

# Investor Update July 2021

## Deutsche Bahn

Deutsche Bahn AG, July 2021

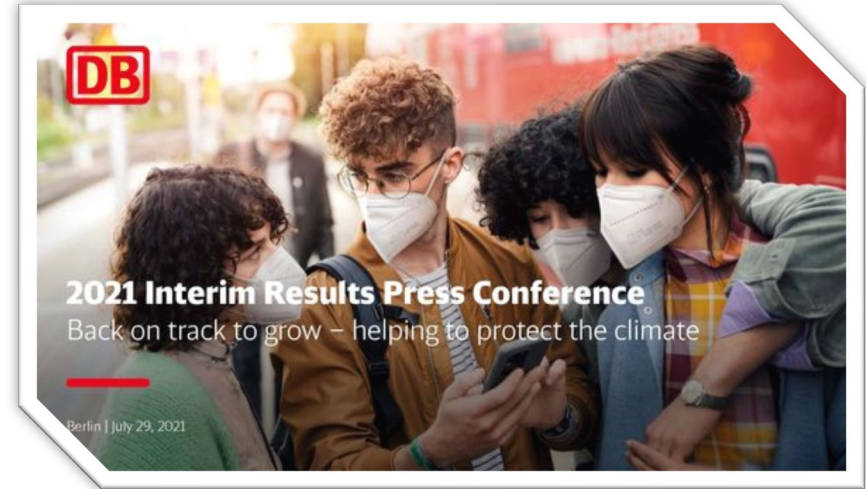


# H1 2021: full information package available



## Integrated Interim Report H1 2021

English version available  
mid August 2021 ([db.de/zb-e](https://www.db.de/zb-e))  
German version: [db.de/zb](https://www.db.de/zb)



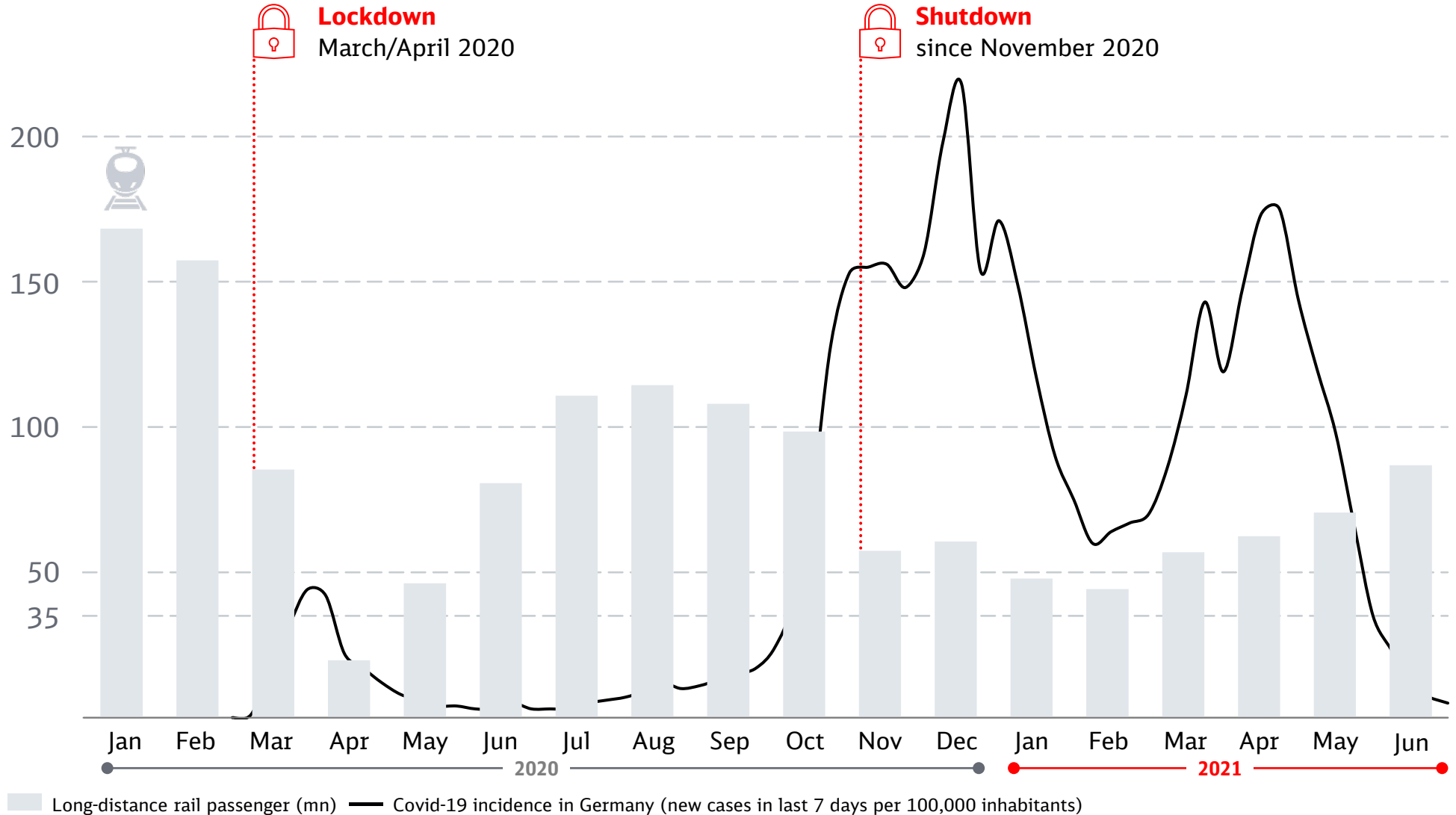
## Interim Results Press Conference (speeches and slides)

Download available at  
[db.de/ir-e](https://www.db.de/ir-e)

## Disclaimer

This information contains forward-looking statements or trend information that are based on current beliefs and estimates of Deutsche Bahn AG's management and involves known and unknown risks and uncertainties. They are not guarantees of future performance. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities, and risk adequate pricing, as well as the words "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, or continue", "potential, future, or further", and similar expressions identify forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause the Company's actual results or performance to be materially different from those expressed or implied by such statements. Many of these risks and uncertainties relate to factors that are beyond Deutsche Bahn AG's ability to control or estimate precisely, e.g. future market and economic conditions and the behavior of market participants. Deutsche Bahn AG do not intend or assume any obligation to update these forward-looking statements. This document represents the Company's judgment as on the date of this presentation.

# Covid-19 situation has significantly improved in Germany, restrictions were mostly lifted, the recovery process is continuing



# First months of 2020 were not yet impacted by Covid-19, strong performance recovery since Q2 2021



## Performance development (vs respective quarter of 2020)

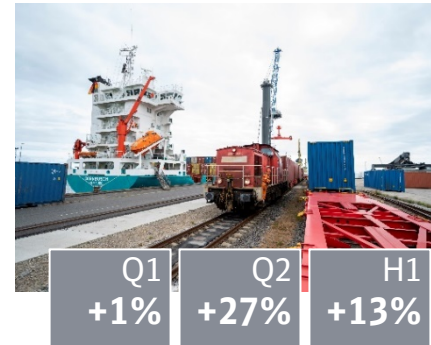
**DB Long-Distance** (pkm)



**DB Regional** (pkm)



**DB Cargo** (tkm)



**DB Netze Track** (train-path km)



**DB Arriva** (bus km)



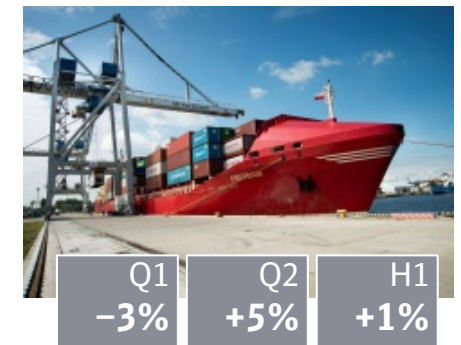
**Land transport** (shipments)



