Quarterly Statement
January 1 to September 30, 2025

KNORR-BREMSE

Quarterly Statement

JANUARY 1 TO SEPTEMBER 30, 2025
KNORR-BREMSE AG

KNORR-BREMSE GROUP KEY INDICATORS

		First Nine Months		Third Quarter	
		2025	**2024**	**2025**	**2024**
Revenues	€ million	5,839	5,897	1,883	1,910
EBIT	€ million	650	694	218	219
EBIT margin	%	11.1	11.8	11.6	11.5
Operating EBIT	€ million	749	725	251	235
Operating EBIT margin	%	12.8	12.3	13.3	12.3
Net income	€ million	447	453	153	140
Return on sales after taxes	%	7.6	7.7	8.1	7.3
Earnings per share	€	2.59	2.66	0.89	0.81
Order intake	€ million	6,440	6,182	1,956	1,943
Order book (September 30)	€ million	7,368	7,058	7,368	7,058
Free cash flow	€ million	319	248	159	184
Cash flow from operating activities	€ million	505	428	231	258
Capital expenditure	€ million	194	216	78	80
Capital expenditure as % of revenues	%	3.3	3.7	4.2	4.2
R&D costs	€ million	400	414	129	128
R&D as % of revenues	%	6.9	7.0	6.8	6.7

		Sept. 30, 2025	**Dec. 31, 2024**
Total assets	€ million	8,780	9,614
Equity	€ million	3,114	3,127
Equity ratio	%	35.5	32.5
Operating ROCE (annualized)*	%	21.0	20.8
Net working capital	Days' sales	72.3	59.2

* The ratio of operating EBIT to adjusted capital employed; the latter being the recognized capital employed of € 5,075 million (December 31, 2024: € 5,011 million) less the KB Signaling assets of € 314 million identified in the purchase price allocation (December 31, 2024: € 356 million).

FIRST NINE MONTHS OF 2025

- Order intake of € 6,440 million up slightly by 4.2% year on year thanks to a significant increase in the rail vehicle business and the acquisition of KB Signaling
- Order book at € 7,368 million a slight € 310 million above prior year, rail vehicle business at record level
- Revenues of € 5,839 million slightly below the previous year; rail vehicle business increases by a solid 8.2% to € 3,219 million while commercial vehicle business decreases by 10.3% to € 2,622 million due to market-related factors and exchange rate effects as well as deconsolidations
- Profitability: operating EBIT of € 749 million up slightly on the previous year by 3.3% with a solid increase in the operating EBIT margin to 12.8% (previous year: 12.3%)
- Free cash flow of € 319 million up significantly on the prior-year period (€ 248 million), largely as a result of the improvement in working capital
- Knorr-Bremse confirms its operating guidance for 2025:
  - Revenue: € 7,800 million to € 8,100 million, previously revised from originally € 8,100 million to € 8,400 million exclusively due to currency translation effects (2024: € 7,883 million)
  - Operating EBIT margin: 12.5% to 13.5% (2024: 12.3%)
  - Free cash flow: € 700 million to € 800 million (2024: € 730 million)

BUSINESS PERFORMANCE NINE MONTHS 2025

Order intake up 4.2%

The Knorr-Bremse Group's order intake, at € 6,440 million as at the end of September 2025, saw a slight increase of € 258 million from the comparable period of the previous year, with significantly higher demand in the rail vehicle business more than compensating for the moderate decline in the commercial vehicle order intake. The Rail Vehicle Systems division recorded a positive order trend in all regions, with a significant rise in the order intake particularly in North America and Asia, and benefited from the additional orders received by the company acquired effective August 30, 2024, KB Signaling. In the commercial vehicle business, the increased order numbers in Europe failed to offset the significant drop in demand in North America. The disposals in the Commercial Vehicle Systems division also acted as a drag on order intake.

At € 7,368 million, the order book was therefore 4.4% higher year on year as of the end of September 2025.

Revenues of € 5,839 million down slightly by 1.0% on the previous year

In the first nine months of the 2025 fiscal year, consolidated revenues decreased slightly by 1.0% to € 5,839 million. Currency-adjusted (at actual rates in 2024), revenue would have been 0.9% higher. The solid increase in revenues in the rail vehicle business was primarily driven by the acquisition of KB Signaling and organic growth, while the significantly lower revenues from the commercial vehicles segment were almost fully offset. Consolidated revenues in Asia and Europe increased slightly across all divisions, though revenues in North America registered a moderate decline.

