

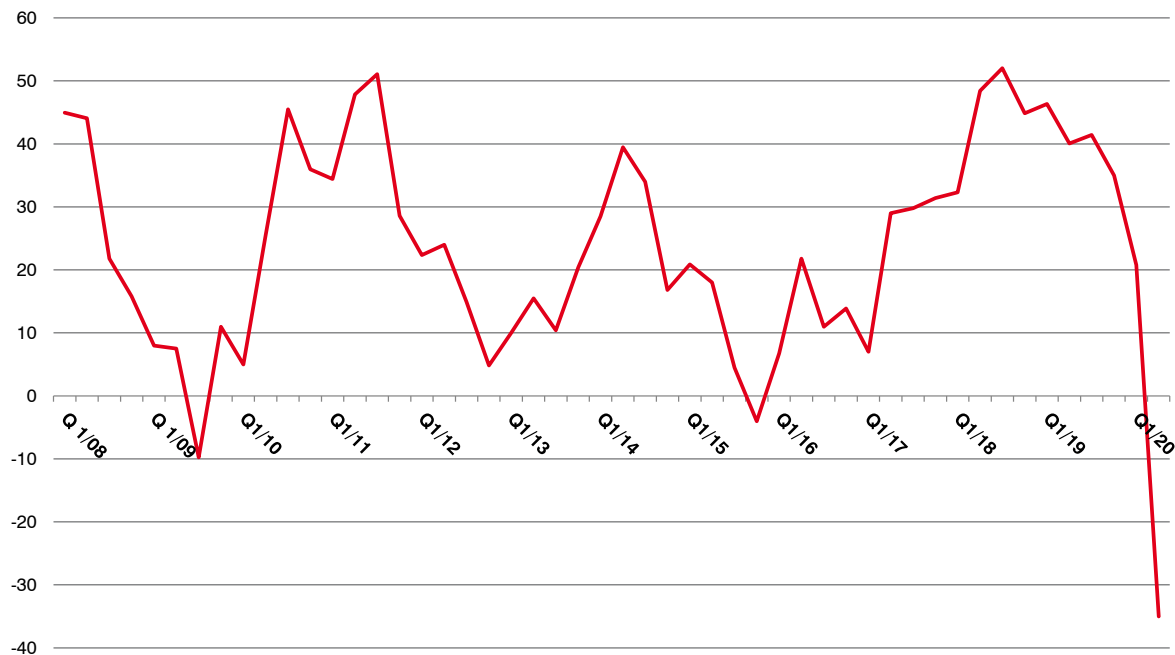
SCI GLOBAL RAIL INDEX 2/2020

COVID-19 crisis causes drastic decline of the business climate in the railway industry

The COVID-19 crisis fully reached the global rail industry in the second quarter of 2020. Survey results fell to their lowest level since the beginning of the survey. 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 consequences of the COVID-19 crisis and the contact restrictions have severely impacted the rail sector worldwide and led to an exceptional situation as never before. The current challenges in the day-to-day business of railway companies are reflected in the answers of the top managers surveyed - both the assessment of the current business situation and the demand for products and services as well as the expectations of the business situation for the coming six months have dropped significantly. For the entire year 2020, almost 60% of the top managers surveyed expect their incoming orders to fall by between 10 and 40%.

