

# Investor Update November 2021

## Deutsche Bahn

Deutsche Bahn AG, November 2021



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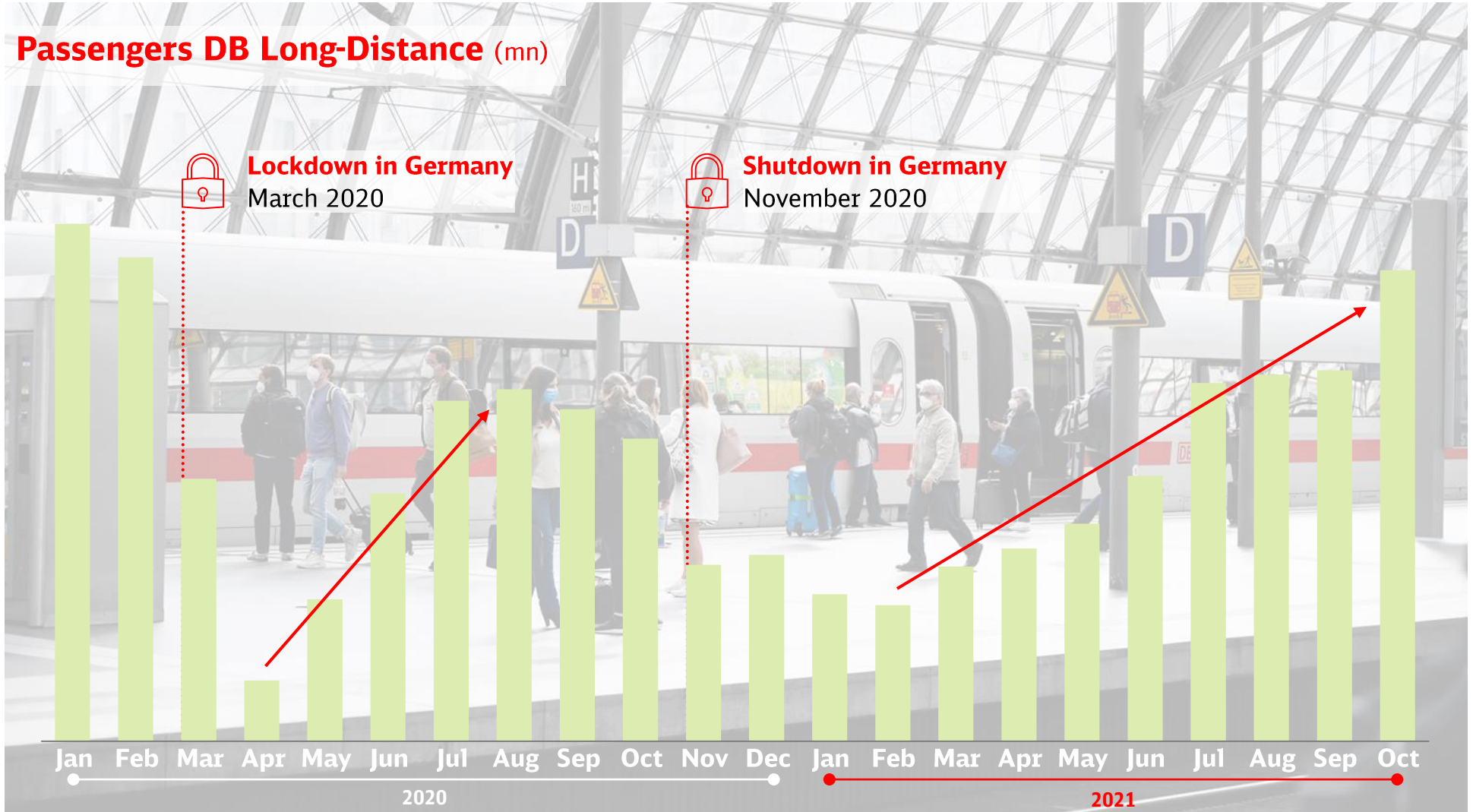
# Major developments in H2 2021 so far



- 1** Majority of Covid-19 support measures is implemented, only some smaller elements still to be settled with EU Commission.
- 2** Climate Action Program is now in implementation as well.
- 3** Volume recovery in passenger transport is continuing.
- 4** Ongoing very strong development of DB Schenker.
- 5** Tarif conflict with unions in German rail business settled.
- 6** Flood damages in Germany with no major financial impact on DB Group.
- 7** Financing needs for 2021 satisfied. No further issuances in 2021 planned.
- 8** Outlook for 2021 confirmed, despite additional challenges.



