

Investor Update July 2022

Deutsche Bahn

Deutsche Bahn AG, July 2022

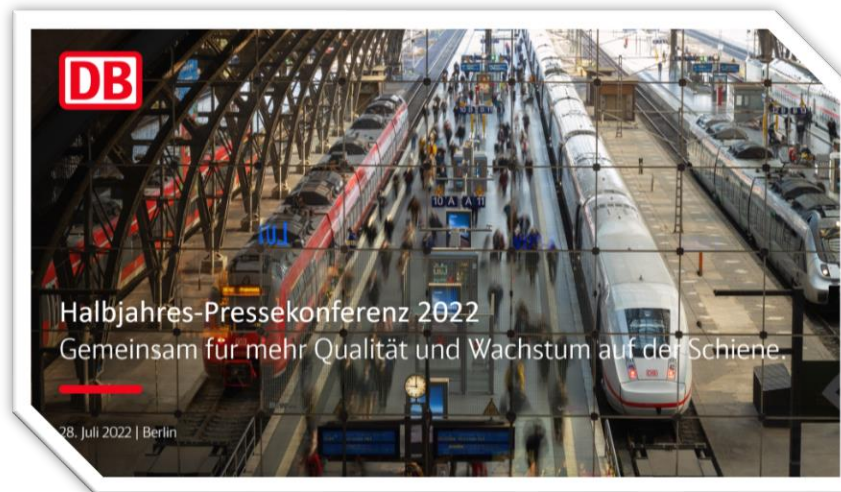


H1 2022: full information package available



Integrated Interim Report H1 2022

English version available
mid August 2022 (db.de/zb-e)
German version: db.de/zb



Interim Results Press Conference

(speeches and slides)

Download available at
db.de/ir-e

Disclaimer

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Highlights

01



Highlights H1 2022: Recovery has accelerated, DB Group returned to profitability and volumes above pre-Covid-level at the end of H1 2021



- 01 **Pre-Covid level reached** in long-distance transport since May 2022.
- 02 **9-€-Ticket gives a boost** to regional transport since June 2022.
- 03 **Financial recovery is on its way**, operating profit of almost 900 mn in H1 2022.
- 04 **Significant positive contribution by DB Schenker** due to further strong increases.
- 05 **Ongoing very strong Government support** to mitigate financial Covid-19 impact.
- 06 **Challenging business environment** in H2 2022 expected.
- 07 **Outlook for 2022 positive**, but uncertainties remain high due to Ukraine war and Covid-19.
- 08 We are well underway on our path for a **Green Transformation**.

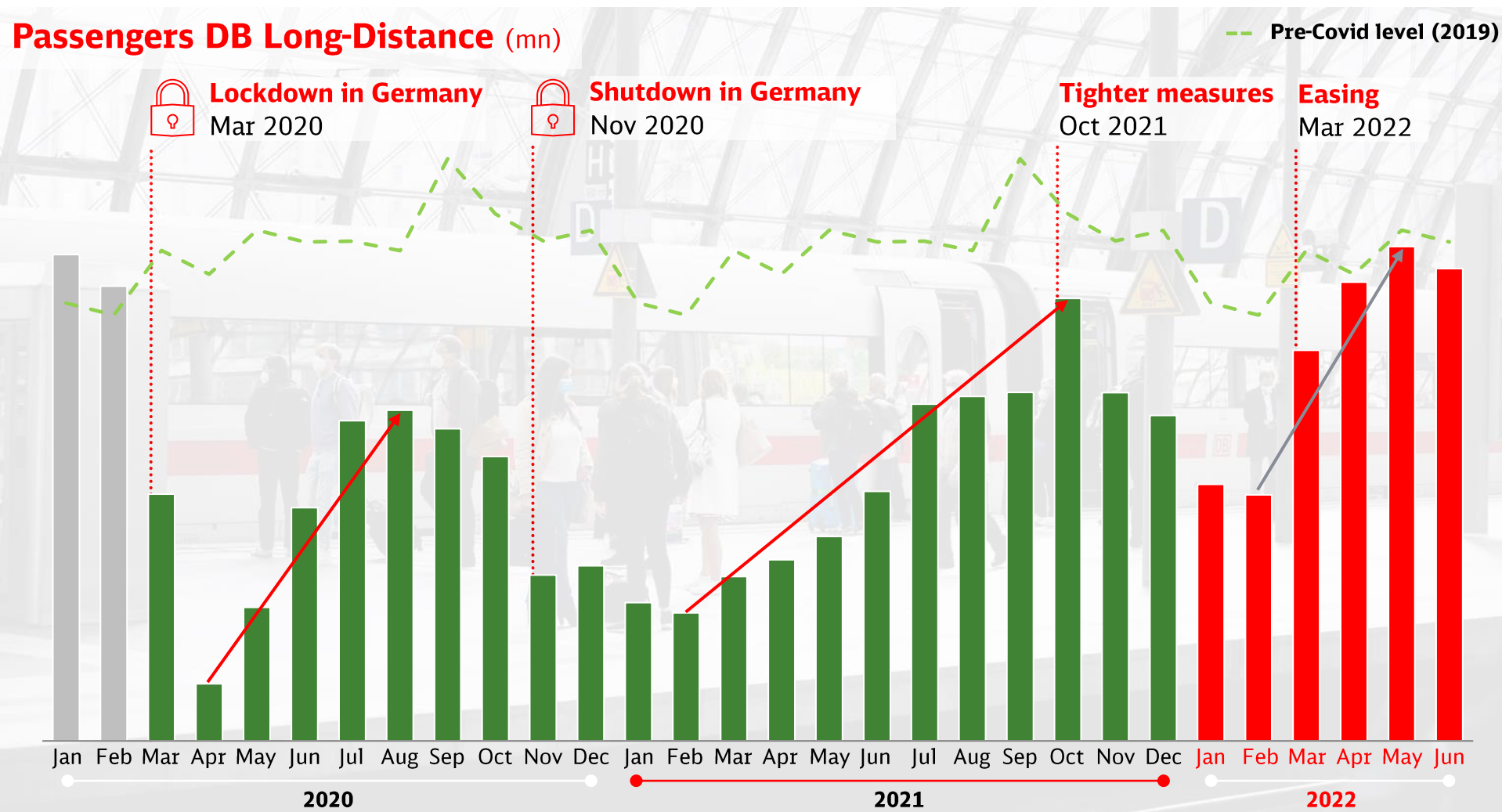


01

Strong volume recovery since March, long-distance volumes are now on pre-Covid-19 levels again



Passengers DB Long-Distance (mn)



9-€-Ticket gives a boost to regional transport since June 2022.