**Air freight** (t)



**Ocean freight** (TEU)



# Broad support by the German Government



**Covid-19 support  
~€ 5 bn**

**Regional transport  
sector support  
€ >1 bn**

**Climate package  
€ 11 bn**

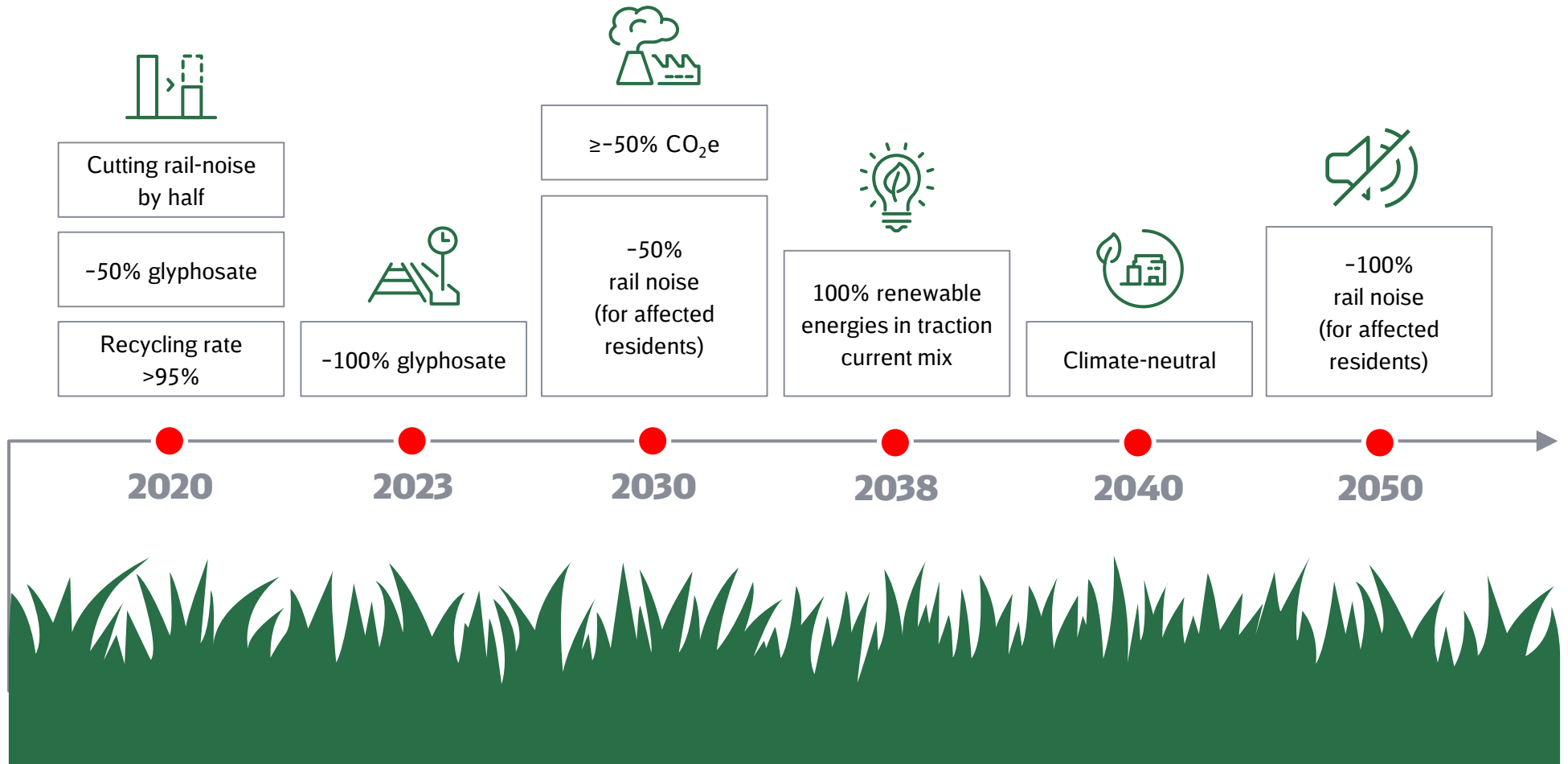
- › Strong support of German Government for DB AG to mitigate COVID-19 impact.
- › First elements (track access charge support and infrastructure grants) already approved by EU Commission.
  
- › Sector support package for regional transport approved and implemented for 2020.
- › Extension for 2021 politically agreed.
  
- › Based on Climate Action Program additional € 11 bn Euros for strengthening of rail infrastructure until 2030.
- › Arrangement with EU close to finalization.

# We want to be climate neutral ten years earlier in 2040



DB Group brought forward the previous target of 2050 by ten years - to 2040. It includes all areas of the railway in Germany as well as the global logistics unit DB Schenker. The current overall target year for Germany was recently set by the Federal Government for 2045.

# We are well underway on our path for a green transformation with a clear set of targets



# Regionally significant impact on rail infrastructure due to severe floods



According to first estimates the flood damages to our rail network and stations will be roughly € 1.3 bn. There is no significant impact on our operating business anymore, except seven interrupted regional rail lines. We are in talks with the Government regarding the financing of the damage compensation. The last similar flood damage (2013) was largely financed by the Government.



# Key drivers of financial development in H1 2021 were the Covid-19 pandemic and growth at DB Schenker



- 1 Positive development in H1 2021 with significant improvements in revenues and operating profit.
- 2 Since April 2021 significant recovery process in passenger volumes.
- 3 Very strong development at DB Schenker mainly driven by air freight business.
- 4 DB Arriva still affected by Covid-19 as well, but key figures are improving.
- 5 Government Covid-19 support measures not yet implemented with negative impact on net debt.
- 6 Continuation of our Strong Rail strategic approach with ongoing high level of capex.
- 7 Outlook for 2021 positive, but uncertainties remain high due to Covid-19 and possible labor actions.
- 8 We brought forward our target for climate neutrality by 10 years to 2040.
- 9 Conversation with the Government about financing of flood damages in Germany has started.

# Key figures brighten up again as the recovery process continues in Q2 2021 and DB Schenker is developing very strongly



## Key figures (€ mn)

	H1 2021	H1 2020	+/- €	+/- %	Remarks
Revenues adjusted	21,786	19,423	+2,363	+12.2	▪ Strong development at DB Schenker.
Revenues comparable	21,932	19,417	+2,515	+13.0	
EBIT adjusted	-975	-1,780	+805	-45.2	▪ Mainly due to DB Schenker and recovery of business.
Net loss	-1,428	-3,749	+2,321	-61.9	
Gross capex	5,550	5,552	-2	-	▪ Higher capex in fleet expansion and increase in investment grants.
Net capex	2,659	2,770	-111	-4.0	▪ Continued fleet expansion.
ROCE (%)	-4.5	-8.5	-	-	▪ Due to higher operating profit.
Net financial debt as of Jun 30/Dec 31	32,002	29,345	+2,657	+9.1	▪ Increased funding need for continuation of capex.