# Strong volume recovery is continuing since March 2021



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



## Performance development (vs respective quarter of 2020)

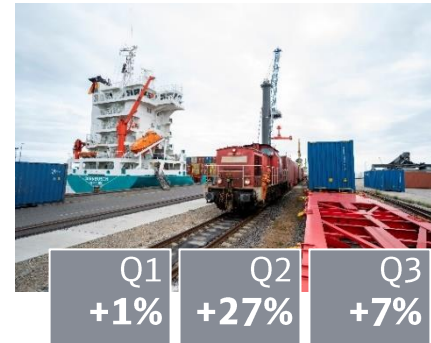
**DB Long-Distance** (pkm)



**DB Regional** (pkm)



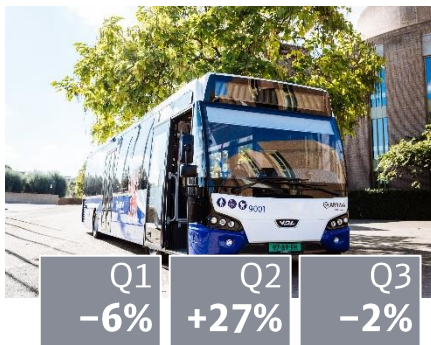
**DB Cargo** (tkm)



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



**DB Arriva** (bus km)



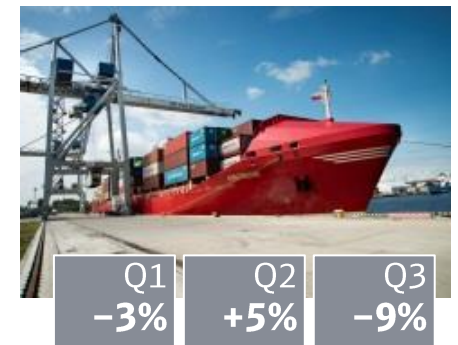
**Land transport** (shipments)



