

## Press Release

# VTG: Solid annual earnings despite the pandemic

- **Revenue of EUR 1.2 billion virtually unchanged year on year**
- **EBITDA slips 4% to EUR 492 million**
- **Executive Board sees confirmation of rail freight's importance to supply security**
- **Digital traigo platform gives customers comprehensive overview of transports**
- **VTG well placed for the long term thanks to successful EUR 2.9 billion refinancing package and strategic decisions**

*Hamburg, April 15, 2021.* Defying the massive global impact of the Covid-19 crisis, VTG Aktiengesellschaft delivered solid annual earnings in the 2020 financial year. Group revenue was virtually unchanged year on year at EUR 1,218 million (2019: EUR 1,221 million). At EUR 492 million, EBITDA (earnings before interest, taxes, depreciation and amortization) was slightly below the previous year's level (2019: EUR 512 million). "We began the 2020 financial year with tremendous momentum. Thanks to substantial investment and the long-term orientation of our business models, our performance for the year as a whole was stable overall," says Dr. Heiko Fischer, Chief Executive Officer of VTG AG. "The spread of the coronavirus pandemic as of March 2020 nevertheless triggered a supply and demand crisis whose consequences we felt – as expected – mainly in the latter half of the year. It is normal for economic shifts to unfold their impact on VTG's business after a certain time lag, leading to a decline in capacity utilization and growing price pressure."

### **Rail underscores its vital importance to seamless supply chains**

Very high fleet capacity utilization of 92.3% in the previous year fell by 2.6 percentage points to 89.7% in the financial year under review. In the wagon hire business, those wagon segments used by the steel and automotive industries were especially hard hit by the coronavirus pandemic. A fierce price war in road haulage affected the utilization of intermodal wagon capacity in both the container and trailer transport segments. By contrast, tank wagons and bulk freight wagons for agricultural products were among those segments where capacity utilization remained very strong. In our logistical units, pandemic-driven production outages influenced transport volumes. Rail, however, was once again able to underscore its vital importance to seamless supply chains. "The coronavirus pandemic has emphatically demonstrated how important international rail freight transport is to the security of supply throughout Europe," Fischer notes. "No other mode of transport is capable of carrying such large volumes of goods over such long distances with so few personnel and resources."

### **Digital traigo platform makes rail more attractive**

"We have the great dedication of our people to thank for the fact that we were able to keep operating smoothly and be there for our customers despite adverse circumstances, stricter hygiene measures and the challenging situation with regard to mobile work," Fischer stresses. "Backed by their commitment and thanks to well-coordinated countermeasures drawn up by an experienced crisis management team, we were able to respond quickly to the challenges presented by the pandemic and remain a reliable partner to our customers. As a quality and innovation leader, we want to make existing

processes even simpler for our customers with new digital offerings. The rigorous digital mindset we are cultivating puts the customer at the center of everything. For the first time, our digital traigo platform now gives them a comprehensive overview of the current status of their transports and lets them digitally manage the fleets they have hired.” Live monitoring of transports from departure to destination – a service VTG has already been providing for years in the shape of VTG Connect – is another of the digital innovations that are making rail more attractive as a mode of freight transport.

### **VTG well financed for the long term after successful refinancing and strategic decisions**

The VTG Group successfully reorganized its capital structure with a EUR 2.9 billion package in the financial year under review, laying a firm foundation for the company’s long-term development. This arrangement also reflected the trust that the market continues to place in the future stability and reliability of VTG’s business model. That said, the pandemic has forced VTG too to adjust its short and medium-term outlook, despite the fact that the infrastructural nature of VTG’s business leaves it far less vulnerable to crises than other business models. “The Covid-19 crisis has brought radical change to the world we live in today,” Fischer affirms. “Yet even aside from the pandemic, there are other major challenges ahead. We must live more sustainably if we are to curb climate change. Digitalization can be one of the solutions along the path to greater sustainability. Rail freight has for years lacked the digital innovations that have long since been standard issue in other modes of transport. We are convinced that rail must go digital if it is to take its place in global trade flows, and we see ourselves as a pioneer in this space. One thing is clear: Rail makes a crucial contribution to achievement of Europe’s climate change mitigation targets. We are willing and able to play our part by transforming our company into a platform-ready, digitalized supply chain architect. To do so, we must more closely integrate our wagon hire, container and logistics skills and drive integrated digital solution offerings for our customers.”

### **About VTG:**

Headquartered in Hamburg, VTG Aktiengesellschaft is a global asset owner and logistics company with a strong focus on rail. Besides hiring out rail freight wagons and tank containers, it also provides multimodal logistical services and integrated digital solutions. The company’s fleet includes around 94,000 rail freight wagons – mostly tank wagons, intermodal wagons, standard freight wagons and sliding-wall wagons – as well as about 9,000 tank containers.

This diversified service portfolio gives VTG’s customers a robust platform for international freight transportation, based on which the company develops made-to-measure logistical solutions for any and every industry. Over many years, VTG has accumulated granular expertise across the entire transport chain – expertise that is now flanked by smart technology. The Group likewise combines a wealth of experience with a specialized knowledge of the transportation of liquid and sensitive goods in particular. Its customers include a plethora of leading companies representing the chemicals, petroleum, automotive and paper industries, agriculture and virtually every other sector besides.

VTG posted revenue of EUR 1,218 million and an operating profit (EBITDA) of EUR 492 million in the 2020 financial year. The Hamburg-based company’s subsidiaries and affiliates give it a sizable footprint in Europe, North America, Russia and Asia. Effective December 31, 2020, VTG employed around 2,100 people worldwide.

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