



Roadshow Asia 2024 „Focusing on the Core“

Deutsche Bahn AG, October 2024



Welcome to our 2024 autumn roadshow – Introduction of Deutsche Bahn team



**Dr. Wolfgang
Bohner**

Head of Finance and
Treasury and Investment
Management



**Robert Allen
Strehl**

Head of Investor Relations
and Sustainable Finance



01

Strategic
overview

Agreement signed with DSV for sale of our international logistics subsidiary DB Schenker



- **On September 13, 2024, DB Group signed an agreement for the sale of DB Schenker to DSV for an enterprise value of EUR 14.3 billion / equity value up to EUR 11.8 bn.**
- **DB Supervisory Board approved sale on October 2, 2024.**
- **Closing of transaction expected in H1 2025.**

New DB Group structure underlines focus on core business



Revenue structure (external)

INTEGRATED RAIL SYSTEM (100%)

PASSENGER TRANSPORT (59%)



DB Long-Distance

€ 5.7 bn | 22%



DB Regional

€ 9.5 bn | 37%

RAIL FREIGHT (20%)



DB Cargo

€ 5.3 bn | 20%

INFRASTRUCTURE (18%) + OTHER (3%)



DB Netze Track

€ 2.2 bn | 8%



DB Netze Stations

€ 0.7 bn | 3%



DB Energy

€ 2.0 bn | 7%

New: DB InfraGO (2024)

DISCONTINUED OPERATIONS



DB Arriva

€ 4.0 bn



DB Schenker

€ 19.1 bn

**Sale completed
end of May 2024**

**Sale contract signed
in September 2024**

Key figures (€ bn)

2023

2022

Revenues ¹⁾	45.2	52.1
Net loss for the year ¹⁾	-2.4	-0.2
EBITDA adjusted ¹⁾	2.9	4.8
EBIT adjusted ¹⁾	-1.0	1.2
Equity (as of Dec 31)	12.1	14.7
Net financial debt (as of Dec 31)	34.0	28.8
Total assets (as of Dec 31)	77.5	76.3
Capital employed (as of Dec 31)	48.3	45.3
ROCE (%)	-2.0	2.7
Debt coverage (%)	5.2	11.8
Gross capital expenditures ¹⁾	16.9	15.1
Net capital expenditures ¹⁾	7.6	6.5
Cash flow from operating activities ¹⁾	3.0	5.6
Maturities	2.4	2.2
Bond issues (senior)	3.0	3.1

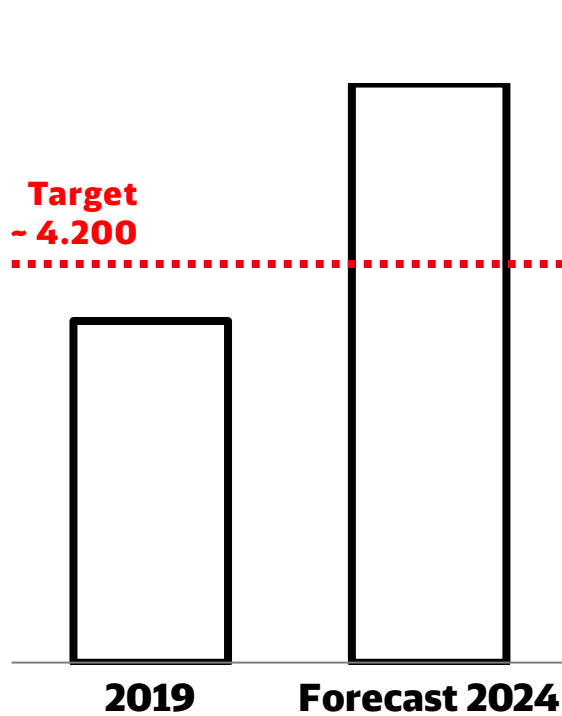
¹⁾ DB Arriva accounted for as held for sale (IFRS 5) since 2023, figures for 2022 adjusted accordingly.

DB Group's core business shows clear need for action



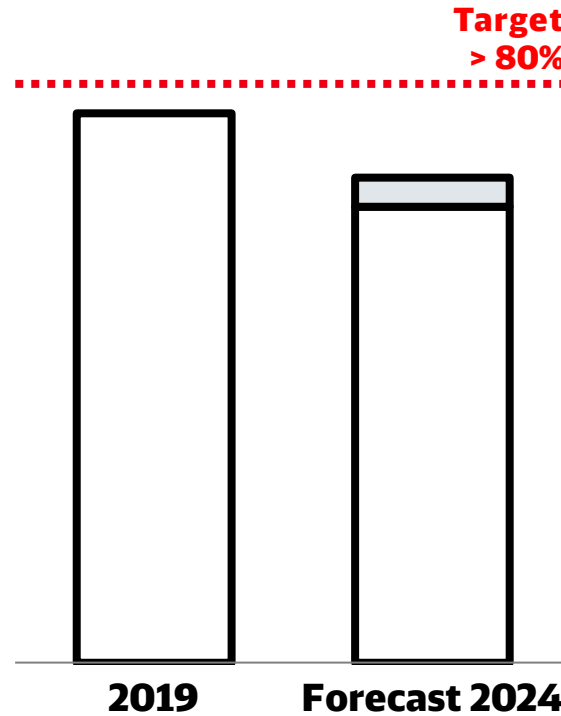
Infrastructure quality

Delays due to infrastructure
(Lost Units per day; sector)



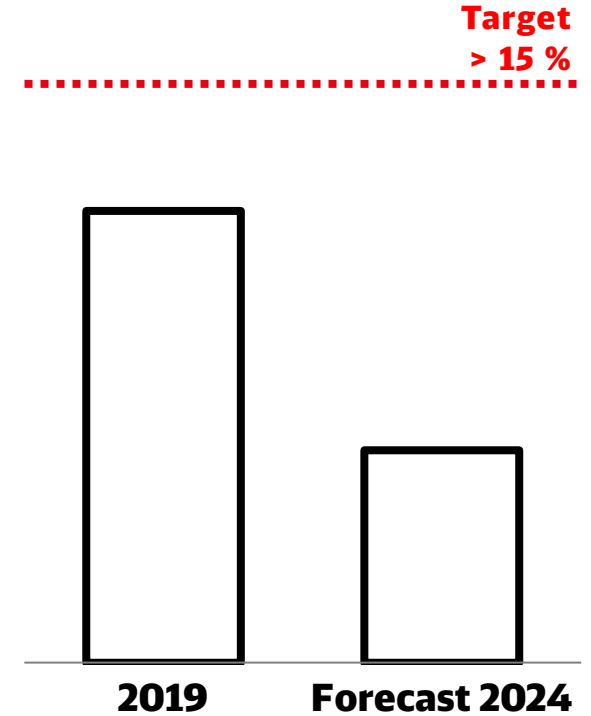
Operational quality

Punctuality DB Long-Distance
(%)



Economic situation

Debt coverage
(%)



Comprehensive 3-year restructuring program S3 for significant improvements in three areas: infrastructure, rail operations and profitability



S3 program will regain the performance capability of the Integrated Rail System and create a solid basis for the further growth path of Strong Rail by 2027.



Infrastructure

Trend reversal in infrastructure

- Fast modernization of the existing network (particularly general modernizations, small and medium-sized measures, stations, service facilities).

Target 2027:

~ -20%

Delays due to infrastructure¹⁾



Operations

Stabilizing punctuality

- Introduction of a scheduled construction system in order to improve timetables.
- Reduction of over-utilized tracks and hubs in order to stabilize operations.
- Improving vehicle quality.

Target 2027:

75-80%

**Punctuality
DB Long-Distance**



Profitability

Securing financial viability

- Improving personnel productivity.
- Adjustment of capex development.
- Business model transformation DB Long-Distance and DB Cargo.
- Increasing profitability DB Regional.