**Air freight** (t)



**Ocean freight** (TEU)



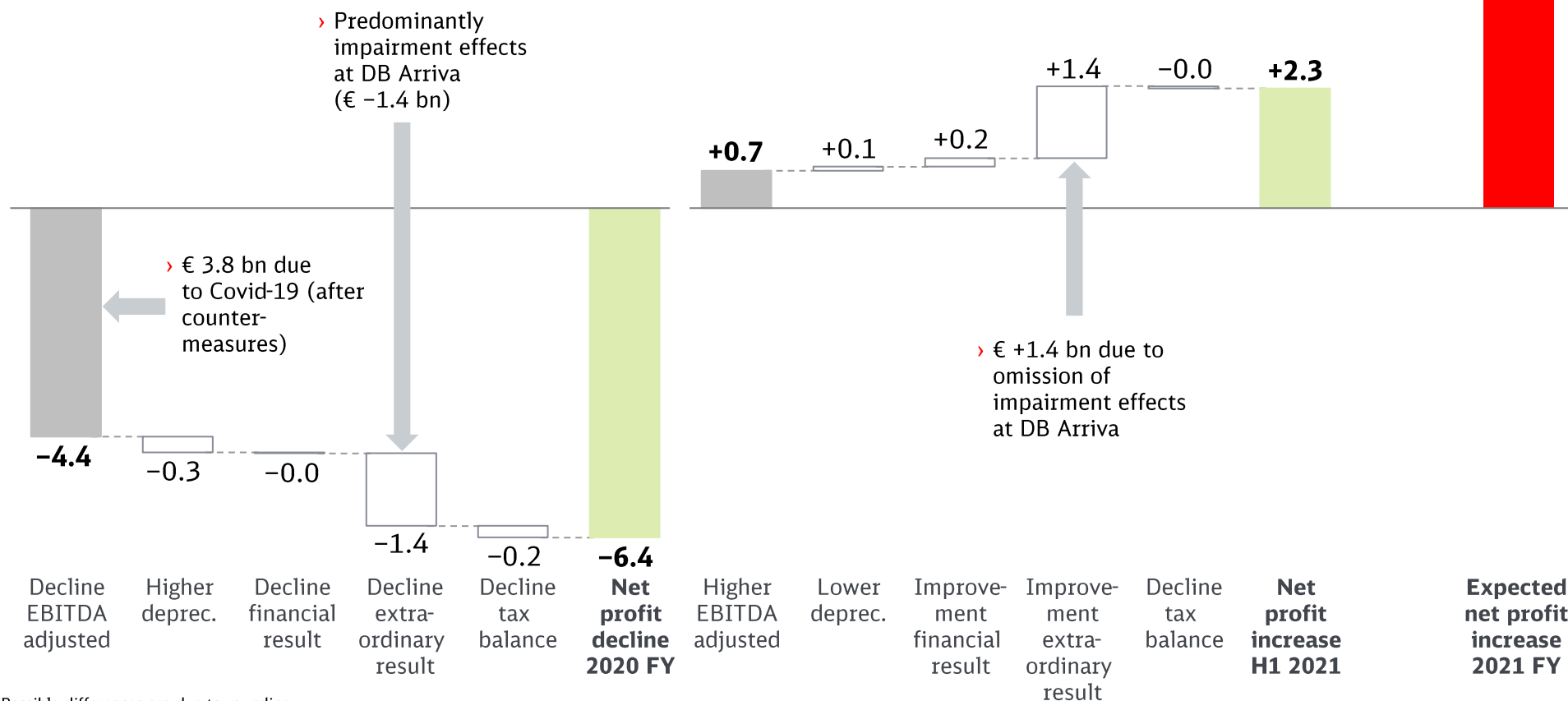
# Net profit decline in 2020 FY due to Covid-19 effects and impairment at DB Arriva – omission of impairment effect and higher operating profit drive improvements in 2021



## Net profit development (€ bn)

› € -6.4 bn (2020 vs 2019)

› € +2.3 bn (H1 2021 vs H1 2020)



Possible differences are due to rounding.

