

# Consolidated statement of income

of Knorr-Bremse AG, for the fiscal year from January 1 to December 31, 2019

## 3.01 CONSOLIDATED STATEMENT OF INCOME

in € thousand	Notes	2019	2018
Revenues	E.1.	6,936,530	6,615,800
Change in inventory of unfinished/finished products	E.2.	5,713	34,424
Own work capitalized	E.2.	73,316	48,047
<b>Total operating performance</b>		<b>7,015,558</b>	<b>6,698,271</b>
Other operating income	E.3.	116,976	66,233
Cost of materials	E.4.	(3,428,564)	(3,318,227)
Personnel expenses	E.5.	(1,593,772)	(1,496,981)
Other operating expenses	E.6.	(781,512)	(771,254)
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>1,328,687</b>	<b>1,178,042</b>
Depreciation and amortization	E.7.	(265,780)	(205,570)
<b>Earnings before interests and taxes (EBIT)</b>		<b>1,062,908</b>	<b>972,472</b>
Interest income	E.8.	27,598	20,128
Interest expenses	E.8.	(51,059)	(54,379)
Other financial result	E.8.	(132,330)	(62,715)
<b>Income before taxes</b>		<b>907,116</b>	<b>875,506</b>
Taxes on income	E.9.	(275,099)	(246,070)
<b>Net income</b>		<b>632,018</b>	<b>629,435</b>
Thereof attributable to:			
Profit (loss) attributable to non-controlling interests		43,595	36,644
Profit (loss) attributable to the shareholders of Knorr-Bremse AG		588,423	592,792
		<b>632,018</b>	<b>629,435</b>
<b>Earnings per share in Euro</b>	<b>E.10.</b>		
undiluted		3.65	3.68
diluted		3.65	3.68

# Consolidated statement of comprehensive income

of Knorr-Bremse AG, for the fiscal year from January 1 to December 31, 2019

## 3.02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € thousand	Notes	2019	2018
<b>Net income</b>		<b>632,018</b>	<b>629,435</b>
Actuarial gains and losses	F.10.1.	(35,168)	4,571
Equity instruments recognized directly in equity	F.14.3.	(8,506)	(9,596)
Deferred taxes	E.9.5.	9,228	1,760
<b>Items that will not be reclassified to profit or loss</b>		<b>(34,446)</b>	<b>(3,264)</b>
Currency translation		20,382	(7,838)
Hedging transactions reserve		(1,298)	-
Reserve for costs of hedging		(2,937)	-
Deferred taxes		1,340	-
<b>Items that may be reclassified to profit or loss</b>		<b>17,487</b>	<b>(7,838)</b>
<b>Other comprehensive income after taxes</b>		<b>(16,958)</b>	<b>(11,102)</b>
<b>Comprehensive income</b>		<b>615,060</b>	<b>618,333</b>
Total comprehensive income attributable to non-controlling interests		45,332	31,158
Total comprehensive income attributable to the shareholders of Knorr-Bremse AG		569,728	587,175

# Consolidated balance sheet

of Knorr-Bremse AG, as of December 31, 2019

## 3.03 CONSOLIDATED BALANCE SHEET – ASSETS

in € thousand	Notes	2019	2018
<b>Assets</b>			
Intangible assets and goodwill	F.1., F.2.	842,180	643,159
Property, plant and equipment	F.3.	1,469,212	1,167,184
Investments accounted for using the equity method		16,570	1,873
Other financial assets	F.4.	63,471	74,990
Other assets	F.5.	73,930	38,167
Assets from employee benefits	F.9.	31,611	28,373
Deferred tax assets	E.9.	126,598	138,101
<b>Non-current assets</b>		<b>2,623,572</b>	<b>2,091,847</b>
Inventories	F.6.	815,011	836,326
Trade accounts receivable	F.5.	1,148,999	1,237,381
Other financial assets	F.4.	62,565	24,260
Other assets	F.5.	152,088	123,433
Contract assets	B.1., E.1.	89,885	99,284
Income tax receivables	F.14.	73,900	93,650
Cash and cash equivalents	F.7.	1,880,738	1,756,033
<b>Current assets</b>		<b>4,223,186</b>	<b>4,170,367</b>
<b>Balance sheet total</b>		<b>6,846,758</b>	<b>6,262,213</b>

