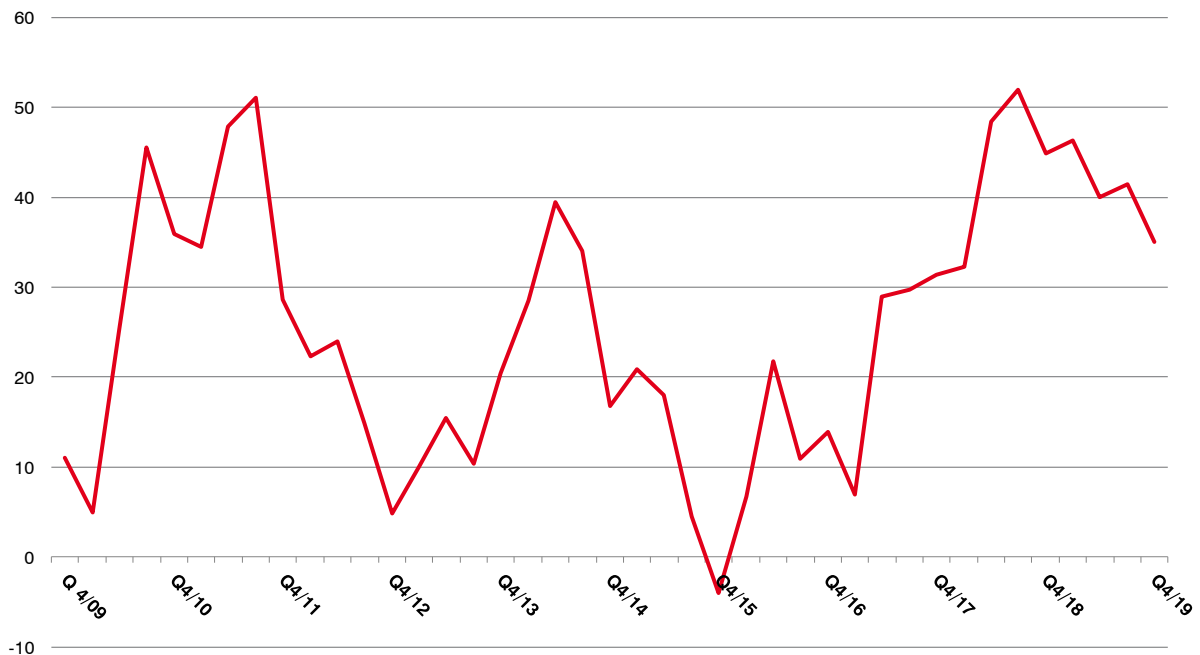


SCI GLOBAL RAIL INDEX 4/2019

In spite of a small dip in the business climate, hopes in the global rail industry remain unbroken at the end of the year

The business climate among the leading companies in the global rail industry weakened in the fourth quarter of 2019 compared to the previous quarter, but is still at a significantly higher level than the average of the last 10 years. This is shown by the current SCI RAIL BUSINESS INDEX - a regular survey of top managers in the global rail industry conducted by the consulting firm SCI Verkehr. The assessment of the current business situation decreased compared to Q3, but there was a strong increase in the assessment of the demand for products and services. The expectations for the business situation in the next 6 months remained at the same level compared to the previous quarter. The most important strategic goal for 2020, according to the respondents, is digitisation. Overall, the top managers in the rail industry rely on positive political backing, only the order book situation shows a more differentiated picture.