02

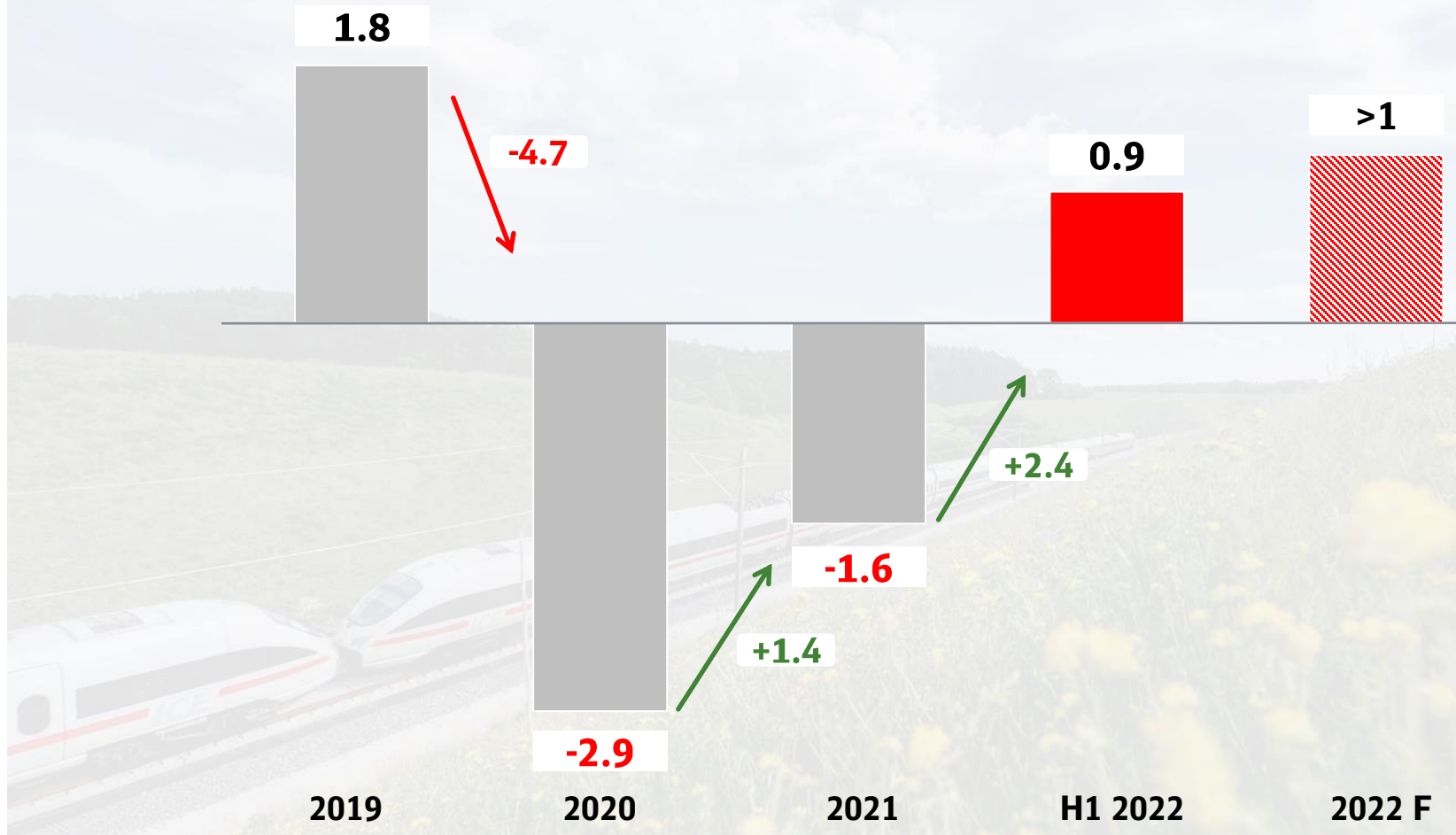
9-€-Ticket as a temporary flat rate ticket for local and regional transport all over Germany gave a strong boost to demand



With the 9-€-Ticket local public transport is available throughout Germany from June to August 2022 for 9 € per month. In June 2022, we recorded an increase in demand above pre-Covid-19 levels with more than 30 million 9-€-Tickets sold or used by subscribers.

Significant improvements in profitability. Almost € 900 mn operating profit in H1 2022

EBIT adjusted (mn)



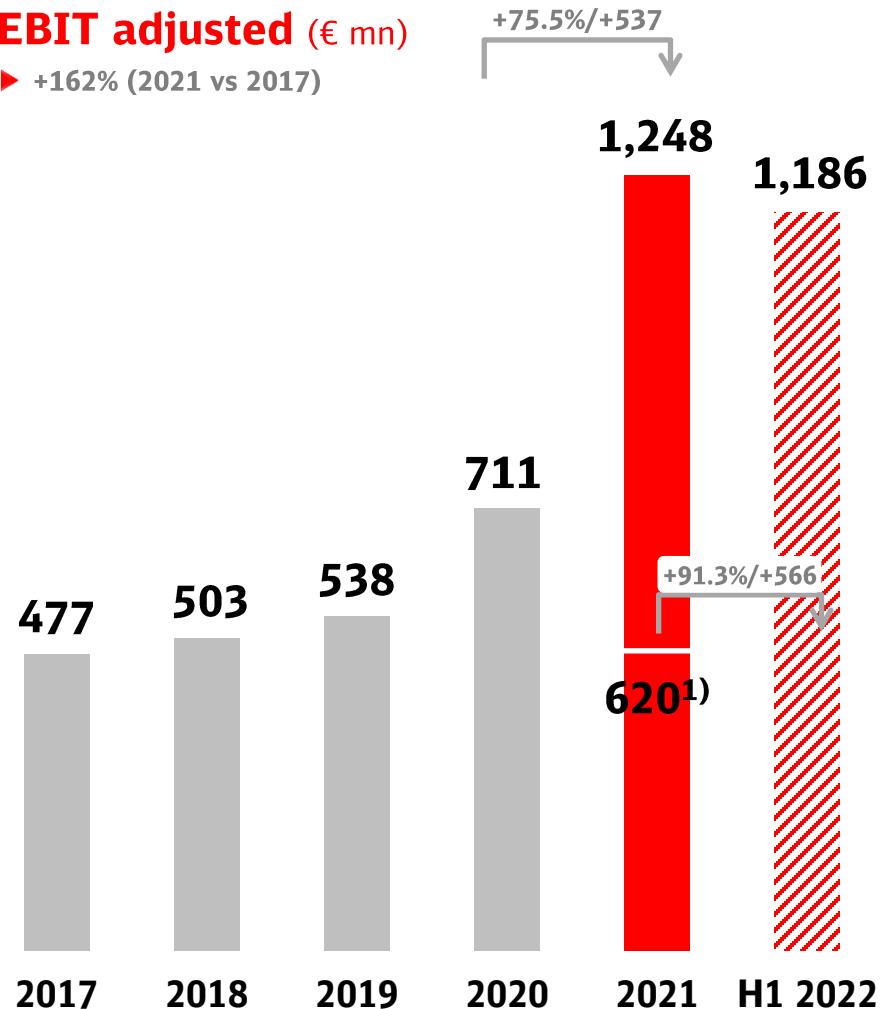
04

DB Schenker is performing very well, profit growth of more than 90% in H1 2022



EBIT adjusted (€ mn)

► +162% (2021 vs 2017)



¹⁾ Figure adjusted due to intra-group reassignment of Full Load Solutions operations from DB Schenker to DB Cargo.

Ongoing implementation of comprehensive Covid-19 Government support measures

Covid-19 Government support (bn)

(€ bn)



**Train-path
price support**

2020

–

2021

2.1

**Additionally
expected**

0.5

**Investment
grants replacing
dividend**

–

0.65

0.65



**Compensation of
Covid-19-related
damages**

–

0.6

approx. 0.8



**Support
regional transport**

0.7

0.5

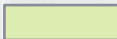
approx. 0.3

0.7

3.8

>2.2

>6.5



Implemented/in implementation.



Level of approval by EU Commission.

06

Current business environment is mainly impacted by four key factors that need close attention in 2022



1

Covid-19 pandemic



- › Current developments: incidents at reduced level, most restrictions lifted in Germany.
- › Still possibility of new virus mutations.
- › Uncertainties regarding infection development in autumn/winter.



War in Ukraine/economic development

2

- › Only minor direct impact on DB Group.
- › Indirect impact on supply chains and price trends, especially energy.

**Current top
chances
and risks
DB Group**

3

Inflation/procurement prices

- › High energy hedging ratios dampen effect in 2022.
- › Energy prices and raw material shortages exacerbate inflationary effects.



Development DB Schenker

4

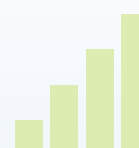
- › Continued high freight rates in air and ocean freight.



Outlook for 2022 positive, but uncertainties remain high due to Ukraine war and Covid-19



Revenues
€ >54 bn



EBIT adjusted
€ >1 bn



Gross/net capex
€ >16/>6.5 bn



Bond issues
€ <4 bn










Net financial debt
€ >30 bn

Selected ESG highlights from H1 2022



Continuously strong ESG Ratings

 CDP <small>DRIVING SUSTAINABLE ECONOMIES</small> CDP (climate rating)	A (Dec. 2021)	 MSCI <small>MSCI ESG</small>	AA (Feb. 2022)	
 ecovadis <small>EcoVadis</small>	68/Gold (Jun. 2022)	 SUSTAINALYTICS <small>a Morningstar company</small> Sustainalytics	24.4 (Feb. 2022)	
 ISS ESG	C+/Prime (Dec. 2021)			

ESG Highlights

Over 18,000 new employees hired

- › In the first half of 2022, DB Group has offered jobs to over 18,000 new employees in Germany. In total, we want to recruit around 24,000 new employees this year.
- › Since April, DB Group is helping refugees from Ukraine with advice, trainings and jobs to integrate into the German labor market.

