

Voith in the 2022/23 fiscal year

Voith continues its growth path in a difficult market environment

Heidenheim | 2023-12-12

1

Where we are today

- Highlights of the 2022/23 fiscal year
- Key financial performance indicators for the 2022/23 fiscal year

2

Our plans

- Current challenges and strategic focus areas
- Outlook for 2023/24 fiscal year

2022/23 fiscal year at a glance

Sales and earnings targets reached

VOITH

Satisfactory performance: **increase in all key performance indicators**. All three Group Divisions contributed to positive development.

€ 6.14
billion

Orders received: up 19 percent

Further increase on high previous-year figure, orders on hand once again at all-time high (€ 7.22 billion)

€ 5.51
billion

Group sales: up 13 percent

Improvement due to organic growth and acquisitions

€ 245
million

EBIT increased

Group net income rises to € 73 million

2022/23 fiscal year

Global challenges navigated well

VOITH



Geopolitical crises:

Reacted with broad sectoral and geographical diversification; established market position



Rise in interest rates:

Higher borrowing costs due to restrictive interest rate policies of many central banks countered by improvement in cash flow



Cost increases:

Maintaining a focus on efficiency measures; slight improvement in productivity in Europe and Germany

2022/23 fiscal year: Highlights for Voith Hydro

Strong service growth achieved

VOITH



- **Increase in volume of contracts awarded:** hydropower market showing signs of recovery
- Orders received marked by strong **service growth** in Europe, North and South America as well as increase in volume in a major ongoing project
- Expansion and advancement of **OPEX service hubs**
- Several orders received in the **pumped storage segment**