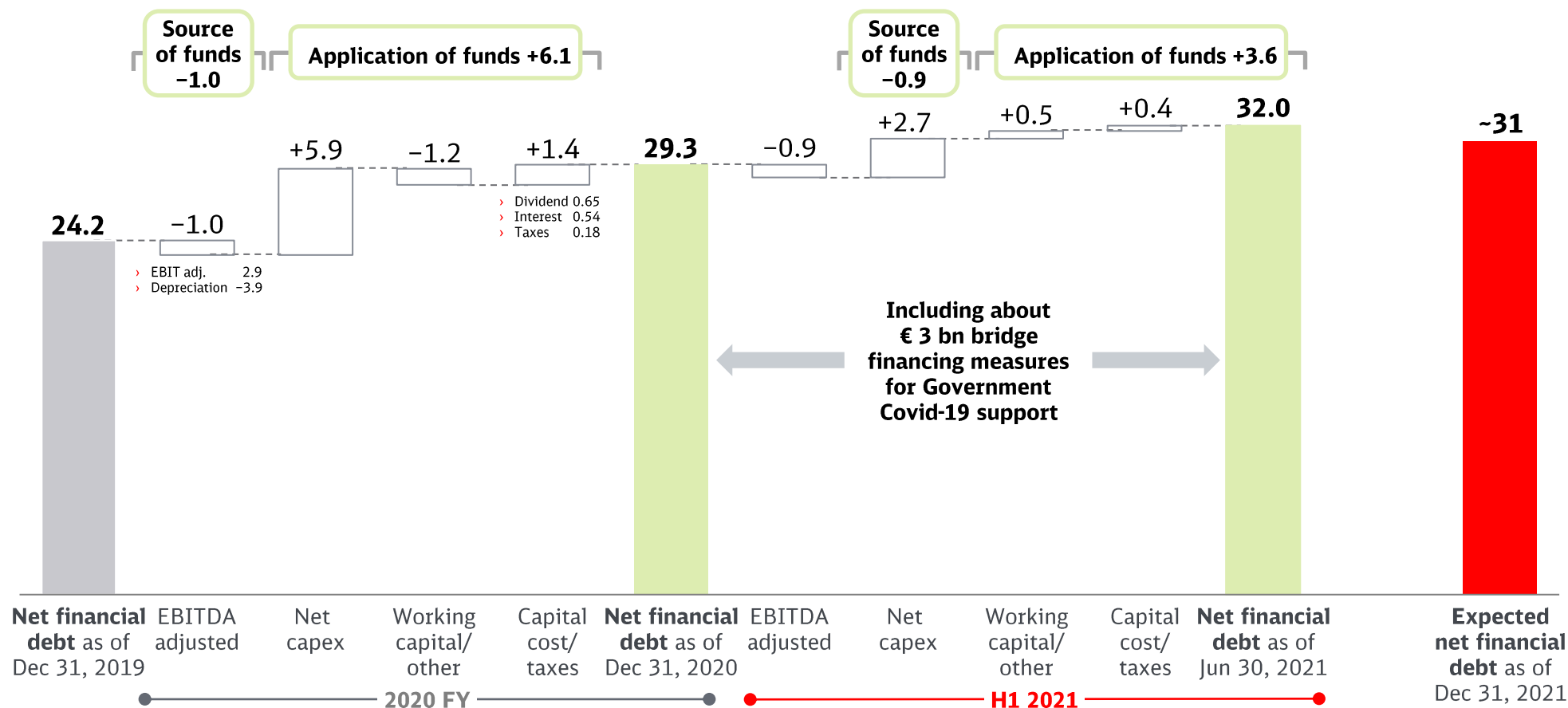
# Net debt increased driven by ongoing high level of capex, Covid-19 impact and temporary shift of Government support measures



## Net financial debt (€ bn)

> +5.2/+21.4% vs Dec 31, 2019

> +2.7/+9.1% vs Dec 31, 2020



Possible differences are due to rounding.

# The strong support of the German Government for the rail system is demonstrated by comprehensive extraordinary measures



## Climate Action Program

**€ 11 bn:** (€ 5.5 bn equity + € 5.5 bn investment grants for infrastructure projects over 10 years) + additional measures (VAT reduction and increase in GVFG infrastructure funds).



First two installments for 2020 and 2021 implemented (equity increase of € 2.125 bn).

## Mitigation of Covid-19 damage

**~€ 5 bn** from three elements: reduction of track access charges, investment grants replacing dividends and compensation of Covid-19-related damages.



Most of the measures already approved by EU-Commission and in implementation.

## Sector support for regional transport









**>€ 1 bn:** for 2020 and 2021 combined for DB Regional.

Approved by EU-Commission and implemented for 2020. Additional funds for mitigation of Covid-19 damage in 2021.



# Lion's share of Covid support measures has been approved by EU Commission, ongoing discussions expected to be finalized soon