New HVO fuel at DB Cargo for a last mile without CO₂ emissions

- › Biofuels as an alternative to diesel make heavy shunting and diesel locomotives climate-neutral and thus climate-neutral supply chains possible throughout for DB Cargo's customers.
- › With so-called HVO fuel, DB Cargo's diesel locomotive fleet can be operated without any performance restrictions, as extensive test series have now shown.

1.5 mn kilometers completed with electrically powered trucks

- › DB Schenker completed more than 1.5 million kilometers with electric vehicles in its European land transport network.
- › The network's e-fleet consists of 79 electric vehicles, enabling CO₂-free general cargo deliveries from more than 60 locations across Europe.

Development in H1 2022

03



Key drivers of financial development in H1 2022 were the Covid-19 recovery and further growth at DB Schenker



- 1 Positive development in H1 2022 with significant improvements in revenues and profits.
- 2 Since March 2022 significant recovery process in passenger volumes.
- 3 Very strong development at DB Schenker mainly driven by air and ocean freight business.
- 4 DB Arriva with improvements but still impacted by Covid-19 effects.
- 5 Government Covid-19 support measures ongoing in implementation.
- 6 Continuation of our Strong Rail strategic approach with ongoing high level of capex.
- 7 Net debt slightly higher compared to year-end 2021 in line with expectations.
- 8 Capital market activities continued, €2 bn issued so far in 2022.
- 9 Outlook for 2022 positive, but uncertainties remain high due to war in Ukraine and Covid-19.

Key figures brighten up again as the recovery process continues in Q2 2022 and DB Schenker is developing very strongly



Key figures (€ mn)

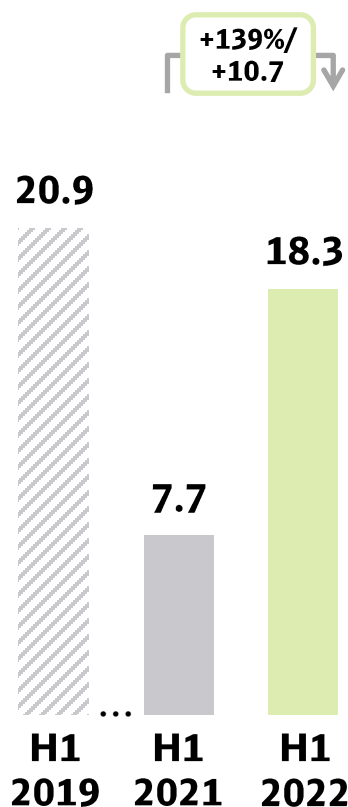
	H1 2022	H1 2021	+/- €	+/- %	H1 2019
Revenues adjusted	27,969	21,786	+6,183	+28.4	22,013
Revenues comparable	27,485	21,786	+5,699	+26.2	22,013
EBIT adjusted	876	-975	+1,851	-	757
Net profit/loss	424	-1,428	+1,852	-	205
Gross capex	5,402	5,550	-148	-2.7	4,825
Net capex	2,740	2,659	+81	+3.0	2,350
ROCE (%)	3.9	-4.5	+8.4	-	3.6
Net financial debt as of Jun 30/Dec 31	30,504	29,107	+1,397	+4.8	24,175

Significant performance improvements in passenger transport in Germany

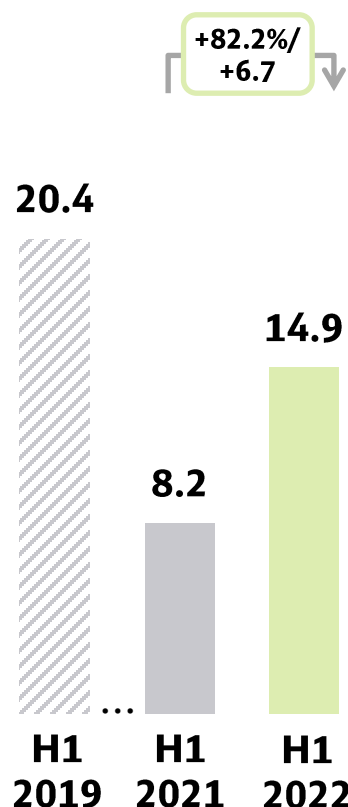


Performance indicators – Integrated Rail System

Long-distance
(bn pkm)



Regional
(bn pkm)



Rail freight
(bn tkm)



Infrastructure
(mn train-path km)



Pkm = Passenger kilometers. Tkm = Ton kilometers.

Strong volume development in rail transport leads to bottlenecks: new approach for network modernization developed



- › Punctuality is largely decided on the highly utilized core lines, which are heavily used by passenger and freight transport.
- › These currently cover around 3,500 km (10% of overall network) and will increase in the coming years to about 9,000 km due to volume growth.
- › In order to realize the planned growth at a good operational quality, facilities need to be more stable, construction to be more efficient and performance capability to be increased.
- › **The aim is to develop a core “high-performance network” by mid-decade / the end of the decade at latest. This means bundling all necessary renovation and upgrade works for core corridors.**

We aim to operate a high-density and highly interconnected network

highly available



We will develop a highly available core network. The basis for a **high-performance network** (HPN) is an **improvement in condition** in all areas relevant to punctuality.

digitally densified



Digital Rail for Germany

With the help of **digitalization of train operations**, we are creating

- › further **capacity increase** without additional tracks and
- › higher **stability** in daily **rail operations** (robustness increase and flexibilization).

purposefully expanded



By **expanding and building** new lines, we create **additional capacity**

- › in specific areas where we cannot increase density further
- › where we want to segregate traffic (e.g. for high-speed lines).

Volume development at DB Schenker was more than compensated by rate increases

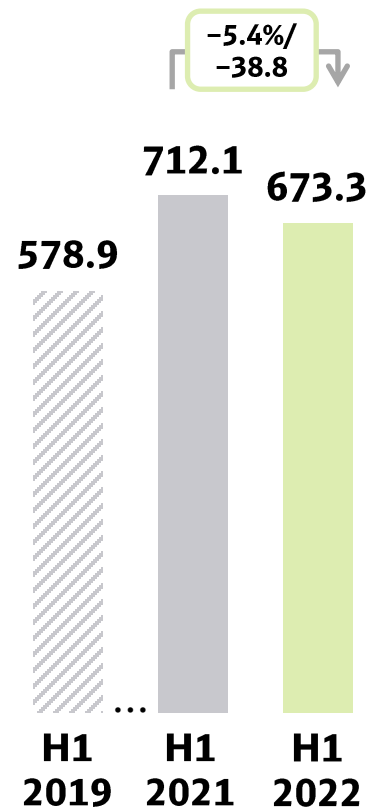


Performance indicators – DB Schenker

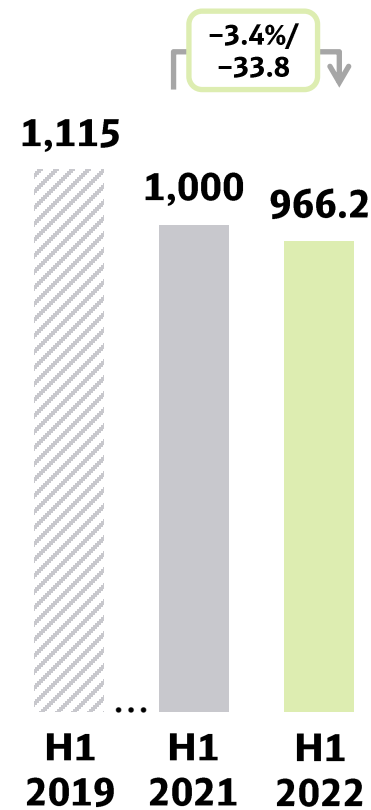
Land transport
(mn shipments)



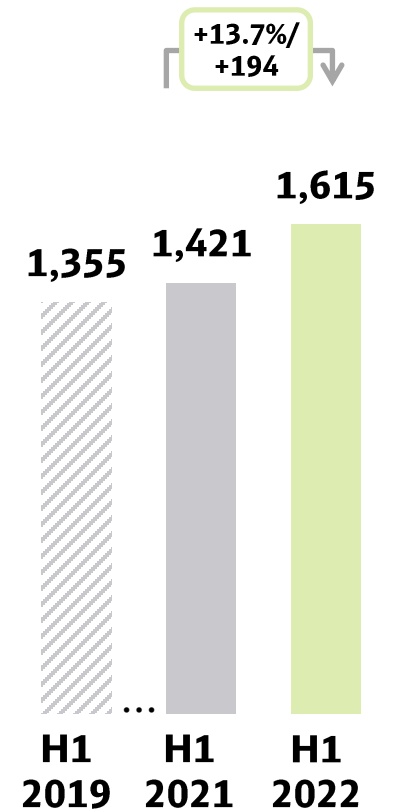
Air freight
(thousand t¹⁾)



Ocean freight
(thousand TEU¹⁾)



Contract logistics
(€ mn)



¹⁾ Exports.