Target 2027:

€ 2 bn

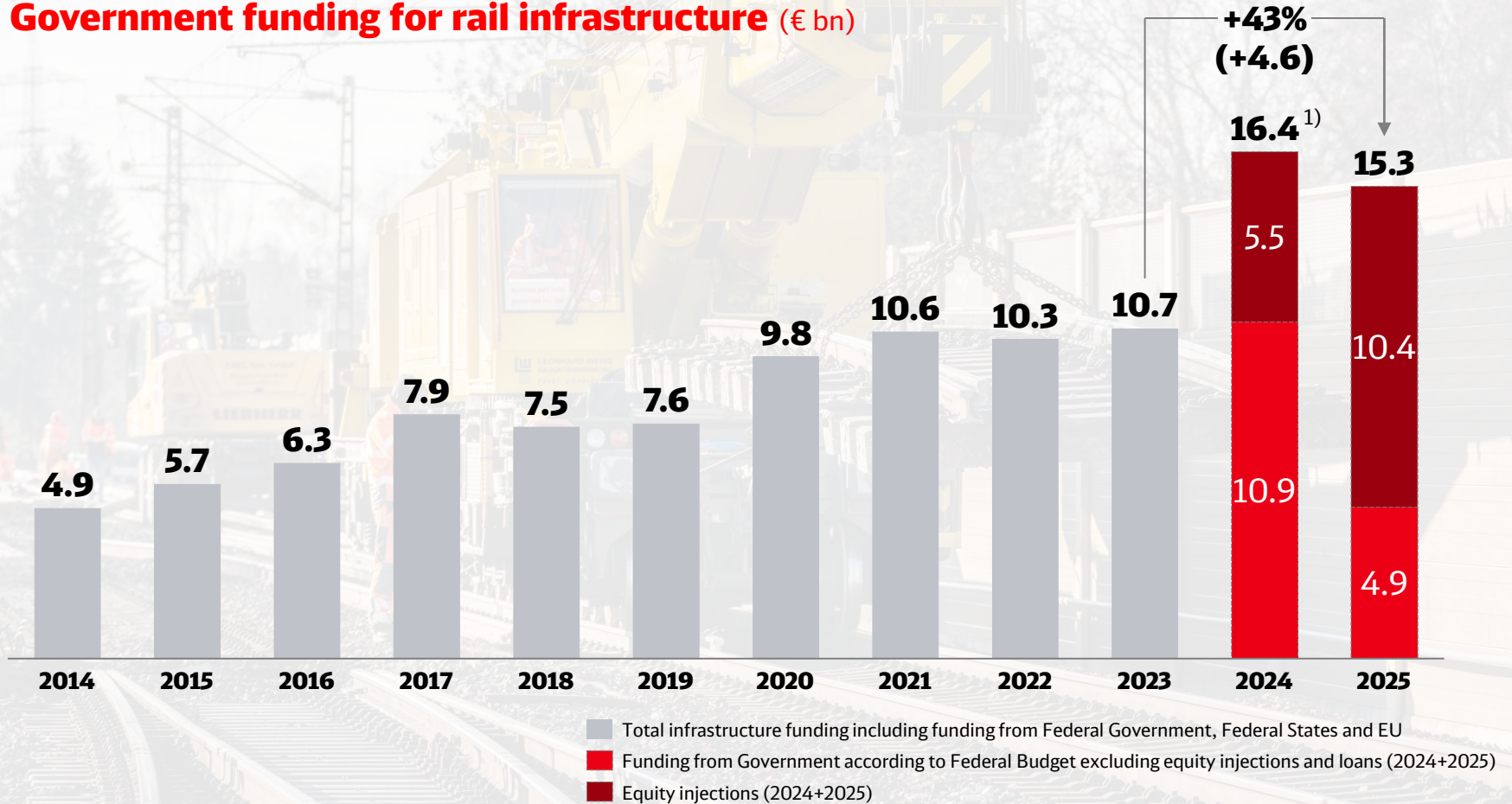
EBIT

¹⁾ Lost Units per Day; sector

Improving infrastructure: Government funding for rail infrastructure increased by >40% to fix problems quickly and thoroughly

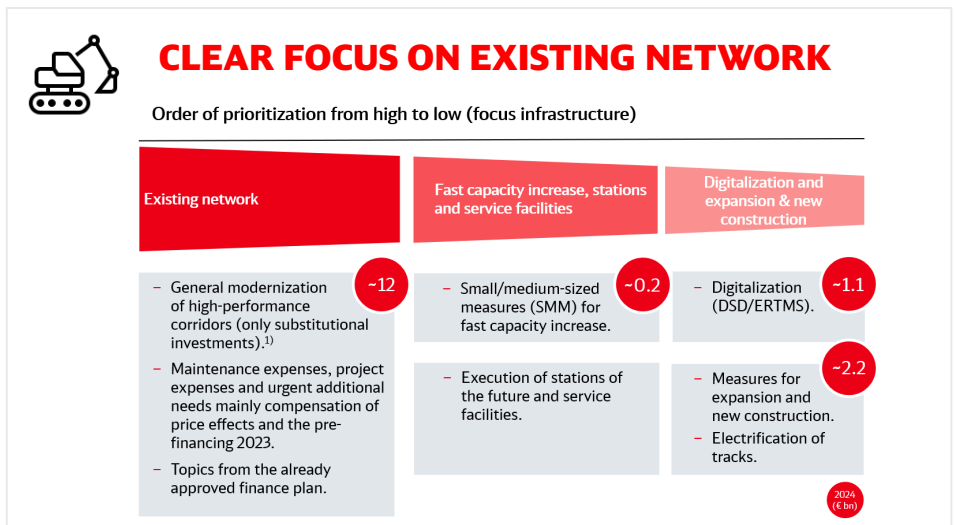
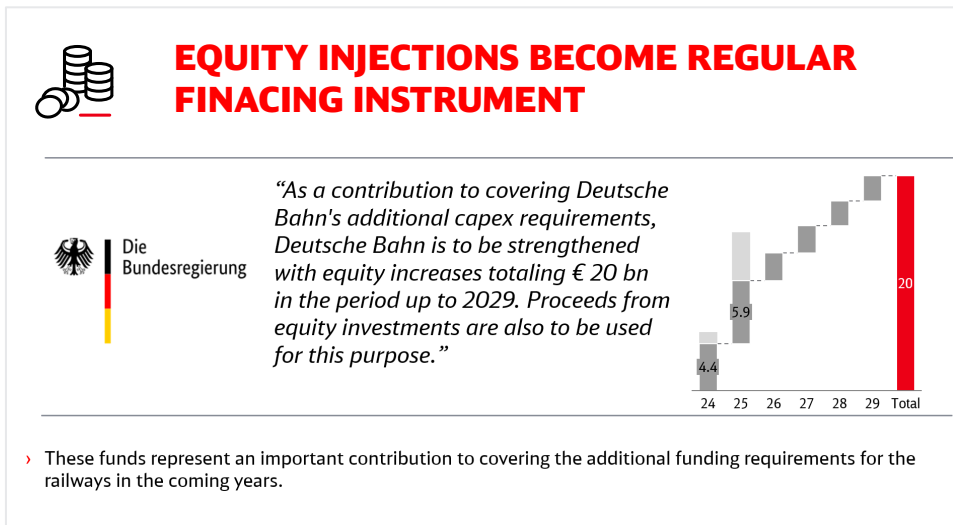
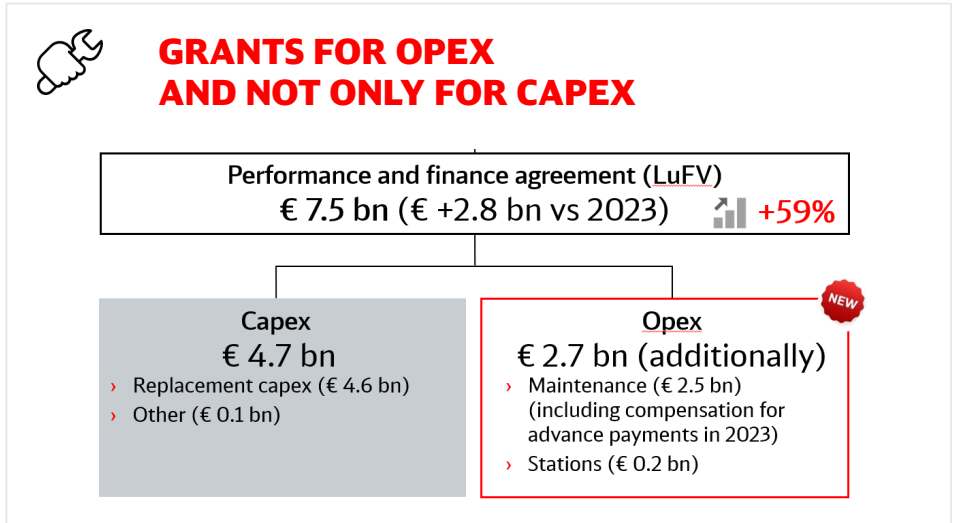
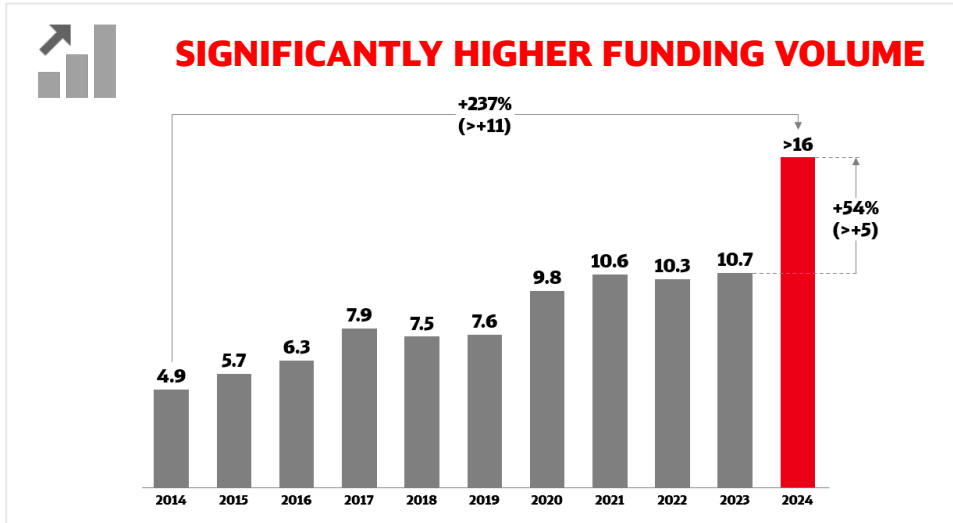


