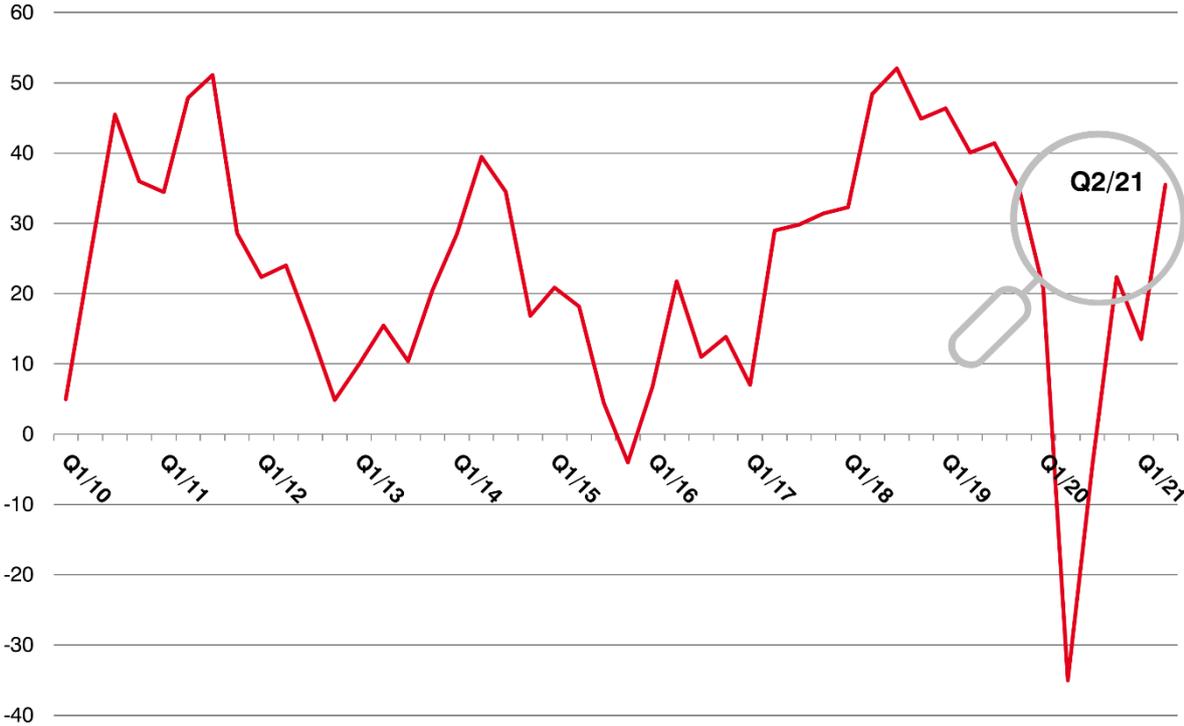


GLOBAL RAIL INDEX 2/2021

Rapid recovery of the rail industry

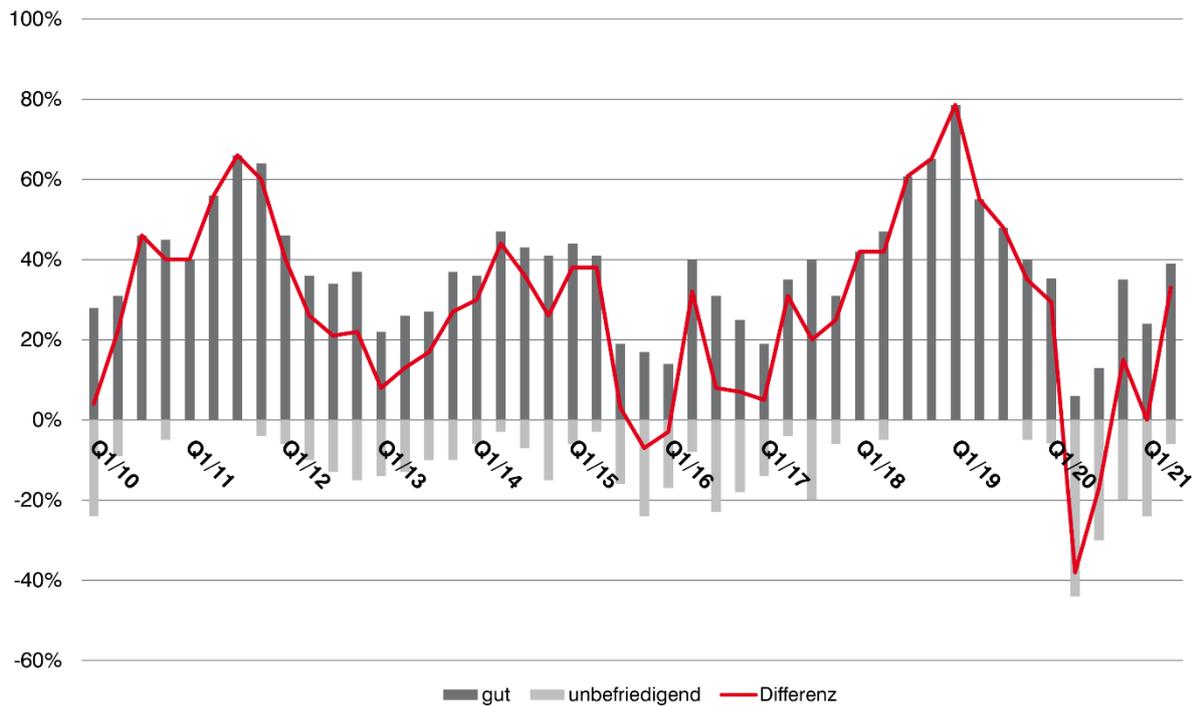
The business climate of companies in the global rail industry has improved significantly as of Q2 2021. Although the year 2021 still holds uncertainties due to the Corona pandemic, the mood in the rail industry has nevertheless risen noticeably as of the 2nd quarter. The decline in demand for products and services seems to have stopped, according to the top managers surveyed. In the outlook for the coming six months, the optimism of the survey participants predominates. The vast majority of respondents expect the number of employees to remain the same or even increase in the next six months.

