MOODY'S INVESTORS SERVICE

CREDIT OPINION
19 October 2021

Update

Rate this Research

RATINGS

Deutsche Bahn AG

Domicile	Berlin, Germany
Long Term Rating	Aa1
Type	LT Issuer Rating - Dom Curr
Outlook	Negative

Please see the [ratings section] at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Deutsche Bahn AG

Update to credit analysis

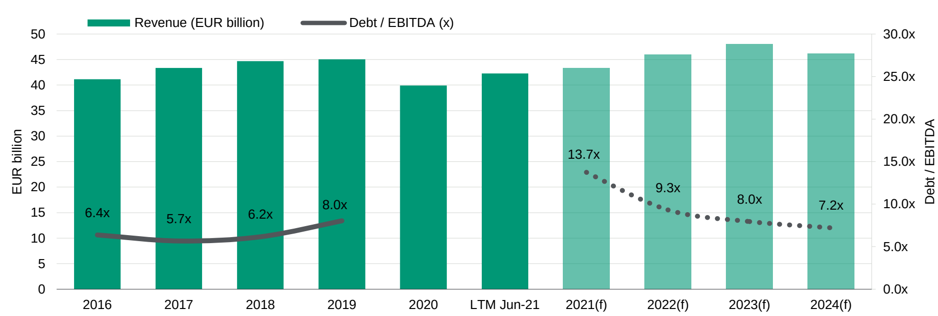
Summary

Deutsche Bahn AG's (DB) Aa1 issuer rating combines its a2 Baseline Credit Assessment (BCA) and our assessment of a high likelihood of the company receiving extraordinary support from the Government of Germany (Aaa stable) in times of need. This assessment is based on the government's willingness and very strong ability to provide support to DB, given the sovereign's ample financial reserves, as reflected in its Aaa rating.

DB's BCA is weakly positioned at a2 because of the execution risk surrounding the company's ability to improve its Moody's Adjusted leverage towards 6.5x and its Moody's Adjusted EBITA margin towards 5% from 2022. The BCA remains supported by the company's size, geographical diversification and leading global market position, and the stability and predictability of the legal framework for railway companies in Germany.

The A3 rating of the hybrid instrument is one notch lower than DB's a2 BCA and five notches lower than the company's Aa1 long-term issuer rating. This reflects certain features of the instrument, which is perpetual, deeply subordinated and allows DB to opt for coupon deferrals on a cumulative basis. Because of these characteristics, government support for this instrument may not be as strong or as timely as it would be for senior unsecured debt.

Exhibit 1
Leverage will remain high despite traffic recovery and government support
Moody's-adjusted debt/EBITDA



All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) are our opinion and do not represent the views of the issuer. Periods are fiscal year-end unless indicated otherwise. Fiscal 2020 and LTM Jun-2021 leverage was above 30.0x so it's not represented in the chart.
Source: Moody's Financial Metrics™

Credit strengths

» High probability of support from the Government of Germany

» Large scale, and good geographical and sector diversification

» Vertically integrated business model, including monopolistic railway infrastructure activities

» Solid business profile, supported by a predictable operating environment, given the reliability of the regulations and subsidies that the company receives

Credit challenges

» Severe decline in traffic because of the disruptions caused by the coronavirus pandemic

» Persistent pressure on profitability, primarily because of the pandemic-induced disruptions and structural difficulties

» Strained free cash flow (FCF) because of an intense capital spending programme

» High leverage for the current a2 BCA, which is likely to be above 7.0x in 2022

Rating outlook

The negative rating outlook reflects the significant uncertainty surrounding a recovery in DB's earnings and cash flow over the next few years, and our expectation that it will be difficult for the company to reduce its leverage below 6.5x, a level more commensurate with its a2 BCA.

There is also still some uncertainty surrounding the timing of the still ongoing European Union (EU) approval process for certain coronavirus-related compensation measures approved by the German government, although the majority of these measures has already been approved.

