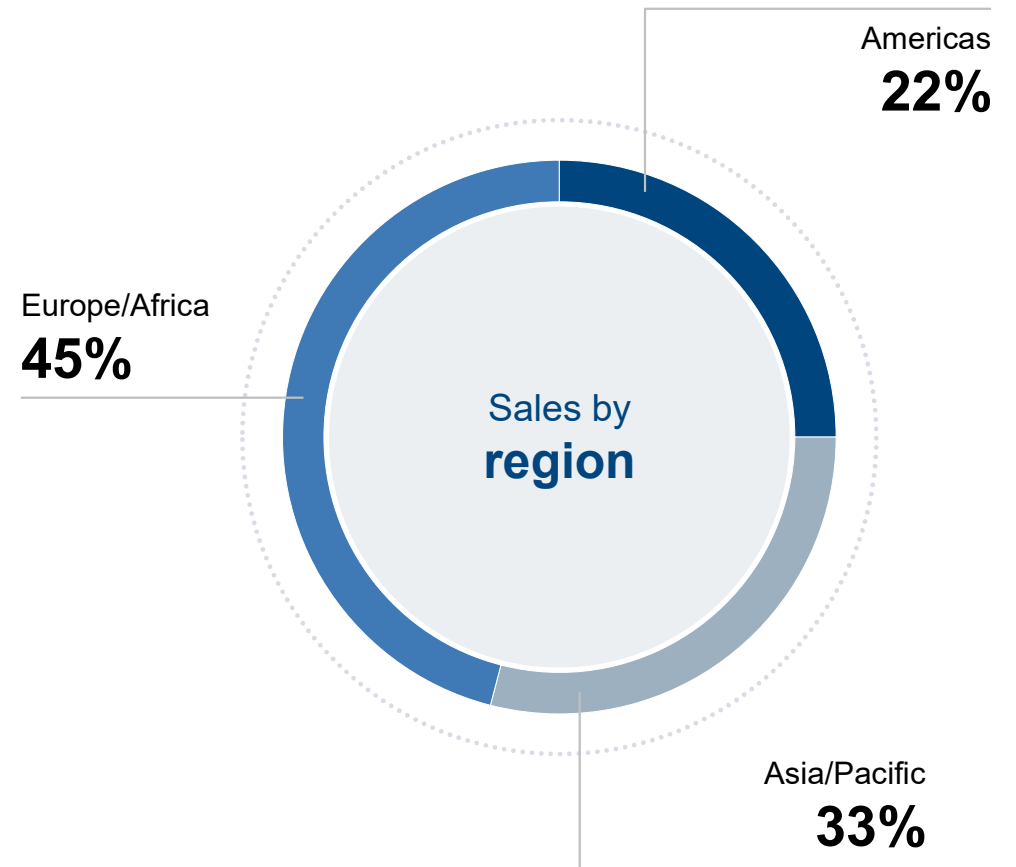
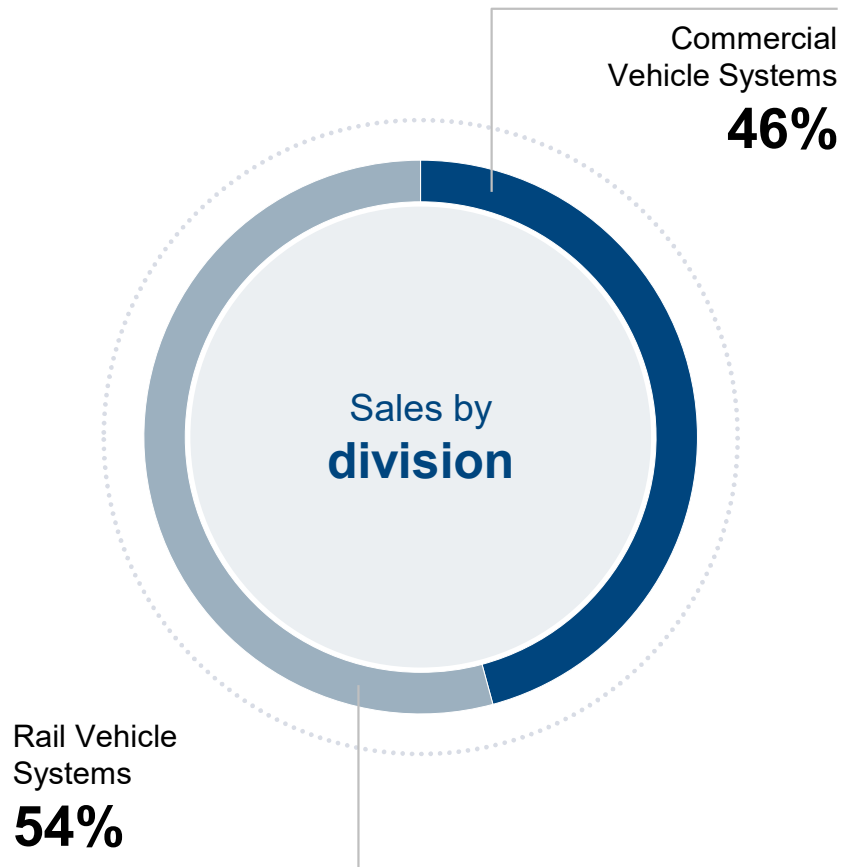
Development of sales