Government funding for rail infrastructure (€ bn)



¹⁾ Including compensation for pre-financing of DB Group in 2023.

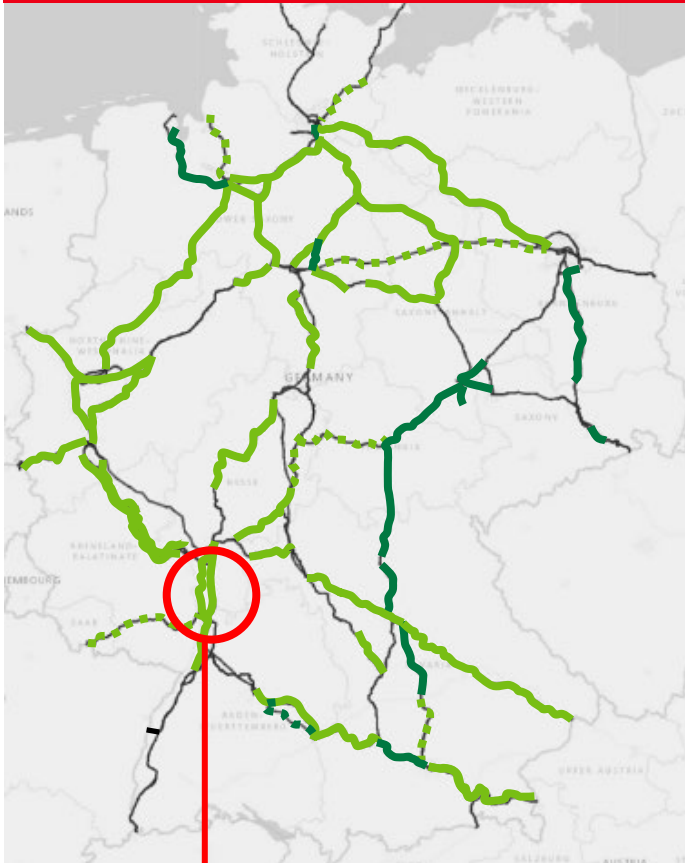
In 2024 we see fundamental changes in the Government support for the infrastructure



Improving infrastructure: With general modernizations we create a high-performance network



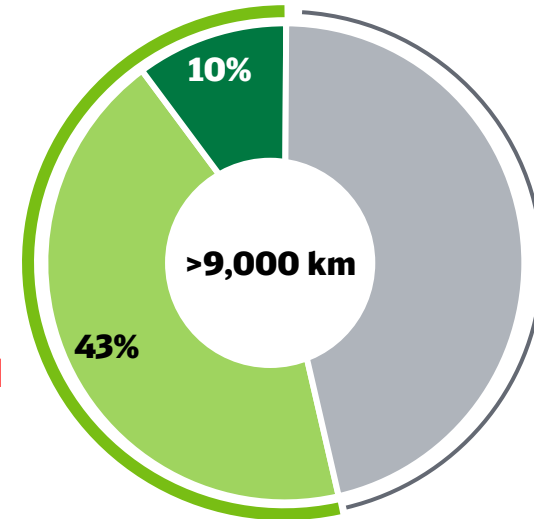
Construction plan High Performance Network 2030



Riedbahn (started: July 15, 2024)

The general modernization is the central element of the new strategy for the high-performance network. Until end of 2030 up to 40 highly frequented corridors will be fully modernized.

New strategy
can raise
up to
5,000 km
to good or very good
quality.

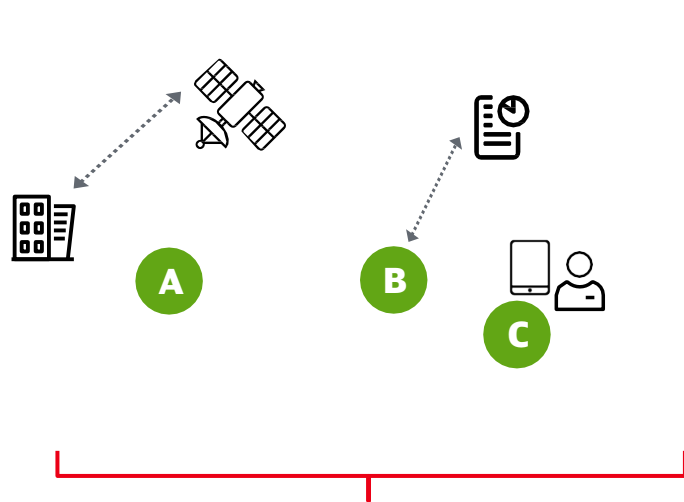


- Target for general modernizations.
- Today in good condition.
- Regular modernization measures

Improving operations: We will implement initiatives for digitalization of vehicles, schedule creation and carrying out operations



Main digitalization initiatives until 2027



Mid- to long-term initiatives:
Implementation Digital Rail for Germany with ETCS, starting among others with the digital hub Stuttgart

- A Vehicles:** status monitoring and tracking
Most trains with real time tracking and status monitoring allowing preventive and predictive fleet management and maintenance.
- B Schedule creation and digital capacity management**
We introduce a new high-performing software which supports with the creation of consistent schedules without conflicts. This includes among other factors the automation of the construction schedule.
- C Execution of operations: transmitting schedule data**
We provide the traction unit drivers with real-time schedule data including all deviations on their tablets via the „digital schedule.“

Improving profitability: We have defined clear targets and measures until 2027



Key targets and levers for improving financial situation until 2027

S3 target concept

~15%
Debt coverage

€ 2.0 bn
EBIT

~50%
Personnel expenses ratio

Together Strong

We significantly reduce the personnel requirements particularly in administration and sales and indirect operational functions.

