



Investor Presentation

Roadshow Asia/Pacific 2019

Deutsche Bahn AG, September 2019

On track towards a better railway



Strong Group portfolio with three strong pillars

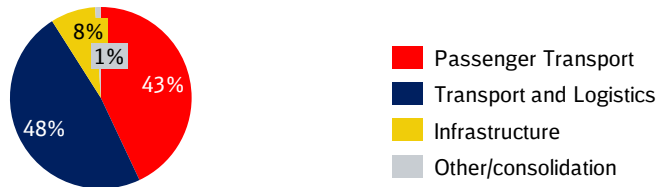


DB Group (2018)



- International provider of mobility and logistics services.
- Active in >130 countries.
- Vertically integrated Group structure.
- DB AG acts as management holding company.
- Ratings: Aa1 / AA-

Revenue structure (%)



External revenues¹⁾ (€ mn)	44,024	+3.1%	18,823	+3.7%	21,150	+2.9%	3,478	+3.4%
EBIT adjusted¹⁾ (€ mn)	2,111	-1.9%	1,209	+1.6%	313	-19.1%	1,082	+9.1%
EBITDA adjusted¹⁾ (€ mn)	4,739	-3.9%	2,376	+1.7%	757	-6.1%	1,895	-5.1%
Capital expenditures¹⁾ (€ mn)	11,205	+7.1%	1,946	-7.7%	860	+49.8%	7,971	+6.5%
Employees (FTE, as of Dec 31)	318,528	+2.4%	105,485	-0.8%	104,659	+4.5%	54,507	+3.7%

Passenger Transport



Domestic and European mobility services

- 4,669 mn rail and bus passengers
- 12.8 mn rail and bus passengers/day

Freight Transport and Logistics



Intelligent logistics services via rail, land, air and the sea

- 256 mn t rail freight
- >106 mn shipments
- 1.3 mn t air freight
- 2.2 mn TEU ocean freight

