

# **Voith in fiscal year 2020/21**

## **Robust through the crisis, dynamic into the future**

Heidenheim, Germany | 2021-12-09

## 1

### **Where we are today**

- Highlights from fiscal year 2020/21
- Financial KPIs from fiscal year 2020/21

## 2

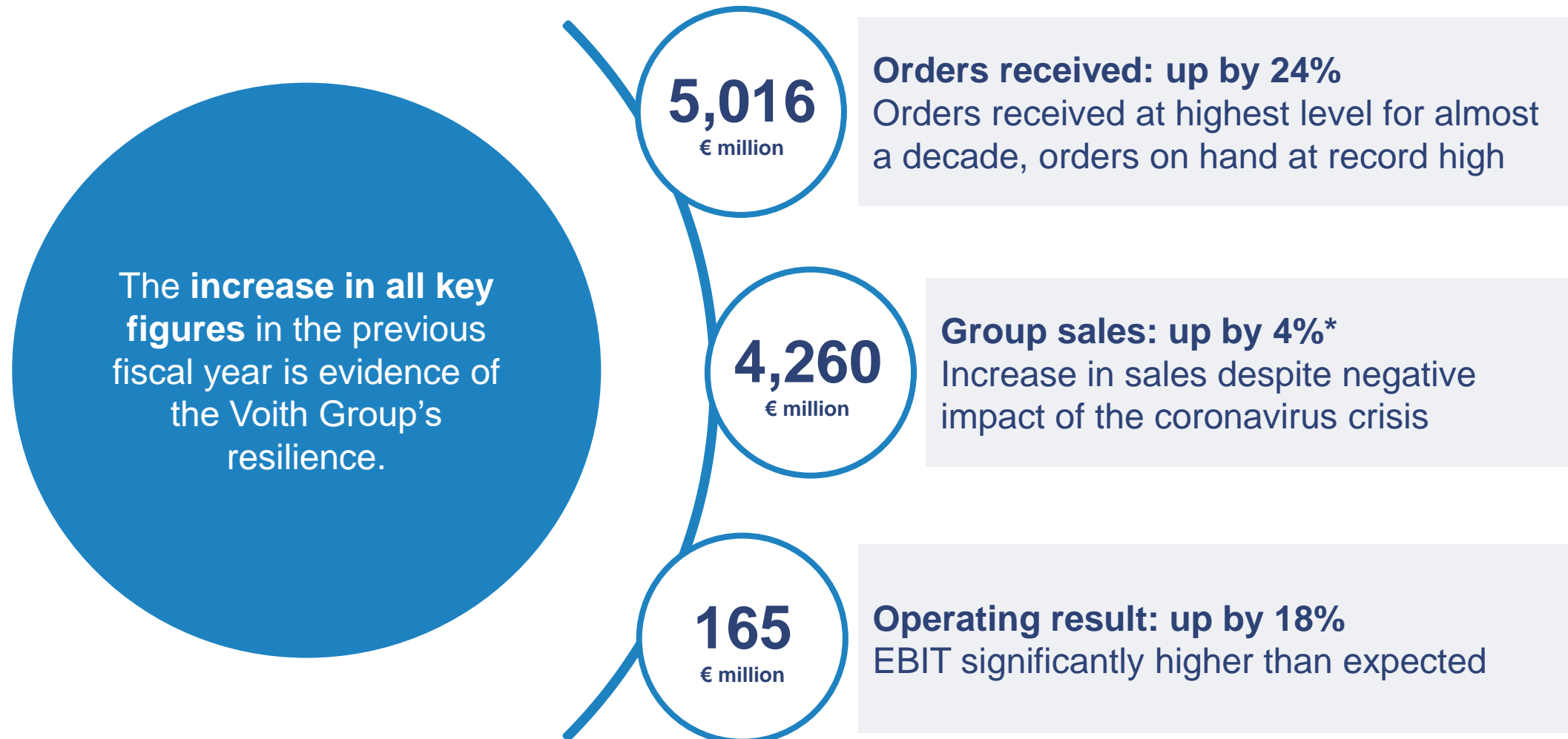
### **Our plans**

- Our strategy
- Outlook for fiscal year 2021/22

# Fiscal year 2020/21: Key figures at a glance

## Goals achieved; orders on hand at record high

**VOITH**



# Fiscal year 2020/21: Focus on Covid-19

## Effective crisis management

**VOITH**



Diversification and  
localization of supply chains



Price increases for raw  
materials and logistics could  
be offset



Stringent hygiene and safety  
protocols in place around the  
world

# Fiscal year 2020/21: Focus on strategy

## Key milestones towards profitable growth

**VOITH**



### Corporate strategy with a focus

... on continuing to consistently implement sustainable technologies.