Transformation DB Long-Distance

We increase the earning power of our business model and adjust the capex development.

Transformation DB Cargo

We realize the restructuring path agreed with the EU Commission and set up DB Cargo in a market-oriented way.

Increasing profitability DB Regional

We increase the profitability of the existing business model by strengthening the financial and operational resilience.

Improving profitability: We take short-term actions in the light of the profit development in 2024



Safeguarding results in 2024

› Decentralized adjustment

Flat-rate cost budget reduction under the responsibility of the divisions/departments of the business units/internal service providers.

Centralized approval process

Flat-rate budget reduction under the responsibility of the divisions/departments in the business units
plus
explicit central approval process for amounts >€ 1,000 for certain subsidiaries.

Total effects (H1 2024) ¹⁾



Scope of measures

Material costs:

Advertising, consulting, traveling, IT services, external services, expenses for training, etc.

Personnel expenses

Hiring in administration and sales, individual salary adjustments effective in 2024.

Excluding expenses for:

- ... maintaining operations,
- ... compliance with legal and safety regulations,
- ... safeguarding quality and service for external customers.



¹⁾ Excluding personnel expenses

Our mission: the successful execution of the Strong Rail strategy is an elementary cornerstone of the German mobility transition



The overarching Strong Rail strategy is anchored to the traffic and climate-related of the Federal Government.



2x

**Volume sold
rail passenger
transport**



25 %

**Rail share of
overall freight
transport**

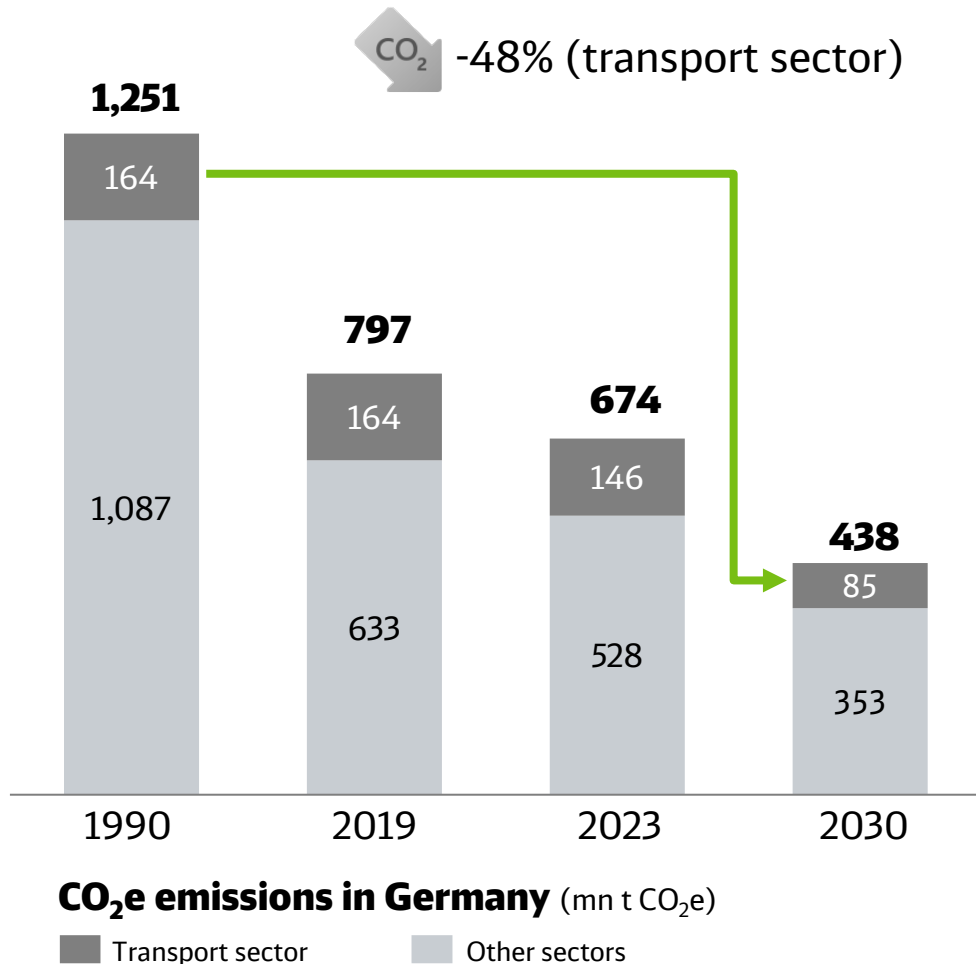


**Introduction
Germany in sync**

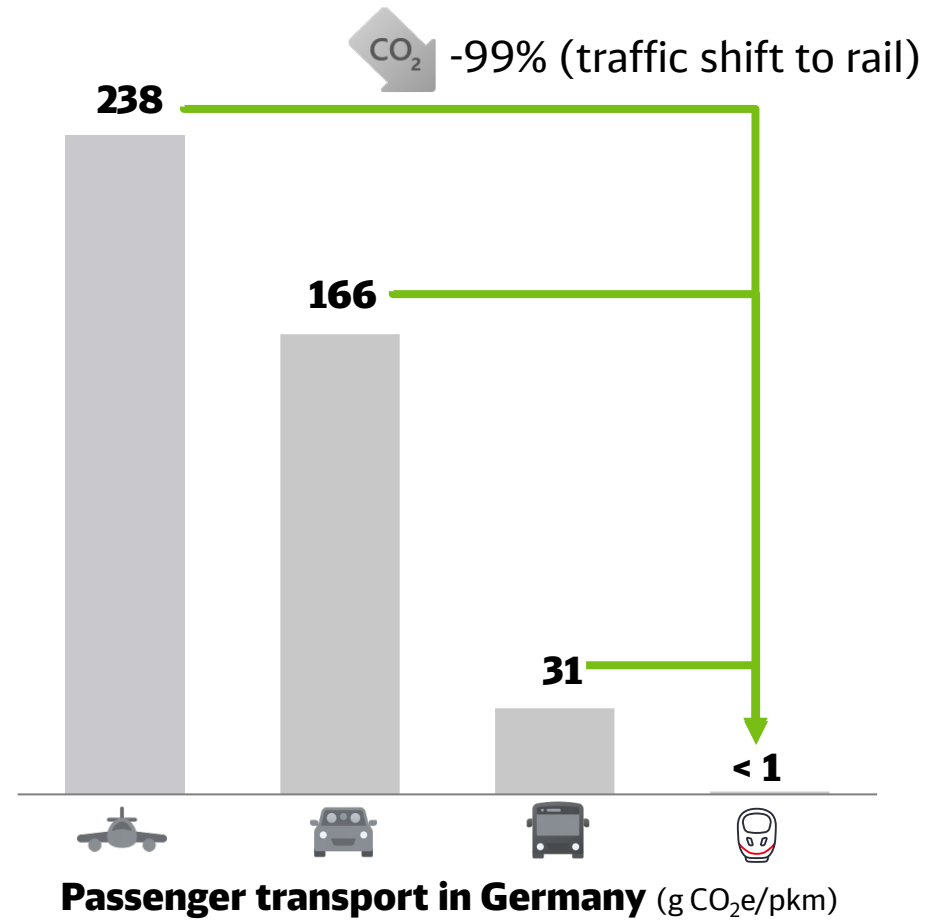
Germany's climate protection targets can only be reached supported by a significant traffic shift to rail



German climate protection targets



Rail massively contributes to climate protection



We aim to be climate neutral by 2040 with 100% renewable power, more electrification, phase-out of diesel and heating transition



Our ESG targets (examples):



40% women in leadership by 2035

We aim to increase the proportion of women in leadership¹⁾ to a total of 40% by the end of 2035 at Supervisory Board, Management Board/Management Board, first and second management level after achieving our target of 30% women in leadership by 2024.