Very strong performance recovery in passenger transport in H1 2022



Performance development (vs respective quarter of 2021)

DB Long-Distance (pkm)



DB Regional rail (pkm)



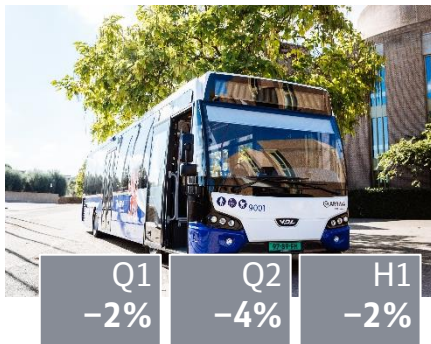
DB Cargo (tkm)



DB Netze Track (train-path km)



DB Arriva (bus km)



Land transport (shipments)



Air freight (t)



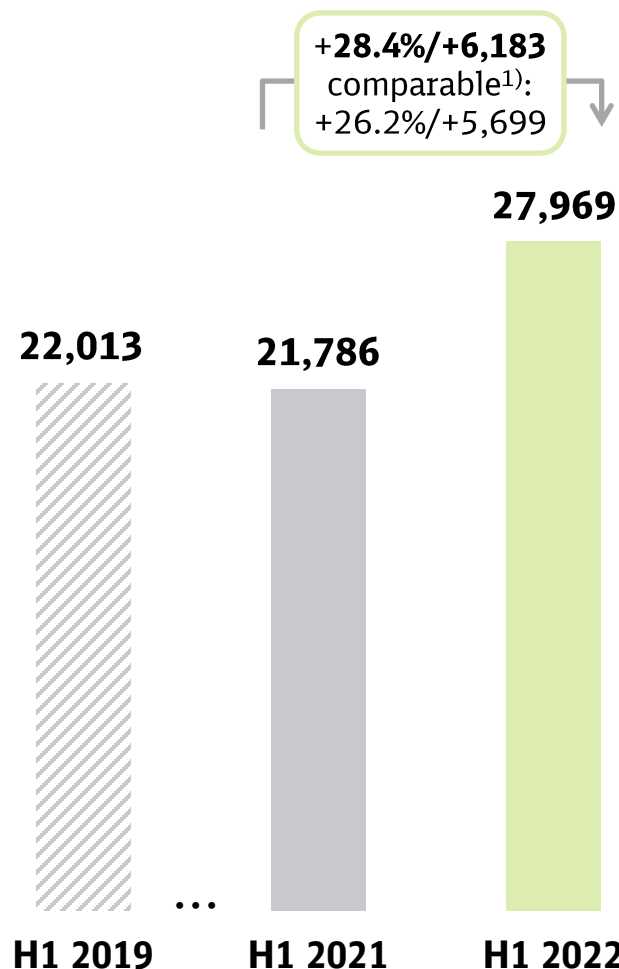
Ocean freight (TEU)



Strong increase at DB Schenker drove revenue development of DB Group in H1 2022



Revenues (€ mn)



¹⁾ Excluding FX effects and chances in the scope of consolidation.

Key impact factors

- ⊕ Price and volume effects at DB Schenker
- ⊕ Strong recovery at DB Long-Distance
- ⊕ Gains at DB Regional and DB Arriva

External revenues by business units (€ mn)

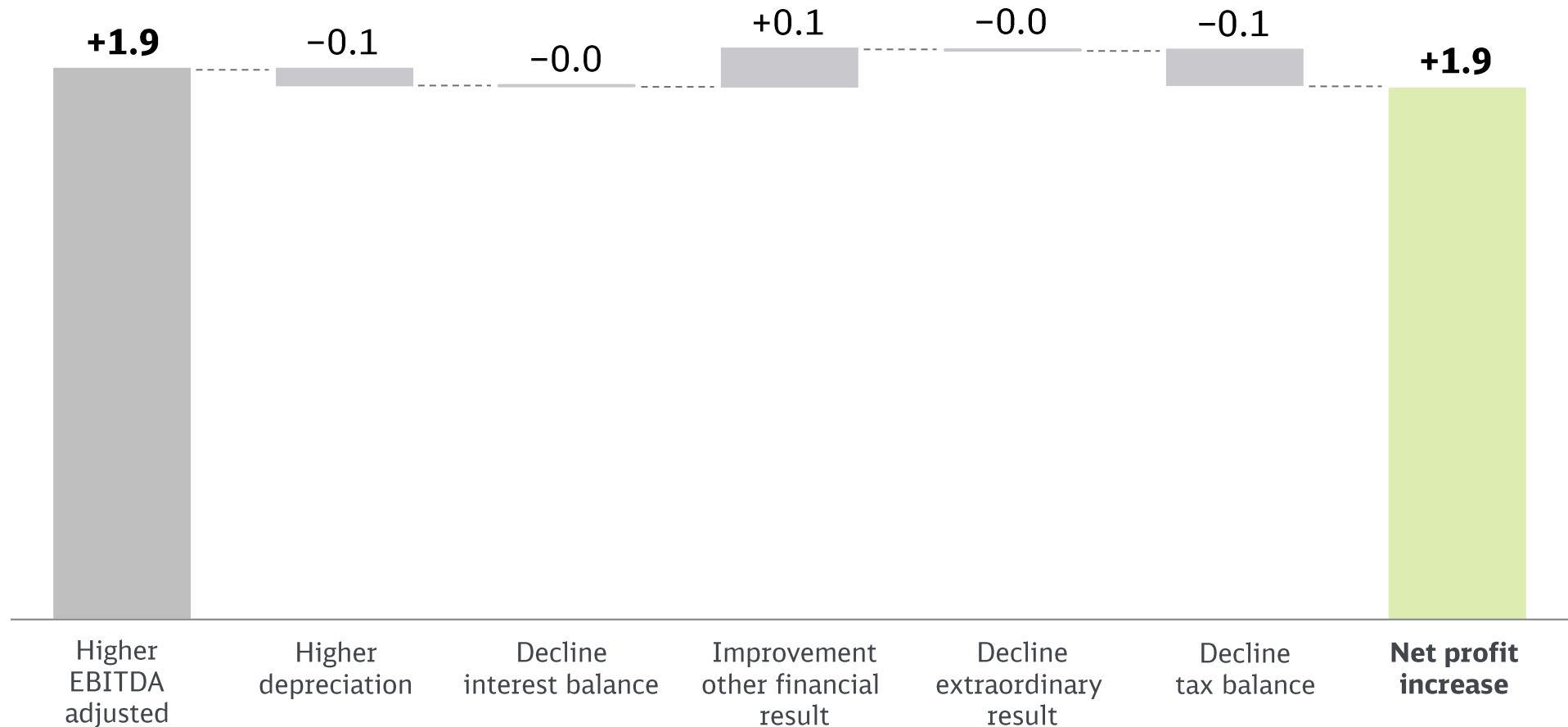
	H1 2022	H1 2021	+/- €	+/- %	H1 2019
DB Long-Distance	2,052	996	+1,056	+106	2,310
DB Regional	4,433	3,902	+531	+13.6	4,361
DB Cargo ²⁾	2,521	2,388	+133	+5.6	2,141
DB Netze Track	995	966	+29	+3.0	812
DB Netze Stations	300	243	+57	+23.5	303
DB Netze Energy	1,051	695	+356	+51.2	640
Other	314	270	+44	+16.3	280
Integrated rail system²⁾	11,666	9,460	+2,206	+23.3	10,847
DB Arriva	2,174	1,930	+244	+12.6	2,687
DB Schenker ²⁾	14,129	10,396	+3,733	+35.9	8,491
DB Group	27,969	21,786	+6,183	+28.4	22,013

²⁾ H1 2021 figures adjusted due to intra-group reassignment of Full Load Solutions operations from DB Schenker to DB Cargo.