# Significant improvements in performance in rail transport in Germany



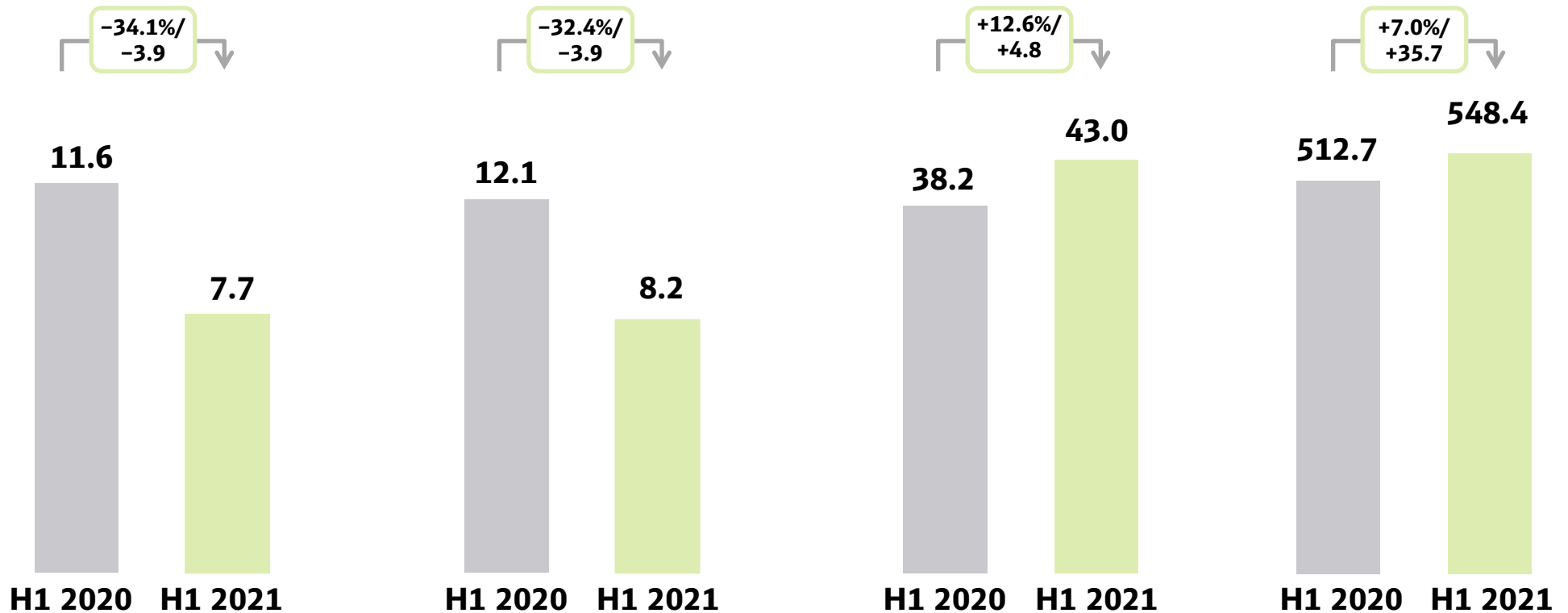
## Performance indicators – Integrated Rail System

**Long-distance**  
(bn pkm)

**Regional**  
(bn pkm)

**Rail freight**  
(bn tkm)

**Infrastructure**  
(mn train-path km)



Pkm = Passenger kilometers. Tkm = Ton kilometers.

# Performance development at DB Schenker very strong overall

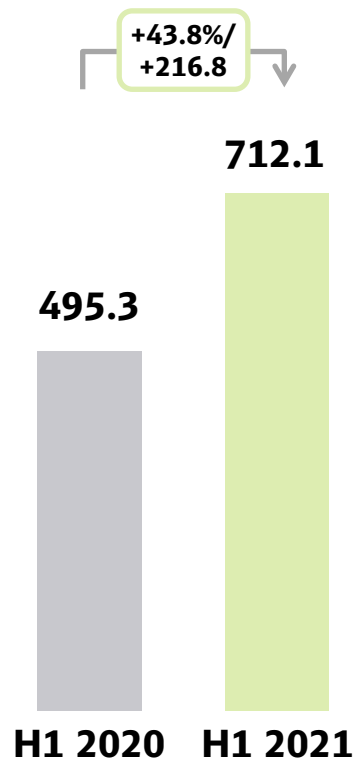


## Performance indicators – DB Schenker

**Land transport**  
(mn shipments)



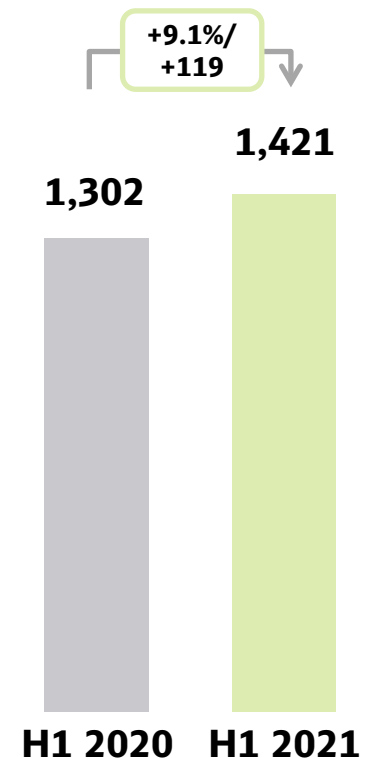
**Air freight**  
(thousand t<sup>1)</sup>)



**Ocean freight**  
(thousand TEU<sup>1</sup>)



**Contract logistics**  
(€ mn)

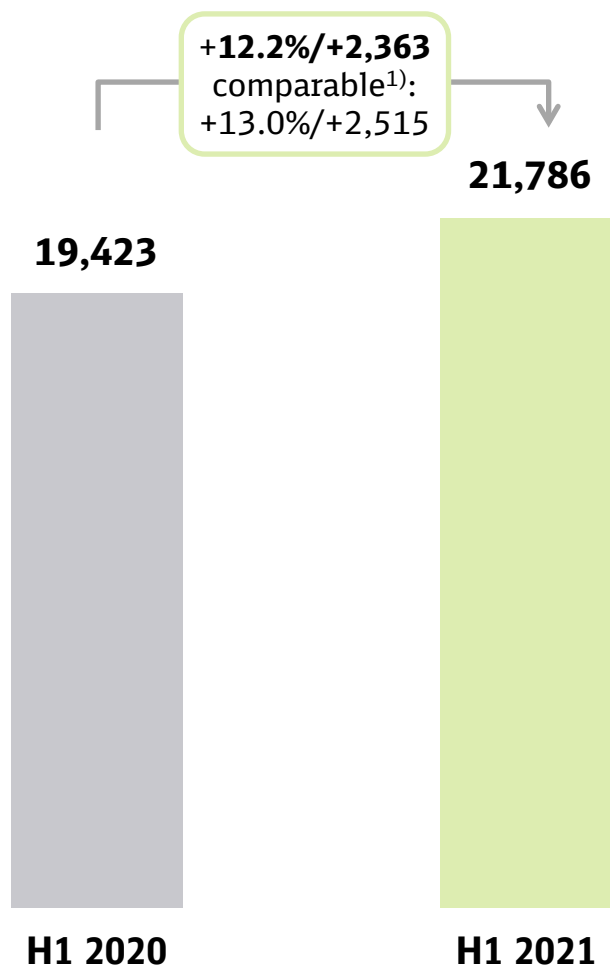


<sup>1)</sup> Exports.