SCI Rail Business Index



Source: SCI Verkehr GmbH

Development of current business situation

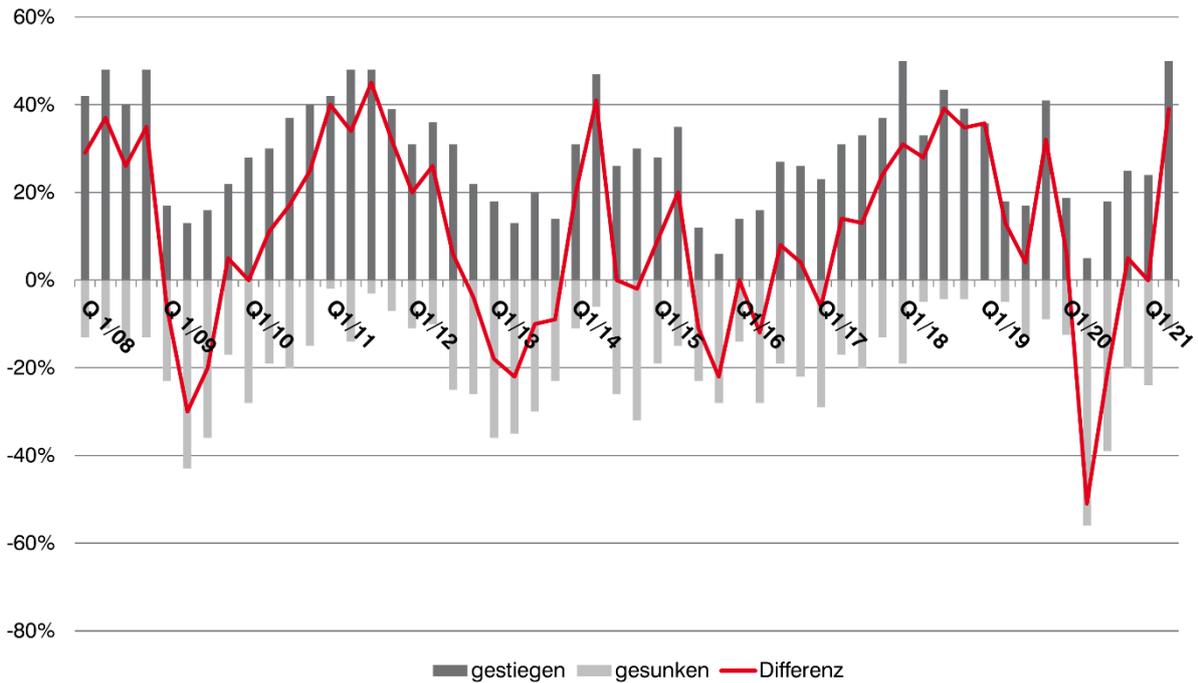


Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

In Q2 2021, the top managers surveyed rate their current business situation significantly better than in the previous quarter. Therefore, a strong upward trend can be felt in the industry. Almost 40% of the managers surveyed rate the current business situation as good and only 6% as unsatisfactory. A possible reason for this is the positive development in demand for products and services in the global rail industry. This allows the companies to be supported by a sufficient order backlog. The seasonal value is even slightly above average this quarter at 56%.

Demand for products and services

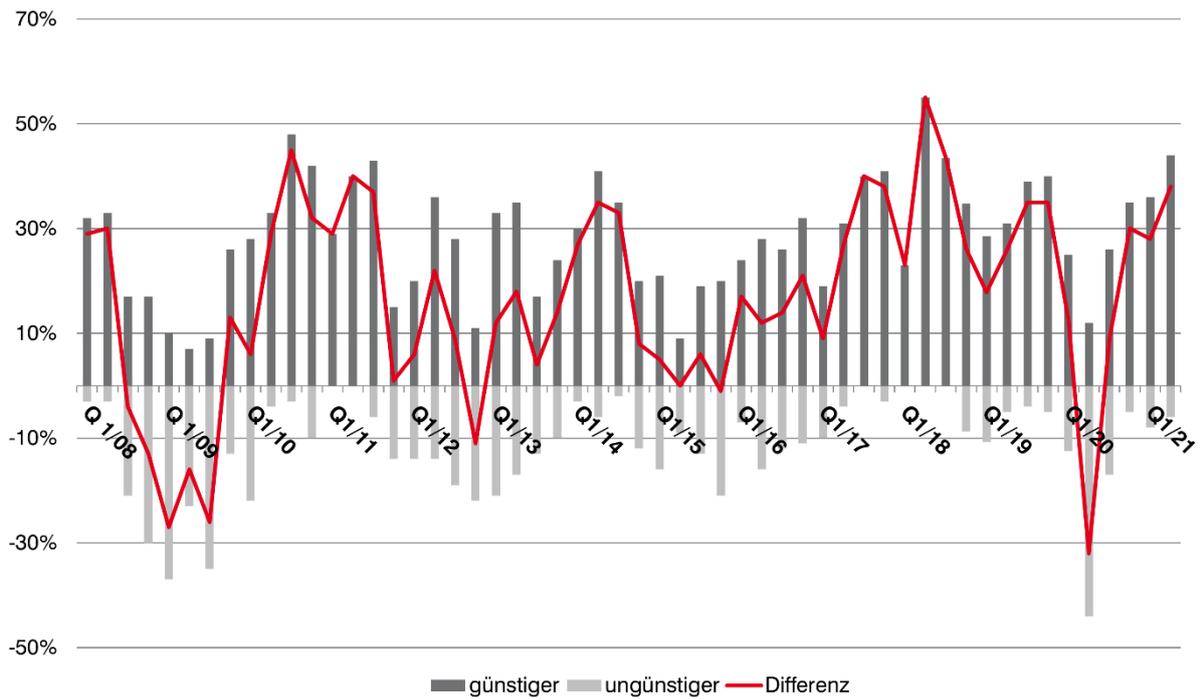


Source: SCI Verkehr GmbH

Since Q3 2020, the reference period for this question is the last quarter (previously: the last 6 months);
Up to Q 4/2009, only companies with headquarters in Germany surveyed.