2022/23 fiscal year: Highlights for Voith Paper

Market position expanded

VOITH

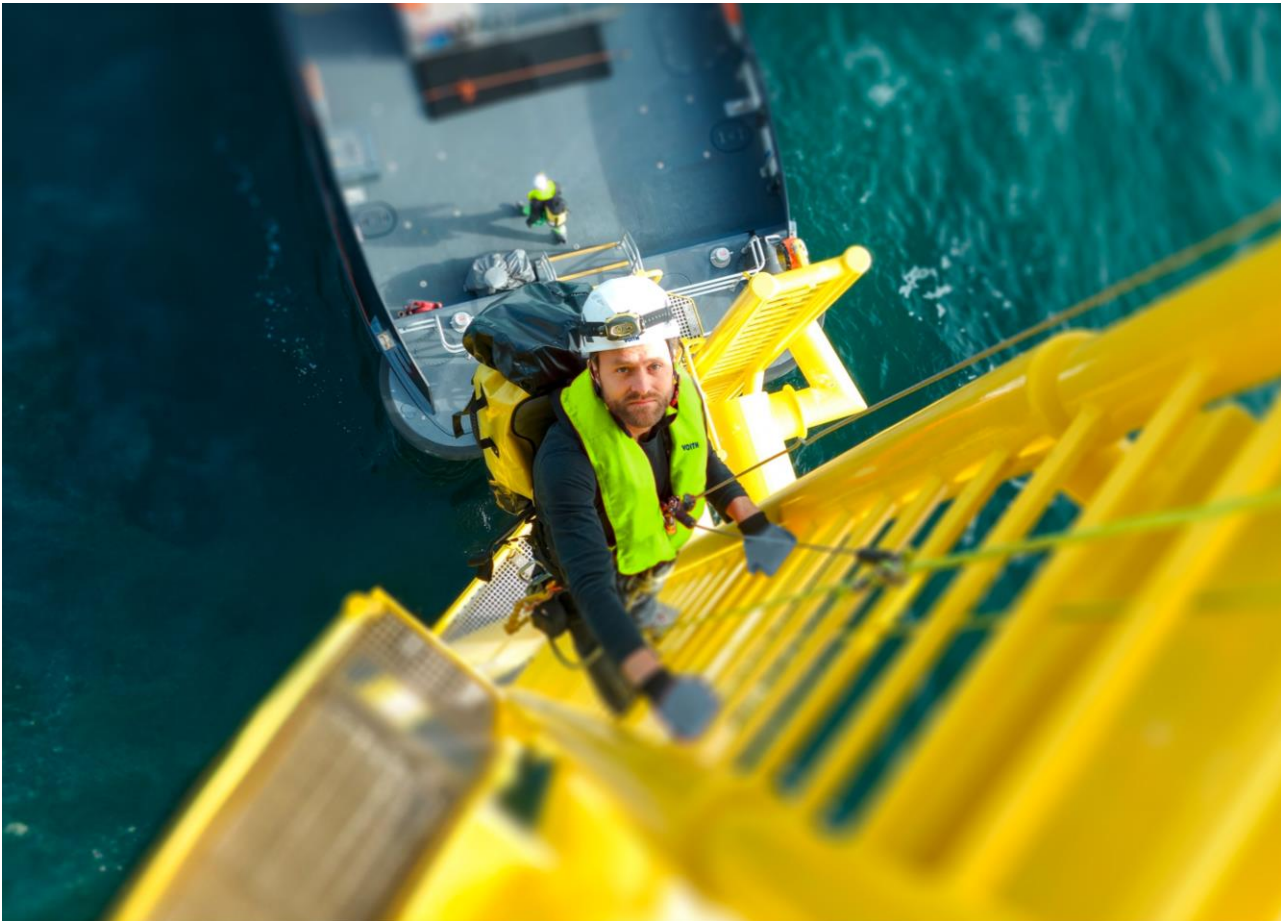


- Project business marked by new lines and rebuilds for **board and packaging papers**
- Full-line contract from Stora Enso (Finland) to convert the former paper machine into **Europe's largest board machine**
- Contract from Shanying Suzhou Paper (China) for delivery of **two paper machines**
- **Sustainability** further expanded as distinguishing feature

2022/23 fiscal year: Highlights for Voith Turbo

Transformation brings growth

VOITH



- Focus remains on **electrification of powertrains** and the refinement of **alternative low-emission drive technologies**
- All three divisions (**Mobility, Industry and Off-Highway**) contribute to appreciable growth of the Group Division
- **Future vision VT2030+** is successfully accelerating the transformation and resulting in growth
- **Service business** advanced continually in all markets and industries

2022/23 fiscal year: Summary

Profitable growth in a difficult environment



Industrial sustainability: The strategic focus on sustainable technologies is yielding results; solid position for continuation of positive development



Business model proves resiliency once again: Despite great uncertainties and a difficult economic environment, Voith remains robust both operatively and financially



Profitable growth: Voith is benefiting from broad sectoral and geographical diversification and well-established market position in all Group Divisions

1

Where we are today

- Highlights of the 2022/23 fiscal year
- Key financial performance indicators for the 2022/23 fiscal year

2

Our plans

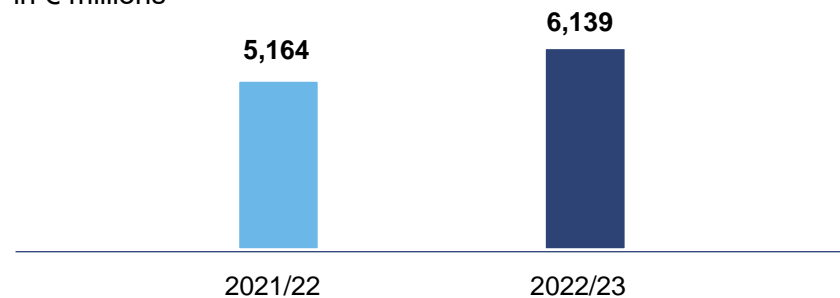
- Current challenges and strategic focus areas
- Outlook for 2023/24 fiscal year

Group orders received

Orders received continue to rise

Orders received, Group

in € millions



Orders received, Group (€ 6,139 million)