The share of aftermarket revenues in the total revenues of the Knorr-Bremse Group increased to over 45.0%.

Solid improvement in the operating EBIT margin to 12.8%

Operating EBIT in the first nine months of 2025 was € 749 million, up by 3.3% on the prior-year period. The operating EBIT margin of 12.8% also increased by a solid amount year on year (12.3%). This positive performance was largely due to the to the implemented cost measures and the increase in operating performance in the Rail Vehicle Systems division, which more than offset the declining performance of the Commercial Vehicle Systems division attributable in particular to market factors. Operating EBIT was calculated by adjusting the recognized EBIT of € 650 million, primarily for expenses associated with restructuring in the amount of € 37 million in the Rail Vehicle Systems division, € 28 million in the Commercial Vehicle Systems division and € 8 million in the other segments, the majority of which relating to termination benefits in connection with the termination of employment. Furthermore, adjustments were made for M&A-related expenses of € 18 million concerning mainly amortization of the purchase price allocation connected to the acquisition of KB Signaling in the Rail Vehicle Systems division. Adjustments were also made for a one time effect of € 5 million in the Commercial Vehicle Systems division related to the support of a distressed supplier plant and for expenses of € 3 million in connection with a recall campaign in the North American market reported in the previous year. In the first nine months of the previous year, adjustments had been primarily made for expenses of € 18 million in connection with the prior-period recall campaign as part of a software update in the North American market and for expenses of € 14 million relating to M&A activities in the Commercial Vehicle Systems division, which largely comprised write-downs for the planned disposal of GT Emissions Systems in the Commercial Vehicle Systems division.

The cost of materials decreased in the first nine months of 2025 by a moderate 5.9% year on year to € 2,742 million (previous year: € 2,913 million). With a less-strong decline in revenues, the material cost ratio decreased significantly by 240 basis points to 47.0% of revenues (previous year: 49.4%). The decline was primarily attributable to lower expenses in the Commercial Vehicle Systems division in Europe and North America, partly due to the divestment of GT Emissions Systems and R.H. Sheppard in these regions. A counteracting increase in cost of materials in the Rail Vehicle Systems division, particularly in connection with the acquisition of KB Signaling, was less pronounced. Personnel costs, however, saw a slight increase of 4.4% to € 1,603 million (previous year: € 1,535 million). The personnel costs ratio in the Commercial Vehicle Systems division rose slightly, while it increased significantly in the Rail Vehicle Systems division. Overall, it increased moderately throughout the Group by 140 basis points from 26.0% to 27.4%. The increase is due in particular to personnel-related restructuring expenses. The sum of other operating income and expenses decreased slightly by € 10 million to € -655 million (previous year: € -645 million).

The negative financial result improved very significantly by € 52 million year-on-year to € 47 million. Interest expenses increased by € 20 million, mainly because of the interest accrued for the new bond issued in September 2024. The loss from entities accounted for using the equity method amounted to € 20 million (previous year: € 0 million), due largely to the share in the result of Nexxiot AG, based in Zurich, Switzerland. In contrast, the other financial result increased year on year by € 87 million, primarily due to the improved currency translation result in connection with the valuation of foreign currency holdings.

Tax expense increased by € 14 million in the first nine months of 2025 to € 156 million (previous year: € 142 million). The tax rate, at 25.9%, was significantly above the previous year’s level of 24.0%. The lower tax rate in the previous year was partly driven by effects related to prior-year taxes. The higher tax rate in the first nine months of 2025 reflects increased non-deductible operating expenses resulting from deconsolidations, as well as a rise in non-creditable withholding taxes in the first nine months of 2025.

At € 447 million, net income for the period was down slightly by 1.3% on the prior-year figure (€ 453 million). The return on sales after taxes, at 7.6%, was just 0.1 percentage points below the prior-year level (previous year: 7.7%).

