**Ad-hoc media release**
pursuant to Art. 53 LR

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| ENCLOSURES | none |

Bussnang, 25 August 2021

# Positive trend continues for Stadler in the first half-year

- **Stadler builds on recovery in second half of 2020 and continues to make up for delays caused by the pandemic**
- **Order intake reaches CHF 3.1 billion and remains at a high level (first half of 2020: CHF 3.1 billion)**
- **Order backlog reaches new record high of CHF 17.9 billion (+11 percent vs. 31 December 2020), of which CHF 4.3 billion in the "Service & Components" segment (+4 percent vs. 31 December 2020)**
- **Significant increase in revenue to CHF 1.4 billion compared to CHF 0.9 billion in the same period last year (+52 percent)**
- **EBIT increases to CHF 48.9 million compared to CHF 5.0 million in the first half of 2020, EBIT margin reaches 3.5 percent compared to 0.5 percent in the same period of the previous year**
- **Net profit rises to CHF 26.3 million from CHF 15.7 million in the first half of 2020 (+67 percent)**
- **Recovery of free cash flow to CHF -41.1 million compared to CHF -309 million in the same period last year**
- **Full-year 2021 outlook and medium-term financial targets confirmed**

Stadler recorded an order intake of 3.1 billion Swiss francs in the first half of 2021, which represents stable development at a high level compared to the same period of the previous year (H1 2020: 3.1 billion Swiss francs). This does not take into account decisions for the awarding of individual major projects originally expected before the end of June. At 17.9 billion Swiss francs, the order backlog nonetheless reached a new record high (31 December 2020: 16.1 billion Swiss francs).

The impact of the coronavirus crisis on supply chains, approval and delivery procedures as well as on the service business continues to be felt. Nevertheless, Stadler managed to build on its recovery in the second half of 2020 and continued to make up for the delays caused by the pandemic in the acceptance of new vehicles. In addition, the service business was given further impetus. Overall, this led to a significant increase in revenue of 52 percent to 1.4 billion Swiss francs compared to 0.9 billion Swiss francs in the same period last year.

**“Rolling Stock” segment**

In the “Rolling Stock” reporting segment, order intake in the first half of the year amounted to 2.8 billion Swiss francs, up 48 percent on the same period of the previous year. The order backlog grew by 13 percent in relation to the end of 2020, reaching a new record high of 13.6 billion Swiss francs (31 December 2020: 12.0 billion Swiss francs).

Thanks to successful deliveries of new vehicles and catch-up effects following delays caused by the pandemic, the “Rolling Stock” reporting segment generated revenue of 1.2 billion Swiss francs in the first half of 2021. This represents an increase of 57 percent compared to the first six months of the 2020 financial year (H1 2020: 0.8 billion Swiss francs).

Stadler is also making inroads into new drive technologies in addition to its existing well-rounded, broad product portfolio. Stadler is developing its first hydrogen train for the rail operator of San Bernardino County in California. Nahverkehrsverbund Schleswig-Holstein in northern Germany ordered 55 battery-powered trains back in 2019 after Stadler emerged as the winner of Germany’s first green technology tender. Following a three-year research phase which came to an end in March 2021, Stadler successfully completed the research project launched in 2018 to develop and test battery technologies in the rail vehicle sector. During the three-year trial phase, the FLIRT battery-powered train used as a test vehicle far exceeded initial expectations with a proven range of 185 kilometres when functioning on battery alone.

**“Service & Components” segment**

Incoming orders in the “Service & Components” reporting segment amounted to 278.4 million Swiss francs in the first half of 2021. The decrease compared to the same period of the previous year (H1 2020: 1.2 billion Swiss francs) is mainly due to the high order intake resulting from two large orders placed in the first half of 2020. In the strategically important service business, order backlog in turn increased by 4 percent to 4.3 billion Swiss francs compared to the end of 2020 (31 December 2020: 4.1 billion Swiss francs) and thus continues to contribute just under a quarter of Stadler’s total order backlog.

Revenue in the “Service & Components” segment experienced another double-digit increase of 23 percent to 179.6 million Swiss francs compared to the first half of 2020 (H1 2020: 145.9 million Swiss francs). This shows that the “Service & Components” segment is continuing to successfully pursue ist growth course.

**Recovery in EBIT, net profit and free cash flow**

EBIT for the first half of 2021 stood at 48.9 million Swiss francs (3.5 percent EBIT margin), compared to 5.0 million (0.5 percent EBIT margin) in the same period of the previous year.

Stadler’s business is generally subject to strong seasonality, which typically leads to significantly higher revenue and much greater profitability in the second half of the year. This is usually reflected in the fact that about one third of revenue is generated in the first half of the year and the remaining two thirds in the second half. In the current year, there are signs of a slight shift in this rule in favour of the first half of the year due to catch-up effects related to coronavirus. As expenses for development, distribution and administration mostly include fixed costs that are not directly related to revenue, the seasonal effect has a stronger impact on EBIT and the EBIT margin.

In terms of net profit, Stadler posted 26.3 million Swiss francs of profit in the first half of 2021 compared to 15.7 million Swiss francs in the same period of the previous year, which represents an increase of 67 percent. Net profit was impacted in particular by exchange rate effects in the financial result, while favourable tax effects boosted the result.