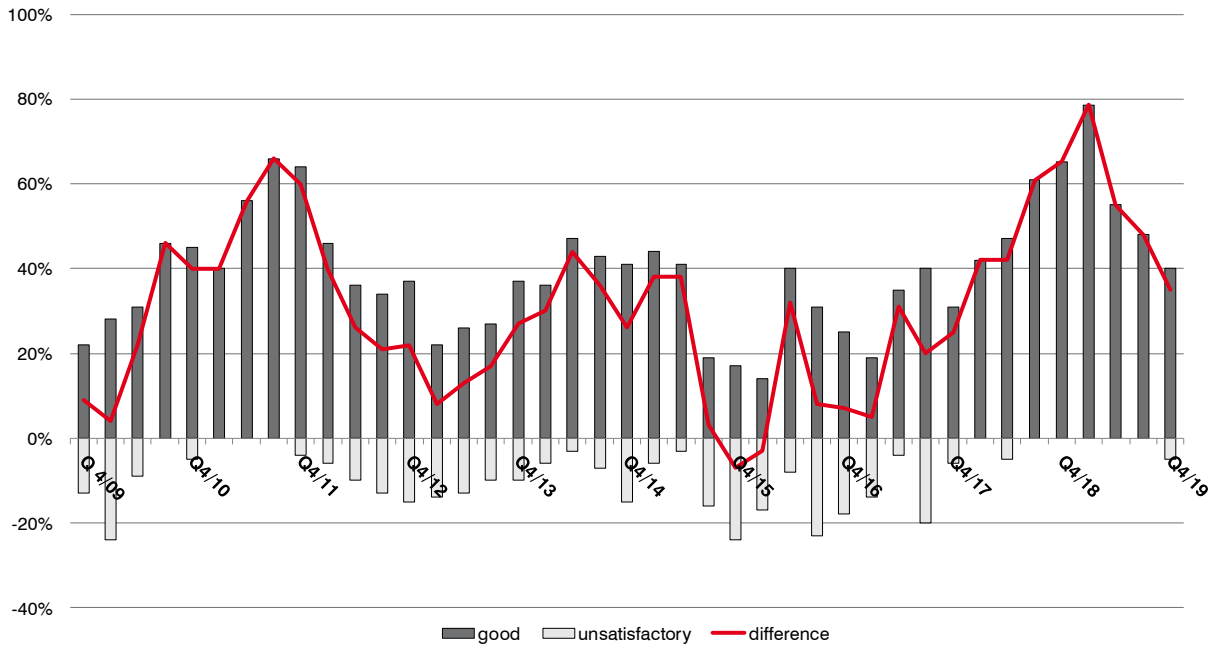
SCI Rail Business Index



Source: SCI Verkehr GmbH

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

Development of current business situation

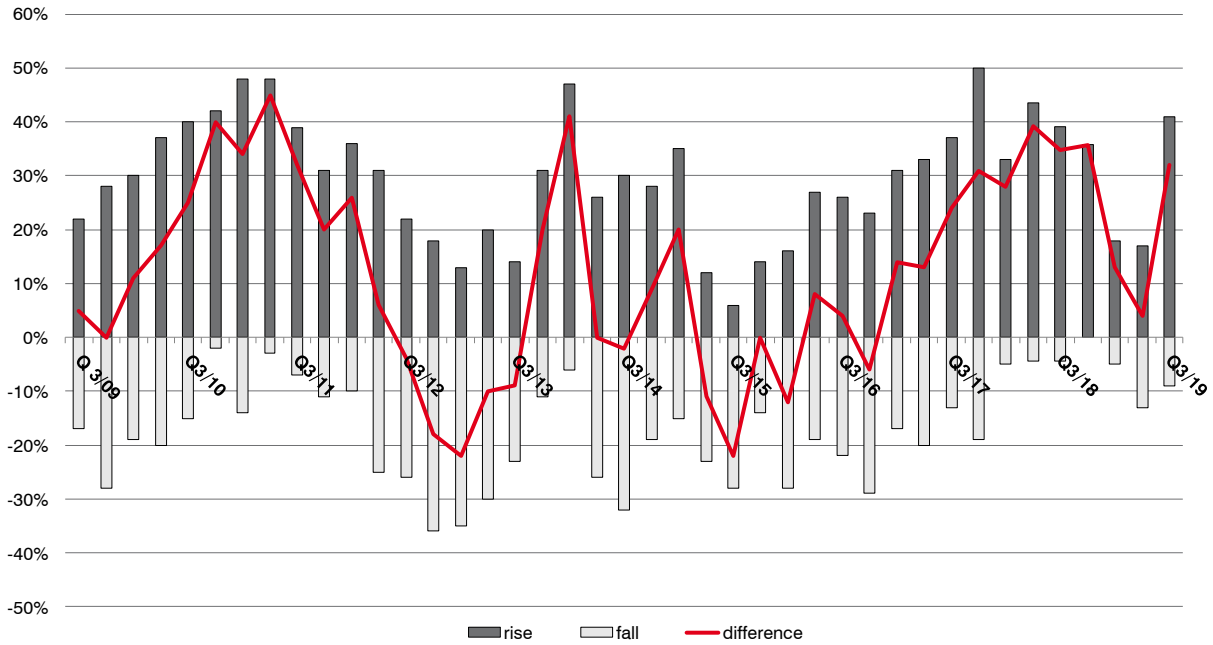


Source: SCI Verkehr GmbH

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

The downturn in Q3 and Q2 is succeeded by by a further downward trend in the last quarter of 2019. In addition, in contrast to the previous quarter, there is again a small but existing number of skeptics in Q4 who assess the current business situation as unsatisfactory. The level of assessment of the current business situation is thus just above the average of the past ten years.