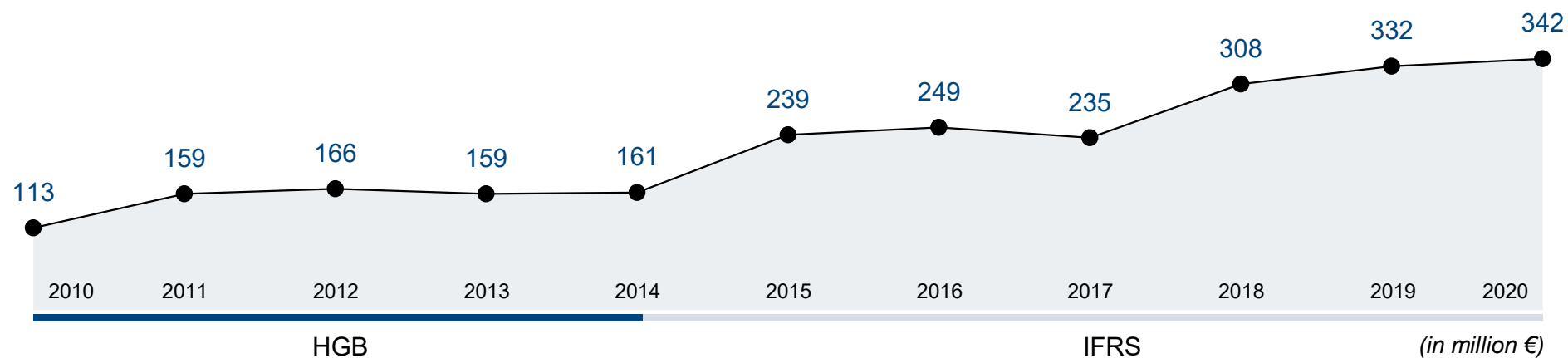
	2019	2020	Δ
Sales	6,936.5 Mio. €	6,156.7 Mio. €	-11.2 %
EBITDA	1,328.7 Mio. €	1,106.9 Mio. €	-16.7 %
Return on sales	19.2 %	18.0 %	-1.2%-P.
Capital expenditure	331.8 Mio. €*	341.7 Mio. €	+3.0 %
R&D	396.9 Mio. €	396.4 Mio. €	-0.1 %
Employees (incl. leasing; as of Dec. 31)	28,905	29,714	+2.8 %

* 2019 adjusted for northern terrain SLB (€ 33,2 Mio.)