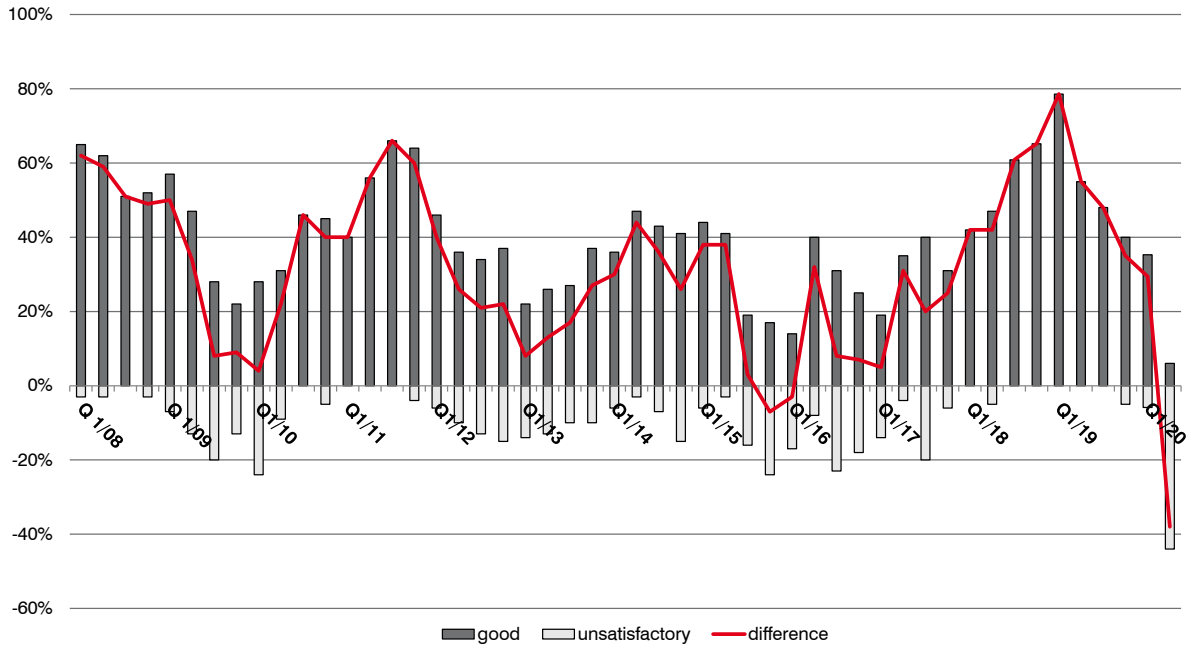
SCI Rail Business Index



Source: SCI Verkehr GmbH

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

Development of current business situation



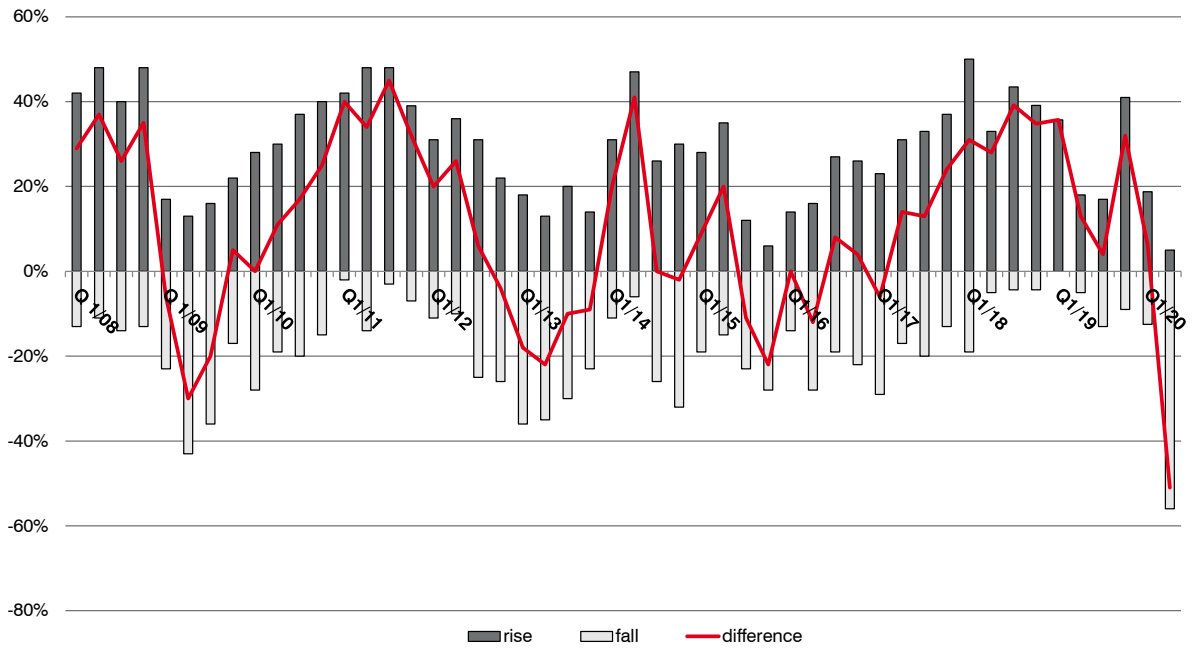
Source: SCI Verkehr GmbH

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

The assessment of the current business situation has been in a downturn even without the pandemic, as it has now fallen for five quarters in succession. However, the decline in the second quarter of 2020 is particularly drastic due to the impact of the COVID-19 crisis. 44% of the top managers surveyed assess the current business situation as unsatisfactory, while only 6% rate the business situation as good.

Translated with www.DeepL.com/Translator (free version)