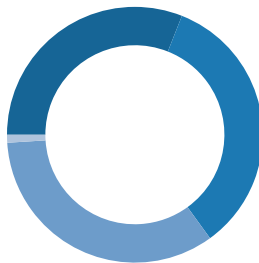
by Group Division

Voith Hydro

31%

Corporate
Functions & Services

1%



Voith Paper

34%

Voith Turbo

34%

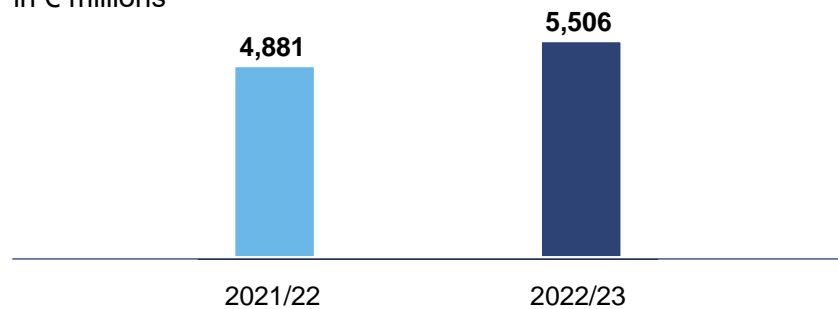
- **Orders received increase by 19 percent** and show further favorable development
- **Orders on hand at all-time high: € 7.22 billion**
- Among others, growth was a result of an increase in volume in a major, ongoing project of the Group Division Hydro
- Additionally, the Group Division Turbo contributed to the positive development, mainly due to the acquisition-related share of € 210 million (Argo-Hytos and IGW Rail)

Group sales

Increase following normalization of supply chains

Sales, Group

in € millions



Sales, Group (€ 5,506 million)

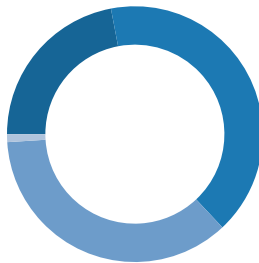
by Group Division

Voith Hydro

22%

Corporate
Functions & Services

1%



Voith Paper

41%

Voith Turbo

36%

- **Group sales increased by 13 percent**
- In addition to good operating performance, there was acquisition-related sales growth totaling around € 230 million from Argo-Hytos and IGW Rail
- All Group Divisions with increases in sales