Factors that could lead to an upgrade

An upgrade is unlikely because DB's rating is one notch lower than the sovereign rating, and we expect this gap to remain.

The BCA could be upgraded if:

» DB's Moody's-adjusted debt/EBITDA remains well below 5.5x on a sustained basis

» its operating performance improves, reflected in a substantial and sustained improvement in its Moody's-adjusted EBITA margin

» its negative FCF decreases substantially

Factors that could lead to a downgrade

A downgrade of Germany's sovereign rating will result in a downgrade of DB's ratings.

In addition, we could downgrade DB's ratings if the likelihood of extraordinary support from the government decreases or if the BCA deteriorates further and is not adequately compensated by stronger government support.

The BCA could be downgraded if:

» DB's Moody's-adjusted debt/EBITDA appears unlikely to improve towards 6.5x from 2022

» its EBITA margin fails to improve to around 5%

» the company's business profile weakens as a result of a change in its integrated business model

Key indicators

Exhibit 2
Deutsche Bahn AG

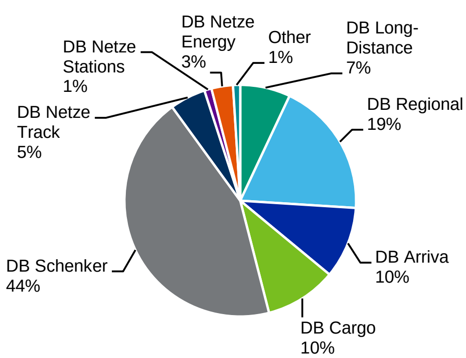
USD Billions	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	LTM (Jun-21)	Dec-21 (f)	Dec-22 (f)	Dec-23 (f)
Revenue	$45.5	$49.0	$52.8	$50.4	$45.5	$50.4	$52.40	$56.10	$58.56
EBITA Margin %	2.7%	3.0%	3.1%	2.0%	-8.0%	-2.5%	-1.3%	1.7%	3.0%
EBITA / Average Assets	1.8%	2.1%	2.2%	1.4%	-4.9%	-1.6%	-0.8%	1.1%	2.0%
Debt / Book Capitalization	71.7%	68.8%	71.2%	71.6%	86.5%	87.2%	83.1%	81.7%	80.8%
Debt / EBITDA	6.4x	5.7x	6.2x	8.0x	98.1x	38.0x	13.7x	9.3x	8.0x
FCF / Debt	-1.1%	-6.9%	-3.9%	-6.5%	-12.1%	-9.2%	-6.6%	-2.4%	-5.9%
RCF / Net Debt	18.7%	20.8%	18.4%	15.2%	4.2%	6.7%	7.6%	11.9%	11.9%
(FFO + Interest Expense) / Interest E	7.6x	7.9x	7.6x	8.4x	3.9x	5.3x	5.0x	7.0x	8.0x

All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) are our opinion and do not represent the views of the issuer. Periods are fiscal year-end unless indicated.
Source: Moody's Financial Metrics™

Profile

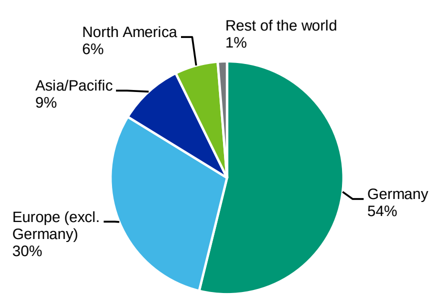
Deutsche Bahn AG (DB) is a vertically integrated rail and logistics group that owns and operates the German national rail transportation network. DB is one of the largest rail and logistics companies in the world. In 2020, DB generated revenue of €39.9 billion and reported EBIT (after extraordinary items) of negative €2.9 billion. The company provides rail track infrastructure, and passenger and freight transportation services under its holding umbrella. DB holds leading market positions in most of the segments in which it operates. These segments include long-distance rail (7% of revenue), regional passenger rail in Germany (19%), mass-transit transportation services through its subsidiaries DB Arriva (10%) and DB Cargo (10%), logistic services through its subsidiary DB Schenker (44%), and railway stations and infrastructure management (10%).