### Additional investments

... on research & development and our core business.



### Digital and technological

... transformation consequently driven forward.



### Strategic workstreams ...

... making progress in tapping into new business segments.



# Fiscal year 2020/21: Voith Hydro Highlights

## Sound orders received in a tense market environment

**VOITH**



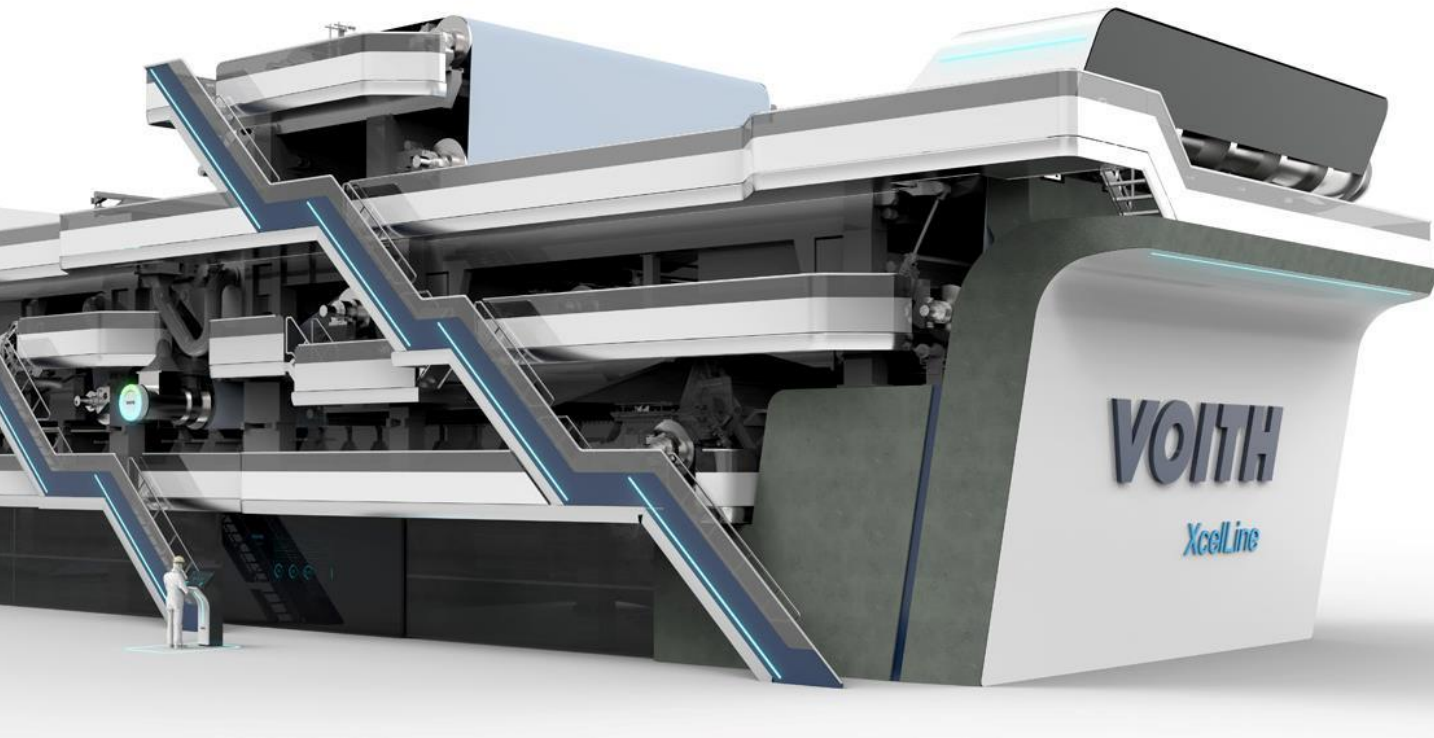
### Voith Hydro secures important modernization orders

- In the United States, Voith is playing a key role in the modernization and digitalization of the **Robert Moses** hydroelectric power plant
- Substantial order won in South America to upgrade the electromechanical equipment at **Paulo Afonso IV** in Brazil
- After extensive automation, Voith is now modernizing three generation sets at Belgium's largest pumped storage power plant **Coo-Trois-Ponts**

# Fiscal year 2020/21: Voith Paper Highlights

## Market position in paper industry further expanded

**VOITH**



### Voith Paper plays to its strengths as a global full-line supplier

- Voith delivers high-speed production facility for the production of recovered corrugated board base paper to Turkish paper manufacturer **Modern Karton**
- Order from Chinese pulp and paper manufacturer **Asia Symbol** for complete board production line