Sales by division and region

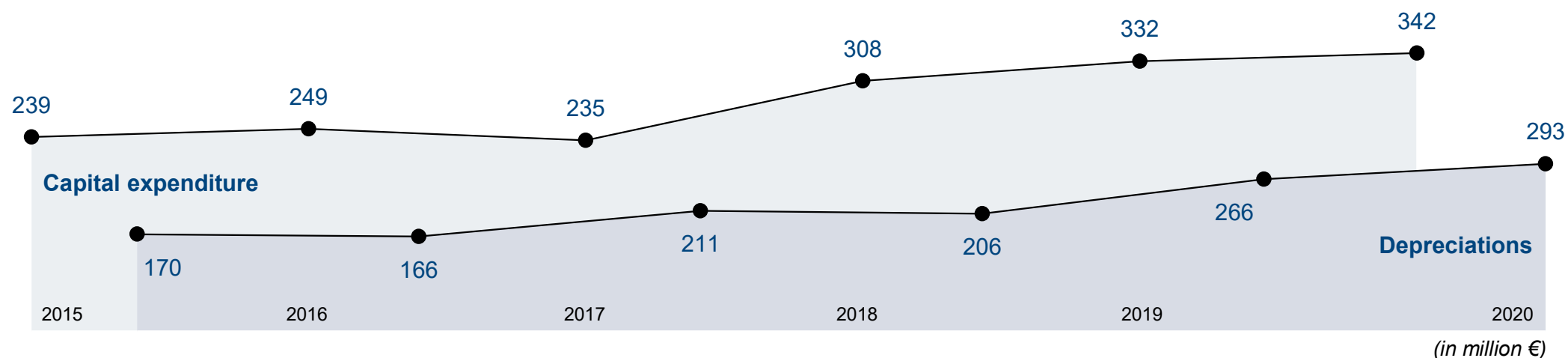


Investments in the future



	2019	2020
Capital Expenditure	331.8 Mio. €	341.7 Mio. €
Capital expenditure ratio	4.8 %	5.6 %
R&D	396.9 Mio. €	396.4 Mio. €
R&D in % of sales	5.7 %	6.4 %

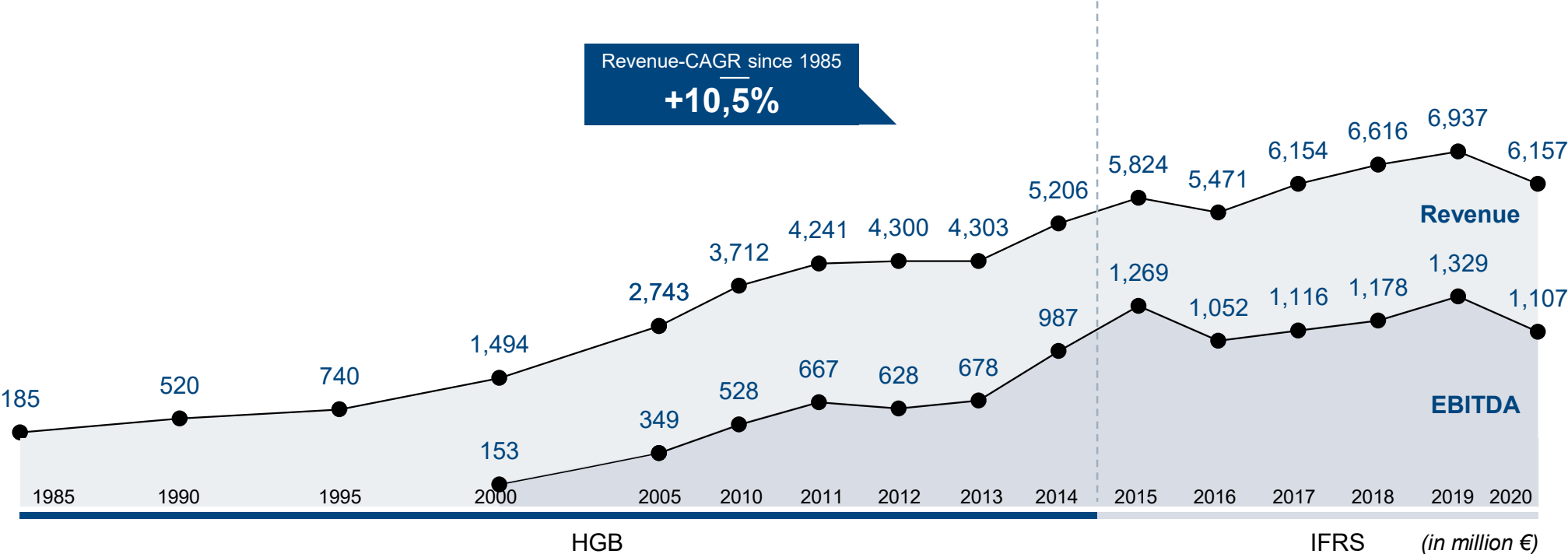
Investments as the basis of further growth