Exhibit 3
Revenue breakdown by segment
2020



Source: Company report

Exhibit 4
Revenue breakdown by region
2020



External revenue.
Source: Company report

Detailed credit considerations

Lower passenger revenue because of mobility restrictions related to the coronavirus pandemic, offset by strong logistics revenue

Passenger numbers and cargo volumes have been hurt since the pandemic started in Germany in March 2020, resulting in a drop in passenger volumes and revenue in the last 18 months. In H1 2021, long-distance passenger revenue was still down 29% compared with that in H1 2020, which was only partially impacted by the coronavirus pandemic. However, DB's overall revenue improved by

12% compared with that in H1 2020, driven mainly by strong growth in logistics activities as a result of strong economic recovery in Germany and worldwide.

Since march 2021 passenger traffic has been increasing again. We expect travel to resume gradually and reach the 2019 level only in the next 12-18 months. Even after the pandemic ends, we expect increased levels of working from home, which may permanently affect business travel. We expect cargo and logistics revenue to continue to grow in the coming months but to gradually normalise beyond 2022, when we expect the tension on global supply chains to begin to ease.

Low profitability and high leverage will remain key credit concerns

We expect DB's passenger and cargo traffic revenue, EBITDA and operating cash flow to continue to recover and reach the 2019 levels by 2022. The recovery will be driven by a gradual return to normal passenger traffic levels and the company's cost-saving programme, which aims at reducing costs by about €5 billion by 2024, of which €2 billion was already achieved in 2020. With this cost-saving programme, the company is planning to address its structural profitability issues, such as the weak performance in its rail freight division (DB Cargo), the inflationary pressure on its cost structure and additional expenses for quality-improvement measures.

Despite the government's support measures (see section: Increased importance of DB to achieve the government's CO_2 reduction targets in the transportation sector in Germany), we expect DB's funded debt to increase by at least €3 billion by 2023 as a result of the funding needs to mitigate the cash shortfall arising from the pandemic-induced disruptions and the government's decision to temporarily raise DB's debt ceiling to €35 billion in 2021.

While DB's EBITDA will only recover gradually, its debt will remain high because the company will need to finance its large capital spending programme in the coming years, in addition to the government grants. As a result, we expect the company's leverage start to improve towards 6.5x only by 2022.

High and increasing capital spending will strain FCF

We expect DB's FCF to be significantly negative over the next 24 months, much higher than the past levels, driven by reduced passenger numbers because of the pandemic and the ongoing high capital spending (averaging around €6 billion a year until 2025, after deducting investment grants). We also expect DB to delay the sale of its subsidiary Arriva until 2024 as market conditions have deteriorated significantly because of the pandemic.

Vertically integrated business model is credit positive

DB's weak leverage and FCF coverage are largely due to the company's vertically integrated business model and substantial investment needs in rail track infrastructure and rolling stock. The combination of the two businesses provides DB with an advantage, given the breadth of its operations. Therefore, DB can accommodate higher leverage in the a2 BCA rating category than pure rail operators such as Ceske drahy, a.s. (Baa2 stable, ba2). SNCF S.A. (Aa3 stable, a3) is DB's closest peer following the integration of the infrastructure manager SNCF Réseau's (Aa2 stable) monopolistic activities on 1 January 2020. SNCF S.A.'s lower BCA reflects its higher leverage and the risks related to the upcoming liberalisation of the passenger railway market in France.

Solid business profile, supported by a predictable operating environment

We consider the operating environment in Germany stable and supportive of DB's credit quality. Germany has set the pace for the liberalisation of the rail sector. For this purpose, the government has put in place a stable legal framework that entails a constitutional obligation on its part to provide functional rail infrastructure, which implies that it will sustain most of the investments in infrastructure; the budgeting of funds for regional transportation according to the German regionalisation act; and the existence of a performance and financing agreement between DB and the federal government for the existing rail infrastructure, with well-defined quality levels.