FINANCIAL SITUATION

FREE CASH FLOW

in € million	2025	2024
Net income (including minority interests)	447	453
Depreciation, amortization, and impairment losses on intangible assets and property, plant, and equipment	291	284
Non-cash changes in the measurement of derivatives	(80)	(5)
Other non-cash expenses and income	(20)	52
Interest income	53	33
Income tax expense	156	142
Income tax payments	(114)	(154)
Changes in inventories, trade accounts receivable, and other assets that cannot be allocated to investing or financing activities, including write-downs on these assets	(395)	(413)
Changes in trade accounts payable, provisions and other liabilities which cannot be allocated to investing or financing activities	143	30
Other	24	6
Cash flow from operating activities	**505**	**428**
Cash changes in intangible assets and property, plant and equipment	(186)	(180)
Free cash flow	**319**	**248**

The cash flow from operating activities improved significantly in the first nine months of 2025 compared with the prior-year period, which is primarily attributable to an increase in working capital. This increased the free cash flow in the first nine months of 2025 to € 319 million (previous year: € 248 million).

CURRENT AND NON-CURRENT ASSETS

in € million	Sept. 30, 2025	Dec. 31, 2024
Intangible assets and goodwill	1,736	1,816
Property, plant, and equipment	1,776	1,899
Other non-current assets	441	483
Non-current assets	**3,953**	**4,198**
Inventories	1,262	1,216
Trade accounts receivable	1,626	1,385
Contract assets	153	160
Cash and cash equivalents	1,398	2,263
Other current assets	388	392
Current assets	**4,827**	**5,416**

The decrease in current and non-current assets was attributable not only to negative currency effects arising from the currency translation of US group companies, but also in particular to the repayment of the € 750 million bond issued on June 14, 2018, which reduced cash and cash equivalents. An increase from December 31, 2024 was recorded in the trade accounts receivable as a result of the typical buildup of receivables as the year progresses. In this regard – as in previous years – we expect a noticeable improvement by year end.

The net working capital as at September 30, 2025, was € 1,563 million (December 31, 2024: € 1,296 million). Measured in terms of days' sales, this corresponds to a commitment of 72.3 days (December 31, 2024: 59.2 days). This increase is due primarily to seasonal effects; a significant improvement in net working capital is therefore expected by the end of the year. Compared with the first nine months of 2024, net working capital improved by a solid € 161 million or 6.7 days' sales (September 30, 2024: € 1,724 million or 79.0 days' sales).

CAPITAL EXPENDITURE

		First Nine Months	
		2025	2024
Capital expenditure (before IFRS 16 and acquisitions)	€ million	194	216
Capital expenditure as % of revenues	%	3.3	3.7

The capital expenditure on property, plant, and equipment and intangible assets in the first nine months of 2025 was significantly lower than the corresponding capital expenditure in the previous year and went primarily towards continuous reinforcement of the production infrastructure through plant expansions, automation and site optimization. In addition to the necessary capital expenditure on replacement and expansion, investments for intangible assets were made, particularly for digitalization in the area of IT.

The Knorr-Bremse Group's equity ratio of 35.5% as of September 30, 2025 is significantly up on the level as of December 31, 2024 (32.5%).

CURRENT AND NON-CURRENT LIABILITIES

in € million	Sept. 30, 2025	Dec. 31, 2024
Provisions (incl. pensions)	443	499
Financial liabilities	2,482	2,555
Other non-current liabilities	114	120
Non-current liabilities	**3,039**	**3,174**
Trade accounts payable	1,144	1,128
Financial liabilities	648	1,391
Contract liabilities	339	343
Other liabilities	496	451
Current liabilities	**2,627**	**3,313**
Total liabilities	**5,666**	**6,487**

Current liabilities fell sharply by € 686 million to € 2,627 million, due in particular to the repayment of the €750 million bond issued on June 14, 2018, which reduced current financial liabilities.