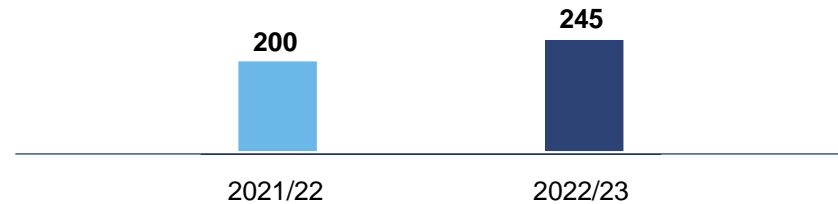
Operating result

EBIT improved

VOITH

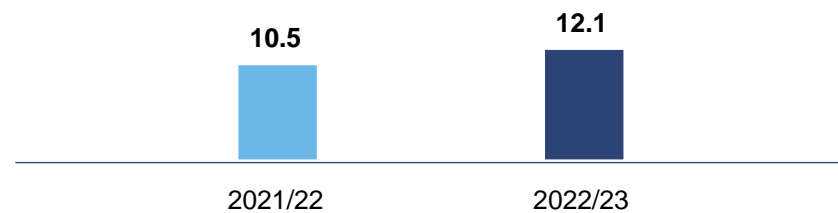
EBIT, Group

in € millions



ROCE, Group

in percent



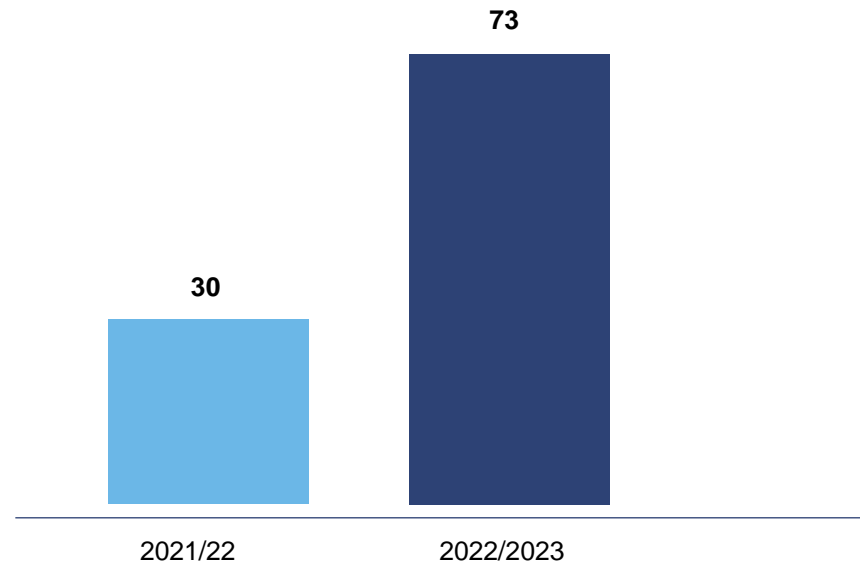
- Group Division Paper continues to make greatest contribution to EBIT
- Inflation-related cost increases countered by efficiency gains and effective use of resources
- **ROCE** improved once again; **return on sales** at 4.4% (previous year: 4.1%)

Group net income

Further increase

Net income, Group

in € millions

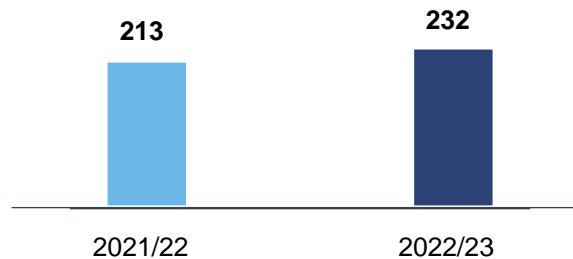


- Increase in **Group net income**
- Voith reinforces **profitability and profitable growth**

Research and development Investments at high level

Research and development expenditure

in € millions



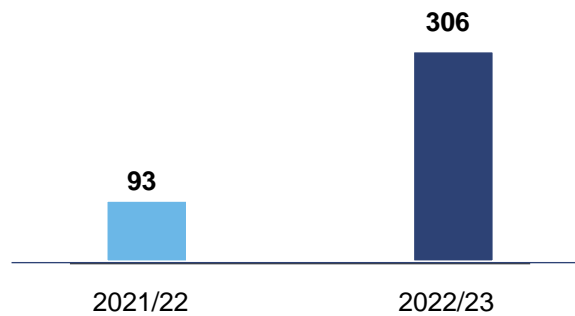
- Even in a difficult market environment, a conscious decision was made to maintain at a high level
- Over the past **five years**, Voith has invested **more than € 1 billion** in the research and development of new products and solutions
- Measured against Group sales, the **R&D ratio** of the Voith Group was 4.2% (previous year: 4.4%)

Operating net cash flow

Appreciable improvement

Operating net cash flow (ONCF)

in € millions



- Appreciably positive performance
- Increase in **Group net income** and reduction in inventories contributed to this result

Balance sheet

Sound net assets and financial position

Equity ratio

in percent



- **Equity ratio** at stable level
- **Net liquidity** improved; stable liquidity position as a result of own bank balances and existing loan agreements