Infrastructure

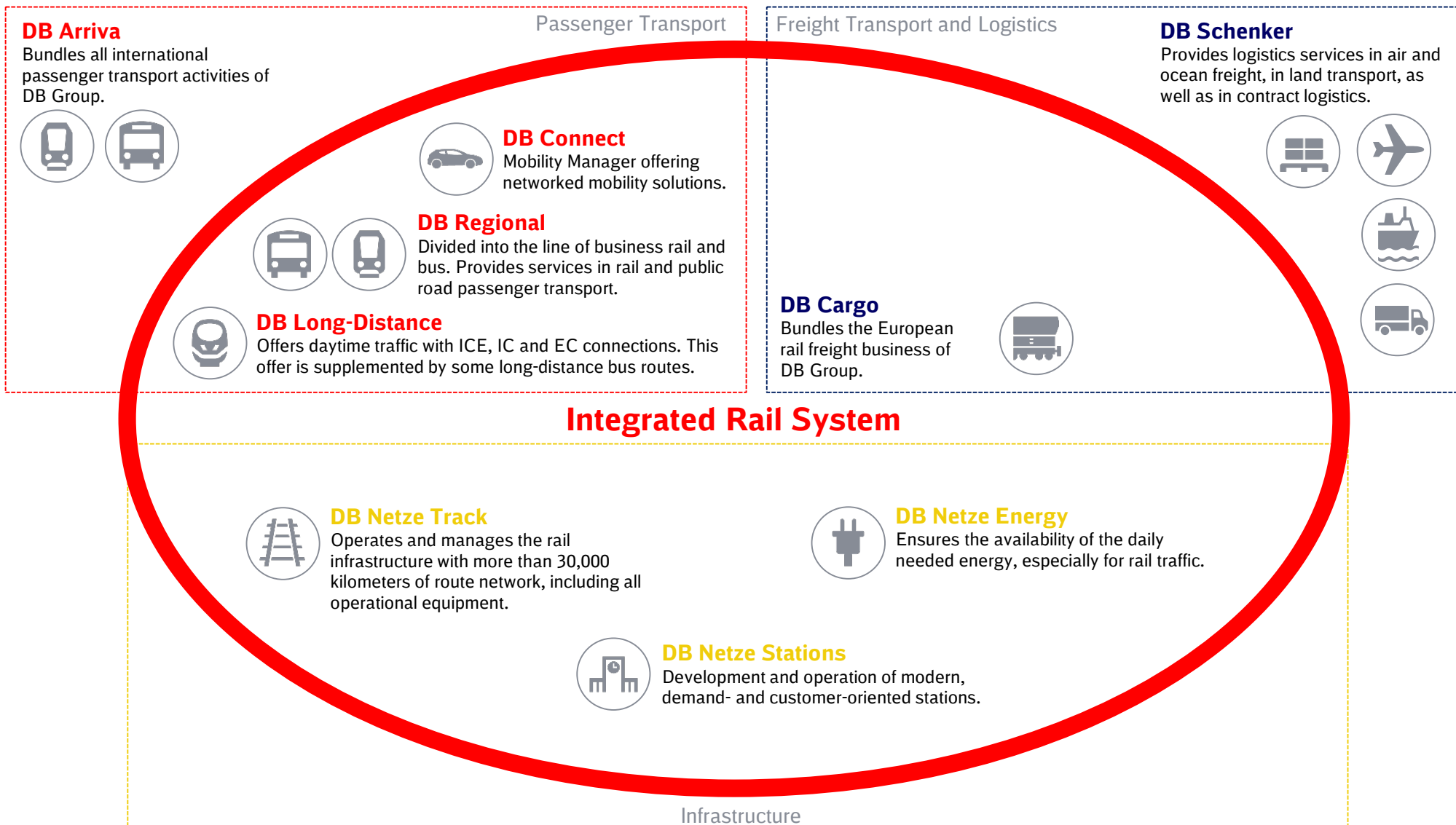


Future-oriented rail infrastructure in Germany

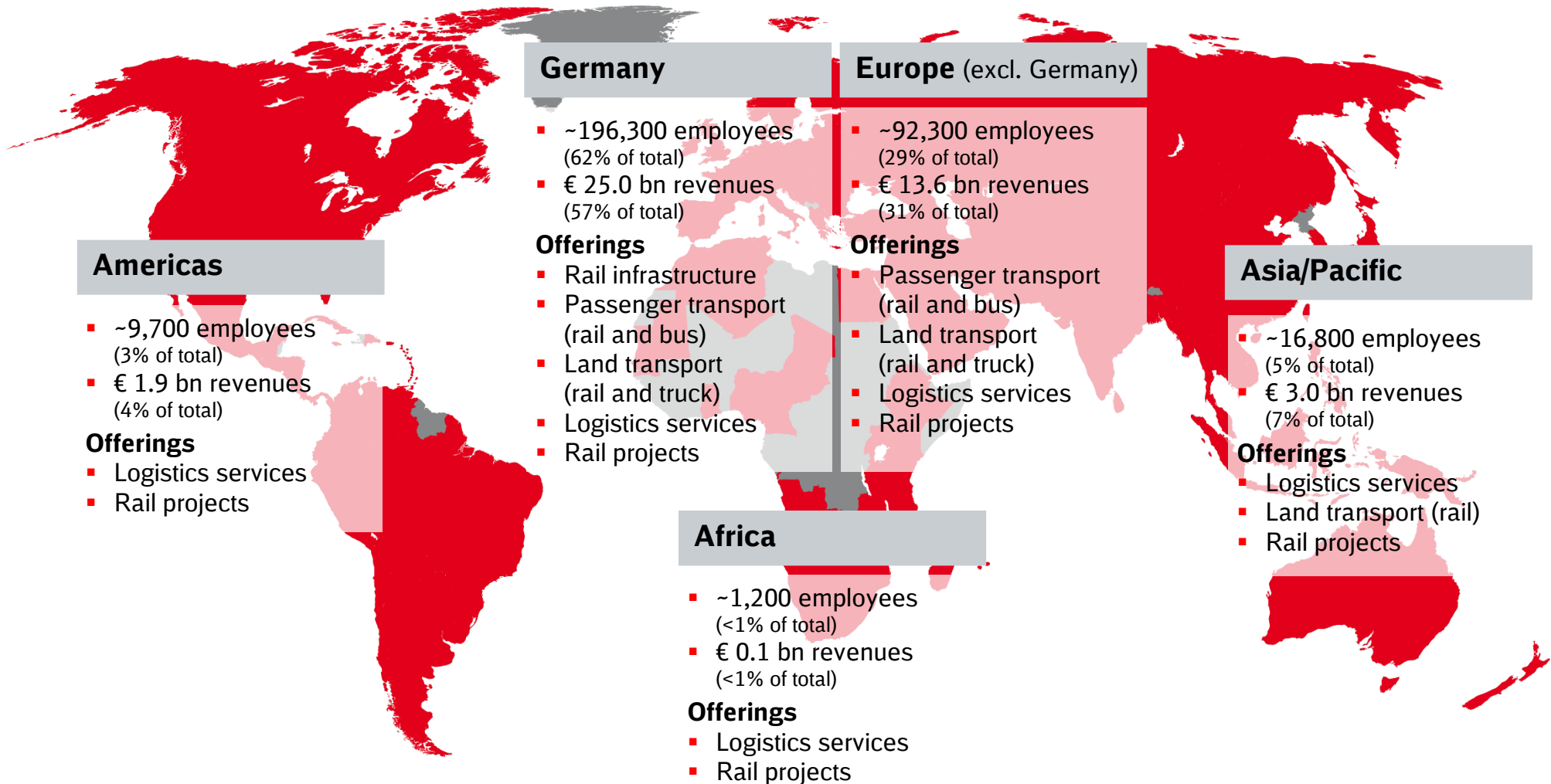
- 1,086 mn train-path km on track infrastructure
- Up to 800 construction sites per day
- >120 stations offer free Wi-Fi

¹⁾ Other/consolidation: Revenues 627; EBIT: -493; EBITDA: -289; Capex: 428; Employees: 53,877.

DB Group holds leading market positions – in Europe and throughout the world



We are acting worldwide in more than 130 countries



Strong presence in Asia Pacific, especially DB Schenker with a long-lasting footprint

DB Key figures (2018)