Net profit improved due to higher operating profit



Net profit development vs H1 2021 (€ bn)

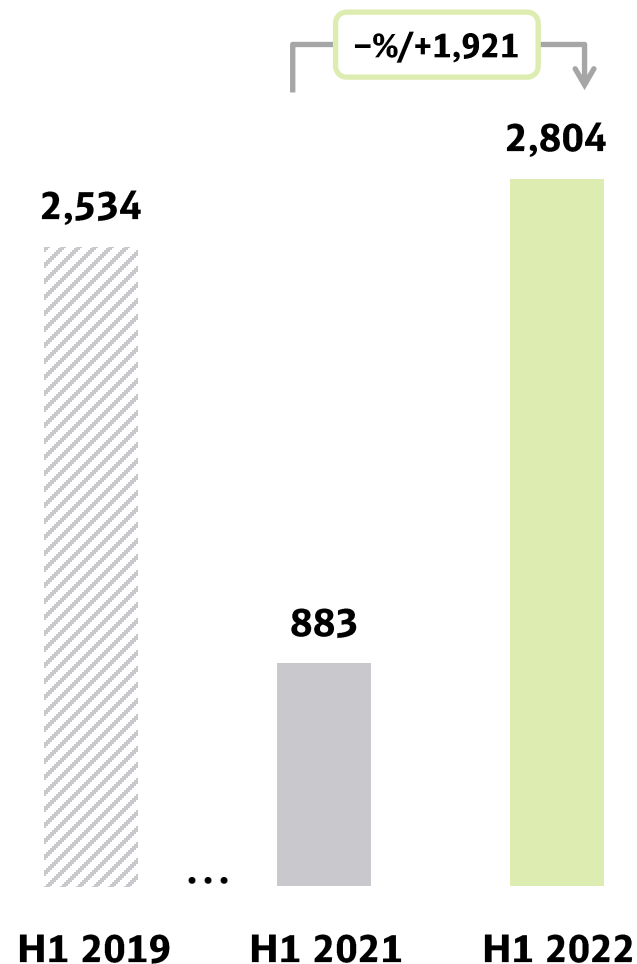


Possible differences are due to rounding.

EBITDA improvement mainly driven by recovery in passenger transport 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 early in H1 2022
- Cost increases (mainly cost of materials and personnel)

EBITDA adjusted by business units (€ mn)

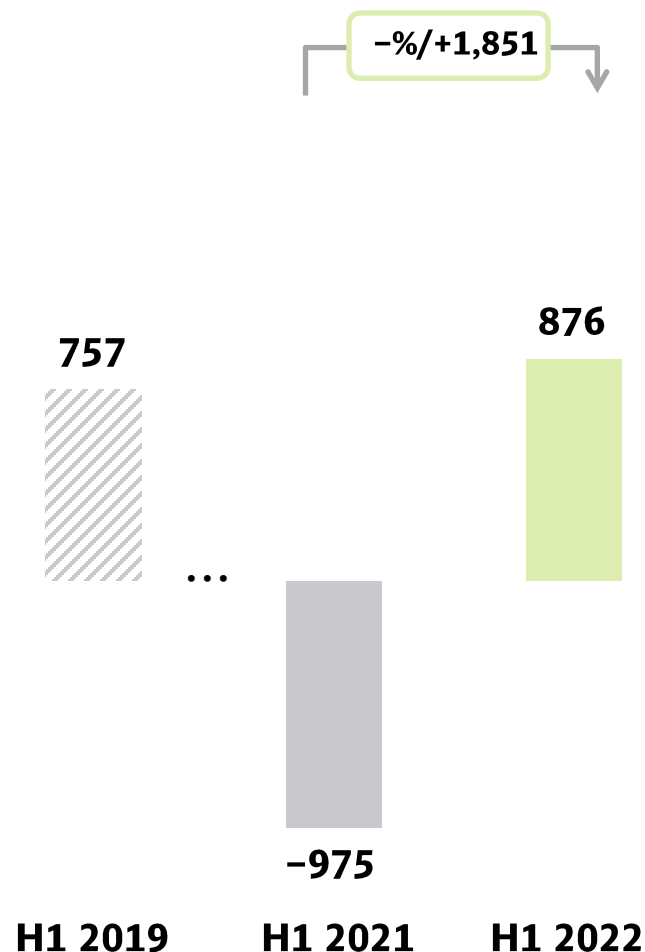
	H1 2022	H1 2021	+/- €	+/- %	H1 2019
DB Long-Distance	9	-975	+984	-	367
DB Regional	213	-43	+256	-	512
DB Cargo ¹⁾	-99	-21	-78	-	20
DB Netze Track	834	649	+185	+28.5	708
DB Netze Stations	142	67	+75	+112	201
DB Netze Energy	76	81	-5	-6.2	65
Other/Consolidation IRS ¹⁾	-61	52	-113	-	-156
Integrated rail system¹⁾	1,114	-190	+1,304	-	1,717
DB Arriva	197	166	+31	+18.7	326
DB Schenker ¹⁾	1,486	906	+580	+64.0	499
Consolidation miscel.	7	1	+6	-	-8
DB Group	2,804	883	+1,921	-	2,534

¹⁾ H1 2021 figures adjusted due to intra-group reassignment of Full Load Solutions operations from DB Schenker to DB Cargo.

EBIT improvement mainly driven by recovery in passenger transport 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 early in H1 2022
- Cost increases (mainly cost of materials and personnel)

EBIT adjusted by business units (€ mn)

	H1 2022	H1 2021	+/- €	+/- %	H1 2019
DB Long-Distance	-195	-1,144	+949	-83.0	224
DB Regional	-104	-359	+255	-71.0	186
DB Cargo ¹⁾	-299	-204	-95	+46.6	-132
DB Netze Track	496	302	+194	+64.2	379
DB Netze Stations	61	-7	+68	-	123
DB Netze Energy	35	40	-5	-12.5	23
Other/Consolidation IRS ¹⁾	-304	-194	-110	+56.7	-376
Integrated rail system¹⁾	-310	-1,566	+1,256	-80.2	427
DB Arriva	-8	-31	+23	-74.2	101
DB Schenker ¹⁾	1,186	620	+566	+91.3	238
Consolidation miscel.	8	2	+6	-	-9
DB Group	876	-975	+1,851	-	757

¹⁾ H1 2021 figures adjusted due to intra-group reassignment of Full Load Solutions operations from DB Schenker to DB Cargo.