100% green electricity by 2038

We will switch DB's traction current completely to renewable energies²⁾ by 2038. In our stations, plants and buildings, we will use only green electricity from as early as 2025.



Climate neutrality by 2040

We are achieving this with the switch to green electricity, the electrification of rail lines, the phase-out of diesel on roads and rails, and the heat transition in our buildings.

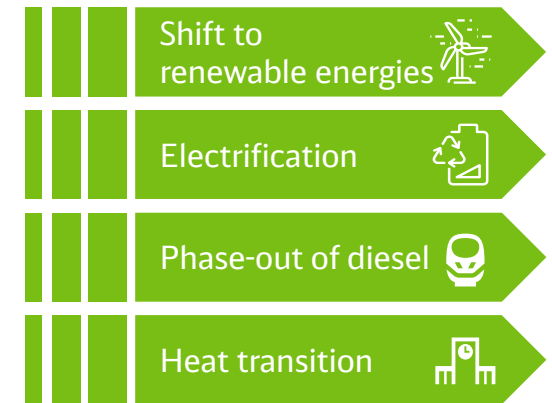
New: Absolute yearly targets in incentive scheme.



Circular economy until 2040

For the first time we have set ourselves targets to increase the recycling shares of rail steel, concrete sleepers and track ballast, which account for about 80% of resource input. We are maintaining our recycling rate for output at a high level of at least 95%.

Four key instruments on our way to climate neutrality



¹⁾ Share of women in leadership positions at the companies affected by the Second Management Positions Act (FüPoG II).

²⁾ Renewable energies: Energy from renewable sources that are theoretically unlimited in supply, such as water, wind or sunlight.

2024 marks a year of fundamental change for DB Group with a significantly strengthened focus on the core business



Agreement to sell logistics subsidiary DB Schenker increases focus on core business and allows for significant deleveraging and contributing to the Group's financial sustainability with funds remaining within DB Group.



S3 restructuring program for structurally improving DB Group in infrastructure, rail operations and profitability.



Fundamental volume trends positive, significant increase due to new Germany-Ticket. Dampening one-time effects due to strikes in H1 2024.



Financial recovery temporarily interrupted due to ongoing impact of higher infrastructure expenses, strike effects and pending implementation of Government support measures.



Operating result for FY 2024 expected to improve against H1 due to positive expected development in H2 and implementation of Government support measures, but below original expectations.



Government supports rail on a significantly higher level, first part of equity increase (€ 3 bn) in 2024 implemented in June.

A railway worker in a bright orange safety suit and helmet is using a grinding tool on a rail track. Sparks are flying from the point of contact. In the background, a high-speed train is moving on the left, and several passenger trains are on the right. The scene is set in a valley with green hills and mountains under a hazy sky.

Performance
and Financing

Key drivers of development in H1 2024 were strike effects, weak infrastructure quality and the outstanding compensation for pre-financing of Government infrastructure measures



- 1 Volume development impacted by strike activities in Q1 2024.**
- 2 Germany Ticket for public transport in Germany with significant positive effects on demand.**
- 3 General modernizations started in July 2024 to significantly improve operational performance.**
- 4 Additional Government support via equity and grants for maintenance.**
- 5 Ongoing significant positive contribution by DB Schenker despite normalization of freight rates.**
- 6 Net debt below year end 2023.**
- 7 Capital market activities continued, bonds totaling € 1.1 bn issued so far in 2024.**
- 8 Outlook for 2024 mixed: improvement in profitability compared to 2023 but below expectations.**

The economic development in H1 2024 was mainly influenced by five factors leading to a significant profit deterioration



Pre-financing of Government measures



Additional Government funding for maintenance expenses not implemented until second half of 2024.



Construction activities



Restrictions in operating performance and quality due to high construction activities with impact on revenues and costs.



Cost increases



Mainly increases in personnel expenses due to higher wages.



Strikes



Intensive strike actions impacted the development of German rail business in Q1 2024.

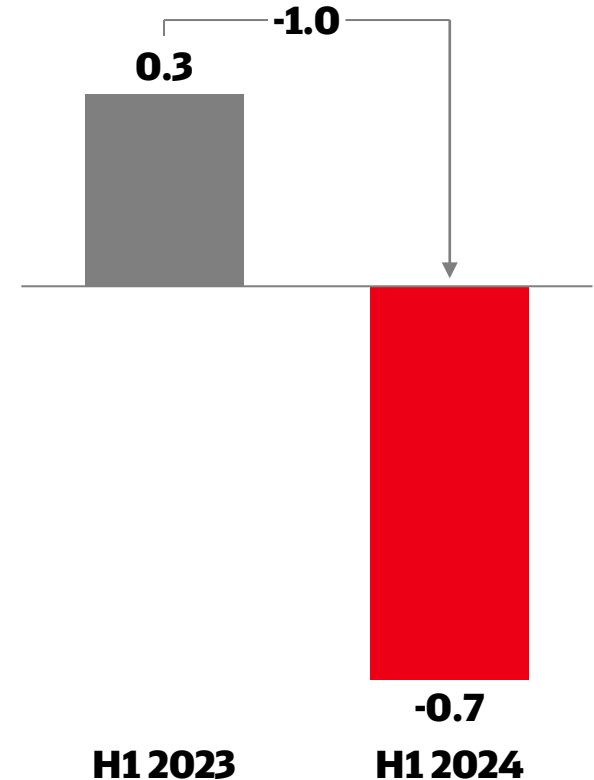


Freight rate normalization



Reductions in freight rates had an impact on revenues and profits of DB Schenker in H1 2024 while volumes increased slightly.

EBIT adjusted (€ bn)