Revenues	€ 3,035 mn
Capex	€ 79 mn
Employees	16,751

DB Engineering & Consulting

- Offering of project management, construction supervision and consulting services for rail-specific projects.
- Various projects in Asia Pacific, inter alia in Australia, China, India, Singapore and Taiwan.

DB Schenker

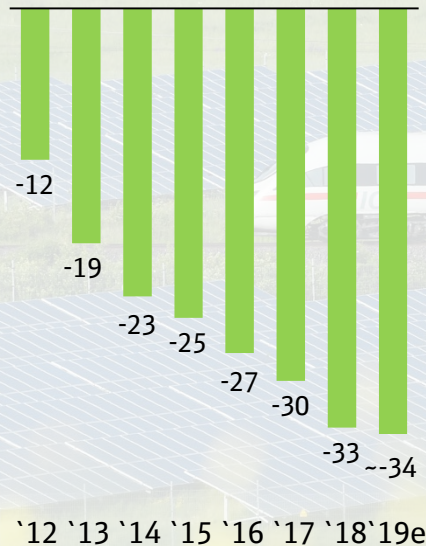
- Active in Asia/Pacific for over 55 years.
- About 470 locations in 21 countries.
- Key performance figures:
 - Air freight: >1 mn t
 - Ocean freight: >1.6 mn TEU
 - Contract logistics: >1.7 mn m²
- Rail-based solution between China and Europe since 2011.