# Strong increase at DB Schenker drives revenue development of DB Group



## Revenues (€ mn)



## Key impact factors

- ⊕ Price and volume effects at DB Schenker
- ⊕ Improvements in rail infrastructure
- ⊕ Recovery at DB Cargo and DB Regional
- ⊖ Significant Covid-19 related performance declines DB Long-Distance
- ⊖ Cessation of Arriva Rail North (March 1, 2020)

## External revenues by business units (€ mn)

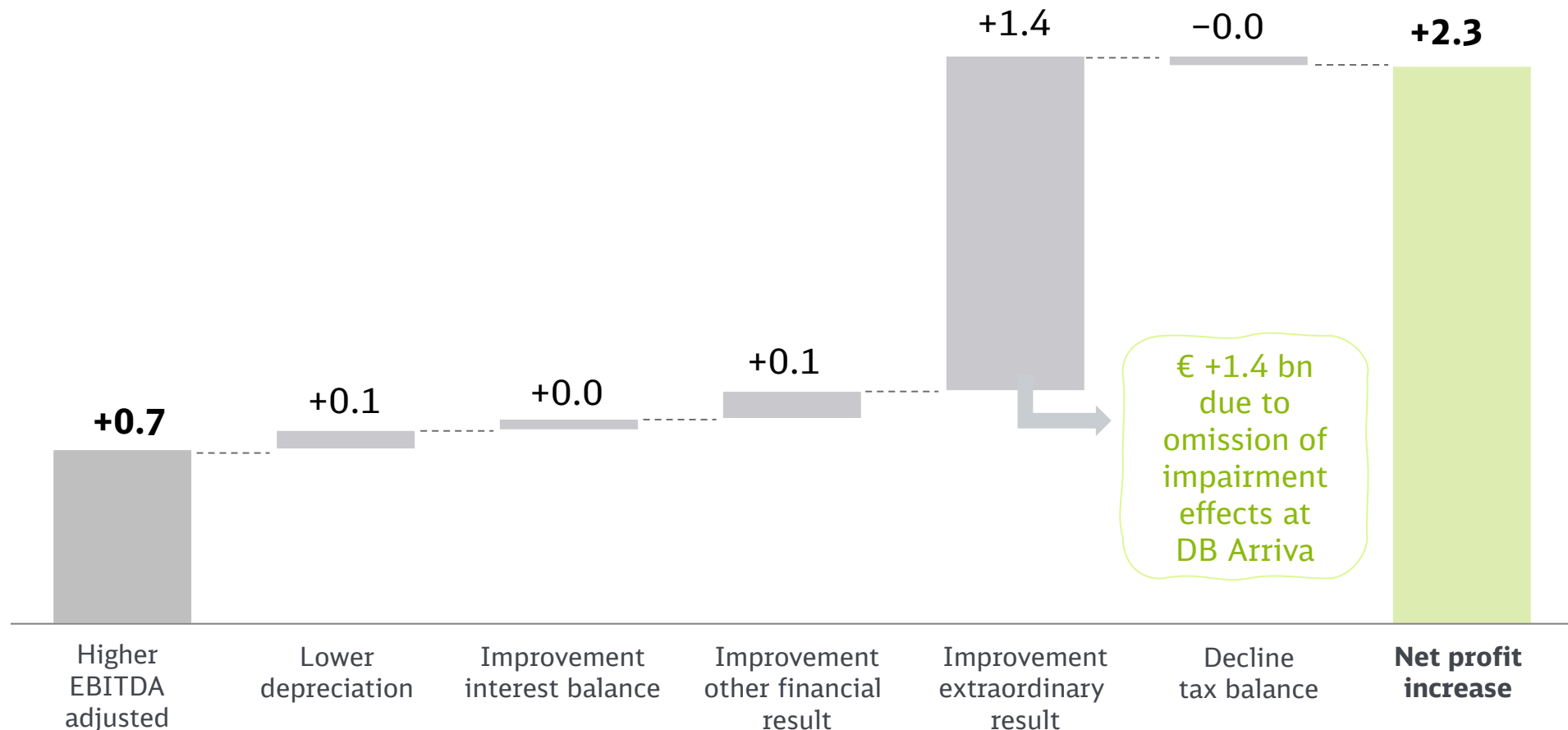
	H1 2021	H1 2020	+/- €	+/- %
DB Long-Distance	996	1,417	-421	-29.7
DB Regional	3,902	3,676	+226	+6.1
DB Cargo	2,130	1,845	+285	+15.4
DB Netze Track	966	877	+89	+10.1
DB Netze Stations	243	292	-49	-16.8
DB Netze Energy	695	601	+94	+15.6
Other	270	228	+42	+18.4
<b>Integrated rail system</b>	<b>9,202</b>	<b>8,936</b>	<b>+266</b>	<b>+3.0</b>
DB Arriva	1,930	2,058	-128	-6.2
DB Schenker	10,654	8,429	+2,225	+26.4
<b>DB Group</b>	<b>21,786</b>	<b>19,423</b>	<b>+2,363</b>	<b>+12.2</b>

<sup>1)</sup> Excluding FX effects and chances in the scope of consolidation.

# Net profit improves again mainly due higher operating profit and omission of impairment at DB Arriva in H1 2020



## Net profit development vs H1 2020 (€ bn)

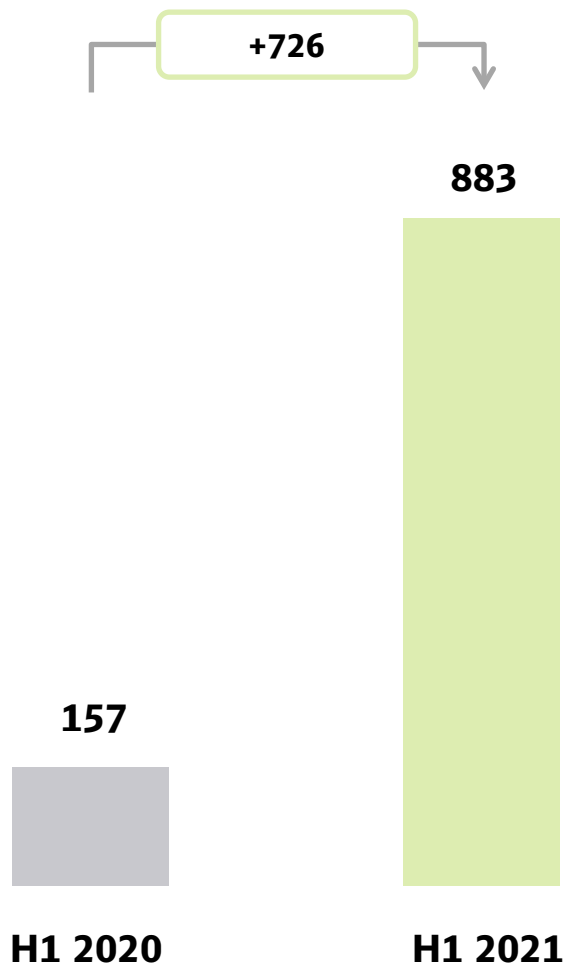


Possible differences are due to rounding.