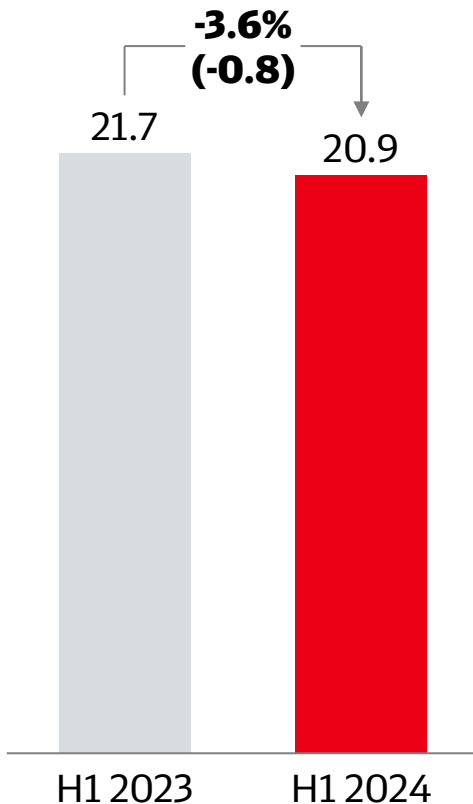


Performance development impacted by strikes in Q1 2024

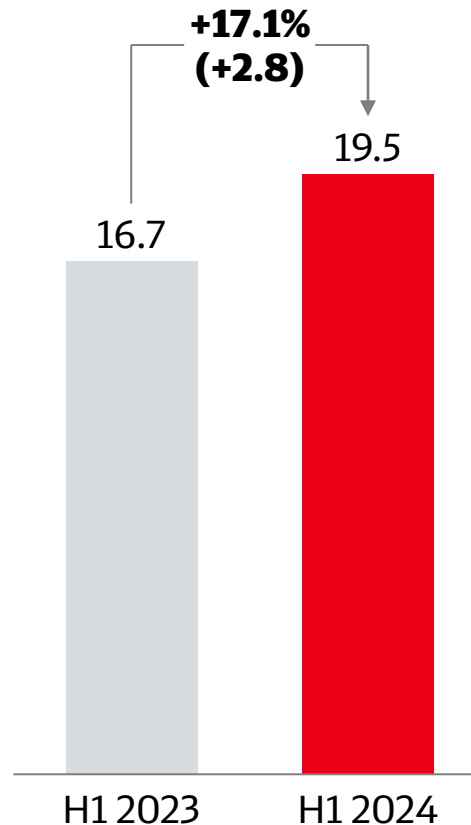


Performance indicators (rail) – Integrated Rail System

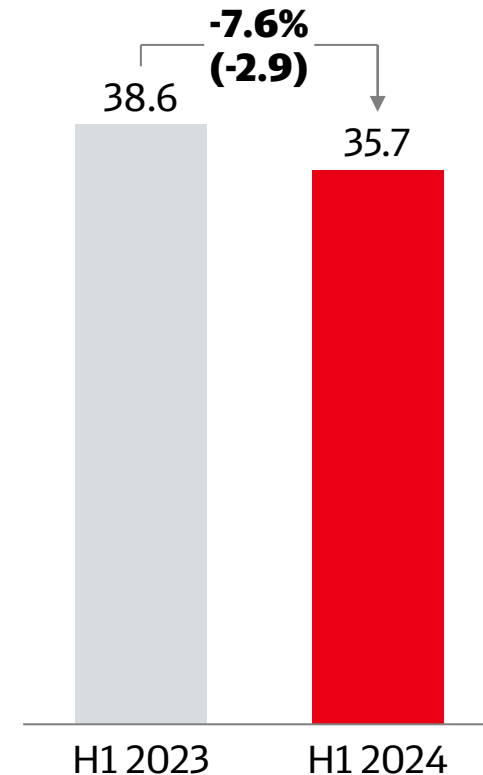
Long-distance
(bn pkm)



Regional¹⁾
(bn pkm)



Rail freight
(bn tkm)

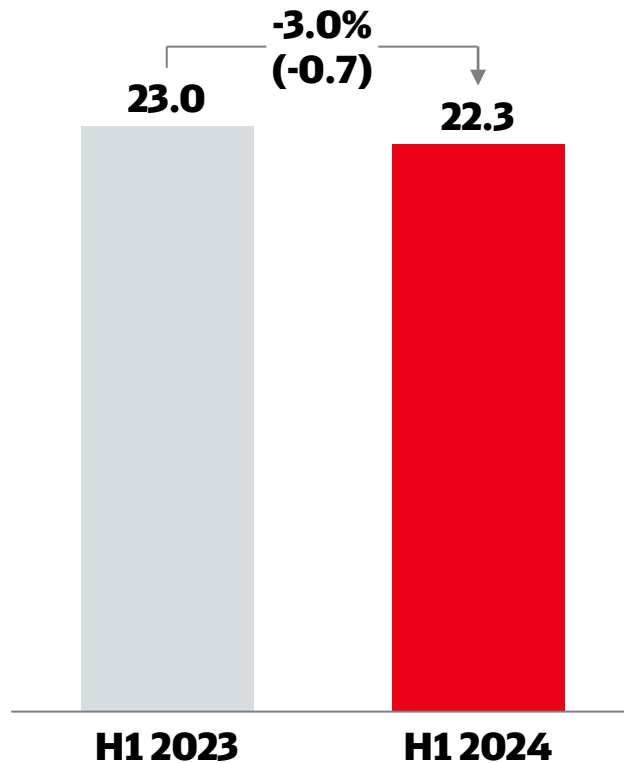


¹⁾ DB Regional and UBB Usedomer Bäderbahn GmbH. pkm = passenger kilometer. tkm = ton kilometer.

Revenues rail transport constant despite strike effects



Revenues (€ bn)



Key driver

- + Constant revenues in Integrated Rail System despite strike effects.
 - Normalization of freight rates at DB Schenker.
- + New Germany Ticket with significant positive effects on demand.

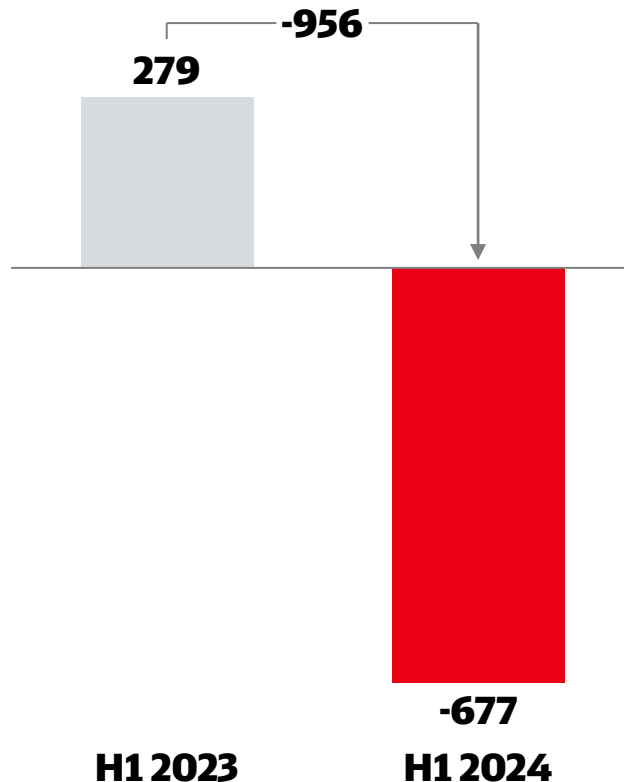
€ mn	H1 2024	H1 2023	+/- €	+/- %
DB Long-Distance	2,717	2,791	-74	-2.7
DB Regional	4,953	4,683	+270	+5.8
DB Cargo	2,624	2,746	-122	-4.4
DB InfraGO	1,507	1,407	+100	+7.1
DB Energy	715	961	-246	-25.6
Other / Consolidation IRS	388	351	+37	+10.5
Integrated Rail System	12,904	12,939	-35	-0.3
DB Schenker	9,406	10,067	-661	-6.6
DB Group	22,310	23,005	-695	-3.0

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

EBIT development mainly driven by outstanding repayment of pre-financings for infrastructure and strike effects



EBIT adjusted (€ mn)