Net liquidity

in € millions

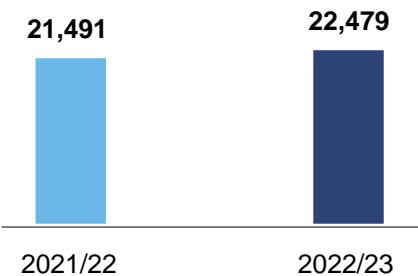


Employees

Group headcount increased due to acquisitions

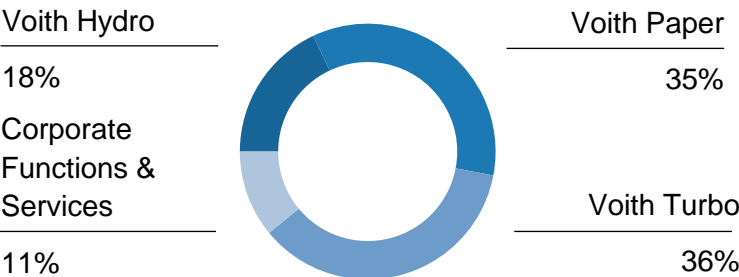
Employees, Group

Full-time equivalents as of September 30



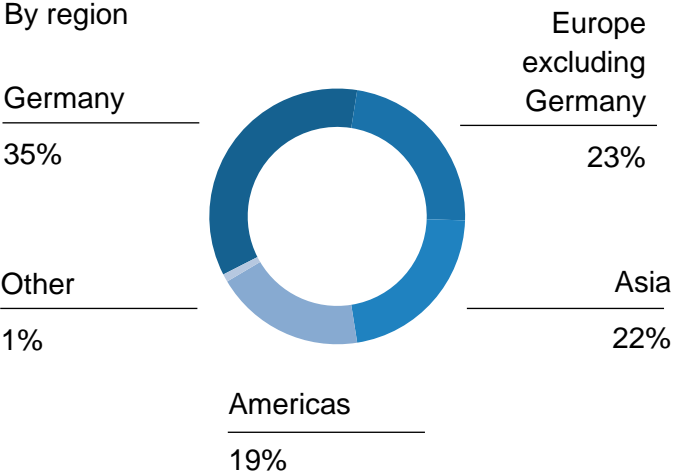
Employees, Group (22,479)

By Group Division



Employees, Group (22,479)

By region



Voith Hydro

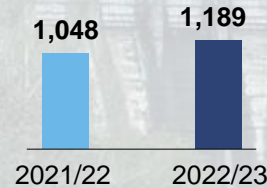
Managed well in challenging environment

VOITH

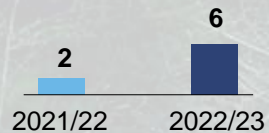
Orders received in € millions



Sales in € millions



EBIT in € millions



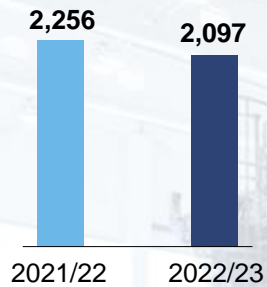
- **Orders received increased** as a result of the increase in volume in a major ongoing project
- **Sales** improved despite the difficult economic environment; market position established further
- **Increasing profitability** remains an important objective for the Group Division Hydro

Voith Paper

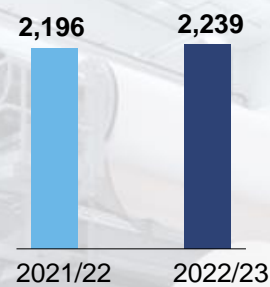
Largest contributor to sales and earnings of the Group

VOITH

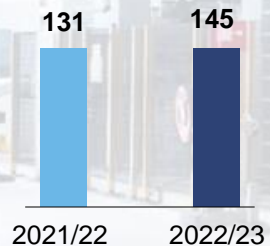
Orders received in € millions



Sales in € millions



EBIT in € millions



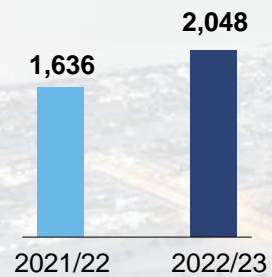
- Group Division Paper once again made the **largest contribution to sales and earnings** of the Voith Group
- **Orders received** slightly declined due to expected market cooling
- **Sales** grew by 2 percent
- **EBIT** improved 11 percent, starting from an already high level