Demand for products and services

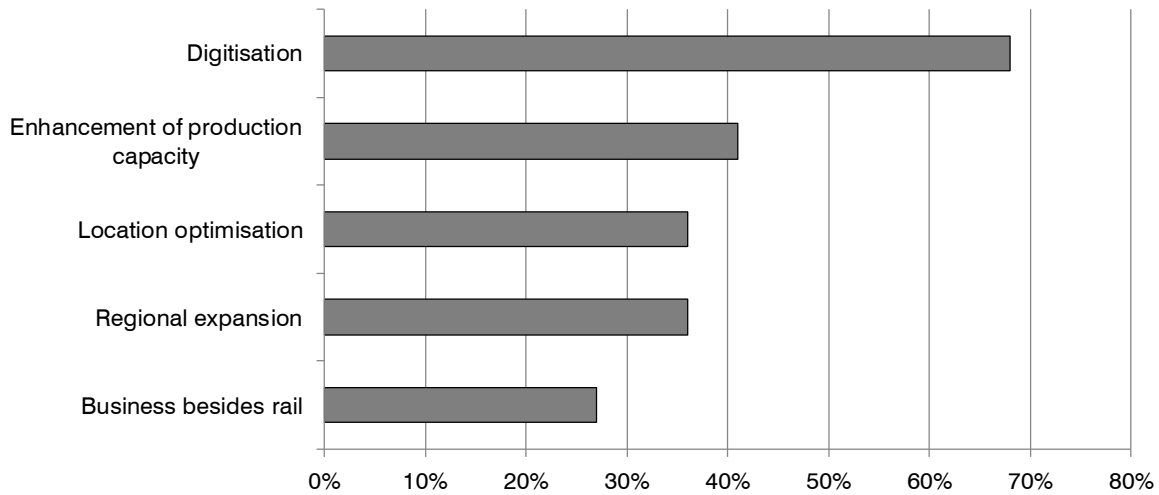


Source: SCI Verkehr GmbH

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

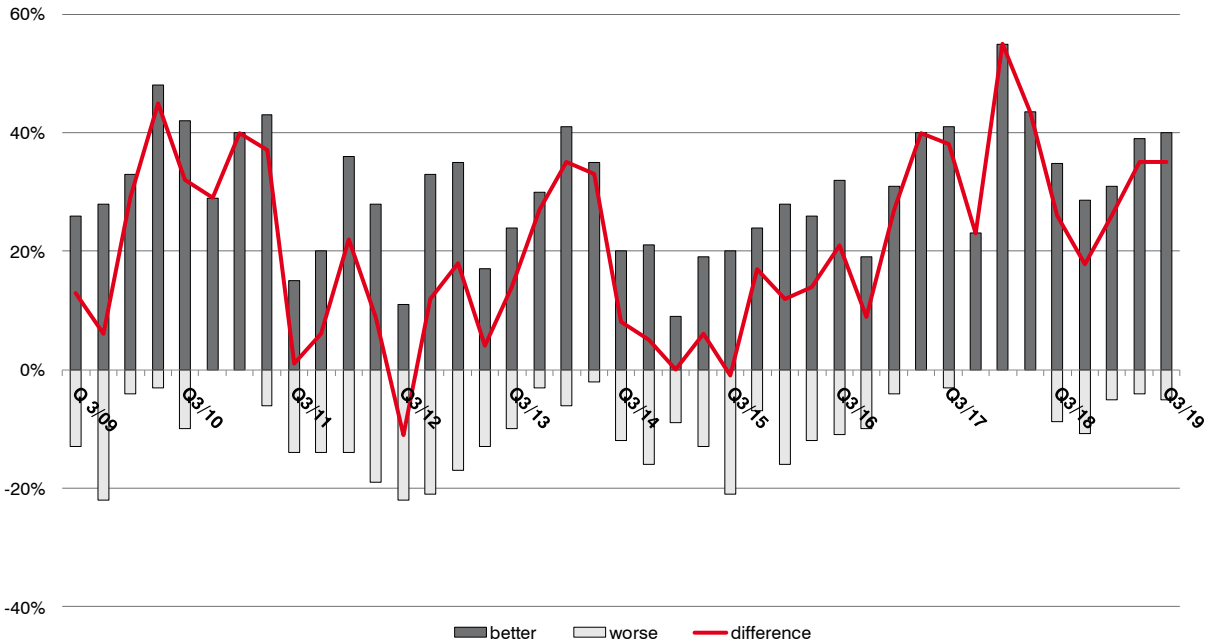
The demand for products and services, as an important indicator for the development of the industry, is on a clear growth path again compared to the previous quarter. Overall, 41% of the top managers surveyed report positive development. Only 9% of the top managers opposed this assessment with a negative assessment.

Top-5 strategic objectives for 2020



As part of the SCI Global Rail Index 4/2019 survey, the top managers were asked about the goals for the coming year 2020. The topic of digitisation was rated the most important by far, 68% of those surveyed attach great importance to the goal of investing in digitisation projects. The second most important was the enhancement of production capacity and the topics of location optimisation and regional expansion received similarly strong ratings in third place. The fifth topic among the most important goals for 2020 turned out to be the business besides rail, which was classified as very important by 27% of the top managers.

Expected business development in coming 6 months



Source: SCI Verkehr GmbH

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

40% of the top managers surveyed expect business to develop more favorably in the next six months. This is a slight increase over the previous quarter and supports the global growth trend of the industry. This development will be reduced by a very small proportion of the top managers surveyed (5%), who expect a more unfavorable development over the next 6 months. All in all, however, expectations for future investments in the rail industry remain unbroken.

Key: The SCI GLOBAL RAIL INDEX is based on c. 100 responses from representative companies from the global rail industry. The companies are regularly asked to evaluate their current business situation and share their expectations for the coming six months. They can describe their situation as “good”, “satisfactory” or “poor” and their business expectations for the coming six months as “more favourable”, “staying the same” or “less favourable”. The balance of the current business situation is the difference in percentages between the answers “good” and “poor”, the balance of expectations is the difference in percentages between the answers “more favourable” and “less favourable”. The business climate is a transformed mean produced from the values for current business climate and future expectations.