# EBITDA improvement mainly driven by recovery in most parts of the railway business and strong gains at DB Schenker



## EBITDA adjusted (€ mn)



## Key impact factors

- ⊕ Development of DB Schenker
- ⊕ Volume recovery
- ⊕ Support measures
- ⊖ Revenue losses due to Covid-19
- ⊖ Cost increases (mainly cost of materials and personnel)

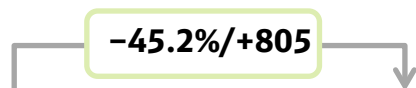
## EBITDA adjusted by business units (€ mn)

	H1 2021	H1 2020	+/- €	+/- %
DB Long-Distance	-975	-552	-423	+76.6
DB Regional	-43	-276	+233	-84.4
DB Cargo	-30	-176	+146	-83.0
DB Netze Track	649	516	+133	+25.8
DB Netze Stations	67	124	-57	-46.0
DB Netze Energy	81	60	+21	+35.0
Other/Consolidation IRS	51	-196	+247	-
<b>Integrated rail system</b>	<b>-200</b>	<b>-500</b>	<b>+300</b>	<b>-60.0</b>
DB Arriva	166	93	+73	+78.5
DB Schenker	916	569	+347	+61.0
Consolidation miscel.	1	-5	+6	-
<b>DB Group</b>	<b>883</b>	<b>157</b>	<b>+726</b>	<b>-</b>

# EBIT improvement mainly driven by recovery in most parts of the railway business and strong gains at DB Schenker



## EBIT adjusted (€ mn)

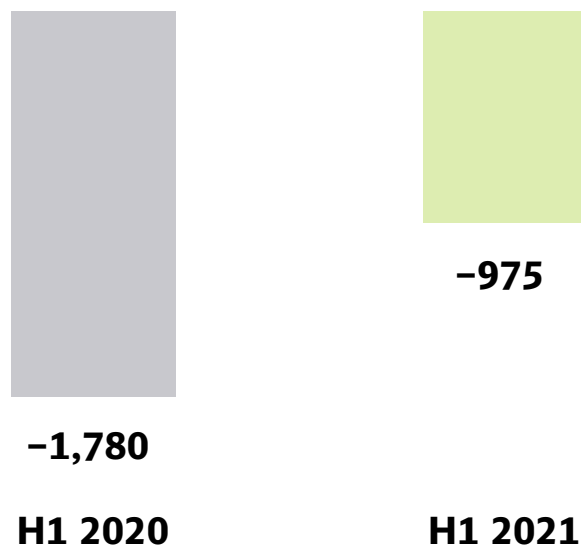


## Key impact factors

- ⊕ Development of DB Schenker
- ⊕ Volume recovery
- ⊕ Support measures
- ⊖ Revenue losses due to Covid-19
- ⊖ Cost increases (mainly cost of materials and personnel)

## EBIT adjusted by business units (€ mn)

	H1 2021	H1 2020	+/- €	+/- %
DB Long-Distance	-1,144	-720	-424	+58.9
DB Regional	-359	-597	+238	-39.9
DB Cargo	-211	-352	+141	-40.1
DB Netze Track	302	170	+132	+77.6
DB Netze Stations	-7	53	-60	-
DB Netze Energy	40	16	+24	+150
Other/Consolidation IRS	-194	-471	+277	-58.8
<b>Integrated rail system</b>	<b>-1,573</b>	<b>-1,901</b>	<b>+328</b>	<b>-17.3</b>
DB Arriva	-31	-153	+122	-79.7
DB Schenker	627	278	+349	+126
Consolidation miscel.	2	-4	+6	-
<b>DB Group</b>	<b>-975</b>	<b>-1,780</b>	<b>+805</b>	<b>-45.2</b>





# Lower net loss due to revenue increases and omission of negative one-time effect due to goodwill impairment at DB Arriva in H1 2020



Adjusted P&L (€ mn)	H1 2021	H1 2019	+/- €	+/- %
Revenues	21,786	19,423	+2,363	+12.2
Total income	24,994	22,375	+2,619	+11.7
Cost of materials	-12,682	-10,766	-1,916	+17.8
Personnel expenses	-9,349	-9,077	-272	+3.0
Other operating expenses	-2,080	-2,375	+295	-12.4
<b>EBITDA adjusted</b>	<b>883</b>	<b>157</b>	<b>+726</b>	<b>-</b>
Depreciation	-1,858	-1,937	+79	-4.1
<b>EBIT adjusted</b>	<b>-975</b>	<b>-1,780</b>	<b>+805</b>	<b>-45.2</b>
Financial result	-249	-412	+163	-39.6
Extraordinary result	-82	-1,477	-1,407	-
<b>Profit before taxes</b>	<b>-1,306</b>	<b>-3,669</b>	<b>+2,363</b>	<b>-64.4</b>
Taxes on income	-122	-80	-42	+52.5
<b>Net profit</b>	<b>-1,428</b>	<b>-3,749</b>	<b>+2,321</b>	<b>-61.9</b>

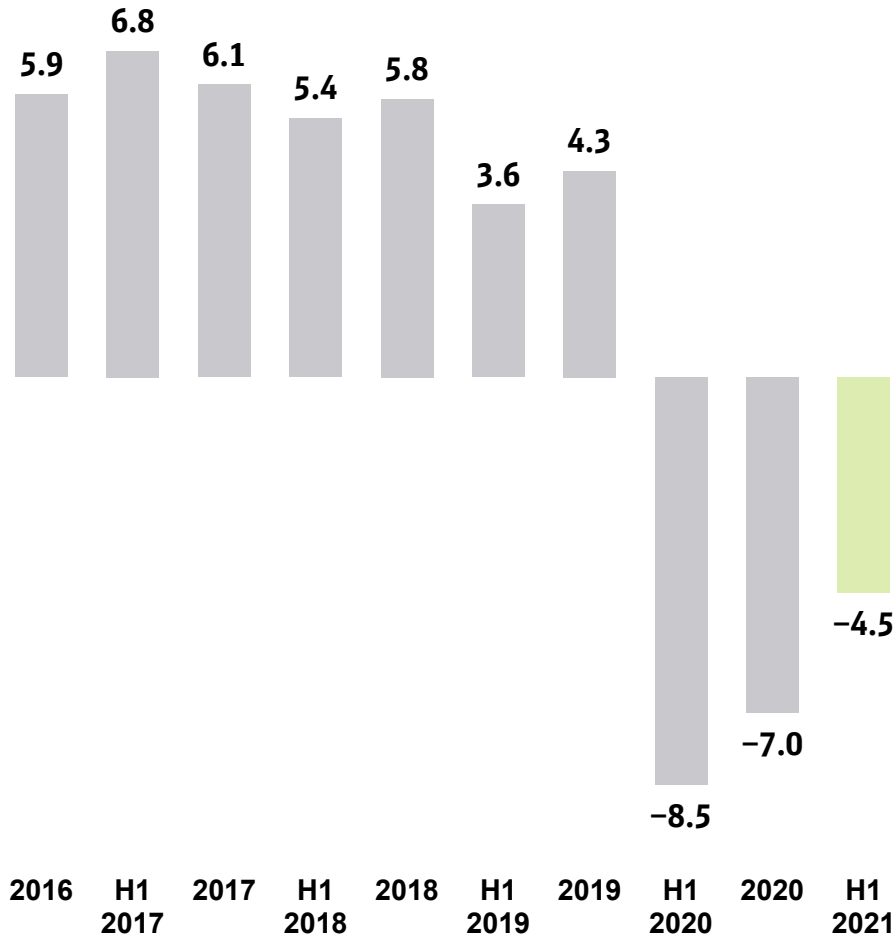
## Key impact factors

- > Revenue increase mainly due to development of DB Schenker.
- > Operating expenses increased due to higher purchased services at DB Schenker and DB Cargo, additional employees and wage increases as well as higher infrastructure and energy costs. Partly offset by lower additions to provisions for pending losses and cessation of Arriva Rail North franchise.
- > Significant improvement in extraordinary result due to omission of one-time effect from H1 2020 (goodwill impairment at DB Arriva).

