Ad-hoc media release
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Bussnang, 15 March 2022

Stadler successfully maintains its growth trajectory

- **Record figures for order intake, order backlog, revenue and EBIT**
- **Order intake grows by 28 percent to CHF 5.6 billion despite delays in the awarding of major projects (2020: CHF 4.3 billion)**
- **Record order backlog of CHF 17.9 billion**
- **Despite a tense supply chain situation, revenue increases by 18 percent to CHF 3.6 billion (2020: CHF 3.1 billion)**
- **At CHF 223.7 million (2020: CHF 156.1 million), EBIT reaches a new record high. EBIT margin rises to 6.2 percent compared to 5.1 percent in 2020**
- **Free cash flow recovers to CHF 434.2 million (2020: CHF –450.4 million) due to accelerated deliveries and advance payments for new orders**
- **Group result of CHF 134.5 million (2020: CHF 138.4 million) adversely impacted by exchange rate losses of CHF 37.7 million on the reporting date (previous year: exchange gains of CHF 16.0 million)**
- **Outlook for 2022: revenue of CHF 3.7 to 4.0 billion and a stable EBIT margin expected**

2021 was an eventful and successful year for Stadler in many respects. The company achieved historic figures in 2021 in terms of revenue, EBIT, order intake and order backlog, beating all the records since the IPO. “Although the economic situation is still affected by the pandemic – in particular with regard to supply chain issues – we can look back proudly on our best year since the IPO. This is impressively borne out by the strategic direction and performance of our Group”, said Peter Spuhler, Executive Chairman of the Board of Directors and Group CEO a.i., about the past business year.

Never before has Stadler received so many orders within a single business year. At CHF 5.6 billion, order intake considerably exceeded last year’s figure of CHF 4.3 billion and was higher than the previous record of CHF 5.1 billion set in 2019. This was despite the fact that two major orders from SBB and ÖBB were blocked at the end of the year and the order from the VDV consortium could not be booked until early 2022. The ÖBB contract was definitively awarded at the beginning of 2022. As a result of the rise in production capacities over recent years, Stadler will be in a position to meet the record order backlog of CHF 17.9 billion (31 December 2020: CHF 16.1 billion) in the coming years.

Despite the supply chain challenges facing Stadler and the ongoing effects of the pandemic on approval and delivery processes, as well as on the service business, Stadler largely succeeded in catching up the delays in the acceptance of new vehicles from 2020. This led to a noticeable rise in revenue of 18 percent to a record level of CHF 3.6 billion compared to CHF 3.1 billion in the previous year and CHF 3.2 billion in the pre-crisis year 2019. In the second half of the year in particular, the current supply chain situation caused delays in the delivery of certain supplier parts. Thanks to Stadler's agility and nimbleness, as well as the strong local anchorage of our supply chains, these delays have so far not led to any significant slippages in the deliveries of our vehicles.

Significant improvement in EBIT and EBIT margin

The operating result at EBIT level increased by 43 percent to CHF 223.7 million (2020: CHF 156.1 million). In view of the current supply chain situation, production processes had to be continuously optimised in order to ensure the timely delivery of new vehicles. This had a partially negative impact on the operating result. In the second half of the year, Stadler significantly increased profitability in relation to the first half of 2021 from 3.5 to 7.9 percent, resulting in an EBIT margin of 6.2 percent for the full year (2020: 5.1 percent).

In terms of net profit, Stadler posted a profit of CHF 134.5 million in the 2021 financial year compared to CHF 138.4 million the previous year. Net profit was impacted in particular by foreign exchange losses of CHF 37.7 million (previous year: exchange rate gains of CHF 16 million). These were mainly due to reporting date valuation effects related to the weakness of the euro at the end of the year. Stadler hedges foreign currency risks in connection with the euro as far as possible in the form of "natural hedging". As a result of time differences in planned incoming and outgoing payments, corresponding exchange rate gains or losses can occur on the balance sheet date. These had a particularly negative impact on the financial result at the end of the year due to high incoming payments and the strong appreciation of the Swiss franc.

The significant improvement in free cash flow to CHF 434.2 million compared to CHF –450.4 million in the 2020 financial year is very encouraging. In addition to catch-up effects from the previous year, this recovery also resulted from accelerated deliveries and higher advance payments for new projects. Net debt was significantly reduced to CHF 351 million as at 31 December 2021 compared to CHF 608 million as at 31 December 2020. This improvement was possible despite delays in decisions regarding the awarding of individual projects originally expected before the end of the year – and the associated customer down payments.