Voith Turbo

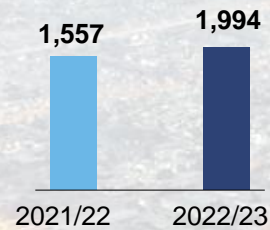
Robust development and profitable growth

VOITH

Orders received in € millions

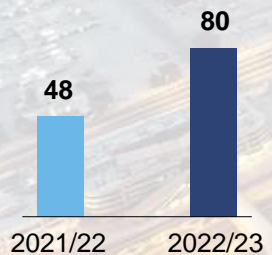


Sales in € millions



- **Orders received and sales** increased
- The Group Division Turbo recorded the **clearest sales and EBIT growth** of all three Group Divisions, benefiting from the two acquisitions of Argo-Hytos and IGW Rail

EBIT in € millions



2022/23 key financial performance indicators

Summary

VOITH



Satisfactory figures: In difficult environment, targets for orders received and sales met; Group net income improved



Core business remains on right path: Positive development of operating activities in all three Group Divisions; market position reinforced



Solid financial position: Entrepreneurial scope for investments in the core businesses and strategic growth areas

1

Where we are today

- Highlights of the 2022/23 fiscal year
- Key financial performance indicators for the 2022/23 fiscal year

2

Our plans

- Current challenges and strategic focus areas
- Outlook for 2023/24 fiscal year

Challenges and strategic focus areas

Economic environment remains challenging



Geopolitical risks: Alongside the war in Ukraine, these include the new conflict in the Middle East



Impending economic downswing: The ongoing geoeconomic fragmentation and uncertainties on the markets are likely to lead to a noticeable slowing of economic activity in many areas of the world

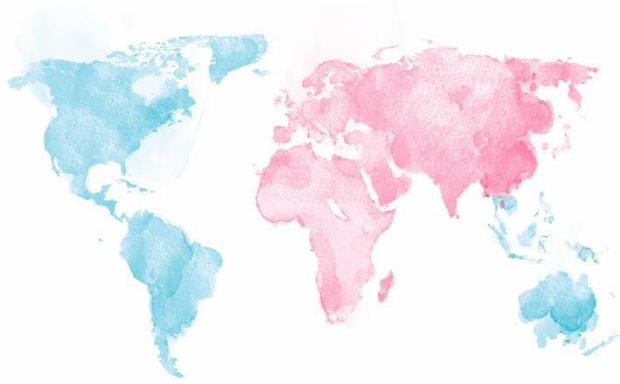


High interest rates: The high interest rates at most central banks are making investments and borrowing more expensive. A decrease in interest rates can be expected only over the medium term

Challenges and strategic focus areas

Voith's actions in current environment

VOITH



Countering risks:

Leverage the benefits of broad sectoral and geographical positioning; diversify supply relationships even further; constantly increase the agility and flexibility of the organization



Capital spending:

With forward-looking investments – in research & development and new growth areas – Voith is creating the necessary conditions for further future growth



Industrial sustainability:

Strategic focus on sustainable technologies – in the core business and in new growth areas – is increasingly paying off and remains a promising opportunity

Challenges and strategic focus areas

Transformation of industry as an opportunity

VOITH



Digitalization and efficiency gains:

Voith is already undergoing a transformation from a traditional mechanical engineering company to a **sustainable technology group**. Digitalization is revolutionizing the manner in which industry produces goods and offers products and services. In this context, artificial intelligence is a significant driver of transformation and innovation at Voith.



Sustainable technologies of tomorrow:

The megatrends of digitalization and decarbonization open up new business opportunities for a **more sustainable future**. The evolution of the core business in this direction and expansion into new markets offer promising growth opportunities and will once again be a central part of Voith's strategy in the current fiscal year.