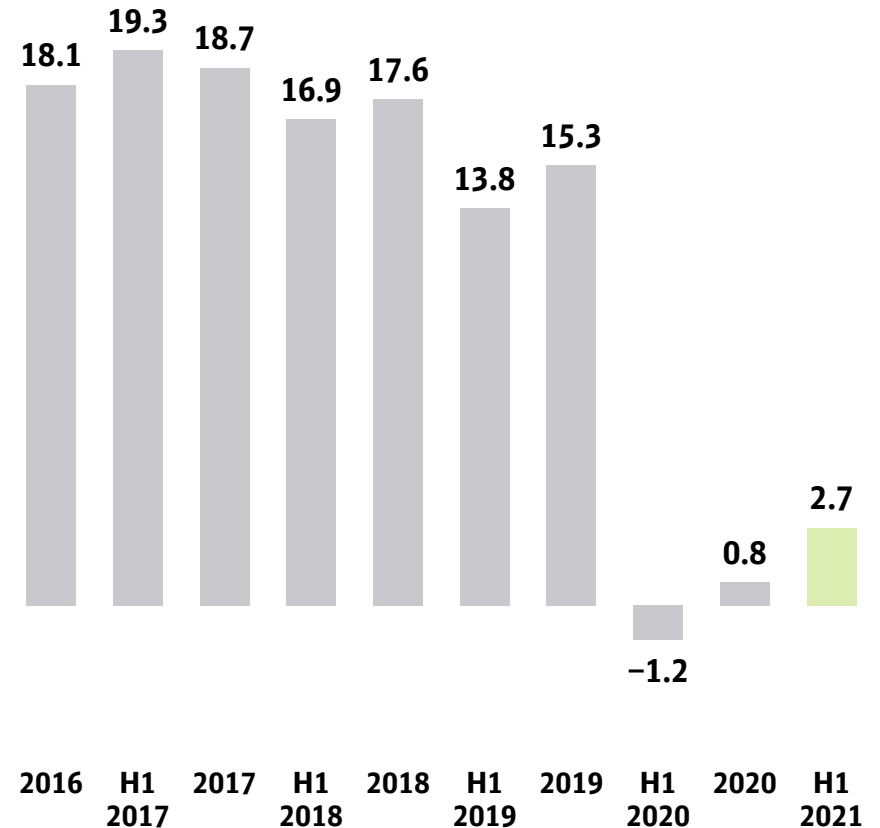
# Value management figures still significantly impacted by operating profit development and increased debt, but improved



## ROCE (%)



## Debt coverage (%)



# Addition of the first eight new 13-part ICE 4 XXL trains to our ICE 4 fleet gives additional boost to capacity

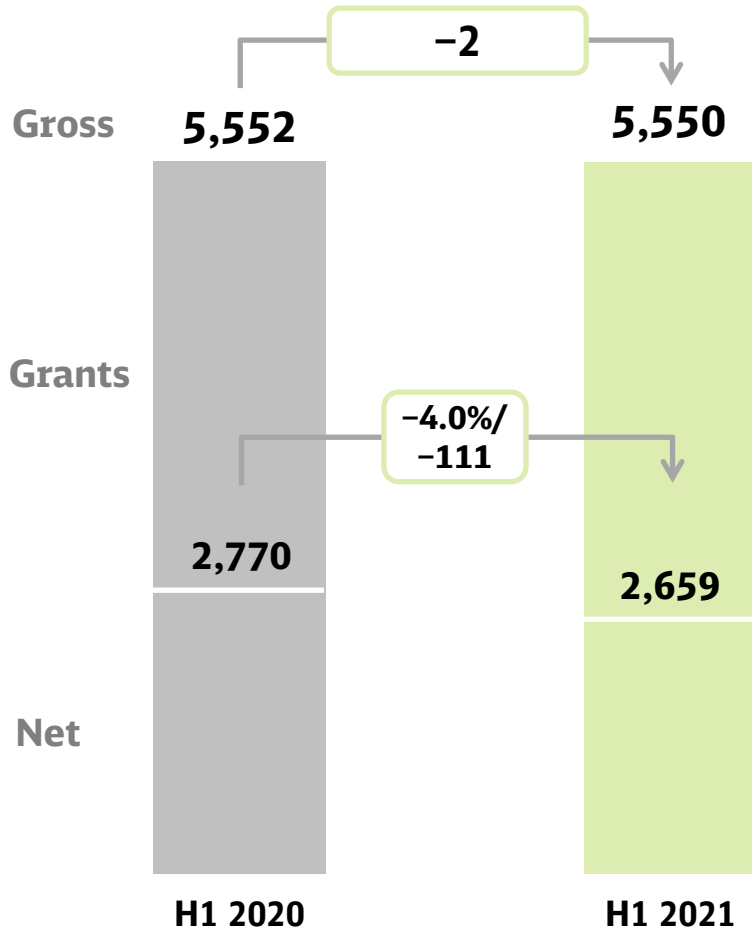


The new 13-part ICE 4 has seven powered cars and 918 seats. The additional power cars let the train accelerate even better. The new ICE 4 includes two end cars, one service car, one restaurant car and nine passenger cars. At 375 meters, it is the longest train unit in our fleet.