As a result of the opening of the German rail sector to competition, DB's market shares in both regional passenger transport and rail freight have been declining gradually. Regional passenger market share was 61% in 2020. However, this decline has been offset by an increase in the absolute number of passengers and is, therefore, manageable. Moreover, DB's business profile is supported by the company's large size and broad diversification in terms of both business segment (rail and bus passenger transport, rail freight, logistics and rail infrastructure) and geography.

DB's business profile is also underpinned by its leading market positions. DB is the market leader in the European rail freight business and is the second-largest passenger railway operator in Europe after SNCF S.A. In addition, DB is one of the leading groups in European land transport, air freight, ocean freight and contract logistics.

Increased importance of DB to achieve the government's CO_2 reduction targets in the transportation sector in Germany

We expect the Government of Germany to provide timely support to DB if the viability of the German rail infrastructure and operation is at risk because the company has a strategic role in guaranteeing a public rail service across Germany and is one of the key drivers of the government's climate action plan (Climate Action Programme 2030) aimed at reducing pollution in the transportation sector.

The government has also established a track record of ongoing and extraordinary support for DB. For instance, DB is benefiting from around €5 billion support measures from the government to compensate for the pandemic-induced disruption. Out of this €5 billion, the majority has already been approved by the European Commission, while less than €1 billion is still pending approval, which is likely by year-end 2021. This government support is in addition to €11 billion capital injection (equity and investment grants) that government will make by 2030 as part of its climate action plan, and other indirect measures such as VAT reductions for long-distance rail services since 1 January 2020 and surcharges on domestic air travel aimed at promoting the increased use of rail transport in Germany.

Because of DB's 100% ownership by the Government of Germany, we apply our Government-Related Issuers rating methodology to the company. Therefore, DB's rating reflects a combination of the following inputs:

» The a2 BCA

» The Aaa domestic-currency rating of the Federal Republic of Germany

» The high default dependence between DB and the government

» The high probability of support from the government

Our assessment of the high default dependence between DB and the Government of Germany reflects the country's status as a key hub of European rail traffic, and the strong integration of railway infrastructure into the international economy and trade flow. These factors are balanced by DB's geographical diversification, mainly through its international logistics and freight-forwarding activities, and its rail freight activities in the neighbouring European rail markets.

Our expectation that the government will provide DB with a high level of support in case of need is based on the constitutional requirement that the government remains the owner of the rail infrastructure in the country and is responsible for ensuring the functionality of the rail infrastructure; DB's 100% state ownership; the strategic importance of a functioning, well-funded rail infrastructure for Germany's economy; an overall strong political consensus regarding the public role of DB and the importance of its activities for the German economy; and DB's dominant role as a regional transport provider, in addition to its de facto monopoly in the long-distance passenger rail segment.

ESG considerations

We take into consideration the impact of environmental, social and governance (ESG) factors when assessing companies' credit quality. In the case of DB, the main ESG-related drivers are the following:

Environmental

- The shift to greener forms of transport supports DB's volume growth. Passenger railways tend to be environmentally clean and highly energy-efficient. With more than 90% of rail operations electrified in Germany as of December 2020, rail transport produces lower emissions than alternative means of transport such as air, bus or car. Passenger railway volumes will be driven by the increasing awareness among travellers, and the governments' or local authorities' incentives to choose public transportation. However, DB's ongoing efforts to reduce its environmental impact will continue to strain the company's cash flow.
- DB is already experiencing the consequences of climate change. Record temperatures and fiercer storms strain the company's punctuality and the viability of its rail tracks, leading to potential disruptions and higher capital spending. In July 2021, DB experienced extensive flood damages , which the company expects to be largely reimbursed by the government.