The following debt financing existed as of September 30, 2025:

- Corporate bond of Knorr-Bremse AG in the amount of € 700 million (maturing in September 2027)
- Corporate bond of Knorr-Bremse AG in the amount of € 600 million (maturing in September 2029)
- Green corporate bond of Knorr-Bremse AG in the amount of € 500 million (maturing in September 2032)
- Lease liabilities in the amount of € 513 million
- Bank liabilities of the Knorr-Bremse Group in the amount of € 117 million

INFORMATION ON REPORTABLE SEGMENTS

DIVISIONAL KEY INDICATORS

in € million	Rail Vehicle Systems		Commercial Vehicle Systems		TOTAL		Other segments and consolidation		Group	
										2025
	First Nine Months	Third Quarter	First Nine Months	Third Quarter	First Nine Months	Third Quarter	First Nine Months	Third Quarter	First Nine Months	Third Quarter
Key Figures										
Order intake	3,773	1,173	2,667	783	6,440	1,956	(0)	(0)	6,440	1,956
Order book (September 30)	5,659	5,659	1,710	1,710	7,369	7,369	(1)	(1)	7,368	7,368
Condensed Statement of Income										
Revenues	3,219	1,050	2,622	833	5,841	1,883	(2)	(0)	5,839	1,883
Changes in inventory and own work capitalized	35	10	64	27	99	37	3	0	102	37
Cost of materials	(1,309)	(429)	(1,429)	(458)	(2,738)	(887)	(4)	(2)	(2,742)	(889)
Personnel expenses	(916)	(289)	(573)	(181)	(1,489)	(470)	(114)	(33)	(1,603)	(503)
Other operating income and expenses	(433)	(138)	(310)	(100)	(743)	(238)	88	24	(655)	(214)
Depreciation, amortization, and impairment	(125)	(41)	(146)	(49)	(271)	(90)	(20)	(6)	(291)	(96)
Earnings before interest and taxes (EBIT)	**471**	**163**	**228**	**72**	**699**	**235**	**(49)**	**(17)**	**650**	**218**
M&A activities	18	5	0	(0)	18	5	–	–	18	5
Restructuring expenses	37	11	28	11	65	22	8	1	73	23
Expenses and income from one-off effects, for example in connection with litigation	–	–	8	5	8	5	–	–	8	5
Operating EBIT	**526**	**179**	**264**	**88**	**790**	**267**	**(41)**	**(16)**	**749**	**251**
Operating EBIT margin (as % of revenues)	16.4	17.0	10.1	10.5	13.5	14.1	–	–	12.8	13.3

										2024
	First Nine Months	Third Quarter	First Nine Months	Third Quarter	First Nine Months	Third Quarter	First Nine Months	Third Quarter	First Nine Months	Third Quarter
Key Figures										
Order intake	3,323	1,121	2,861	823	6,184	1,944	(2)	(1)	6,182	1,943
Order book (September 30)	5,222	5,222	1,838	1,838	7,060	7,060	(2)	(2)	7,058	7,058
Condensed Statement of Income										
Revenues	2,976	995	2,922	915	5,898	1,910	(1)	(0)	5,897	1,910
Changes in inventory and own work capitalized	73	34	98	24	171	58	3	0	174	58
Cost of materials	(1,267)	(436)	(1,642)	(503)	(2,909)	(939)	(4)	(1)	(2,913)	(940)
Personnel expenses	(802)	(264)	(638)	(200)	(1,440)	(464)	(95)	(32)	(1,535)	(496)
Other operating income and expenses	(395)	(130)	(317)	(120)	(712)	(250)	67	25	(645)	(225)
Depreciation, amortization, and impairment	(118)	(35)	(144)	(46)	(262)	(81)	(22)	(7)	(284)	(88)
Earnings before interest and taxes (EBIT)	**467**	**164**	**279**	**70**	**746**	**234**	**(52)**	**(15)**	**694**	**219**
M&A activities	–	–	14	2	14	2	–	–	14	2
Restructuring expenses	1	–	2	1	3	1	–	–	3	1
Expenses and income from one-off effects, for example in connection with litigation	(5)	(5)	19	18	14	13	–	–	14	13
Operating EBIT	**463**	**159**	**314**	**91**	**777**	**250**	**(52)**	**(15)**	**725**	**235**
Operating EBIT margin (as % of revenues)	15.5	16.0	10.7	10.0	13.2	13.1	–	–	12.3	12.3

Rail Vehicle Systems division

Order intake in the Rail Vehicle Systems division increased year on year by as much as 13.5% to € 3,773 million as of the end of September 2025 (previous year: € 3,323 million). All regions recorded a positive order trend, with North America, due to acquisitions, and Asia in particular achieving significant growth. The order book also showed a solid increase of 8.4% to € 5,659 million as of September 30, 2025 (previous year: € 5,222 million).