- New Chiba Inzai Logistics Center
 - Opened Sep 1, 2019
 - Third largest DB Schenker facility in Japan
 - Strategic new warehouse
 - Develop new business industry cosmetics and pharma/healthcare

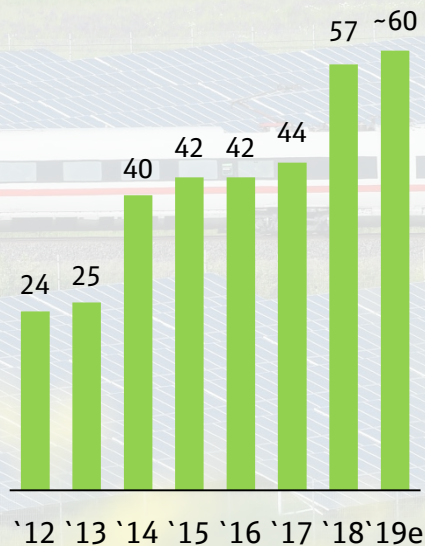


Deutsche Bahn is key for a successful transition to sustainable transport and further reductions of CO₂ emissions

Specific CO₂e emissions (compared to 2006, %)



Share of renewable energies in the DB traction current mix (%)



ESG ratings



“A”

- DB Group is one of the most climate-friendly companies in the transport and logistics sector.



“B-”

- DB Group: 1st place in the transport and logistics industry – „Prime“ status.



“Silver”

- DB Group in top 5% of companies in rail transport sector.



“A”

- DB Group in Top 5 of companies in road and rail transport industry.

German Government underpins importance of rail to reach climate and environmental targets

Coalition agreement strengthens rail transport in Germany



Railway pact

- Between politics and industry.
- Targets: Double number of rail passengers and shift more freight traffic to rail.

Higher Capex

- Increase funding further on record level.
- Make planning and financing more reliable.



Government programs and activities for implementation



Rail Infrastructure

More funding for modernization (LuFV¹ III), expansion, digitalization, electrification

Long-distance rail passenger transport

Germany in Sync (Deutschland-Takt)

Regional rail passenger transport

Increase of regionalization funds

Rail freight transport

Master Plan for Rail Freight Transport including support program for reduction of track access fees

General

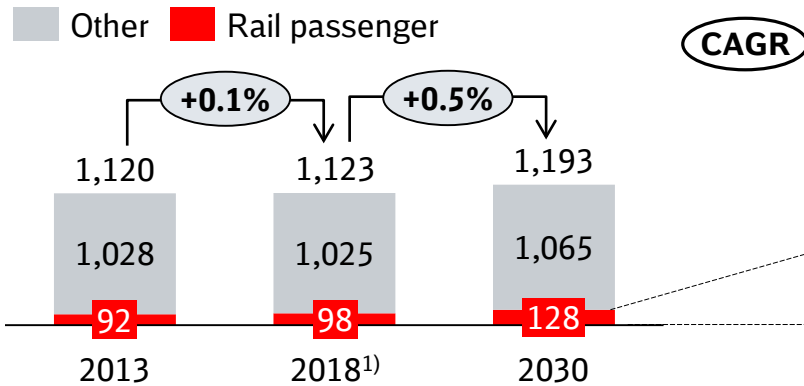
Political driven initiatives:

- Rail Future Alliance
- German platform future of mobility

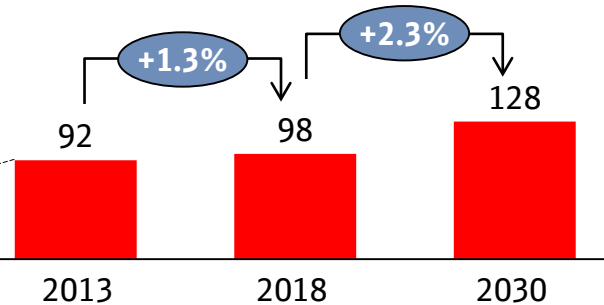
¹⁾ Leistungs- und Finanzierungsvereinbarung (LuFV); Performance and Financing Agreement.