Social

- We regard the covid-19 pandemic as a social risk. The passenger railway sector in Germany has been significantly hurt by the shock caused by the pandemic, given its sensitivity to consumer demand and sentiment.
- Social risks also stem from the company's high exposure to human capital, with 322,768 employees as of December 2020 and a high number of unionised employees. Passenger railways are highly exposed to the risk of collective bargaining and industrial actions. Three strikes took place from August to early September 2021 by GDL members (German Train Drivers' Union), which is the second major union in Germany. DB and GDL union reached an agreement in September 2021. The agreement included a raise in salaries of around 3.3% over the next 32 months and two bonus payments of €700-€1200. Strikes such as the ones mentioned above can have both reputational and financial consequences.

Governance

- DB's corporate governance structure is in line with the German law and articles of association. The supervisory board consists of 20 members and, consistent with the German Codetermination Act (MitBestiG), includes equal numbers of shareholders and employee representatives with an additional vote for the chairman in case of a draw. Despite the company's high leverage, DB's financial policy is relatively balanced, with a track record of support from the Government of Germany.

Liquidity analysis

We expect DB to maintain good liquidity over the next 12 months, supported by its cash position of €3.4 billion as of 30 June 2021; its available €1.9 billion commercial paper programme out of €3 billion as of 30 June 2021; its €4.9 billion committed credit lines, of which €2.9 billion were drawn as of 30 June 2021; its recovering cash flow from operations, which we expect to be €2.5 billion in 2021; and the planned government support.

DB's major cash needs in 2021 include its high capital spending, which we estimate at around €6 billion (including leasing), net of grants from the Government of Germany, and more than €3 billion in debt maturities (excluding bank).

We also expect DB to maintain its excellent access to the capital markets.

Methodology and scorecard

DB's BCA of a2 is four notches higher than the historical scorecard-indicated outcome of our Passenger Railways and Bus Companies Methodology, published in January 2021. The BCA is three notches above the forward-looking scorecard-indicated outcome. The deviations in both scorecard-indicated outcomes from the actual BCA of a2 reflect our expectation that DB will recover to a leverage of around 6.5x and EBITA margin around 5% only after 2022, which is not captured in the current forward-looking view.

Exhibit 5

Rating factors

Deutsche Bahn AG

Passenger Railways and Bus Companies Industry Scorecard [1][2]	Current LTM 6/30/2021		Moody's 12-18 Month Forward View As of 10/13/2021 [3]	
Factor 1 : Scale (15%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$50.4	Aaa	$56.1	Aaa
Factor 2 : Business Profile (25%)				
a) Stability of Operating Environment	Aaa	Aaa	Aaa	Aaa
b) Market Characteristics	Aaa	Aaa	Aaa	Aaa
c) Competitive Environment	Aa	Aa	Aa	Aa
Factor 3 : Profitability and Efficiency (10%)				
a) EBIT Margin	-2.8%	Ca	1.1%	Caa
Factor 4 : Leverage and Coverage (35%)				
a) Debt / EBITDA	38.0x	Ca	9.3x	Ca
b) RCF / Net Debt	6.7%	B	11.9%	Ba
c) (FFO + Interest) / Interest	5.3x	A	7x	Aa
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating:				
a) Scorecard-Indicated Outcome		Baa3		Baa2
b) Actual Rating Assigned				Aa1
Government-Related Issuer	**Factor**			
a) Baseline Credit Assessment	a2			
b) Government Local Currency Rating	Aaa Stable			
c) Default Dependence	High			
d) Support	High			
e) Actual Rating Assigned	Aa1 Neg			

(1) All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
(2) As of 30/06/2021.
(3) This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™