# Fiscal year 2020/21: Voith Turbo Highlights

## Demand in Industry and Mobility segments recovers

**VOITH**



### Voith Turbo enjoys global success with innovative electric drive system

- In addition to British manufacturer **Alexander Dennis** and Northern Ireland's bus manufacturer **Wrightbus**, Turkish manufacturer **Otokar** and the **KAMAZ Group** in Russia will also place their trust in the **Voith Electrical Drive System (VEDS)** in their city buses in future
- **TriMet** in Oregon is the first operator in the United States to implement VEDS



# Fiscal year 2020/21: Summary

## Course set for profitable growth

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**Emerging stronger from the crisis:** Voith has effectively managed the impacts of the Covid-19 pandemic in the second crisis year and is emerging from the crisis stronger than before.



**Improved profitability:** Voith is close to achieving the same operating result as before the crisis and is benefiting from increased administrative efficiency as well as the development at Group Division Paper.



**Focus on sustainable technologies is paying off:** Voith is successfully strengthening its core business and is making progress in tapping into new business segments.



**Focus on growth:** Even during the crisis, Voith is not saving at the expense of the future but is keeping investments in future growth and increased efficiency at a high level.

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### **Our plans**

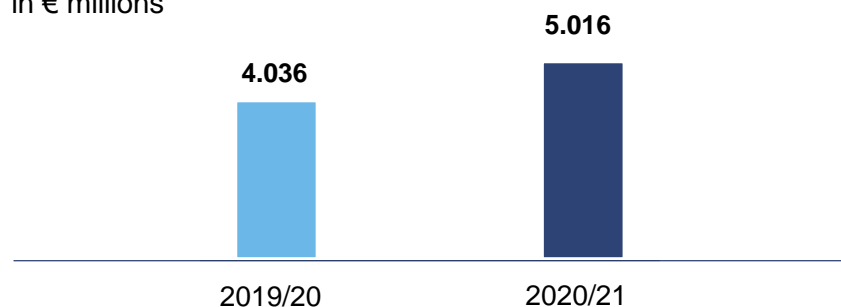
- Our strategy
- Outlook for fiscal year 2021/22

# Group orders received

## High level of orders received thanks to focus on sustainable technologies

### Orders received Group

in € millions



### Orders received Group (€5,016 million)

by Group Division

Voith Hydro

23%

Corporate  
Functions & Services

2%



Voith Paper

45%

Voith Turbo

30%

- Strong increase of 24% significantly exceeds forecast
- Orders on hand hit record high at 6.25 billion euros
- Increase largely attributed to strong large plant business at Paper and Hydro

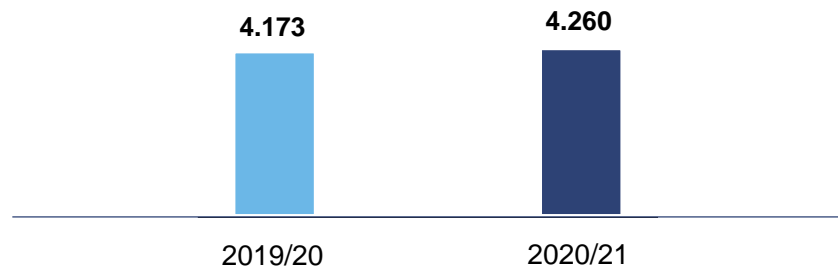
# Group sales

## Slight increase despite impact of pandemic

**VOITH**

### Sales Group

in € millions



### Sales Group (€4,260 million)

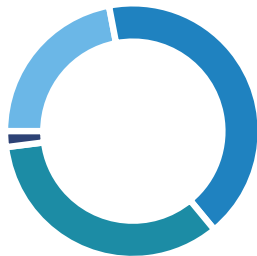
By Group Division

Voith Hydro

22%

Corporate  
Functions & Services

2%



Voith Paper

42%

Voith Turbo

34%

- Group sales increased by 2%, adjusted for currency effects by 4%
- Acquisitions from previous years make significant contribution to sales
- Stable sales for Hydro and Paper, increased sales for Turbo
- Operations affected by Covid-19 led to delays in project and revenue realization
- High level of orders received has delayed impact on Group sales

# Group result

## EBIT improved significantly, exceeding previous year's forecast

### EBIT Group

in € millions



### ROCE Group

in percent



- Despite ongoing challenges presented by the pandemic and global supply chain disruptions, EBIT increased by 18%, clearly exceeding expectations
- Increase in profits driven largely by EBIT growth at Voith Paper and improved efficiency in administration functions
- EBIT takes into account significant investments in the future (e.g. R&D costs)
- ROCE higher than expected and return on sales also increased (3.9%; previous year: 3.3%)