"Rolling Stock" segment

In the "Rolling Stock" reporting segment, order intake in 2021 amounted to CHF 4.8 billion, up 68 percent in relation to the previous year. The order backlog in the reporting segment rose by 12 percent year-on-year to CHF 13.5 billion (31 December 2020: CHF 12.0 billion). The high order intake was achieved despite the fact that two very large contracts were blocked due to objections at the end of 2021: the framework agreement with Swiss Federal Railways (SBB), Thurbo and RegionAlps for up to 510 single-decker FLIRT multiple-units and the framework agreement with Austrian Federal Railways (ÖBB) for up to 186 double-decker trains. In addition, the contract for the largest order in the company's history was not awarded until the beginning of January 2022: the framework agreement for a German-Austrian project consortium with a total volume of up to EUR 4 billion includes the supply of up to 504 tram-trains. Major orders in 2021 included an order from the Spanish state railway company, Renfe, for 59 high-capacity trains for local transport and 60 additional KISS double-decker multiple units for SBB.

Thanks to numerous deliveries of new vehicles, the "Rolling Stock" reporting segment generated revenue of CHF 3.2 billion in the 2021 financial year. This resulted in a rise in turnover of 16 percent year-on-year (2020: CHF 2.7 billion).

“Service & Components” segment

Order intake in the “Service & Components” reporting segment amounted to CHF 733 million in 2021. The decrease compared to the previous year (2020: CHF 1.5 billion) is essentially due to the exceptionally high order intake from two large orders in the 2020 financial year. In the strategically important service business, order backlog increased by 7 percent to CHF 4.4 billion compared to the end of 2020 (31 December 2020: CHF 4.1 billion) and thus contributed just under a quarter of the Group’s order backlog. This was partly due to the eight new full-service contracts signed in 2021 for customers in countries including Germany, Italy and Sweden.

Despite reduced capacities in rail transport due to the pandemic, the “Service & Components” segment continues to enjoy very successful growth. As in the previous year, revenue rose by a further 33 percent to CHF 455.2 million compared to the 2020 financial year (CHF 343.3 million).

Successful expansion of the signalling business

As a leading rail vehicle manufacturer, Stadler’s ambition is to help shape and drive forward the digitalisation of rail transport. In addition to its progress in offering vehicle-based signalling solutions, Stadler has expanded its signalling expertise on the infrastructure side. The sustainable digitalisation of the rail industry requires interaction between these two areas: intelligent railway lines can only develop their full potential if there are digitally equipped vehicles travelling on them. The first step was taken in November 2021 with the acquisition of BÄR Bahnsicherung AG (BÄR). Another milestone followed in December with the acquisition of BBR Verkehrstechnik GmbH (BBR). The two companies complement Stadler perfectly, as they are both leading suppliers of railway safety and signalling technology: BÄR so far only in Switzerland and BBR for many years internationally as well. The merger of the three companies forms an excellent basis for offering customers innovative signalling solutions from a single source – both on the vehicle and on the infrastructure side.

These acquisitions underline Stadler’s ambitions in the future-oriented signalling field. This brings the number of employees in the Signalling Division to just over 500. In order to actively shape the digitalisation of the railway industry and drive forward the sector as an innovation leader, Stadler is pooling its signalling expertise in a new Signalling Division led by Marc Trippel as of 1 January 2022.

Long-term financing secured at more favourable conditions

At the beginning of March 2022, Stadler obtained an early extension of a syndicated loan agreement with national and international banks, which was due to expire in the middle of the year. The loan is now valid for a further five years at improved and more flexible conditions. It mainly comprises a credit line of CHF 200 million and guarantee lines of CHF 2.0 billion. Stadler now has total guarantee lines of around CHF 8.0 billion at its disposal, of which approximately 50 percent are freely available and more than CHF 400 million are committed cash credit lines, which are currently undrawn. The recent closing demonstrates the confidence of Stadler’s long-standing bank partners in the company and its strategy.

Outlook

Stadler remains optimistic about its core markets for the 2022 business year, even though the political situation, especially in the CIS region, is bringing increasing uncertainty to the economy and capital markets. Increasing urbanisation, the growing population in conurbations, climate protection and digitalisation are continuing to prompt greater demand for innovative, reliable and efficient mobility solutions.

Thanks to its strategic direction, Stadler believes that it is well positioned for the future. On the basis of the very pleasing order situation and the ongoing high demand, Stadler expects an order intake between CHF 5 billion and 6 billion for the current financial year. Assuming that the current supply chain situation, inflation and currency trends do not deteriorate further, Stadler anticipates revenue of between CHF 3.7 and 4.0 billion for the 2022 financial year and a stable EBIT margin. In order to provide the required capacities, Stadler is envisaging investments of around CHF 200 million in the current financial year. A positive free cash flow is targeted for this year.