DB Group is significantly profitable again due to strong business development

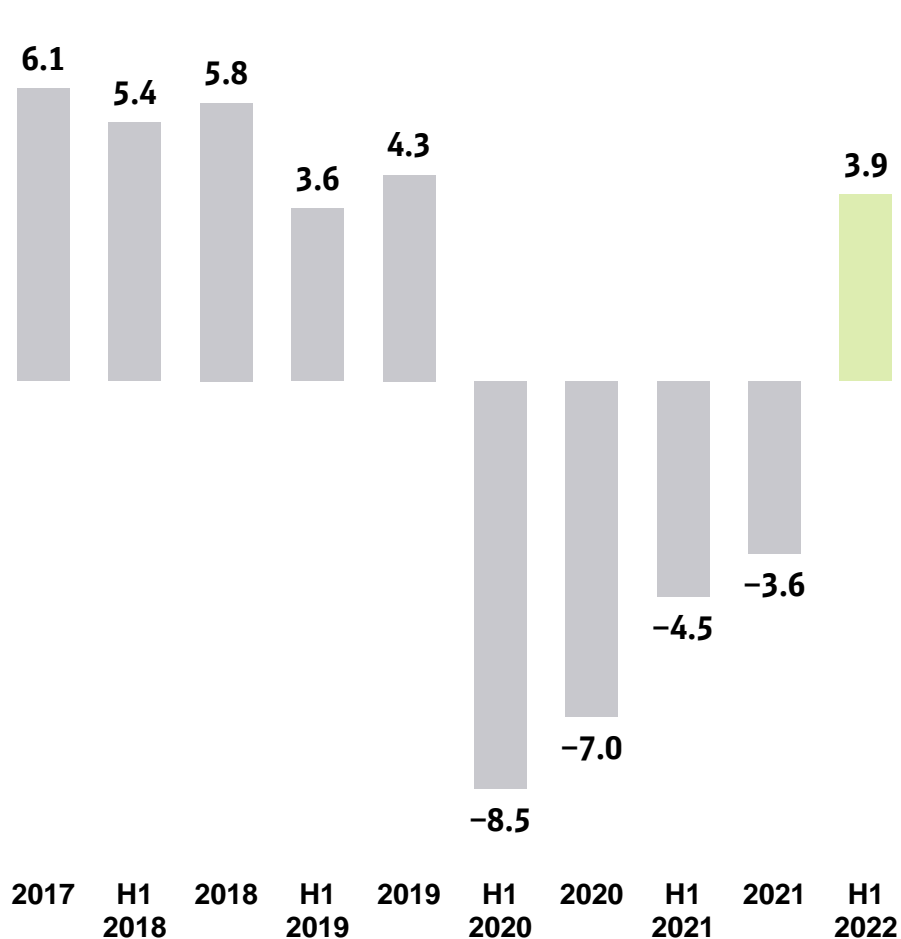


Adjusted P&L (€ mn)	H1 2022	H1 2021	+/- €	+/- %	H1 2019	Key impact factors
Revenues	27,969	21,786	+6,183	+28.4	22,013	<ul style="list-style-type: none"> Revenue increase due to development of DB Schenker and volume recovery in passenger transport. Operating expenses increased due to higher purchased services at DB Schenker and DB Cargo, additional employees and wage increases as well as higher infrastructure and energy costs.
Total income	31,601	24,994	+6,607	+26.4	24,619	
Cost of materials	-16,502	-12,682	-3,820	+30.1	-10,876	
Personnel expenses	-9,958	-9,349	-609	+6.5	-8,902	
Other operating expenses	-2,337	-2,080	-257	+12.4	-2,307	
EBITDA adjusted	2,804	883	+1,921	-	2,534	
Depreciation	-1,928	-1,858	-70	+3.8	-1,777	
EBIT adjusted	876	-975	+1,851	-	757	
Financial result	-109	-249	+140	-56.2	-383	
Extraordinary result	-85	-82	-3	+3.7	-97	
Profit/loss before taxes	682	-1,306	+1,988	-	277	
Taxes on income	-258	-122	-136	+111	-72	
Net profit/loss	424	-1,428	+1,852	-	205	

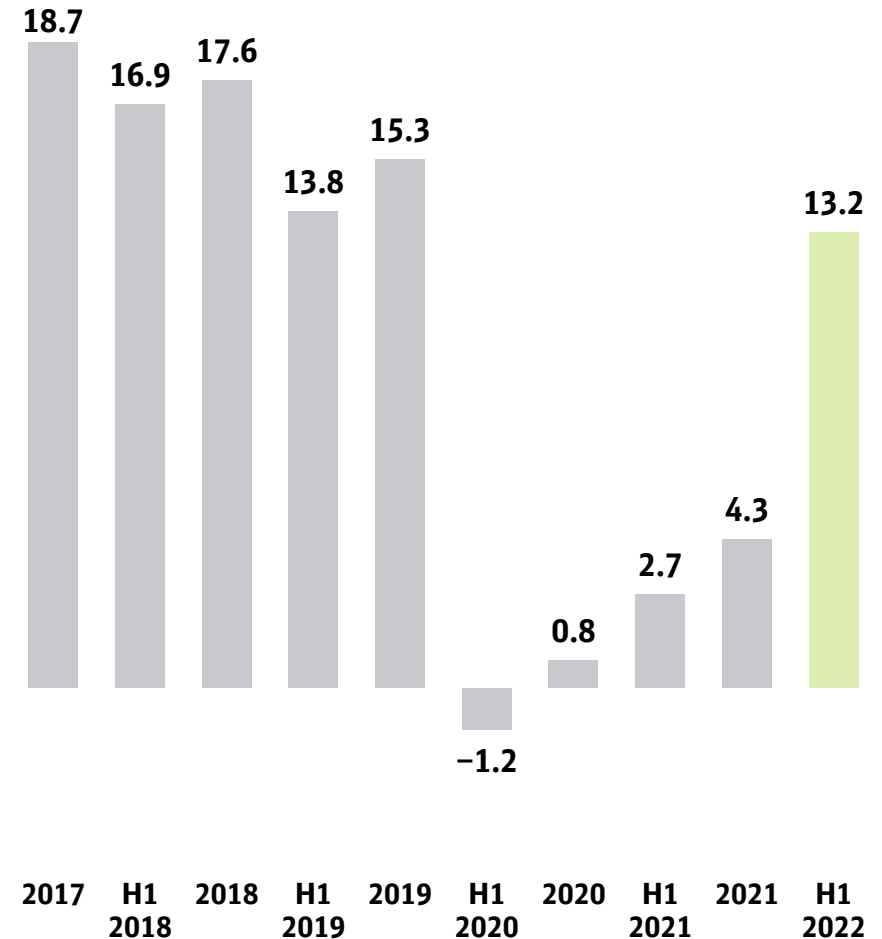
Value management figures improved, but are still impacted by current operating profit level and increased debt



ROCE (%)



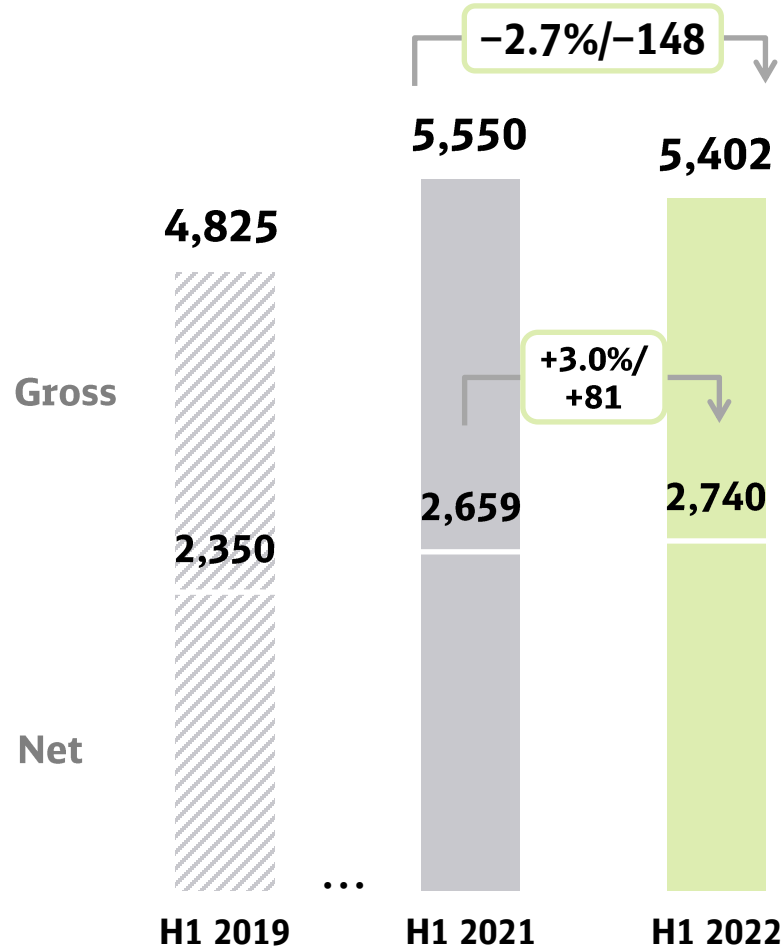
Debt coverage (%)