And the further growth perspectives for rail transport in Germany are good as well

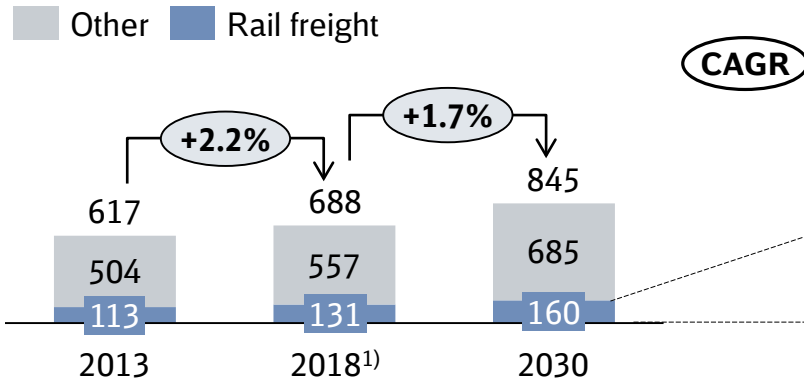
German passenger transport market (bn pkm)



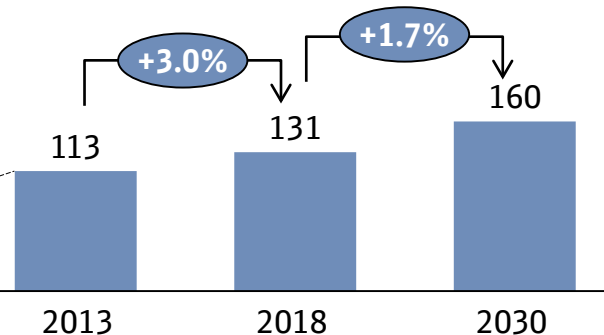
Rail passenger transport in Germany (bn pkm)



German freight transport market²⁾ (bn tkm)



Rail freight transport in Germany³⁾ (bn tkm)



- Positive growth trends continue:
 - Rail passenger growth above market.
 - Rail freight growth in line with market.
- Chances resulting among others from climate protection measures.

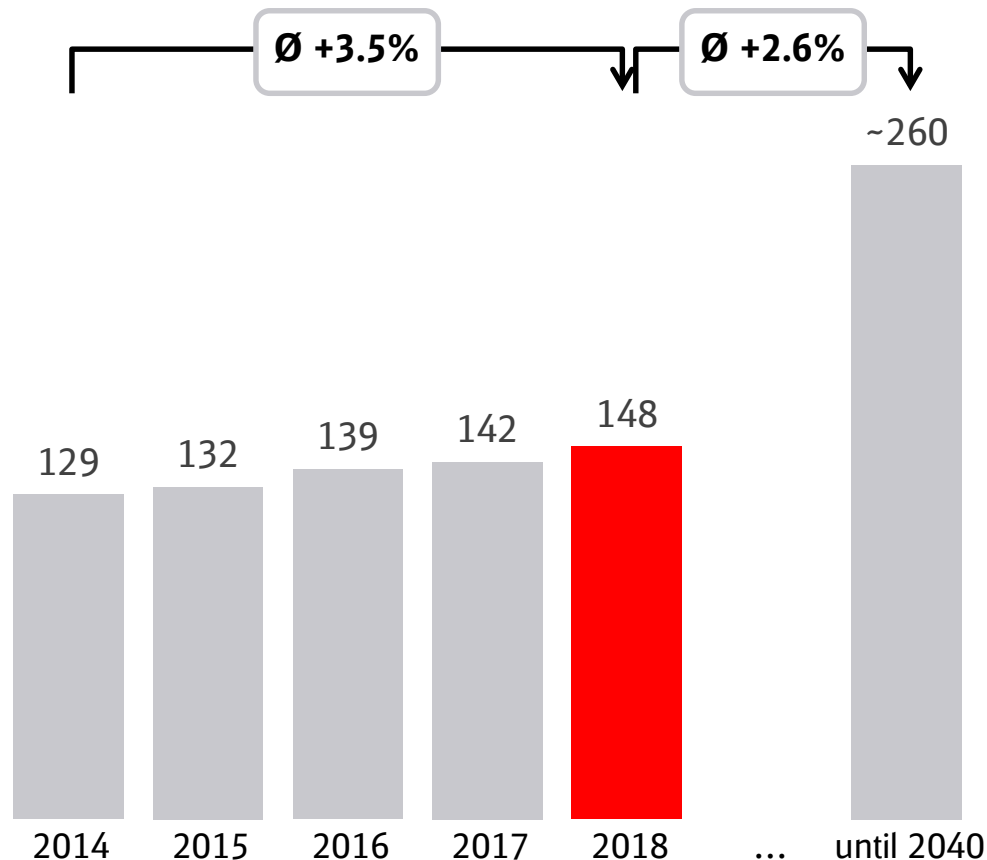
¹⁾ Estimation. ²⁾ Excl. pipelines. ³⁾ Incl. statistical effects 2016-18.