# Capex remains at high level with unchanged focus on infrastructure modernization and fleet expansion

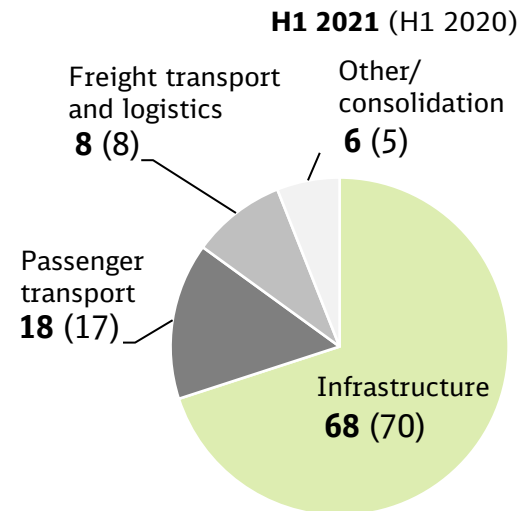


## Capital expenditures (€ mn)

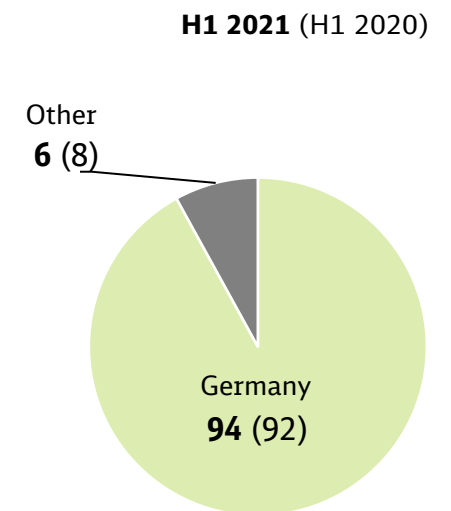


## Gross capex split (%)

### By sectors



### By regions



# Increased capex mainly at TOCs, infrastructure with cyclical fluctuations

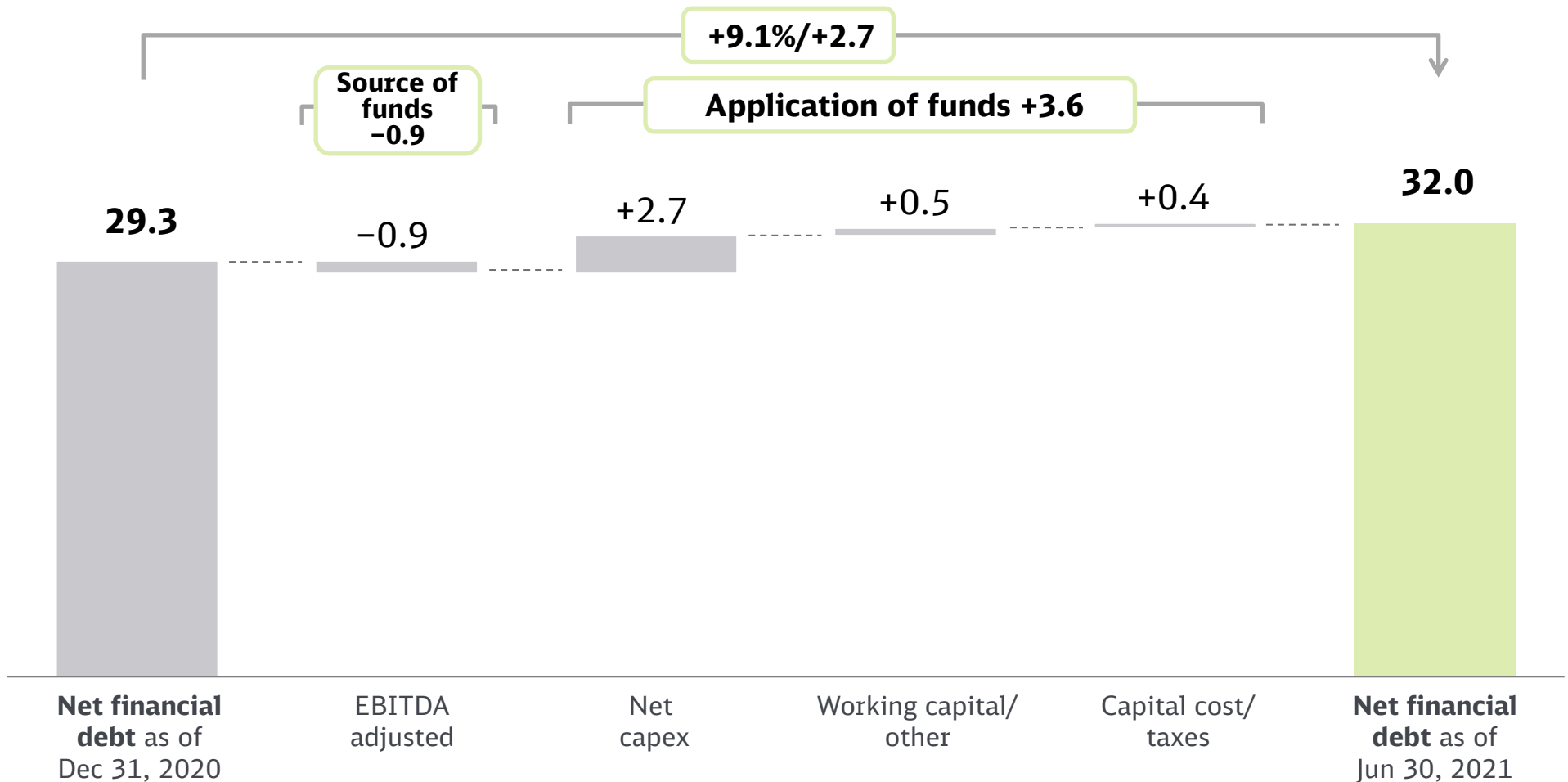


Capital expenditures (€ mn)	Gross capex				Net capex			
	H1 2021	H1 2020	+/- €	+/- %	H1 2021	H1 2020	+/- €	+/- %
DB Long-Distance	675	573	+102	+17.8	675	573	+102	+17.8
DB Regional	259	189	+70	+37.0	246	188	+58	+30.9
DB Cargo	179	136	+43	+31.6	178	136	+42	+30.9
DB Netze Track	3,155	3,309	-154	-4.7	725	841	-116	-13.8
DB Netze Stations	491	497	-6	-1.2	142	236	-94	-39.8
DB Netze Energy	127	68	+59	+86.8	38	21	+17	+81.0
Other/Consolidation IRS	326	262	+64	+24.4	326	262	+64	+24.4
<b>Integrated rail system</b>	<b>5,212</b>	<b>5,034</b>	<b>+178</b>	<b>+3.5</b>	<b>2,330</b>	<b>2,257</b>	<b>+73</b>	<b>+3.2</b>
DB Arriva	88	203	-115	-56.7	79	198	-119	-60.1
DB Schenker	250	315	-65	-20.6	250	315	-65	-20.6
<b>DB Group</b>	<b>5,550</b>	<b>5,552</b>	<b>-2</b>	<b>-</b>	<b>2,659</b>	<b>2,770</b>	<b>-111</b>	<b>-4.0</b>

# Net debt still driven by ongoing Covid-19 impact and temporary shift of Government support measures



## Net financial debt (€ bn)



Possible differences are due to rounding.

# Balance sheet structure with no major changes



## Balance sheet (€ mn, as of Jun 30/Dec 31)

	2021	2020	+/- €	+/- %
<b>Assets</b>				
<b>Non-current assets</b>	<b>53,909</b>	<b>52,964</b>	<b>+945</b>	<b>+1.8</b>
Property, plant and equipment	48,507	47,704	+803	+1.7
Intangible assets	2,335	2,290	+45	+2.0
Deferred tax assets	1,158	1,164	-6	-0.5
<b>Current assets</b>	<b>13,376</b>	<b>12,471</b>	<b>+905</b>	<b>+7.3</b>
Trade receivables	5,614	4,849	+765	+15.8
Cash and cash equivalents	3,434	3,411	+23	+0.7
<b>Equity and liabilities</b>				
<b>Equity</b>	<b>7,274</b>	<b>7,270</b>	<b>+4</b>	<b>+0.1</b>
<b>Non-current liabilities</b>	<b>37,794</b>	<b>37,686</b>	<b>+108</b>	<b>+0.3</b>
Financial debt	28,738	27,070	+1,668	+6.2
<b>Current liabilities</b>	<b>22,217</b>	<b>20,479</b>	<b>+1,738</b>	<b>+8.5</b>
Financial debt	7,228	6,254	+974	+15.6
Trade liabilities	6,672	6,312	+360	+5.7
<b>Total assets</b>	<b>67,285</b>	<b>65,435</b>	<b>+1,850</b>	<b>+2.8</b>

## Maturity structure

(as of Jun 30, 2021/Dec 31, 2020)

### Assets

Non-current assets  
(80%/81%)

Current assets  
(20%/19%)

### Equity and liabilities

Equity  
(11%/11%)

Non-current liabilities  
(56%/58%)

Current liabilities  
(33%/31%)

# We enjoy strong credit and sustainability ratings and strong financing power due to established financing programs



## Credit ratings

- › Moody's: Aa1/negative
- › S&P: AA-/negative

## ESG ratings

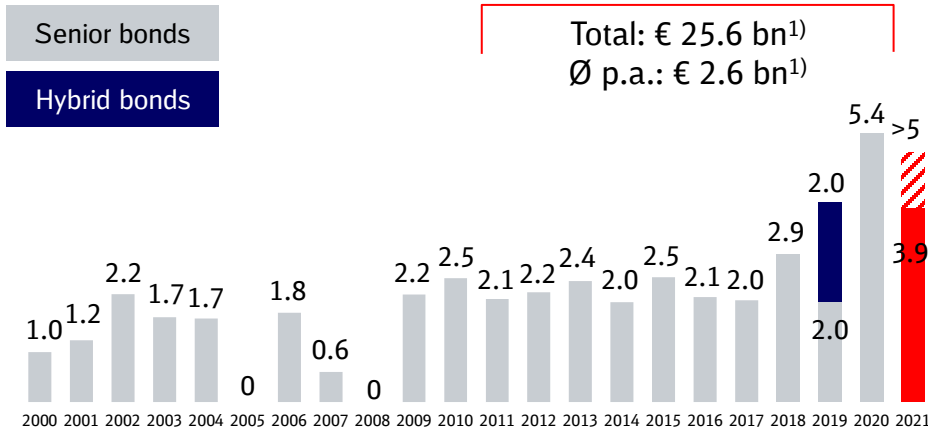
- › ISS ESG: B- (Prime status)
- › MSCI: A
- › CDP: A (best grade)
- › Sustainalytics: Risk assessment low