Appendix

Exhibit 6

Peer comparison

(in USD millions)	Deutsche Bahn AG Aa1 Negative FYE Dec-19	FYE Dec-20	LTM Jun-21	SNCF S.A. Aa3 Stable FYE Dec-19	FYE Dec-20	LTM Jun-21	Ceske drahy, a.s. Baa2 Stable FYE Dec-19	FYE Dec-20	LTM Jun-21
Revenue	$50,424	$45,541	$50,401	$39,317	$34,212	$38,051	$1,773	$1,573	$1,712
EBITDA	$4,952	$481	$1,380	$6,483	$3,289	$5,168	$399	$222	$246
EBITA Margin	2.0%	-8.0%	-2.5%	6.4%	-2.5%	2.5%	5.3%	-6.4%	-5.8%
EBITA / Avg. Assets	1.4%	-4.9%	-1.6%	2.4%	-0.7%	0.6%	2.3%	-2.4%	-2.3%
FFO + Int Exp / Int Exp	8.4x	3.9x	5.3x	3.0x	1.5x	2.2x	7.3x	6.2x	25.8x
Total Debt/Capital	71.6%	86.5%	87.2%	112.9%	86.2%	86.3%	48.9%	53.9%	54.7%
Debt / EBITDA	8.0x	98.1x	38.0x	13.9x	27.8x	18.6x	4.6x	8.9x	8.7x
FCF / Debt	-6.5%	-12.1%	-9.2%	-4.2%	-6.0%	-3.2%	-7.3%	-12.4%	-18.5%
RCF / Net Debt	15.2%	4.2%	6.7%	4.2%	0.4%	3.4%	22.2%	14.1%	15.6%

All figures and ratios are calculated using Moody's estimates and standard adjustments. FYE = Financial year-end. LTM = Last 12 months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

Exhibit 7

Moody's-adjusted debt breakdown

Deutsche Bahn AG

(in USD Millions)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	LTM Ending Jun-21
As Reported Debt	**23,711.9**	**26,508.8**	**26,571.3**	**32,207.8**	**40,773.8**	**42,652.2**
Pensions	4,769.6	4,731.1	5,513.4	6,009.9	7,973.9	7,728.5
Operating Leases	5,313.4	6,376.2	6,179.8	0.0	0.0	0.0
Hybrid Securities	0.0	0.0	0.0	1,120.8	1,224.8	1,188.9
Securitizations	340.7	450.3	599.0	590.4	554.3	537.2
Moody's-Adjusted Debt	**34,135.5**	**38,066.5**	**38,863.5**	**39,928.9**	**50,526.7**	**52,106.8**

Source: Moody's Financial Metrics™

Exhibit 8

Moody's-adjusted EBITDA breakdown

Deutsche Bahn AG

(in USD Millions)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	LTM Ending Jun-21
As Reported EBITDA	**5,018.9**	**5,165.7**	**5,348.3**	**5,659.1**	**704.2**	**1,630.3**
Pensions	-106.2	9.0	13.0	29.1	13.7	14.3
Operating Leases	1,571.1	1,999.9	2,128.0	0.0	0.0	0.0
Interest Expense – Discounting	-55.3	0.0	0.0	0.0	0.0	0.0
Unusual	-777.8	-840.6	-957.7	-750.1	-237.4	-264.8
Non-Standard Adjustments	-36.5	-15.8	-14.2	13.4	0.0	0.0
Moody's-Adjusted EBITDA	**5,614.1**	**6,318.2**	**6,517.4**	**4,951.6**	**480.5**	**1,379.8**