Sources: Federal Office of Statistics, EuroStat.

Our record level of patronage shows that more and more people make their decision in favor of climate friendly rail transport



Passengers DB Long-Distance (million)



- Continued increase in long-distance rail passenger numbers since 2014, on average by 3.5% p.a. – in 2018 by 4%.
- This strong development was mainly driven by service expansions and improvements (among others extension of complementary Wi-Fi on board of trains).
- We want to increase the passenger number in long-distance rail transport to about 260 million until 2040.

The necessary prerequisites for meeting volume targets in passenger and freight transport still need to be realized

Rail infrastructure needs to be modernized.

The rail infrastructure is burdened by a capex backlog. To turn this development around the available funds for infrastructure capex must be significantly increased.

Capacities must be expanded.

Sustainable growth and good quality require more capacity through customer-friendly construction, additional new and expansion lines and the digitalization of the network.

Customer experience must be improved.

The current level of customer satisfaction needs to be improved further. Key is to meet customer requirements particularly regarding Wi-Fi, mobile reception, cleanliness and punctuality.

Personnel needs to be systematically strengthened.

Recruiting is tough all over the sector already today. We have to hire at least 100,000 new employees in the next years.

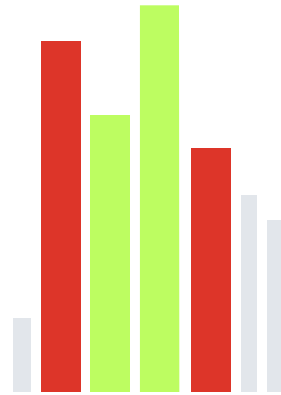
Climate advantage must be more in the focus.

Eco-friendliness is already today one of the key strength of rail. Our Strong Rail strategy will drive that further.

Competitiveness of rail mode of transport must be improved.

A lot of people and companies are ready to switch to rail. This trend must be additionally promoted by better framework conditions in the transport and energy policy.