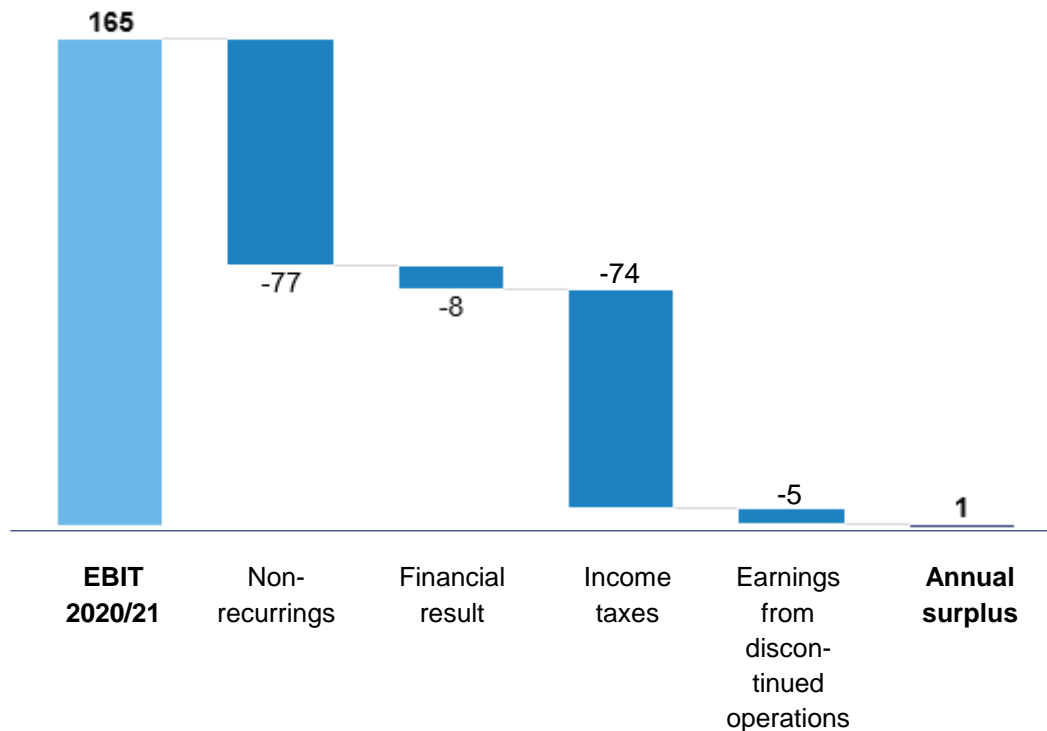


# Annual surplus

## Positive results in the second year of coronavirus pandemic

### EBIT to net income

in € millions



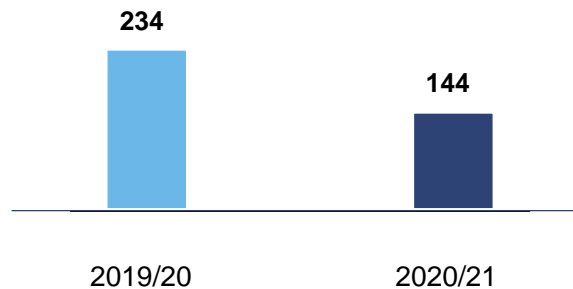
- Voith posted positive results despite the ongoing Covid-19 crisis and continued investments in the future viability of the company
- Earnings significantly impacted by non-recurring expenses (e.g., restructuring measures) and by one-time write-downs on deferred taxes
- Efficiency investments pay off

# Cashflow from operating activities

## Financial situation remains very sound

### Cash flow from operating activities

in € millions



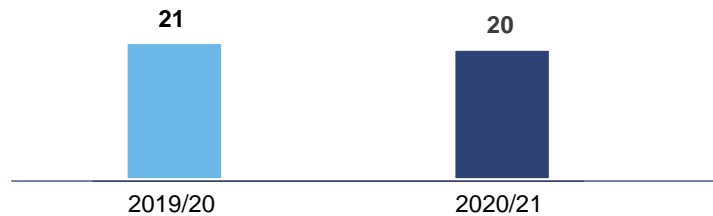
- Despite increased inventories, cashflow from operating activities markedly positive
- Fully available credit lines of approx. €1.1 billion ensure stable liquidity