Demand for products and services

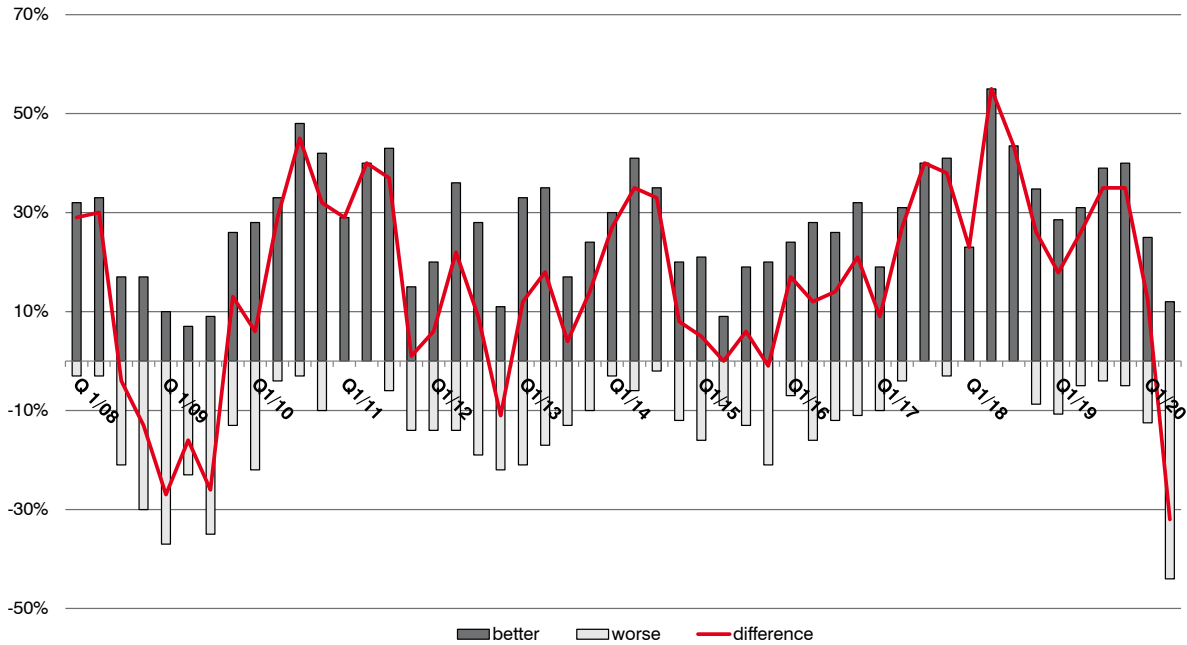


Source: SCI Verkehr GmbH

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

The COVID-19 crisis is also clearly visible in the index assessing the demand for products and services. After 13% of the respondents had reported a falling demand in the first quarter of 2020, 56% estimated the demand for products and services as falling in the second quarter. All in all, the survey result represents an all-time low since the beginning of the survey.

Expected business development in coming 6 months

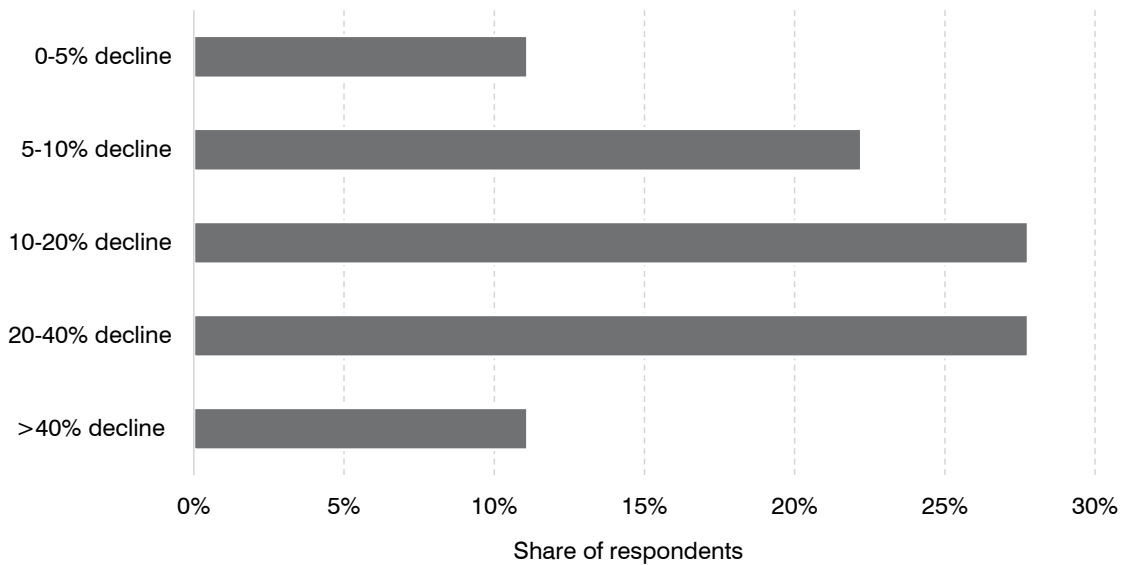


Source: SCI Verkehr GmbH

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

With regard to the expected business situation in the next six months, 12% of the top managers surveyed expect a positive development. Nonetheless, the overall picture is dominated by the over 40% of the surveyed who do not expect a return to the normal situation in the next six months, but even a further decline.

Expected decline in order intake in 2020 due to the COVID-19 crisis



Source: SCI Verkehr GmbH

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In view of the COVID-19 crisis, SCI Verkehr asked the top managers of the global rail industry in the second quarter of 2020, how they estimated the overall decline in their incoming orders for the year 2020. 28% of those surveyed expect declines of 10-20% and 20-40%, respectively. An equally significant proportion of 22% of participants expects declines of 5-10%. 11% each estimate the overall decline in their order intake in 2020 to be either strongly negative (over 40% declines) or relatively mild (0-5% declines).

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.