In the first nine months of 2025, the Rail Vehicle Systems division recorded a solid 8.2% revenue increase to € 3,219 million (previous year: € 2,976 million). This positive revenue growth is attributable to an increase in aftermarket revenues. The division increased aftermarket revenues in all regions. The aftermarket-intensive business of KB Signaling also had a positive effect on revenues compared with the previous year. In Europe, increased OE revenues in the regional & commuter category almost completely made up for declining revenues in the freight and high-speed business. The decline in OE revenues in North America is primarily market-related attributable to a drop in freight business, which was offset to some degree by higher revenues from the locomotive business. The year-on-year decrease in OE revenues in Asia was mainly due to a downturn in the metro business, which was compensated by higher revenues in the high-speed and locomotive business. Due to the noticeably increased aftermarket business in all regions and the acquitision of KB Signaling, the share of aftermarket revenues in the division's total revenues increased to over 55.0% in the first nine months of 2025.

Operating EBIT, at € 526 million, was up significantly by 13.8% on the same period of the previous year (€ 463 million) due to volume and mix factors and resulted in an operating EBIT margin of 16.4%, which was solidly above the previous year's level of 15.5%. In addition to positive effects from the BOOST program, KB Signaling also contributed positively to the result. To calculate operating EBIT, the recognized EBIT of € 471 million was adjusted in particular for € 37 million of expenses associated with restructuring, the majority of which related to termination benefits in connection with the termination of employment. Furthermore, adjustments were made for M&A-related expenses of € 18 million mainly concerning amortization of the purchase price allocation connected to the acquisition of KB Signaling.

Commercial Vehicle Systems division

Order intake in the Commercial Vehicle Systems division in the first nine months of 2025 was € 2,667 million, a moderate 6.8% decrease on the previous year (€ 2,861 million). The significantly improved customer demand in Europe failed to offset the significant decline in the North American market, while Asia nearly matched the prior-year level. The order book as of September 30, 2025 therefore likewise recorded a moderate decrease of 7.0% to € 1,710 million from € 1,838 million in the previous year.

Revenues in the Commercial Vehicle Systems division declined significantly, by 10.3% to € 2,622 million in the first nine months of 2025 (previous year: € 2,922 million), due to market and currency factors but also as a result of the loss of revenue from recently sold companies. While the aftermarket business saw only a slight decline, revenues in the OE business decreased significantly. As a result of this development, the share of aftermarket revenues in the total revenues of the Commercial Vehicle Systems division increased very significantly year on year from 31.1% to 34.3%.

Operating EBIT in the Commercial Vehicle Systems division fell significantly in the first nine months of 2025 by 15.9% to € 264 million, giving rise to a moderate drop in the operating EBIT margin from 10.7% in the previous year to 10.1%. This is largely attributable to a lower volume and to higher write-downs from the research and development area, while the division was able to compensate through a more profitable aftermarket business and through effects from the BOOST program. To calculate operating EBIT, the recognized EBIT of € 228 million was adjusted in particular for € 28 million of expenses associated with restructuring, the majority of which related to termination benefits in connection with the termination of employment. Adjustments were also made for a one time effect of € 5 million in the Commercial Vehicle Systems division related to the support of a distressed supplier plant and for expenses of € 3 million in connection with a recall campaign in the North American market reported in the previous year. In the first nine months of the previous year, adjustments had been primarily made for expenses of € 18 million in connection with the prior-period recall campaign as part of a software update in the North American market and for expenses relating to M&A activities of € 14 million, which largely comprised write-downs for the planned disposal of GT Emissions Systems in the Commercial Vehicle Systems division.

Regional revenues developed as follows:

REVENUE BY COUNTRY OF KNORR-BREMSE COMPANY

	First Nine Months			
in € million	2025	%	2024	%
Europe/Africa	2,856	48.9	2,847	48.3
North America	1,379	23.6	1,460	24.8
South America	139	2.4	136	2.3
Asia–Pacific	1,465	25.1	1,454	24.6
	5,839	**100.0**	**5,897**	**100.0**

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Acquisition of the duagon Group

Upon the signing on September 25, 2025, Knorr-Bremse acquired the duagon Group for a purchase price of around € 500 million plus a potential performance bonus based on the achievement of predefined results. The closing is subject to the customary regulatory approvals and is expected to take place in the next months. The acquisition will enable Knorr-Bremse to strengthen its global rail business and invest in fast-growing, high-margin market segments for electronic, communications and software solutions in rail transport.