Key driver

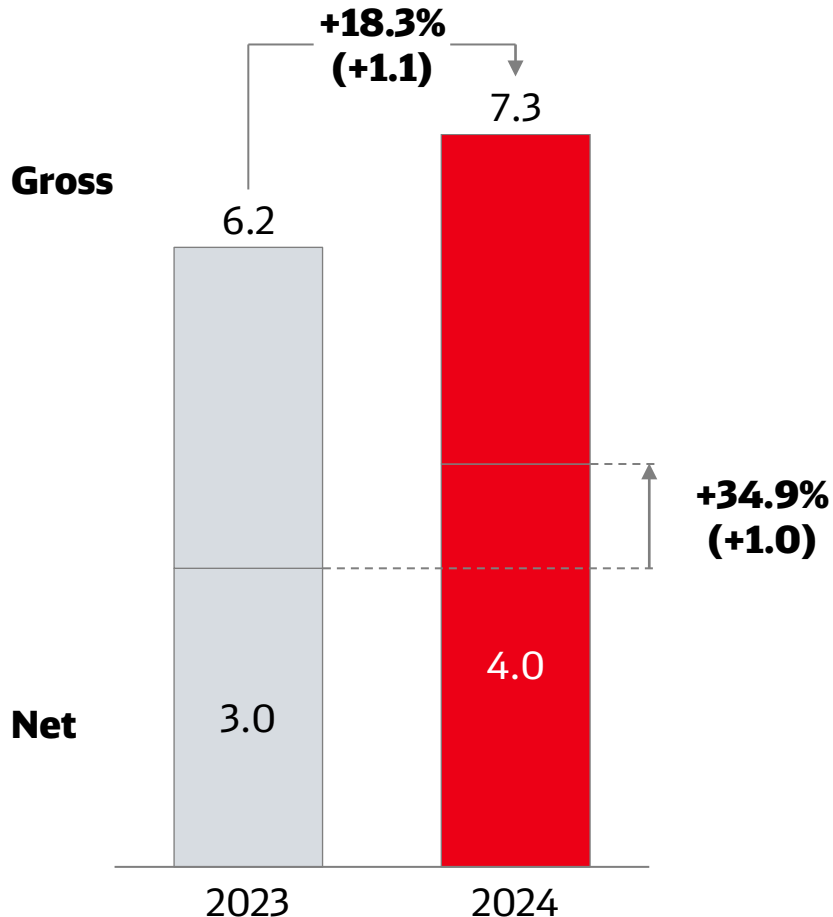
- ⊕ Positive volume effects
- ⊕ Short-term countermeasures
- ⊖ Outstanding repayment of pre-financings for infrastructure.
- ⊖ Strike effects in Integrated Rail System
- ⊖ Freight rate normalization at DB Schenker

EBIT adjusted by business units (€ mn)

	H1 2024	H1 2023	+/- €	+/- %
DB Long-Distance	-232	-62	-170	-
DB Regional	-66	-38	-28	+73.7
DB Cargo	-261	-195	-66	+33.8
DB InfraGO	-712	-234	-478	-
DB Energy	192	310	-118	-38.1
Other / Consolidation IRS	-117	-120	+3	-2.5
Integrated Rail System	-1,196	-339	-857	-
DB Schenker	520	626	-106	-16.9
DB Group	-677	279	-956	-

Further significant capex increase driven by infrastructure. Net Capex increased due to additional financing via equity injections

Capital expenditures (€ bn)

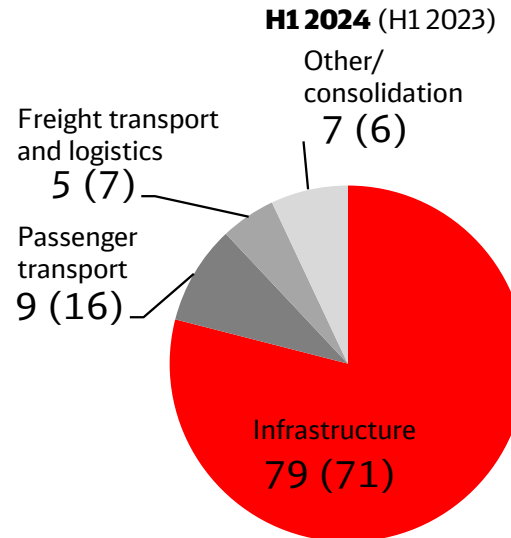


Key driver

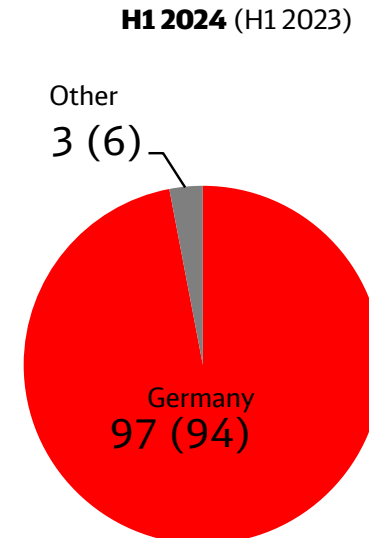
- Significantly higher infrastructure net capex (> € 1.3 bn) due to new financing via equity injections by the Government.

Gross capex split (%)

By sectors



By regions



Possible differences are due to rounding.

Addition of final ICE 4 trains and further ICE 3neo to our ICE fleet gives additional boost to capacity

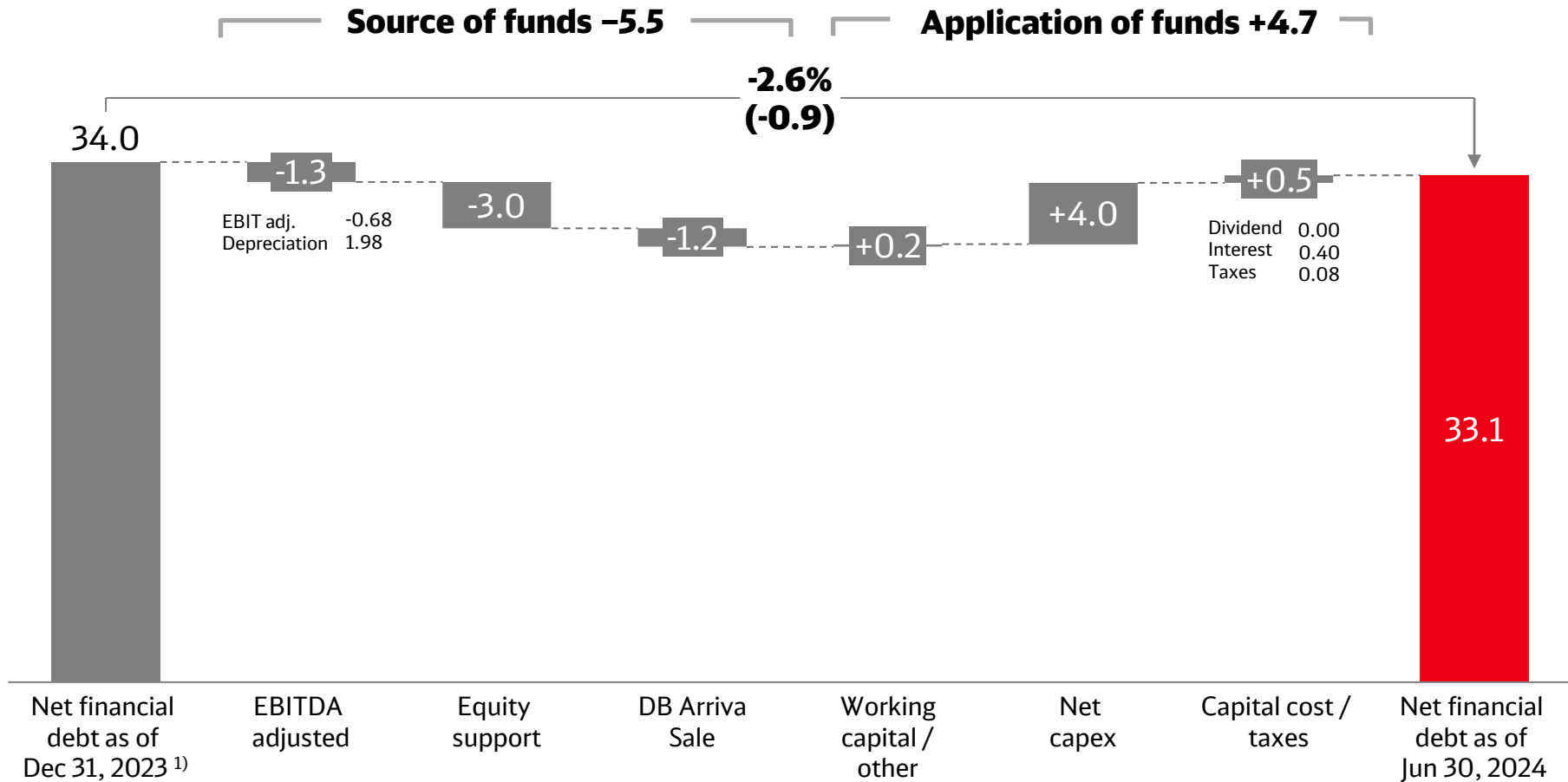


- › Entire ICE 4 fleet was delivered on schedule.
- › The ICE 4 is the backbone of our long-distance fleet.
- › 137 trains are now in operation:
 - › 50 trains with 12 cars (830 sets).
 - › 50 trains with 13 cars ("XXL-ICE") offering 918 seats, which are used on busy routes.
 - › 37 trains with 7 cars, these ICE trains can also be coupled to form a so-called double traction of 14 cars.
- › ICE fleet in total: 410 trains (as of Jun 2024)
 - › ICE 1 58
 - › ICE 2 43
 - › ICE T 70
 - › ICE 3 79
 - › ICE 3neo 21
 - › ICE 4 137

Decrease of net debt mainly driven by equity support, partially compensated by capex



Net financial debt (€ bn)



Possible differences are due to rounding. ¹⁾ Including DB Arriva.