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

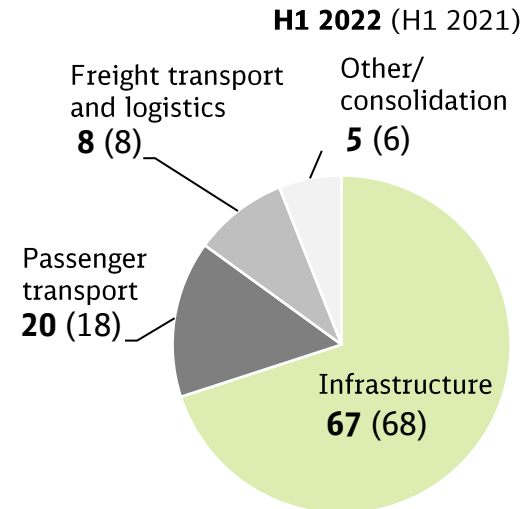


Capital expenditures (€ mn)

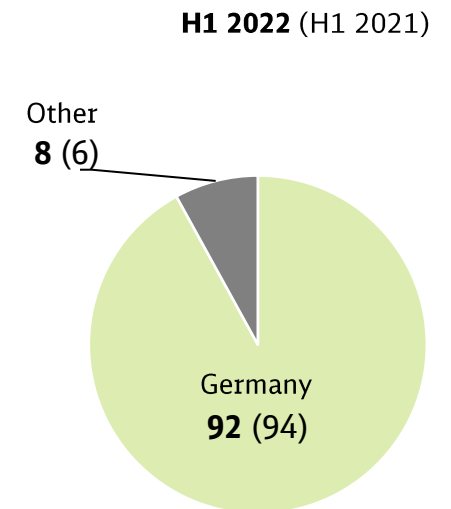


Gross capex split (%)

By sectors



By regions



Increased capex mainly at TOCs, infrastructure with cyclical fluctuations

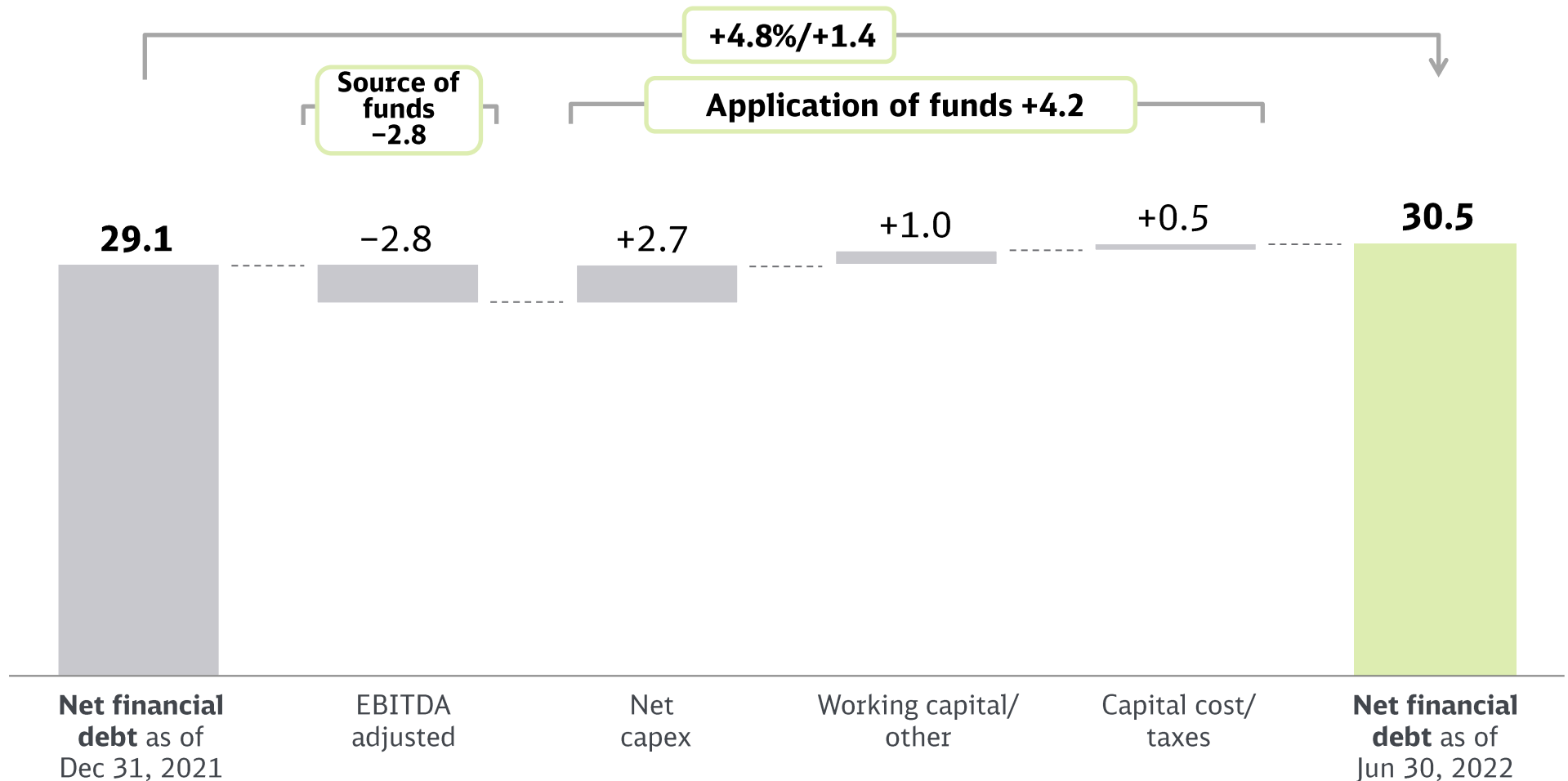


Capital expenditures (€ mn)	Gross capex					Net capex				
	H1 2022	H1 2021	+/- €	+/- %	H1 2019	H1 2022	H1 2021	+/- €	+/- %	H1 2019
DB Long-Distance	793	675	+118	+17.5	169	793	675	+118	+17.5	169
DB Regional	150	259	-109	-42.1	273	145	246	-101	-41.1	269
DB Cargo	132	179	-47	-26.3	163	117	178	-61	-34.3	163
DB Netze Track	3,019	3,155	-136	-4.3	2,875	718	725	-7	-1.0	636
DB Netze Stations	490	491	-1	-0.2	397	245	142	+103	+72.5	216
DB Netze Energy	102	127	-25	-19.7	67	27	38	-11	-28.9	23
Other/Consolidation IRS	297	327	-30	-9.2	297	293	327	-34	-10.4	297
Integrated rail system	4,983	5,213	-230	-4.4	4,241	2,338	2,331	+7	+0.3	1,773
DB Arriva	120	88	+32	+36.4	323	103	79	+24	+30.4	316
DB Schenker	299	249	+50	+20.1	261	299	249	+50	+20.1	261
DB Group	5,402	5,550	-148	-2.7	4,825	2,740	2,659	+81	+3.0	2,350

Net debt driven by capex program and still subdued profitability



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)

	2022	2021	+/- €	+/- %	2019
Assets					
Non-current assets	57,655	56,149	+1,506	+2.7	53,213
Property, plant and equipment	50,756	50,100	+656	+1.3	46,591
Intangible assets	2,411	2,387	+24	+1.0	3,894
Deferred tax assets	1,246	1,305	-59	-4.5	1,246
Current assets	16,401	15,694	+707	+4.5	12,615
Trade receivables	7,282	6,476	+806	+12.4	4,871
Cash and cash equivalents	3,827	4,591	-764	-16.6	3,993
Equity and liabilities					
Equity	13,459	10,621	+2,838	+26.7	14,927
Non-current liabilities	39,510	39,631	-121	-0.3	32,820
Financial debt	31,674	30,322	+1,352	+4.5	23,977
Current liabilities	21,087	21,591	-504	-2.3	18,081
Financial debt	3,526	4,164	-638	-15.3	4,716
Trade liabilities	7,617	8,097	-480	-5.9	5,789
Total assets	74,056	71,843	+2,213	+3.1	65,828

Maturity structure

(as of Jun 30, 2022/Dec 31, 2021)

Assets

Non-current
assets
(78%/78%)