The recovery is also reflected in a significant improvement in free cash flow to -41.1 million Swiss francs in the first six months of the year compared to -309 million Swiss francs in the same period last year. Net debt amounted to 749.5 million Swiss francs as at 30 June 2021 compared to 608 million on 31 December 2020. Free cash flow and net debt as at 30 June 2021 do not take into account the payment of approximately 130 million Swiss francs received for MÁV START vehicles in Hungary at the beginning of July 2021. Delays were suffered in the awarding of individual projects originally expected before the end of June and the associated customer down payments. These are now expected in the second half of the year.

**Outlook confirmed**

Stadler expects a strong increase in revenue and profitability in the second half of the year in relation to the first half of 2021. The outlook for the full year is confirmed, assuming that the coronavirus situation continues to normalise and that exchange rates remain stable. Consequently, Stadler is still expecting an EBIT margin of over 6 percent in the current financial year and is anticipating investments of approximately 200 million Swiss francs in the 2021 financial year to provide the capacities it needs. Despite this above-average capital expenditure, free cash flow should be positive for the current year. Stadler continues to expect an order intake of around 4 to 5 billion Swiss francs and sales of between 3.5 and 3.8 billion Swiss francs. Subject to the continued normalisation of the coronavirus situation, the medium-term financial targets of an EBIT margin of 8 to 9 percent from 2023 onwards and a dividend policy with a payout ratio of approximately 60 percent are confirmed.

**Further information on the half-year results**

Peter Spuhler, Executive Chairman of the Board of Directors and Group CEO a. i., and Raphael Widmer, Group CFO, will present the results for the first half of the year today at 10:00 am. You will receive the dial-in details upon registration. Please register here for the broadcast in German language or here for the broadcast in English. The presentation on the half-year results will be made available on our website before the conference call.

The half-year report is available on our website.

## Key figures for 1st half of 2021

| in millions of CHF or as noted | 1st half-year 2021 resp. 30.06.2021 | as % of net revenue | 1st half-year 2020 resp. 31.12.2020 | as % of net revenue | Change in % |
|---|---|---|---|---|---|
| **Stadler** | | | | | |
| Order intake | 3'121.6 | | 3'118.0 | | 0% |
| Order backlog[1] | 17'871.8 | | 16'105.6 | | 11% |
| Net revenue | 1'417.7 | 100.0% | 934.7 | 100.0% | 52% |
| Gross margin[2] | 142.0 | 10.0% | 76.7 | 8.2% | 85% |
| EBITDA[3] | 96.0 | 6.8% | 46.9 | 5.0% | 105% |
| Operating result (EBIT) | 48.9 | 3.5% | 5.0 | 0.5% | 870% |
| Profit for the period | 26.3 | 1.9% | 15.7 | 1.7% | 67% |
| Earnings per share (in CHF) | 0.26 | | 0.15 | | 69% |
| Net cash flow from operating activities | 10.6 | | (200.8) | | |
| Capital expenditure[4] | 97.5 | | 96.0 | | 2% |
| Free cash flow[5] | (41.1) | | (309.0) | | |
| Net working capital[1,6] | 489.5 | | 450.0 | | |
| Work in progress (net)[1,7] | (198.9) | | (317.3) | | |
| Net cash[1,8] | (749.5) | | (608.2) | | |
| Equity ratio[1] | 16.3% | | 19.1% | | |
| Staff as FTEs | 12'851 | | 12'156 | | 6% |
| **Rolling Stock segment** | | | | | |
| Order intake | 2'843.3 | | 1'917.5 | | 48% |
| Order backlog[1] | 13'595.0 | | 11'995.6 | | 13% |
| Net revenue (third parties) | 1'238.2 | 87.3% | 788.8 | 84.4% | 57% |
| **Service & Components segment** | | | | | |
| Order intake | 278.4 | | 1'200.5 | | -77% |
| Order backlog[1] | 4'276.8 | | 4'110.0 | | 4% |
| Net revenue (third parties) | 179.6 | 12.7% | 145.9 | 15.6% | 23% |

1 as at 30 June 2021resp. 31December 2020
2 Gross margin is calculated as net revenue less cost of goods sold and services provided
3 EBITDA is calculated as the sum of EBIT and depreciation and amortisation
4 Capital expenditure is calculated as the sum of investments in property, plant and equipment and intangible assets
5 Free cash flow is calculated as EBITDA less capital expenditure less change in net working capital
6 Net working capital is calculated by subtracting the sum of trade payables, liabilities from work in progress, other current liabilities, current provisions and deferred income and accrued expenses from the sum of trade receivables, inventories, work in progress, other current receivables, compensation claims from work in progress and accrued income and deferred expenses
7 Work in progress (net) is calculated as work in progress (asset) less liabilities from work in progress
8 Net cash is calculated as cash and cash equivalents less current and non-current financial liabilities

## About Stadler

*Stadler has been building trains for over 75 years. The provider of rail vehicle construction solutions has its headquarters in Bussnang in eastern Switzerland. It has a workforce of around 13,000 based in various production and engineering locations as well as more than 60 service locations. The company is conscious of its social responsibility for sustainable mobility and therefore stands for innovative, sustainable and durable quality products. The product range in the field of mainline railways and city transport includes high-speed trains, intercity trains, regional and suburban trains, metros, tramways and trams. Stadler also manufactures main-line locomotives, shunting locomotives and passenger carriages. It is the world's leading manufacturer in the rack-and-pinion rail vehicle industry.*

## Dates

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| *Annual Report 2021, Annual Media and Analyst Conference:* | *15 March 2021* |
| *Annual General Meeting 2022:* | *5 May 2022* |


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