Restructuring measures

On February 20, 2025, Knorr-Bremse announced extensive efficiency measures and plans to increase profitability as part of the group-wide BOOST program, which will run until 2026 but also affect the period beyond that. Restructuring expenses of around € 75 million are planned for the full year. As of September 30, 2025, € 73 million of this amount had already been recognized as an expense. The provisions formed in this context amount to € 46 million as of the reporting date. Of this amount, € 23 million is attributable to the Rail Vehicle Systems division, € 15 million to the Commercial Vehicle Systems division and € 8 million to the other segments. The estimated restructuring costs mainly include termination benefits in connection with the termination of employment. They are based on a detailed plan that was developed in consultation with the respective employee representatives and taking into account local legal requirements. The measures affect all regions worldwide.

Act for an Immediate Investment Tax Program to Strengthen Germany as a Business Location

A gradual reduction in corporation tax, from the current 15% to 10% starting in 2032, was resolved in July 2025. The plan is to reduce the corporation tax rate in stages, by one percentage point per year from 2028. Deferred taxes were measured taking into account the gradual reduction in the corporation tax rate, whereby the year of the expected reduction was determined for each temporary difference on the basis of a projection and the tax rate in force at that time was applied. This resulted in deferred tax income of € 5 million.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Dr. Nicolas Lange’s Contract Renewed

The Supervisory Board of Knorr-Bremse AG renewed the contract with Dr. Nicolas Lange, member of the Executive Board of Knorr-Bremse AG, ahead of time by five years as of October 2026.

Acquisition of TRAVIS Road Services International B.V.

Knorr-Bremse signed a contract on October 20, 2025 to acquire TRAVIS Road Services International B.V., Eindhoven, Netherlands, for a mid-double-digit million-euro sum. The closing is expected to take place by the end of Q1 2026. The acquisition will enable Knorr-Bremse to expand a digital aftermarket ecosystem for commercial vehicles and invest in the fast-growing market for data-driven services.

GUIDANCE

Knorr-Bremse confirms its operating guidance for the 2025 fiscal year. The guidance is based on the assumption of stable geopolitical and macroeconomic environments, exchange rates at the October 2025 level and no major impacts from possible tariffs. Knorr-Bremse expects revenues between € 7,800 million and € 8,100 million, previously revised from originally € 8,100 million to € 8,400 million exclusively due to currency translation effects (2024: € 7,883 million), an operating EBIT margin between 12.5% and 13.5% (2024: 12,3%) and free cash flow between € 700 million and € 800 million (2024: € 730 million).

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME

	First Nine Months	
in € million	**2025**	**2024**
Revenues	5,839	5,897
Change in inventory of unfinished/finished products	36	89
Own work capitalized	66	85
Total operating performance	**5,941**	**6,071**
Other operating income	66	71
Cost of materials	(2,742)	(2,913)
Personnel expenses	(1,603)	(1,535)
Other operating expenses	(721)	(716)
Earnings before interest, tax, depreciation, and amortization (EBITDA)	**941**	**978**
Depreciation, amortization, and impairment	(291)	(284)
Earnings before interest and taxes (EBIT)	**650**	**694**
Interest income	41	41
Interest expenses	(94)	(74)
Result from financial investments using the equity method	(20)	0
Impairment of other financial assets	(3)	(8)
Other financial result	29	(58)
Income before taxes	**603**	**595**
Taxes on income	(156)	(142)
Net income	**447**	**453**
of which attributable to:		
Profit (loss) attributable to non-controlling interests	29	25
Profit (loss) attributable to the shareholders of Knorr-Bremse AG	418	428