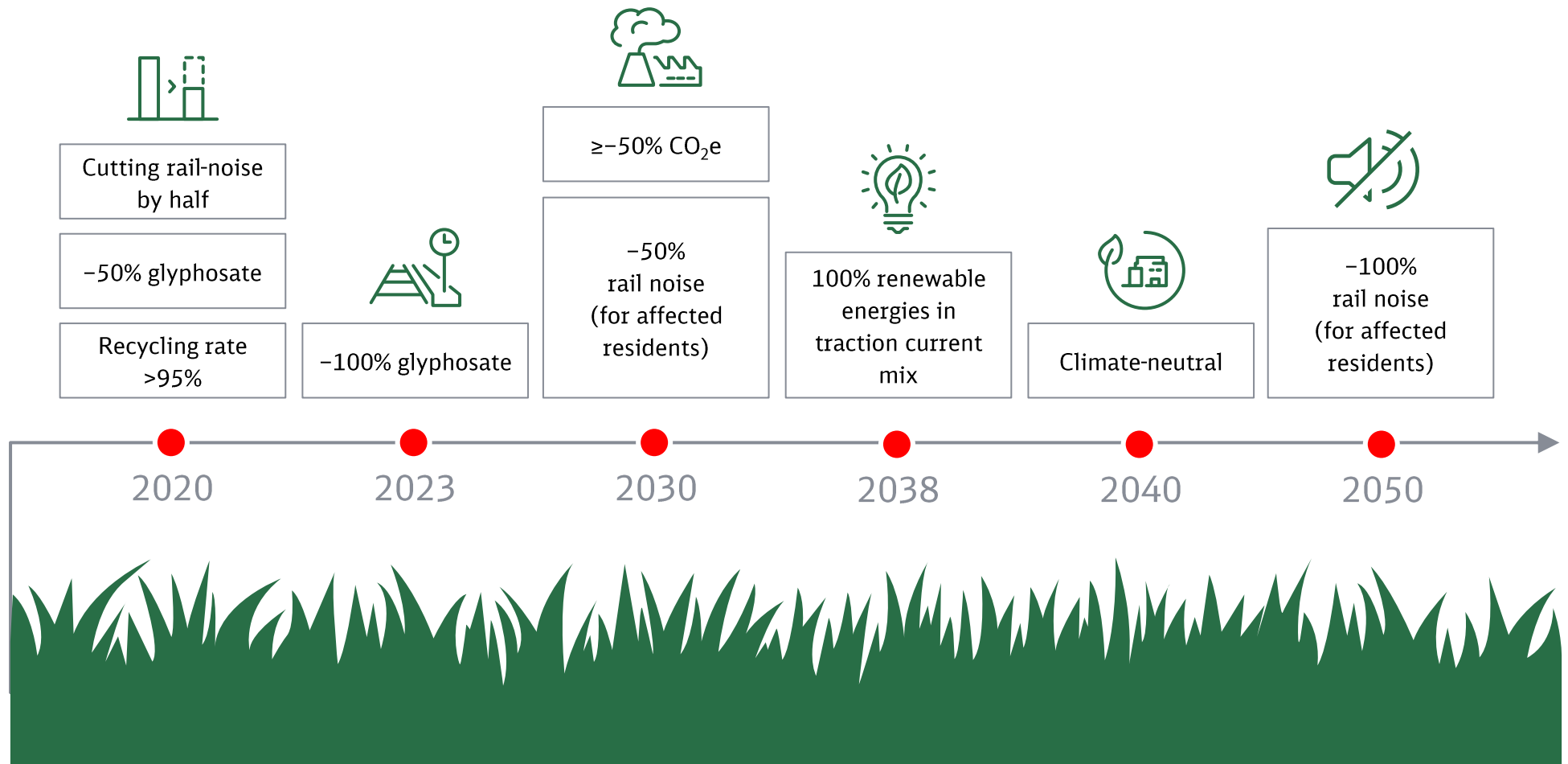


(€ bn)		Effective/cash inflow		Additionally expected
		2020	2021	
 Train-path price support		–	2.2	≥0.2
 Investment grants replacing dividend		–	0.65	0.65
 Compensation of Covid-19-related damages		–	0.55	>0.5
 Support regional transport		0.7	0.2	~0.3
		0.7	3.6	>1.6




 Level of approval by EU Commission

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



# Special government fund set up to repair rail infrastructure damaged by floods



- › As a result of the flood in some parts of Germany in July 2021 also the rail infrastructure was massively impacted. There were considerable restrictions especially on regional rail.
  - › More than 550 km of tracks damaged by the consequences of the storm.
  - › In addition to the damage to the tracks, about 150 bridges, more than 300 level crossings, 75 interlockings and around 100 overhead lines and signal poles.
- › Important main lines and connections were quickly brought back into service.
- › About 80% of the damaged infrastructure will be repaired by the end of the year. Priority is given to repairs that can be carried out quickly and to construction measures with high benefits for passengers and rail traffic.
- › 5 regional transport lines need to be fundamentally rehabilitated or rebuilt.
- › Based on current findings, the infrastructure damage amounts to more than € 1.2 billion.
- › The Federal Government has set up a special fund to cover all infrastructure restoration costs.
- › No major negative financial impact on DB Group.