## 3.04 CONSOLIDATED BALANCE SHEET - LIABILITIES

in € thousand	Notes	2019	2018
<b>Equity</b>			
Subscribed capital	F.8.1.	161,200	161,200
Capital reserves	F.8.2.	13,884	13,884
Retained earnings	F.8.3.	34,156	39,924
Other components of equity		(179,311)	(161,024)
Profit carried forward		1,166,041	855,127
Profit attributable to the shareholders of Knorr-Bremse AG		588,423	592,792
<b>Equity attributable to the shareholders of Knorr-Bremse AG</b>		<b>1,784,393</b>	<b>1,501,902</b>
Equity attributable to non-controlling interests		117,121	105,208
thereof share of non-controlling interests in net income		43,595	36,644
<b>Equity</b>		<b>1,901,514</b>	<b>1,607,110</b>
<b>Liabilities</b>			
Provisions for pensions	F.9.	343,273	307,547
Provisions for other employee benefits	F.9.	19,545	24,511
Other provisions	F.10.	273,147	243,578
Financial liabilities	F.12.	1,658,190	1,529,557
Other liabilities	F.11.	5,627	4,741
Income tax liabilities	F.14.	51,908	92,599
Deferred tax liabilities	E.9.	80,789	82,603
<b>Non-current liabilities</b>		<b>2,432,480</b>	<b>2,285,136</b>
Provisions for other employee benefits	F.9.	29,136	11,612
Other provisions	F.10.	197,585	233,213
Trade accounts payable	F.11.	967,447	995,945
Financial liabilities	F.12.	875,567	642,895
Other liabilities	F.11.	131,044	133,303
Contract liabilities	B.1., E.1.	277,351	315,122
Income tax liabilities	F.14.	34,635	37,877
<b>Current liabilities</b>		<b>2,512,764</b>	<b>2,369,968</b>
<b>Liabilities</b>		<b>4,945,244</b>	<b>4,655,103</b>
<b>Balance sheet total</b>		<b>6,846,758</b>	<b>6,262,213</b>

# Consolidated statement of cash flows

of Knorr-Bremse AG, for the fiscal year from January 1 to December 31, 2019

## 3.05 CONSOLIDATED STATEMENT OF CASH FLOWS

in € thousand	Notes	2019	2018
Consolidated net income (including minority interests)		632,018	629,435
Adjustments for			
Depreciation, amortization and impairment losses on intangible assets and property, plant and equipment		265,780	205,570
Change of impairment on inventories		(3,105)	23,408
Change of impairment on trade accounts receivable		6,868	13,691
Loss / (gain) on the sale of consolidated companies and other business units		81,885	11,614
(Gain) / loss on the sale of property, plant, and equipment		(44,032)	7,320
Non-cash changes in provisions		186,819	186,847
Other non-cash expenses and income		56,185	(21,494)
Interest result		23,461	34,251
Investment result		2,236	(865)
Income tax expense		275,099	246,070
Income tax payments		(224,181)	(234,292)
Changes of			
inventories, trade accounts receivable as well as other assets, which cannot be allocated to investing or financing activities		(57,865)	(245,307)
Trade accounts payable as well as other assets which cannot be allocated to investing or financing activities		(38,965)	21,962
Provisions		(176,411)	(152,685)
<b>Cash flow from operating activities</b>	<b>G.1.</b>	<b>985,791</b>	<b>725,526</b>
Proceeds from the sale of intangible assets		1,083	-
Disbursements for investments in intangible assets		(97,885)	(93,658)
Proceeds from the sale of property, plant and equipment		191,850	29,059
Disbursements for investments in property, plant and equipment		(220,262)	(230,033)
Proceeds from financial investments and from the sale of financial investments		485	499
Proceeds from/disbursements for the sale of consolidated companies and other business units		(29,070)	(13,679)
Disbursements for investments in financial investments		(17,088)	-
Disbursements for the acquisition of consolidated companies and other business units		(194,367)	(3,200)
Interest received		15,154	16,206
Disbursements for investments in plan assets (pensions)		(3,715)	(9,206)
<b>Cash flow from investing activities</b>	<b>G.2.</b>	<b>(353,816)</b>	<b>(304,013)</b>

in € thousand	Notes	2019	2018
Proceeds from borrowings		40,851	757,800
Disbursements from the repayment of borrowings		(90,244)	(8,663)
Disbursements for lease liabilities (until 2018: Disbursements for finance lease liabilities)		(53,450)	(5,332)
Interest paid (from 2019 including interest payments for IFRS 16)		(33,233)	(18,617)
Dividends paid to parent company shareholders		(282,100)	(850,200)
Dividends paid to non-controlling interests		(55,069)	(48,214)
Net payments from factoring		(2,649)	2,818
Payments for the repurchase of own shares		-	(130,615)
Deposits from shareholder contributions		-	14,850
Disbursements from restitution to silent partners		(10,000)	-
Disbursement from the settlement of derivatives		(19,273)	-
<b>Cash flow from financing activities</b>	<b>G.3.</b>	<b>(505,167)</b>	<b>(286,173)</b>
<b>Cash flow changes</b>		<b>126,809</b>	<b>135,341</b>
Change in cash funds resulting from exchange rate and valuation-related movements		8,558	3,279
Change in cash funds resulting from changes to the group structure		(596)	1,246
<b>Change of cash fund</b>		<b>134,771</b>	<b>139,866</b>
Cash and cash equivalents at the beginning of the period		1,718,695	1,578,829
<b>Cash and cash equivalents at the end of the period</b>	<b>G.4.</b>	<b>1,853,466</b>	<b>1,718,695</b>
Cash and cash equivalents		1,880,738	1,756,033
Short-term securities available for sale		2	51
Short-term liabilities to banks (less than 3 months)		(27,274)	(37,389)