## Financing programs

- › European Medium Term Notes program
- › Australian Debt Issuance program
- › Commercial Paper program

## Bond issues

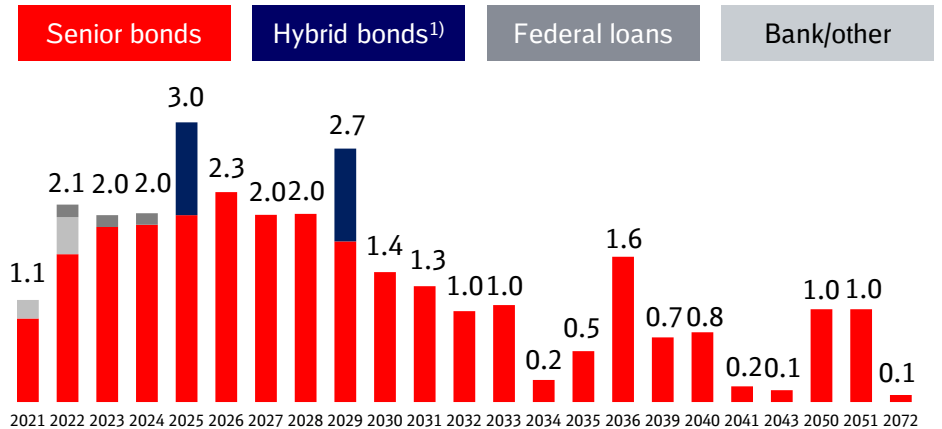
(€ bn; as of Jul 29, 2021)



<sup>1)</sup> Senior bonds.

## Maturity profile financial liabilities

(€ bn; incl. swaps; excl. leasing; as of Jul 29, 2021)



<sup>1)</sup> First possible call year.



# Eight bond issues so far in 2021 with total volume of about € 3.9 bn. Still more to come in 2021











## Bond issues

### 2020: 11 transactions

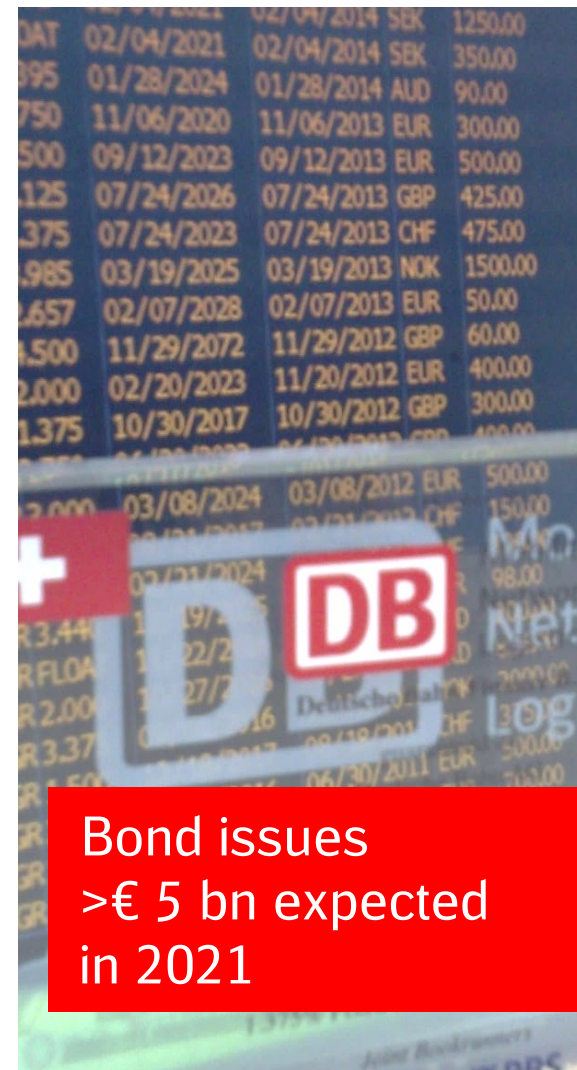
<b>Volume</b> (€ bn)	<b>Term</b> (Ø years)	<b>Interest<sup>1)</sup></b> (Ø %)
<b>5,371</b>	<b>15.7<sup>2)</sup></b>	<b>0.71<sup>2)</sup></b>

### 2021: 8 transactions (so far)

<b>Volume</b> (€ bn)	<b>Term</b> (Ø years)	<b>Interest<sup>1)</sup></b> (Ø %)
<b>3,862</b>	<b>16.8<sup>2)</sup></b>	<b>0.63<sup>2)</sup></b>

168		20.0	0.99
196		15.0	0.91
296		12.0	0.47
339		5.8	-0.17
370		15.0	0.33
494		5.0	-0.10
1,000		15.0	0.76
1,000		29.9	1.16

<sup>1)</sup> Interest all in €. <sup>2)</sup> Volume weighted average. Non-€ bond issuances were swapped into €.



# Expectation for full year 2021 roughly unchanged. Uncertainty remains high mainly due to Covid-19 and possible labor actions



## Outlook (€ bn)

	H1 2020	H1 2021	+/- %	2020	2021 (March forecast)	2021 (July forecast)
<b>Revenues adjusted</b>	19.4	<b>21.8</b>	+12.2	39.9	>41	<b>&gt;42</b>
<b>EBIT adjusted</b>	-1.78	<b>-0.98</b>	-45.2	-2.9	~ -2	~ -2
<b>ROCE (%)</b>	-8.5	<b>-4.5</b>	-	-7.0	↗	↗
<b>Debt coverage (%)</b>	-1.2	<b>2.7</b>	-	0.8	↗	↗
<b>Gross capex</b>	5.6	<b>5.6</b>	-	14.4	>15	<b>&gt;15</b>
<b>Net capex</b>	2.8	<b>2.7</b>	-4.0	5.9	>6	<b>&gt;6</b>
<b>Maturities as of Dec 31</b>	-	-	-	2.3	2.2	<b>2.2</b>
<b>Bond issues (senior)</b>	-	-	-	5.4	>5	<b>&gt;5</b>
<b>Net financial debt as of Dec 31/ Jun 30</b>	29.3	<b>32.0</b>	+9.1	29.3	<30	~ <b>31</b>

# Contact details and further information



Investor Relations:  
[www.db.de/ir-e](http://www.db.de/ir-e)



Contact Investor Relations:  
[www.db.de/ir-contact](http://www.db.de/ir-contact)



Rating:  
[www.db.de/rating-e](http://www.db.de/rating-e)



Integrated Report:  
[www.db.de/ib-e](http://www.db.de/ib-e)



Integrated Interim Report  
[www.db.de/zb-e](http://www.db.de/zb-e)



**From left to right:** Sascha Friedrich (Senior Manager Investor Relations and Sustainable Finance), Robert Allen Strehl (Head of Investor Relations and Sustainable Finance) and Larissa Wandert Ribeiro (Manager Investor Relations and Sustainable Finance)

# Photo credits



Cover Page	DB AG/Max Lautenschläger
Page 2	DB AG/Max Lautenschläger, DB AG/Arne Lesmann
Page 4	DB AG/Max Lautenschläger, DB AG/Max Lautenschläger, DB AG/Max Lautenschläger, DB AG/Oliver Lang, DB AG/DB Arriva, DB AG/Volker Emmersleben, DBAG/Volker Emmersleben, DB AG
Page 5	DB AG/Volker Emmersleben
Page 6	DB AG/Max Lautenschläger
Page 8	DB AG
Page 19	DB AG/Volker Emmersleben
Page 25	DB AG/Hartmut Schneidereit
Page 27	DB AG/Max Lautenschläger