Source: Moody's Financial Metrics™

Exhibit 9

Select historical and projected Moody's-adjusted financial data

Deutsche Bahn AG

(in USD million)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	LTM Jun-21	FYE Dec-21 (f)	FYE Dec-22 (f)
INCOME STATEMENT							
Revenue	48,985	52,784	50,424	45,541	50,401	52,399	56,071
EBITDA	6,318	6,517	4,952	481	1,380	3,707	5,576
EBIT	1,235	1,409	823	(3,903)	(1,413)	(979)	595
Interest Expense	1,069	1,081	823	877	756	861	886
BALANCE SHEET							
Cash & Cash Equivalents	4,079	4,051	4,482	4,174	4,072	6,627	7,188
Total Debt	38,066	38,863	39,929	50,527	52,107	50,949	51,984
Total Liabilities	57,696	58,326	59,022	73,109	73,050	72,762	74,187
Average Assets	68,093	69,618	71,946	75,467	79,162	80,526	83,719
Book Capitalization	50,666	52,515	54,629	58,386	59,735	61,295	63,608
CASH FLOW							
Capital Expenditures	(6,030)	(6,252)	(5,766)	(6,632)	(6,878)	(6,551)	(6,599)
Cash from Investing Activities	(5,706)	(5,808)	(5,288)	(6,442)	(6,684)	(6,551)	(6,599)
Cash Dividends	(612)	(463)	(662)	(677)	(31)	(33)	0
Retained Cash Flow (RCF)	6,472	6,153	5,276	1,814	3,231	3,375	5,324
RCF / Debt	18.6%	16.5%	13.5%	3.8%	6.2%	6.6%	10.2%
Free Cash Flow (FCF)	(2,418)	(1,444)	(2,531)	(5,701)	(4,844)	(3,386)	(1,252)
FCF / Debt	-6.9%	-3.9%	-6.5%	-12.1%	-9.2%	-6.6%	-2.4%
RCF / Net Debt	20.8%	18.4%	15.2%	4.2%	6.7%	7.6%	11.9%
PROFITABILITY							
% Change in Sales	5.3%	3.1%	0.8%	-11.4%	0.3%	8.6%	6.2%
SG&A % of Sales	36.8%	37.1%	40.3%	45.8%	43.9%	44.4%	42.2%
EBIT margin %	2.5%	2.7%	1.6%	-8.6%	-2.8%	-1.9%	1.1%
EBITDA margin %	12.9%	12.3%	9.8%	1.1%	2.7%	7.1%	9.9%
EBITA / Average Assets	2.1%	2.2%	1.4%	-4.9%	-1.6%	-0.8%	1.1%
INTEREST COVERAGE							
EBIT / Interest Expense	1.2x	1.3x	1.0x	-4.4x	-1.9x	-1.1x	0.7x
EBITDA / Interest Expense	5.9x	6.0x	6.0x	0.5x	1.8x	4.3x	6.3x
(EBITDA-CAPEX) / Interest Expense	0.1x	-0.2x	-1.1x	-7.0x	-7.3x	-3.3x	-1.2x
(FFO + Interest Expense) / Interest Expense	7.9x	7.6x	8.4x	3.9x	5.3x	5.0x	7.0x
LEVERAGE							
Debt / EBITDA	5.7x	6.2x	8.0x	98.1x	38.0x	13.7x	9.3x
Debt / (EBITDA-CAPEX)	287.3x	-206.4x	-43.4x	-7.7x	-9.5x	-17.9x	-50.8x
Avg. Assets / Avg. Equity	4.7x	4.6x	4.8x	6.6x	8.9x	9.2x	7.8x
Debt / Book Capitalization	68.8%	71.2%	71.6%	86.5%	87.2%	83.1%	81.7%

FYE = Financial year-end. LTM = Last 12 months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

Ratings

Exhibit 10

Category	Moody's Rating
DEUTSCHE BAHN AG	
Outlook	Negative
Issuer Rating -Dom Curr	Aa1
Senior Unsecured MTN	(P)Aa1
Commercial Paper -Dom Curr	P-1
Other Short Term -Dom Curr	(P)P-1
DEUTSCHE BAHN FINANCE GMBH	
Outlook	Negative
Senior Unsecured	Aa1
Bkd Subordinate -Dom Curr	A3
Bkd Commercial Paper -Dom Curr	P-1
Bkd Other Short Term -Dom Curr	(P)P-1

Source: Moody's Investors Service

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CLIENT SERVICES

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EMEA	44-20-7772-5454