1

Where we are today

- Highlights of the 2022/23 fiscal year
- Key financial performance indicators for the 2022/23 fiscal year

2

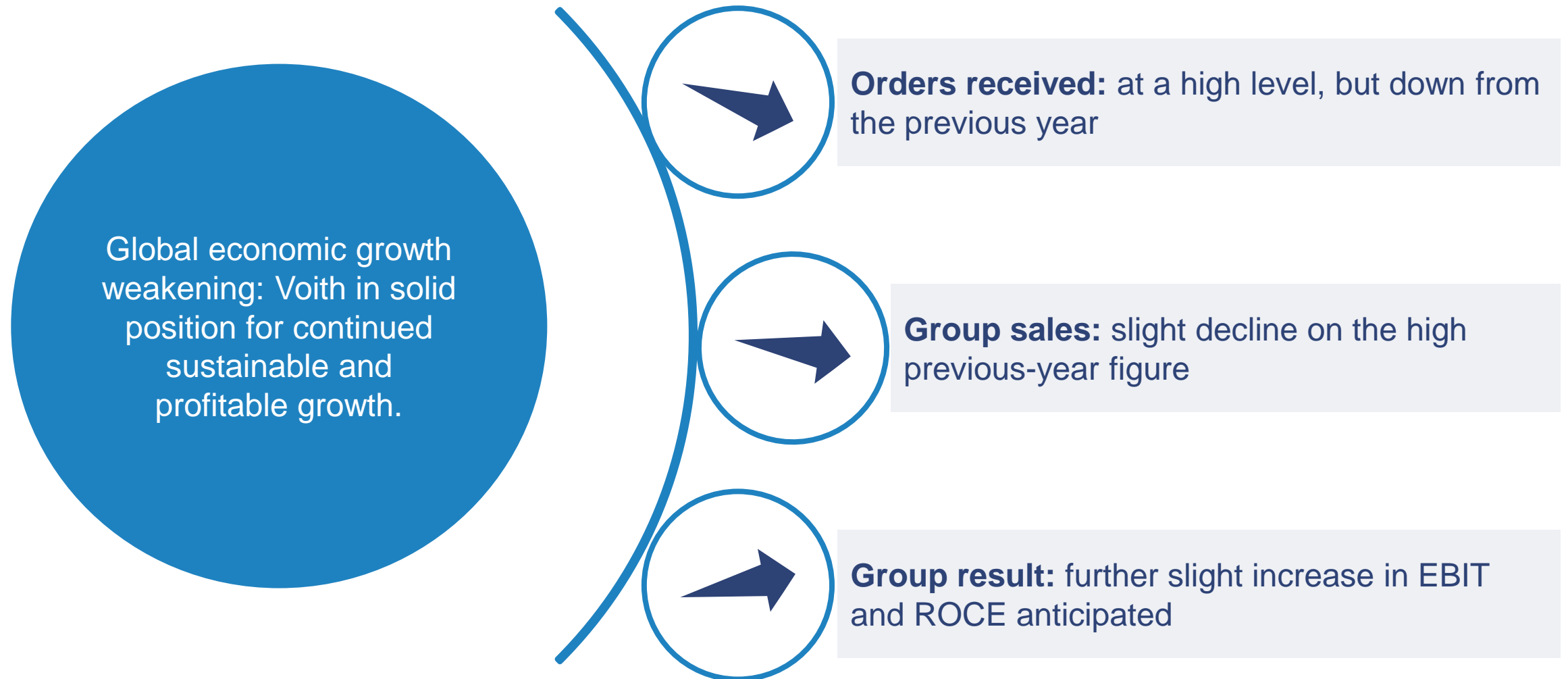
Our plans

- Current challenges and strategic focus areas
- Outlook for 2023/24 fiscal year

Outlook for 2023/24 fiscal year

Stable development expected

VOITH



VOITH