# Consolidated statement of changes in equity

of Knorr-Bremse AG, as of December 31, 2019

## 3.06 GROUP – STATEMENT OF CHANGES IN EQUITY

in € thousand	Notes	Subscribed capital	Capital reserve	Retained earnings	Group earnings
<b>As of 12/31/2018</b>		<b>161,200</b>	<b>13,884</b>	<b>39,924</b>	<b>1,447,918</b>
Initial application of IFRS 16		-	-	(5,768)	-
<b>As of 01/01/2019</b>		<b>161,200</b>	<b>13,884</b>	<b>34,156</b>	<b>1,447,918</b>
Dividend payment		-	-	-	(282,100)
<b>Net income</b>		-	-	-	<b>588,423</b>
Other comprehensive income after taxes		-	-	-	-
<b>Comprehensive income</b>		-	-	-	<b>588,423</b>
Capital increase from retained earnings		-	-	-	-
Deposits by shareholders		-	-	-	-
Allocation to retained earnings		-	-	-	-
Acquisition of non-controlling interests		-	-	-	(46)
Equity-settled share-based payment		-	-	-	-
Realized losses from financial assets measured at fair value through OCI		-	-	-	-
Gains and losses on hedging transactions and costs of hedging reclassified to inventories		-	-	-	-
Other changes		-	-	-	270
<b>As of 12/31/2019</b>	<b>F.9.</b>	<b>161,200</b>	<b>13,884</b>	<b>34,156</b>	<b>1,754,465</b>
<b>As of 12/31/2017</b>		<b>67,600</b>	<b>1,310</b>	<b>106,956</b>	<b>1,838,338</b>
Initial application of IFRS 15		-	-	8,749	-
<b>As of 1/1/2018</b>		<b>67,600</b>	<b>1,310</b>	<b>115,705</b>	<b>1,838,338</b>
Dividend payment		-	-	-	(871,289)
<b>Net income</b>		-	-	-	<b>592,792</b>
Other comprehensive income after taxes		-	-	-	-
<b>Comprehensive income</b>		-	-	-	<b>592,792</b>
Capital increase from retained earnings		93,600	-	(93,600)	-
Deposits by shareholders		-	10,047	-	-
Allocation to retained earnings		-	-	103,418	(103,418)
Acquisition of non-controlling interests		-	-	(85,599)	-
Equity-settled share-based payment		-	2,533	-	-
Realized losses from financial assets measured at fair value through OCI		-	-	-	-
Gains and losses on hedging transactions and costs of hedging reclassified to inventories		-	-	-	-
Other changes		-	(6)	-	(8,505)
<b>As of 12/31/2018</b>	<b>F.9.</b>	<b>161,200</b>	<b>13,884</b>	<b>39,924</b>	<b>1,447,918</b>

Other components of equity								
Currency translation	Reserve for costs of hedging	Hedging transactions reserve	Equity instruments recognized directly in equity	Revaluations from defined benefit plans (IAS 19)	Equity attributable to the shareholders of Knorr-Bremse AG	Equity attributable to non-controlling interests	Total equity	
(89,198)	-	-	(23,672)	(48,154)	1,501,902	105,208	1,607,110	
-	-	-	-	-	(5,768)	(13)	(5,781)	
(89,198)	-	-	(23,672)	(48,154)	1,496,134	105,196	1,601,329	
-	-	-	-	-	(282,100)	(33,452)	(315,552)	
-	-	-	-	-	588,423	43,595	632,018	
19,104	(2,008)	(887)	(8,302)	(26,602)	(18,695)	1,737	(16,958)	
19,104	(2,008)	(887)	(8,302)	(26,602)	569,728	45,332	615,060	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	(46)	46	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	322	236	-	-	558	-	558	
(611)	-	-	(203)	663	119	-	119	
(70,705)	(1,686)	(651)	(32,177)	(74,093)	1,784,393	117,121	1,901,514	
(97,864)	-	-	(14,075)	(54,468)	1,847,798	147,951	1,995,748	
-	-	-	-	-	8,749	-	8,749	
(97,864)	-	-	(14,075)	(54,468)	1,856,547	147,951	2,004,498	
-	-	-	-	-	(871,289)	(27,125)	(898,414)	
-	-	-	-	-	592,792	36,644	629,435	
(2,335)	-	-	(9,596)	6,314	(5,617)	(5,485)	(11,102)	
(2,335)	-	-	(9,596)	6,314	587,175	31,158	618,333	
-	-	-	-	-	-	-	-	
-	-	-	-	-	10,047	-	10,047	
-	-	-	-	-	-	-	-	
11,000	-	-	-	444	(74,155)	(56,460)	(130,615)	
-	-	-	-	-	2,533	-	2,533	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	(444)	(8,955)	9,684	729	
(89,198)	-	-	(23,672)	(48,154)	1,501,902	105,208	1,607,110	