Current assets
(22%/22%)

Equity and liabilities

Equity
(18%/15%)

Non-current
liabilities
(53%/55%)

Current liabilities
(29%/30%)

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



Credit ratings

- › Moody's: Aa1/stable
- › S&P: AA-/stable¹⁾

ESG ratings

- › CDP: A (best grade)
- › MSCI: AA
- › ISS ESG: C+ (Prime status)
- › Sustainalytics: Risk assessment medium
- › Moody's ESG: 52 (Scale 0-100)
- › EcoVadis: 68 (Scale 0-100)

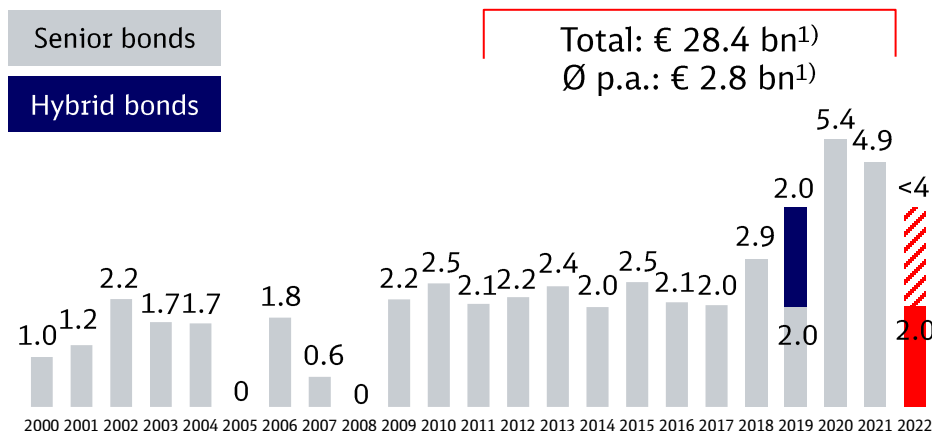
Financing programs

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

¹⁾ Adjusted as of July 29, 2022.

Bond issues

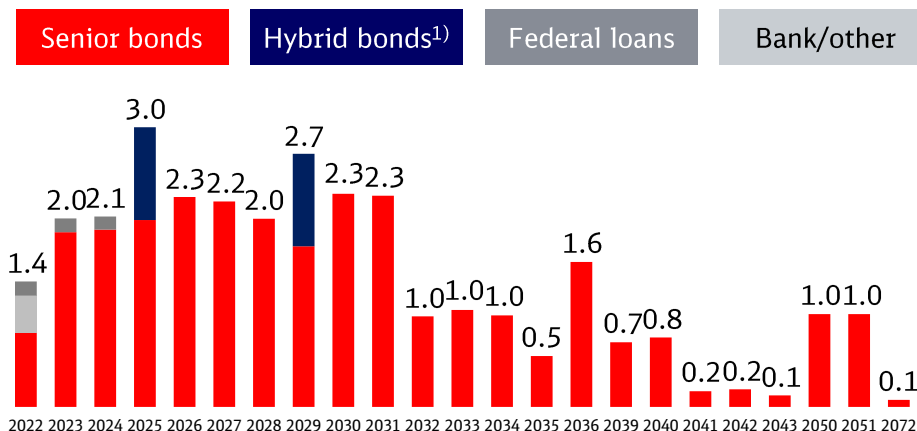
(€ bn; as of June 30, 2022)



¹⁾ Senior bonds.

Maturity profile financial liabilities

(€ bn; incl. swaps; excl. leasing; as of June 30, 2022)



¹⁾ First possible call year.

We will tap the bond markets again in 2022, four issues so far with total volume of about € 2.0 bn







Bond issues

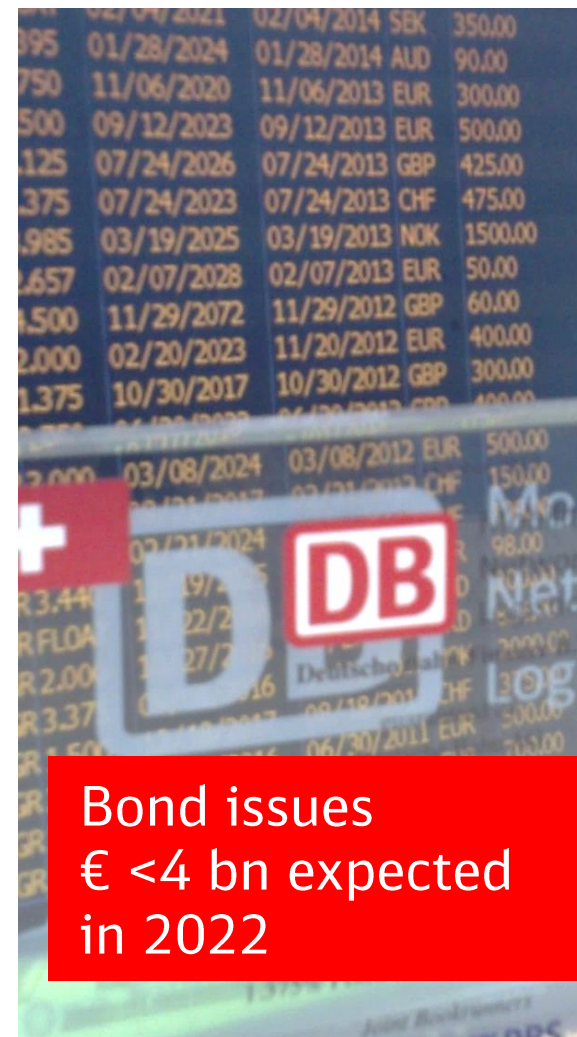
2021: 10 transactions

Volume (€ bn)	Term (Ø years)	Interest ¹⁾ (Ø %)
4,891	15.3²⁾	0.58²⁾

2022: 4 transactions (so far)

Volume (€ bn)	Term (Ø years)	Interest ¹⁾ (Ø %)
2,041	10.3²⁾	1.61²⁾

191		20.0	1.24
200		5.0	0.84
750		12.0	1.42
900		8.0	2.03



Bond issues
€ <4 bn expected
in 2022

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

Expectation for full year 2022 slightly raised. Uncertainty remains high mainly due to Covid-19 and war in Ukraine



Outlook (€ bn)

	H1 2021	H1 2022	+/- %	2021	2022 (March forecast)	2022 (July forecast)
Revenues adjusted	21.8	28.0	+28.4	47.3	>48	>54
EBIT adjusted	-1.0	0.9	-	-1.6	>0	>1
ROCE (%)	-4.5	3.9	-	-3.6	>0	~2
Debt coverage (%)	2.7	13.2	-	4.3	↗	~10
Gross capex	5.6	5.4	-2.7	15.4	>16	>16
Net capex	2.7	2.7	+3.0	6.3	>6.5	>6.5
Maturities	-	-	-	2.2	2.2	2.2
Bond issues (senior)	2.7	2.0	-25.9	4.9	<5	<4
Net financial debt as of Dec 31/Jun 30	29.1	30.5	+4.8	29.1	>30	>30

Contact details and further information



Investor Relations:
www.db.de/ir-e



Contact Investor Relations:
www.db.de/ir-contact



Rating:
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Integrated Report:
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Integrated Interim Report
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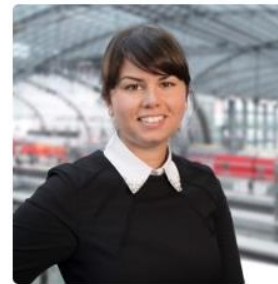
Robert Strehl

Head of Investor Relations and
Sustainable Finance



Sascha Friedrich

Senior Manager Investor
Relations and Sustainable



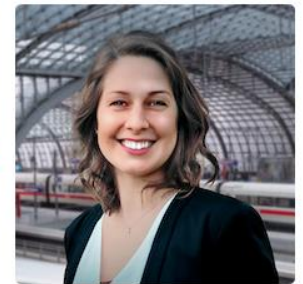
Larissa Wandert Ribeiro

Manager Investor Relations and
Sustainable Finance



Laura Fischer

Manager Investor Relations and
Sustainable Finance



Janine Oelze

Manager Investor Relations and
Sustainable Finance

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