Highlights in 2020

- Investments at a high level of 5.6% of sales and underline the Group's long-term growth and innovation priorities
- Significant investments were made in future-oriented research and development projects as well as in property, plant and equipment and intangible assets. Investments in automated driving, the further development of the steering business and electrification
- Rail vehicle systems: capacity expansion of high-growth product groups, automation projects, and replacement and expansion projects
- Systems for commercial vehicles: investments in the steering business, the worldwide provision of supplier tools, expansion of production capacities at the Bowling Green site, as well as in the further development of the GSBC product platform

Exceptional growth dynamic for decades



Long-standing track record in sales and profits growth

Notes: Reported turnover in 1985: EUR 254 million. Turnover excluding marginal activities issued EUR 185 million; Source: Knorr-Bremse Financial Reporting
CAGR = average annual growth rate)

Our brand core



RELIABLE

WE ARE THE TRUSTED PARTNER.



INNOVATIVE

WE DEVELOP FUTURE TECHNOLOGIES.



LEADING

WE SET STANDARDS.

DRIVEN TO CREATE THE BEST SOLUTIONS.



GJ20: Knorr-Bremse improves ESG status and is on track for CO2 neutrality in 2021

- Environment**
- 50% reduction in CO2 emissions by 2030 and climate neutrality by FY21
 - Improvements in the circular economy
 - Refurbished and overhauled products¹ as well as EcoDesign

- Society & Employees**
- Various initiatives on equality and diversity
 - Conflict Minerals Policy
 - Supplier Code of Conducts is an integral part of supplier contracts

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

Ratings improved in 2020 and overall at a good level



A-

MSCI
ESG RATINGS

A



C+

ROBECOSAM
We are Sustainability Investing.

50



19.0

1) ~10% der Knorr-Bremse revenues

Corporate Responsibility

Knorr-Bremse's corporate responsibility (CR) strategy is a commitment to

- Acting with responsibility towards customers, employees, suppliers, the environment, and society
- Developing sustainable technologies and products
- Treating natural resources with care
- Being a fair and reliable employer that creates the best possible working conditions
- Being actively involved in social causes

As a successful global player in the mobility sector, Knorr-Bremse's aim is to contribute towards creating a sustainable society



Perspectives for people

Knorr-Bremse Global Care

- Knorr-Bremse Global Care 2020: In projects close to Knorr-Bremse locations and beyond that, the lives of more than 110.000 people could be improved mainly in the areas of Education and WASH (Water, Sanitation and Hygiene) as well as through interventions to mitigate the impact of COVID 19.
- Local Care Commitment of employees at Knorr-Bremse locations worldwide: Support of 700 projects
- Promoting volunteer work: Knorr-Bremse employees are involved in social initiatives worldwide

KNORR-BREMSE 
global care