# Balance sheet

## Strong financial position enables future investments

### Equity ratio

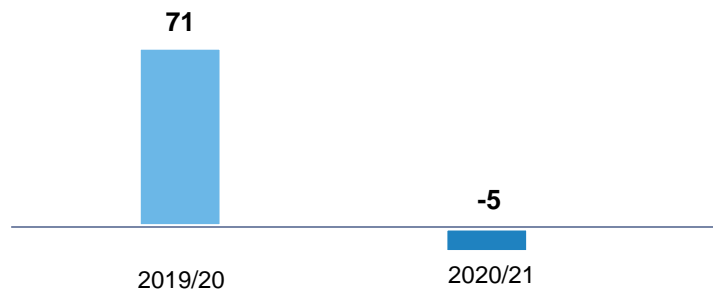
in percent



- Equity ratio remains strong
- Net liquidity at a healthy level despite significant acquisition activities providing – sufficient leeway for future investments

### Net liquidity at end of reporting year

in € millions

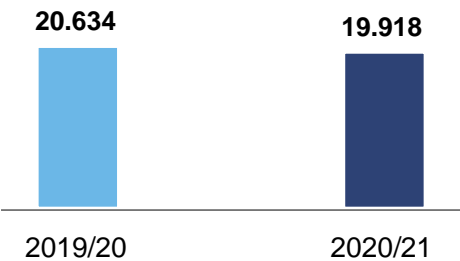


# Employees

## Number of employees decreased due to restructuring

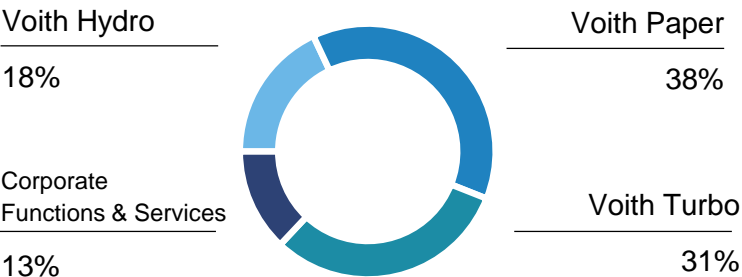
Employees Group

Full time equivalents as of Sep. 30



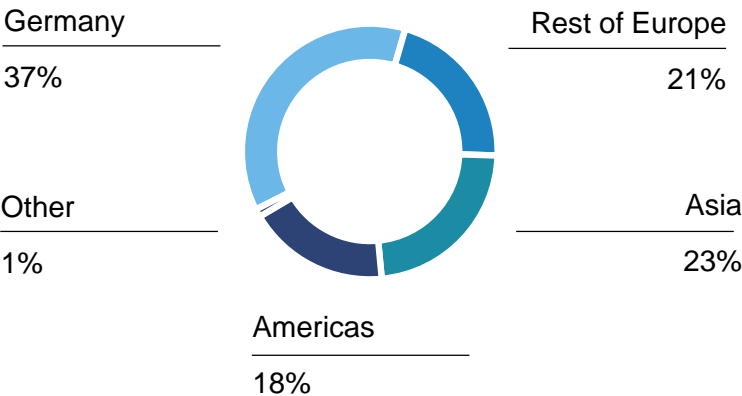
Employees Group (19,918)

By Group Division



Employees Group (19,918)

By region

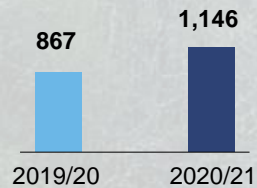


# Voith Hydro

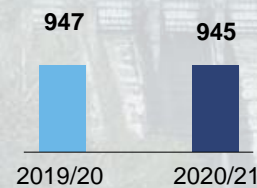
## Stable sales in challenging business environment

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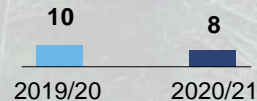
Orders received in € millions



Sales in € millions



EBIT in € millions

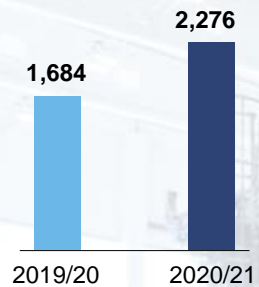


- Significant increase in orders received (up by 32%), driven in part by large projects in Eastern Europe and the United States
- Sales stable despite ongoing impact on the business due to the pandemic and disrupted global supply chains
- EBIT down slightly, largely influenced by orders processed in market phases with high price pressure

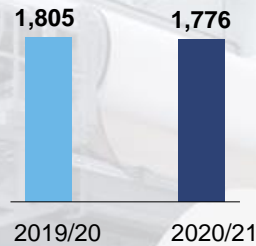


## Record orders received; EBIT at a high level

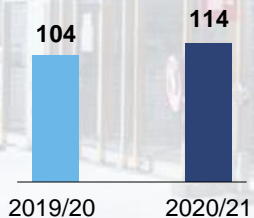
Orders received in € millions



Sales in € millions



EBIT in € millions



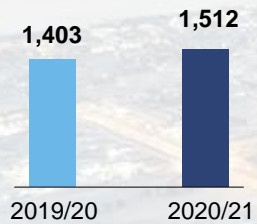
- Paper received record orders (up by 35%) thanks to strong investment activity in the paper machine market
- Sales stable despite lower orders received in the previous years and the ongoing negative impacts of the Covid-19 pandemic
- Significant increase in EBIT; improved ROCE and return on sales
- Acquisitions of BTG and Toscotec with significant contribution to sales and EBIT