Earnings per share in €		
undiluted	2.59	2.66
diluted	2.59	2.66

CONSOLIDATED BALANCE SHEET

ASSETS

in € million	Sept. 30, 2025	Dec. 31, 2024
Assets		
Intangible assets	876	933
Goodwill	860	883
Property, plant, and equipment	1,776	1,899
Investments accounted for using the equity method	47	36
Other financial assets	87	83
Other assets	103	102
Income tax receivables	2	1
Assets from employee benefits	18	24
Deferred tax assets	184	237
Non-current assets	**3,953**	**4,198**
Inventories	1,262	1,216
Trade accounts receivable	1,626	1,385
Other financial assets	121	89
Other assets	221	206
Contract assets	153	160
Income tax receivables	46	81
Cash and cash equivalents	1,398	2,263
Assets held for sale and disposal groups	–	16
Current assets	**4,827**	**5,416**
Total assets	**8,780**	**9,614**

EQUITY AND LIABILITIES

in € million	Sept. 30, 2025	Dec. 31, 2024
Equity		
Subscribed capital	161	161
Capital reserves	14	14
Retained earnings	309	309
Other components of equity	(296)	(144)
Group earnings	2,841	2,705
Equity attributable to the shareholders of Knorr-Bremse AG	**3,029**	**3,045**
Equity attributable to non-controlling interests	85	82
Equity	**3,114**	**3,127**
Liabilities		
Provisions for pensions	201	239
Provisions for other employee benefits	34	32
Other provisions	208	228
Trade accounts payable	9	11
Financial liabilities	2,482	2,555
Other liabilities	17	13
Income tax liabilities	18	6
Deferred tax liabilities	70	90
Non-current liabilities	**3,039**	**3,174**
Provisions for other employee benefits	20	19
Other provisions	211	170
Trade accounts payable	1,144	1,128
Financial liabilities	648	1,391
Other liabilities	150	139
Contract liabilities	339	343
Income tax liabilities	115	113
Liabilities directly associated with assets held for sale	–	10
Current liabilities	**2,627**	**3,313**
Liabilities	**5,666**	**6,487**
Total equity and liabilities	**8,780**	**9,614**

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

	First Nine Months	
in € million	**2025**	**2024**
Net income (including minority interests)	447	453
Adjustments for		
Depreciation, amortization, and impairment losses on intangible assets and property, plant, and equipment	291	284
(Gain)/loss on the sale of consolidated companies and other business units	1	8
(Gain)/loss on the disposal of fixed assets	3	(1)
Non-cash changes in the measurement of derivatives	(80)	(5)
Other non-cash expenses and income	(20)	52
Interest result	53	33
Investment result	20	(1)
Income tax expense	156	142
Income tax payments	(114)	(154)
Changes of		
Inventories, trade accounts receivable, and other assets that cannot be allocated to investing or financing activities, including write-downs on these assets	(395)	(413)
Trade accounts payable, provisions, and other liabilities that cannot be allocated to investing or financing activities	143	30
Cash flow from operating activities	**505**	**428**
Proceeds from the sale of intangible assets	–	4
Disbursements for investments in intangible assets	(69)	(82)
Proceeds from the sale of property, plant, and equipment	1	31
Disbursements for investments in property, plant, and equipment	(118)	(133)
Proceeds from financial investments and from the sale of investments	0	191
Disbursements for investments in financial assets	(16)	(44)
Proceeds from the sale of consolidated companies and other business units less cash and cash equivalents disposed of	8	(20)
Disbursements for the acquisition of consolidated companies and other business units less cash and cash equivalents acquired	(8)	(636)
Interest received	33	32
Other disbursements	(3)	(3)
Cash flow from investing activities	**(172)**	**(660)**
Proceeds from borrowings	66	1,096
Disbursements from the repayment of borrowings	(772)	(25)
Disbursements for lease liabilities	(55)	(51)
Interest paid	(83)	(52)
Dividends paid to parent company shareholders	(282)	(264)
Dividends paid to non-controlling interests	(17)	(13)
Proceeds from grants and subsidies	4	4
Payments from settlement of derivatives	6	(21)
Cash flow from financing activities	**(1,133)**	**674**
Cash flow changes in cash funds	**(800)**	**442**
Change in cash funds resulting from exchange rate and valuation-related movements	(66)	(15)
Change in cash funds	**(866)**	**427**
Cash funds at the beginning of the period	2,230	1,283
Cash funds at the end of the period	**1,364**	**1,710**
Cash and cash equivalents	1,398	1,760
Short-term bank debt (less than 3 months)	(34)	(50)