Clear new strategic approach following
our DB2020+ strategy

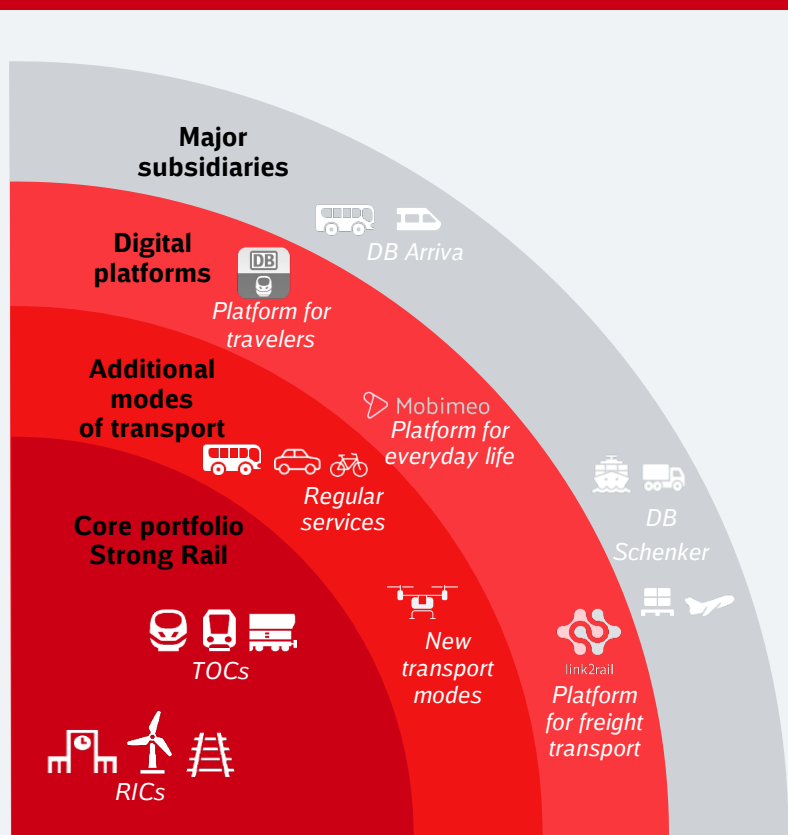


GERMANY NEEDS A STRONG RAIL SYSTEM.



**FOR THE CLIMATE.
FOR THE PEOPLE.
FOR THE ECONOMY.
FOR EUROPE.**

Our Strong Rail strategy is the driver of our actions and is more than just rail



Rail services are the core of the Strong Rail.

- Rail infrastructure: DB Netze Track, DB Netze Stations and DB Netze Energy.
- Rail carrier: DB Long-Distance, DB Regional and DB Cargo.
- Service providers of the integrated rail system.

Additional transport services complement the rail services.

- Traditional services: mainly bus, car sharing, bike sharing.
- New services: among others on-demand, ride pooling.

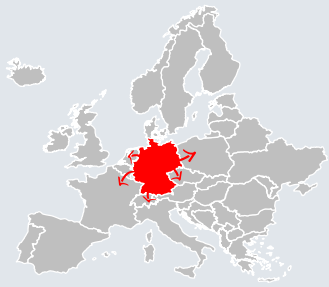
Digital platforms support the Strong Rail.

- Navigator, Mobimeo and Link2Rail.

Major subsidiaries will be run and steered with regard to their added value for the Strong Rail.

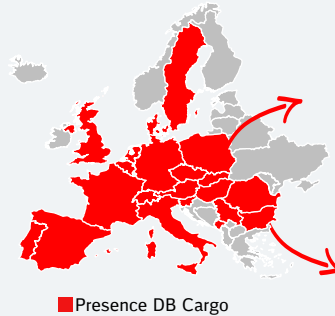
- DB Schenker: access to a worldwide logistics network and large customer base in Asia for trans-Eurasian traffic.
- DB Arriva: potential disinvestment.

And the Strong Rail is more than just Germany



Rail and on-demand services in Europe: **Regional transport.**

- DB Regional will become active in the European market again – focused initially on close to border traffic.
- New mobility services will be planned internationally from the start.



From Europe to the world: **Freight transport.**

- DB Cargo further develops its European freight transport network.
- The trans-Eurasian corridor will be developed together with partners and DB Schenker.



Across borders into Europe's major cities: **Long-distance transport.**

- DB Long-Distance further develops its cross-border transports together with its European partners.
- More European major cities will be connected with a higher frequency.