# Voith Turbo

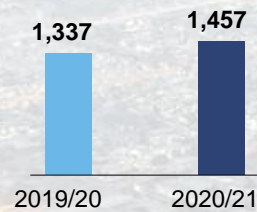
## Substantial growth in orders received and sales

**VOITH**

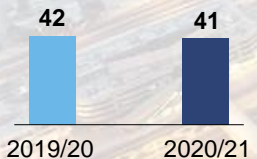
Orders received in € millions



Sales in € millions



EBIT in € millions



- Increase in orders received (up by 8%)
- Both divisions (Industry and Mobility) contribute to increase in sales (9%)
- The service business of the Industry division continues to be particularly hard hit by the coronavirus mitigation measures worldwide
- EBIT is stable despite expenditures for the transformation of the organizational structure and product portfolio

# Financial KPIs from fiscal year 2020/21

## Summary

**VOITH**



**Sound operating income; goals achieved:** All major KPIs increased despite ongoing Covid-19 pandemic.



**Core business is well on track in all three divisions:** High volume of orders received and orders on hand is evidence of strong market position and guarantees good capacity utilization in the years to come.



**Solid basis for further growth:** The Voith Group's healthy financial position offers opportunities for further investments in growth.

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# An overview of our strategy

## Four pillars for profitable growth

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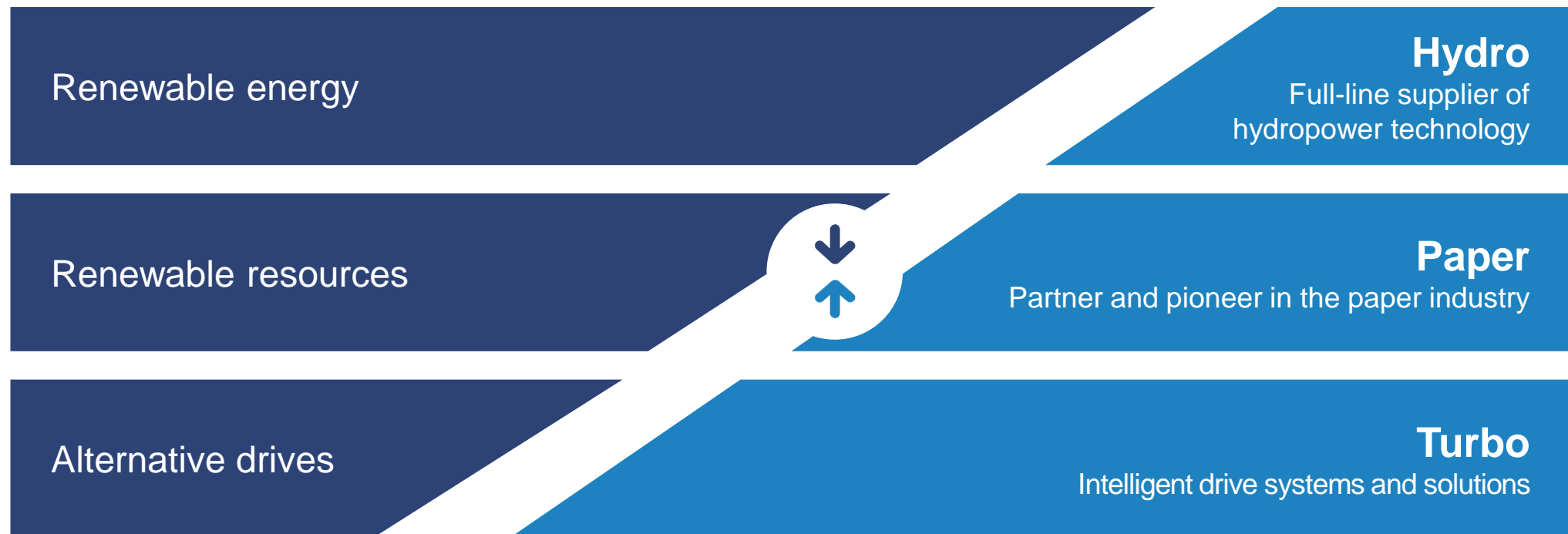