The assessment of demand for products and services as an important indicator of industry development recorded a noticeably positive development in the second quarter of 2021. Overall, more than twice as many survey participants (50%) report a more positive development than in Q1 2021. In addition, only 11% of participants now assess demand negatively. At the same time, the number of companies describing their current order backlog as "too small" falls to 9%. The share of companies that assess their current order backlog as "sufficient" continues to grow to 91%.

Expected business development in next quarter

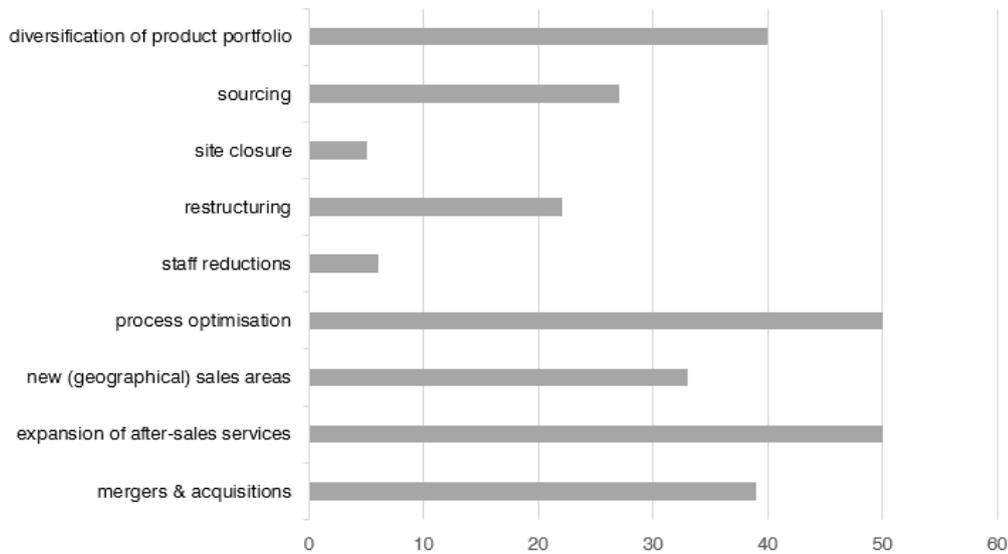


Source: SCI Verkehr GmbH

Since the latest survey, the forecast period for this question is the next quarter (previously: the next 6 months); Up to Q 4/2009, only companies with headquarters in

The survey also showed a rapid improvement in the assessment of the coming 6 months: 100% of the top managers surveyed expect the situation to improve. This means that the expected business development is assessed more positively than the development of the current business situation. The vast majority of respondents are optimistic about the future.

Key challenges in 2021/2022



Source: SCI Verkehr GmbH

In the second quarter of 2021, SCI Verkehr asked the top managers of the global rail industry what the key challenges for their companies will be in 2021/22. The following topics predominate: 50% of the respondents are planning an expansion of sales and services or process optimisation. Mergers/acquisitions and diversification of the product portfolio follow the first two topics with 39% and 40% respectively. 22% of the respondents are planning restructuring, 6% want to lay off employees and 5% of the survey participants are even thinking about closing a location.

Legend: The SCI GLOBAL RAIL INDEX is based on approximately 100 reports from representative companies in the global rail industry. The companies are regularly asked to assess their current business situation and to report their expectations for the coming six months. They can mark their situation as "good", "satisfactory" or "poor" and their business expectations for the coming six months as "more favourable", "stable" or "less favourable". The balance value of the current business situation is the difference of the percentages of the answers "good" and "poor", the balance value of the expectations is the difference of the percentages of the answers "more favourable" and "less favourable". The business climate is a transformed average of the balances of the business situation and expectations.