# DB Group reached reasonable collective bargaining agreements with GDL and EVG running until 2023



**Largely identical collective bargaining agreements reached with both unions with moderate conditions and long durations.**



- › Validity period: 24 months (03/2021 to 02/2023).
- › Tariff wage increase by 1.5% as of Jan 1, 2022.
- › One-off payments:
  - › Employees: 600 € in 12/2021 and 500 € in 03/2022
  - › Apprentices / Dual Students: 250 € in 12/2021 and 230 € in 03/2022
- › Expanded job security: no redundancies due to operational reasons until 02/2023.



- › Validity period: 32 months (03/2021 to 10/2023).
- › Tariff wage increase by 1.5% as of Dec 1, 2021 and by 1.8% as of Mar 1, 2023.
- › One-off payments:
  - › Employees: 600 € / 400 € / 300 € in 12/2021 (dependent upon pay grade) and 400 € in 03/2022
  - › Apprentices / dual students: 200 € in 12/2021 and 180 € in 03/2022

## Implementation of TEG

- › Basic collective agreement ended on Dec 31, 2020  
→ DB Group has to apply the Collective Bargaining Unity Act (Tarifeinheitsgesetz; TEG).
- › In the event of a collective bargaining conflict, only the collective bargaining agreement with the largest union in the respective company applies.
- › Agreement with GDL in September 2021 on application of TEG and on a notarial procedure for determining the labor unions' majorities in each local unit (Wahlbetrieb) with diverging tariff agreements, if EVG also agrees to the procedure.



# 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

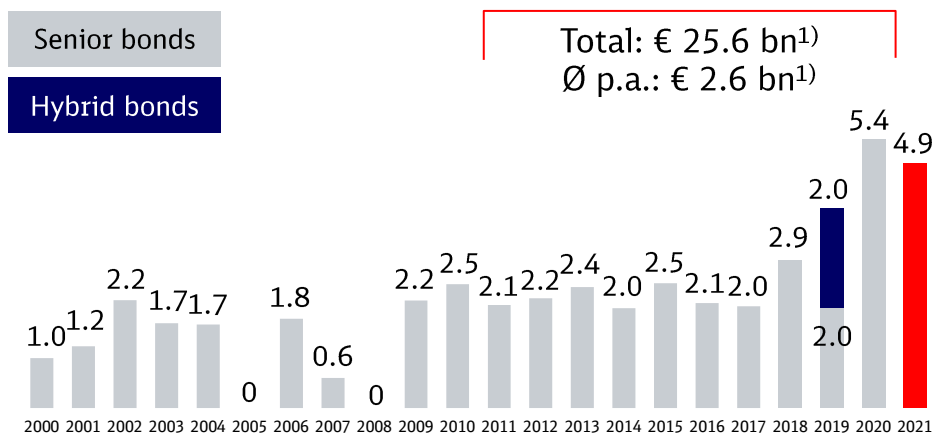
- › ISS ESG: B- (Prime status)
- › MSCI: A
- › CDP: A (best grade)
- › Sustainalytics: Risk assessment low

## Financing programs

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

## Bond issues

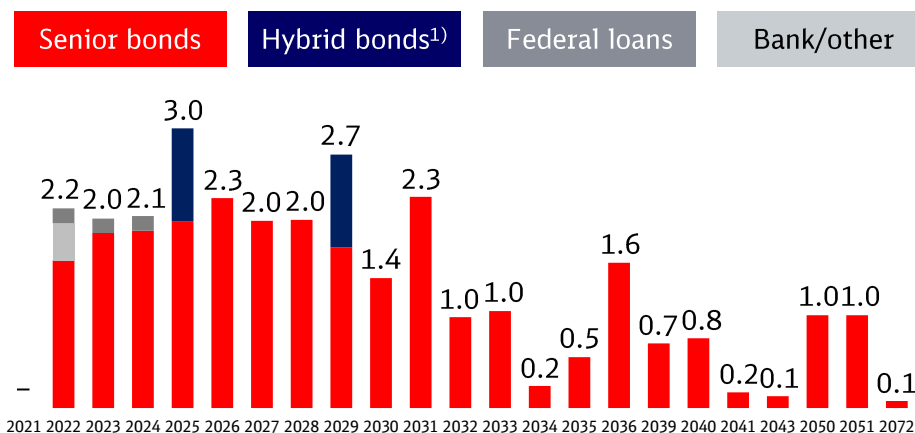
(€ bn; as of Oct 31, 2021)