# Our goal for industrial sustainability

## From megatrend to viable business model

**VOITH**



# Sustainability: Hydroelectric power generating opportunities **VOITH**

## Voith takes over remaining shares in former joint venture Voith Hydro – huge potential for growth



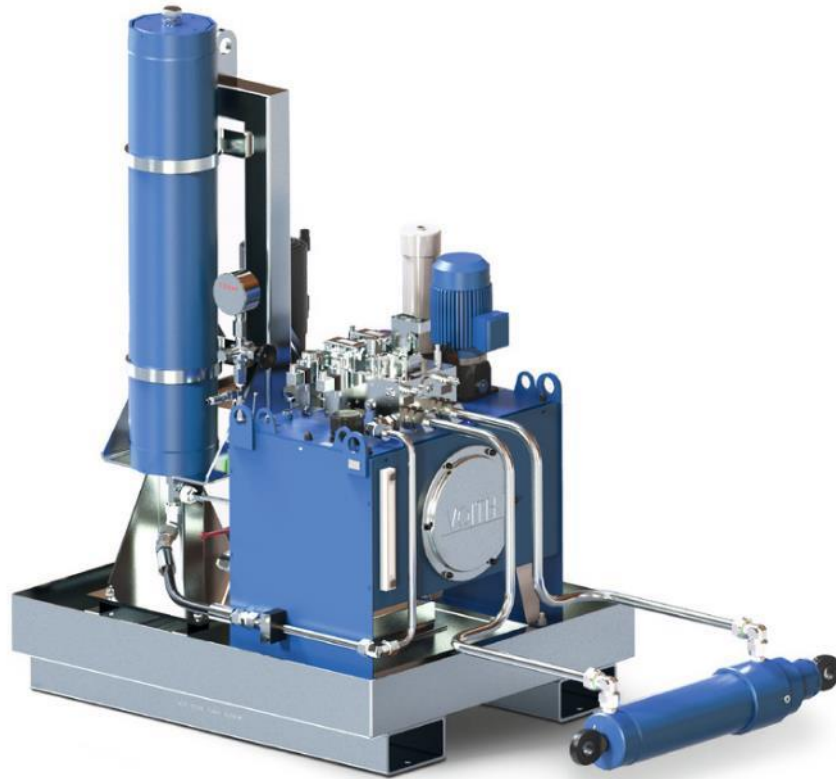
### Grid-stabilizing hydroelectric power is backbone of renewable energies

- Voith acquires 35 percent stake in Voith Hydro from joint venture partner Siemens Energy
- Consistent implementation of strategy by strengthening core business in the field of sustainable technologies
- Hydroelectric power holds great potential for sustainable profitable growth through its rising importance for achieving global climate targets

# Sustainable solutions: Example from Voith Hydro

## Next-generation hydraulic turbine controller

**VOITH**



### Automation solutions developed further

- In addition to its compact design, the highly innovative hydraulic power unit **HyCon Go Hybrid** is also extremely efficient
- Compared to conventional high-pressure units, the amount of oil required is reduced **by up to 60%** and by **as much as 90%** compared to low-pressure units



# Sustainable solutions: Example from Voith Paper

## Groundbreaking work with sustainable packaging paper

**VOITH**



### World's most modern pilot coater

- Pilot machine meets growing demand for barrier papers and flexible packaging solutions as a sustainable alternative to petroleum-based packaging
- Latest sensor and automation technology for highly efficient drying

# Sustainable solutions: Example from Voith Turbo

## Voith among leaders of innovation in green technology

**VOITH**



### Environmentally compatible and resource-efficient: Electric Voith Schneider Propeller

- Thanks to its integrated electric motor, this innovation enables additional environmentally-friendly and resource-efficient operation and makes an important contribution to the electrification of the drive train in marine applications
- With its electric Voith Schneider Propeller, Voith was one of the winners of the Environmental Technology Award 2021 presented by the Ministry of the Environment, Climate Protection and the Energy Sector Baden-Württemberg



# Sustainable solutions: Example from Voith Turbo

## Support for renewed focus on wind power

**VOITH**



### Wind is a growth market

- Voith enters wind power market by collaborating with international wind turbine manufacturers
- The focus is on the development and production of gearboxes and generators for wind turbines in Europe and Asia
- Integration of ELIN-Motoren strengthens market position in wind power market

# Sustainability: Key technology hydrogen

## Voith's commitment along the value chain

**VOITH**



### Generation of green hydrogen with hydroelectric power

Voith's hydroelectric power plants provide a sustainable, durable and effective basis for the production of hydrogen



### Transport via hydrogen pipelines

Voith is applying its expertise in new drive technologies to develop infrastructure for hydrogen pipelines



### Storage in high-pressure tanks

Voith is developing new, durable high-pressure hydrogen tanks for hydrogen vehicles



### Use of energy with fuel cells

Voith is developing an electric drive train to transform energy from hydrogen fuel cells into motion

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# Outlook for fiscal year 2021/22

## Economic situation remains volatile



The IMF predicts **global economic growth of 4.9% for 2022 – forecasts, however, are marked by uncertainty** due to Covid-19 and the ongoing disruptions, especially with regard to supply chains and bottlenecks for raw materials, intermediate products and components.