The Board of Directors intends to put forward a proposal to the General Meeting for the payment of a dividend of CHF 90.0 million (CHF 0.90 per share) for the 2021 financial year, compared to CHF 85 million (CHF 0.85 per share) in the previous year. Due to the uncertainty about the development of the pandemic and the lack of planning certainty, the Board of Directors decided in February to hold the 2022 General Meeting without the physical presence of the shareholders.

Stadler remains committed to its continuous growth trajectory and medium-term financial targets with an EBIT margin of 8 to 9 percent. In view of the challenges caused by the pandemic over the last two years and the current tense global political situation, Stadler expects to achieve its medium-term financial targets with a delay of one to two years, rather than in the 2023 financial year, as originally planned.

The financial impact of the Ukraine-Russia conflict on Stadler cannot be assessed conclusively at the time of approval of the consolidated financial statements by the Board of Directors and is highly dependent on the further development of events. Stadler is constantly monitoring the situation and taking all possible measures to minimise any negative effects.

Further information on the 2021 results

Peter Spuhler, Executive Chairman of the Board of Directors and Group CEO a. i., and Raphael Widmer, Group CFO, will present the annual results today at 9.30 am at a press conference. Please register here for the broadcast in German or English.

The annual report is available on our website.

Key figures for 2021

in millions of CHF or as noted	2021	as % of net revenue	2020	as % of net revenue	Change in %
Stadler					
Order intake	5'565.7		4'331.5		28%
Order backlog	17'871.3		16'105.6		11%
Net revenue	3'634.7	100.0%	3'084.9	100.0%	18%
Gross margin[1]	402.0	11.1%	315.3	10.2%	27%
EBITDA[2]	323.0	8.9%	251.9	8.2%	28%
Operating result (EBIT)	223.7	6.2%	156.1	5.1%	43%
Profit for the period	134.5	3.7%	138.4	4.5%	-3%
Earnings per share (in CHF)	1.34		1.38		-3%
Net cash flow from operating activities	503.2		(205.8)		345%
Capital Expenditures[3]	177.1		288.3		-39%
Free Cash Flow[4,5]	434.2		(450.4)		196%
Net Working Capital[4,6]	114.6		402.8		
Work in Progress (net)[4,7]	(461.3)		(364.4)		
Net Cash[8]	(351.1)		(608.2)		
Equity ratio	19.1%		19.1%		
Staff as FTEs	13'067		12'303		6%
Rolling Stock segment					
Order intake	4'832.2		2'875.3		68%
Order backlog	13'461.5		11'995.6		12%
Net revenue (third parties)	3'179.5	87.5%	2'741.6	88.9%	16%
Service & Components segment					
Order intake	733.5		1'456.3		-50%
Order backlog	4'409.8		4'110.0		7%
Net revenue (third parties)	455.2	12.5%	343.3	11.1%	33%

1 Gross margin is calculated as net revenue less cost of goods sold and services provided
2 EBITDA is calculated as the sum of EBIT and depreciation and amortisation
3 Capital expenditure is calculated as the sum of investments in property, plant and equipment and intangible assets
4 The previous year's figures were restated in connection with the change in accounting principles described on page 68 of the Annual Report 2021
4 Free cash flow is calculated as EBITDA less capital expenditure less change in net working capital
5 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
6 Work in progress (net) is calculated as work in progress (asset) less liabilities from work in progress
7 Net cash is calculated as cash and cash equivalents less current and non-current financial liabilities

About Stadler

Stadler has been building trains for 80 years. The provider of mobility solutions in rail vehicle construction, service and signalling technology has its headquarters in Bussnang, 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

Annual General Meeting 2022:	*5 May 2022*
Half-year report 2022	*31 August 2022*

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IMPORTANT NOTICE

This media release (the "Media Release") has been prepared by Stadler Rail AG ("Stadler" and together with its subsidiaries, "we", "us" or the "Group") and includes forward-looking information and statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and markets in which the Group operates. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects," "believes," "estimates," "targets," "plans," "outlook" or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this Media Release, which, in turn, could affect our ability to achieve our stated targets. The important factors that could cause such differences include: changes in the markets the Group serves, including as a result of changes in the global demand for transportation and demographic changes; the Group's ability to successfully develop, launch and market new products and services; the Group's ability to retain existing customers and/or secure new customers; the Group's ability to compete with existing and new competitors; the Group's ability to maintain the high quality, reliability, performance and timely delivery of its products and services; the impact of fluctuations in foreign exchange rates; and such other factors as may be discussed from time to time. Although we believe that our expectations reflected in any such forward-looking statement are based upon reasonable assumptions, we can give no assurance that those expectations will be achieved.

THIS MEDIA RELEASE IS NOT AN INVITATION TO PURCHASE SECURITIES OF STADLER OR THE GROUP.