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

## Maturity profile financial liabilities

(€ bn; incl. swaps; excl. leasing; as of Oct 31, 2021)



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

# Ten bond issues so far in 2021 with total volume of about € 4.9 bn













## Bond issues

### 2020: 11 transactions

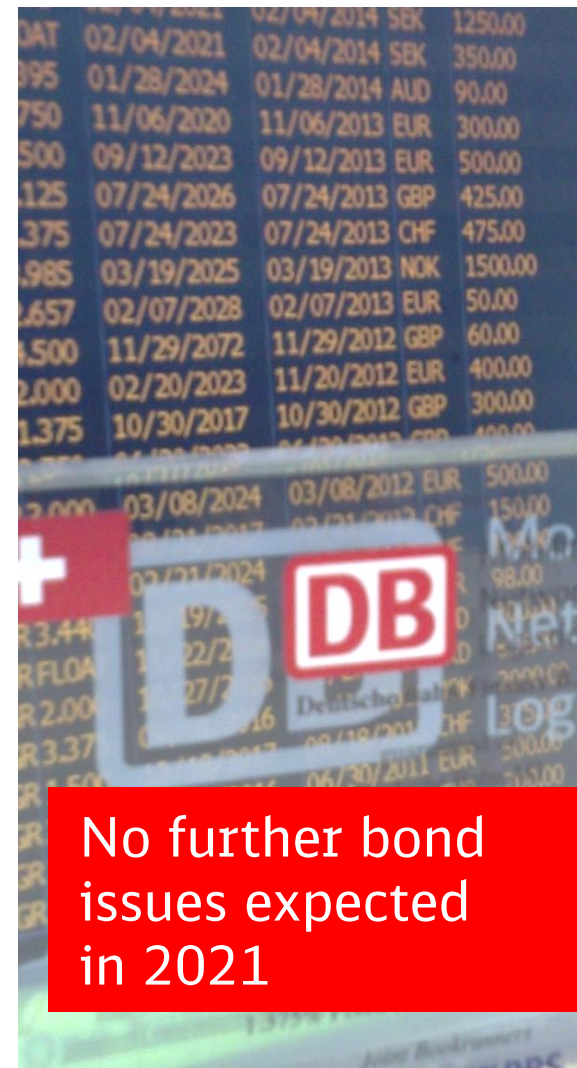
Volume (€ bn)	Term (Ø years)	Interest <sup>1)</sup> (Ø %)
<b>5,371</b>	<b>15.7<sup>2)</sup></b>	<b>0.71<sup>2)</sup></b>

### 2021: 10 transactions (so far)

Volume (€ bn)	Term (Ø years)	Interest <sup>1)</sup> (Ø %)
<b>4,891</b>	<b>15.3<sup>2)</sup></b>	<b>0.58<sup>2)</sup></b>

168		20.0	0.99
196		15.0	0.91
279		10.0	0.42
296		12.0	0.47
339		5.8	-0.17
370		15.0	0.33
494		5.0	-0.10
750		10.0	0.39
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 despite additional challenges in the course of the year



## 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	<b>~ -2</b>
<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)



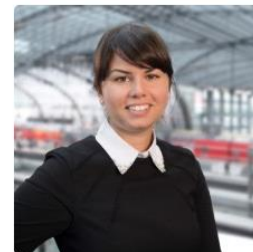
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Page 14	DB AG/Hartmut Schneidereit
Page 16	DB AG/Max Lautenschläger