**Voith markets are generally on path to recovery** – markets and segments still dependent on the general development of the investment climate.

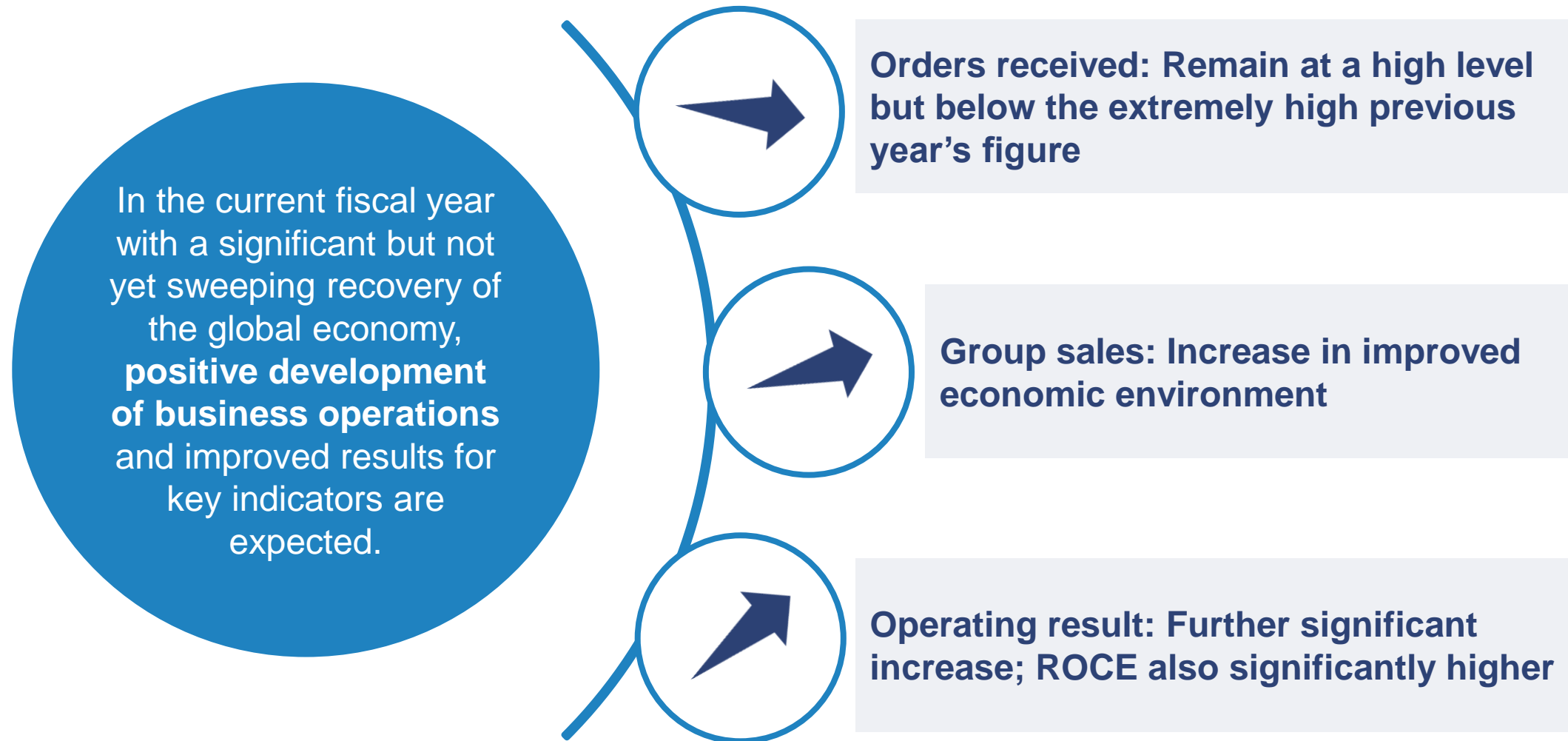


**Strong demand for decarbonization and sustainable technologies** – Voith is ideally positioned to make the most of the enormous business opportunities presented by these developments.

# Outlook for fiscal year 2021/22

## Voith expects year of profitable growth

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**VOITH**