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-/positive

ESG ratings

- › CDP: A-
- › MSCI: A
- › ISS ESG: B- (Prime status)
- › Sustainalytics: 22.3 (scale 100-0) / Medium risk
- › EcoVadis: 71 (scale 0-100) / Silver medal

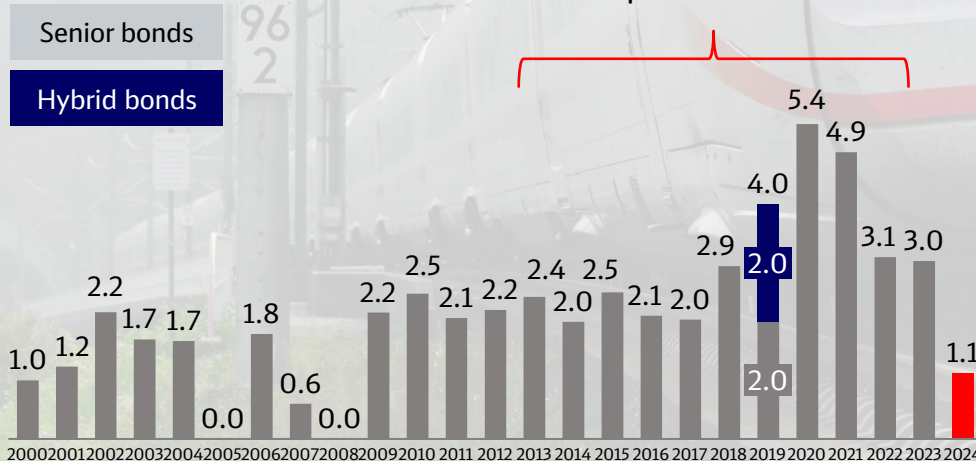
Financing programs

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

Bond issues

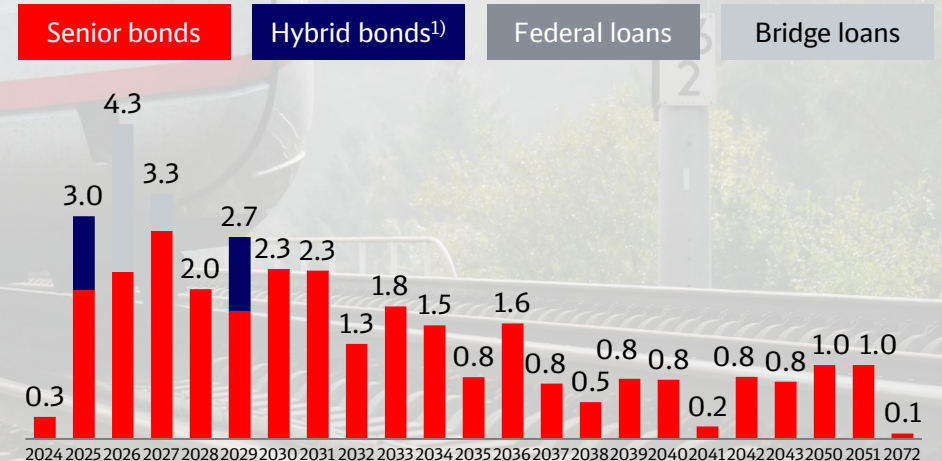
(€ bn; as of Sep 30, 2024)

Total: € 30.0 bn¹⁾
 Ø p.a.: € 3.0 bn¹⁾



Maturity profile financial liabilities

(€ bn; incl. swaps; excl. leasing; as of Sep 30, 2024)



¹⁾ Senior bonds.

¹⁾ First possible call year.

We will continuously tap the bond markets in the years to come, three bonds issued so far in 2024






Bond issues

2023: 6 transactions

Volume (€ mn)	Term (Ø years)	Interest ¹⁾ (Ø %)
3,036	12.4 ²⁾	3.72 ²⁾

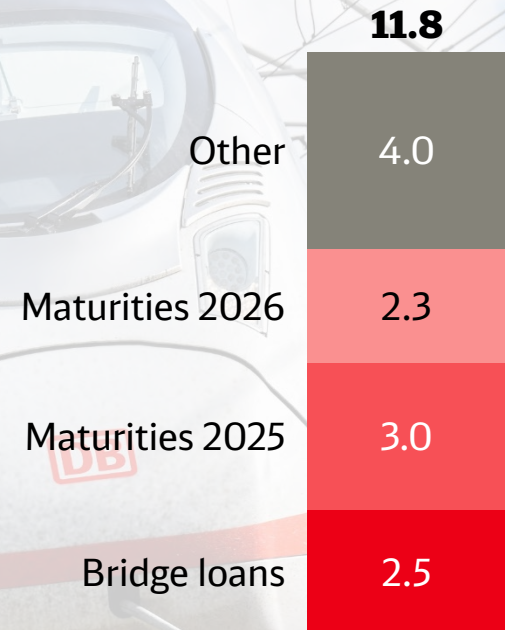
2024: 3 transactions (so far)

Volume (€ mn)	Term (Ø years)	Interest ¹⁾ (Ø %)
500 	14.0	3.51
117 	15.0	3.50
500 	10.0	3.43

Planned additional financing measures in 2024 and the following years

- › Additional bond issues/bridge loans as needed and appropriate.
- › Even while deleveraging following the DB Schenker transaction, we will continue to be present on capital markets.
- › Low-interest loan of EUR 3 bn by the Federal Government in 2025

Deleveraging potential



Expected DB Schenker sale proceeds

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

A railway worker in a bright orange safety suit and helmet is bent over, using a grinding tool on a rail. Bright sparks are flying from the point of contact. The worker is positioned on a track in the foreground. In the background, several high-speed trains are visible on multiple tracks, stretching into the distance. The landscape is a mix of green fields and rolling hills under a hazy, golden sky, suggesting a sunrise or sunset. A metal railing is in front of the worker.

**THANK YOU VERY
MUCH FOR YOUR
ATTENTION**

Contact details and further information



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Rating:
www.db.de/rating-e



Integrated Report:
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Integrated Interim Report
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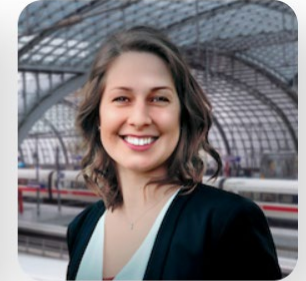
Robert Strehl

Head of Investor Relations
and Sustainable Finance



Sascha Friedrich

Senior Manager Investor
Relations and Sustainable
Finance



Janine Oelze

Senior Manager Investor
Relations and Sustainable
Finance



Katharina Czogalla

Manager Investor Relations
and Sustainable Finance



Greta Zolik

Manager Investor Relations
and Sustainable Finance



Björn Schierholz

Manager Investor Relations
and Sustainable Finance

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



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