Worldwide demand: **Know how in rail operations.**

- DB Engineering & Consulting: Utilization of expertise in planning and developing of rail infrastructure and networks.
- International Operations: Utilization of expertise in operations of complex transport networks.

We need an expansion strategy to make our contribution to a Strong Rail – resulting in an ongoing high level of capex

Three strategic areas of expansion

The first expansion area will lead to sufficient resources:

Deutsche Bahn will be more ROBUST. More train-paths. More trains. More employees.

The second expansion area will set the organization in motion:

Deutsche Bahn will become more POWERFUL. Slim structures. Clear processes. Joint effort.

The third expansion area will accelerate the pace of innovations:

Deutsche Bahn will become more MODERN. Faster frequencies. Stronger interlinkage. Smarter services.

Gross capital expenditures 2019–23: about € 68 bn

Passenger Transport (about € 11 bn)

Long-distance transport

- Expanding fleet by 229 new trains until 2024 (137 ICE 4, 69 IC 2 and 23 new trains from Talgo).

Regional transport

- Procurement of new vehicles.
- Workshops.

Transport and Logistics (about € 4 bn)

Freight transport

- Procurement of locomotives and freight cars.

IT landscape

- Standardization & automation of processes.

Infrastructure (about € 52 bn)

Rail infrastructure

- Modernization / expansion of network.
- Modern command and control technology.

Stations

- Renovation of small and mid-size stations.
- Modernization initiative in individual Federal states.

We run numerous digitalization projects to shape the success of tomorrow



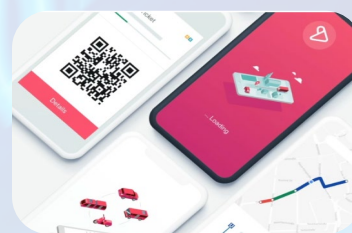
Digital Rail for Germany (DSD)

Digitalization of rail operations with an integrated system of capacity management and operational implementation.



Technological excellence (TecEx)

TecEX orchestrates the implementation of the technology strategy with piloting and roll-out of new technologies.



Mobimeo Platform

The Mobility-as-a-Service platform drives customer-centered digital innovations for smart everyday mobility.



ioki / Clever Shuttle

ioki and CleverShuttle help us to build leading digital systems for on-demand mobility in Europe.



Virtual & Augmented Reality

Virtual and augmented reality as an integral part of training and further education at DB Group since 2018.



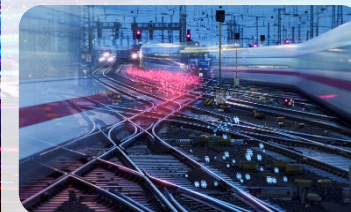
Urban driving

Pilot with Einride will combine autonomous driving with e-mobility (autonomous e-shuttle T-Pod) in Sweden.



3D Printing

Offering one technology with multiple opportunities for future supply chains and additive manufacturing.



Asset & Maintenance Digitaliz.

Digital transformation of processes, introduction of driver assistance systems and automatic driving.

Ongoing growth driven by performance improvements, but slightly weaker profit development in 2018

Key figures (€ mn)	2018	2017	+/- €	+/- %
Revenues adjusted	44,024	42,704	+1,320	+3.1
Revenues comparable	44,486	42,703	+1,783	+4.2
EBITDA adjusted	4,739	4,930	-191	-3.9
EBIT adjusted	2,111	2,152	-41	-1.9
Net profit	542	765	-223	-29.2
Dividend (payment in the following year)	650	450	+200	+44.4
ROCE (%)	5.8	6.1	-	-
Free Cashflow	11	-717	+728	-
Gross capex	11,205	10,464	+741	+7.1
Net capex	3,996	3,740	+256	+6.8
Net financial debt as of Dec 31	19,549	18,623	+926	+5.0
Order book regional transport (€ bn, as of Dec 31)	91.0	94.9	-3.9	-4.1

Challenging development in the first half of 2019 – business is growing, profit development under pressure

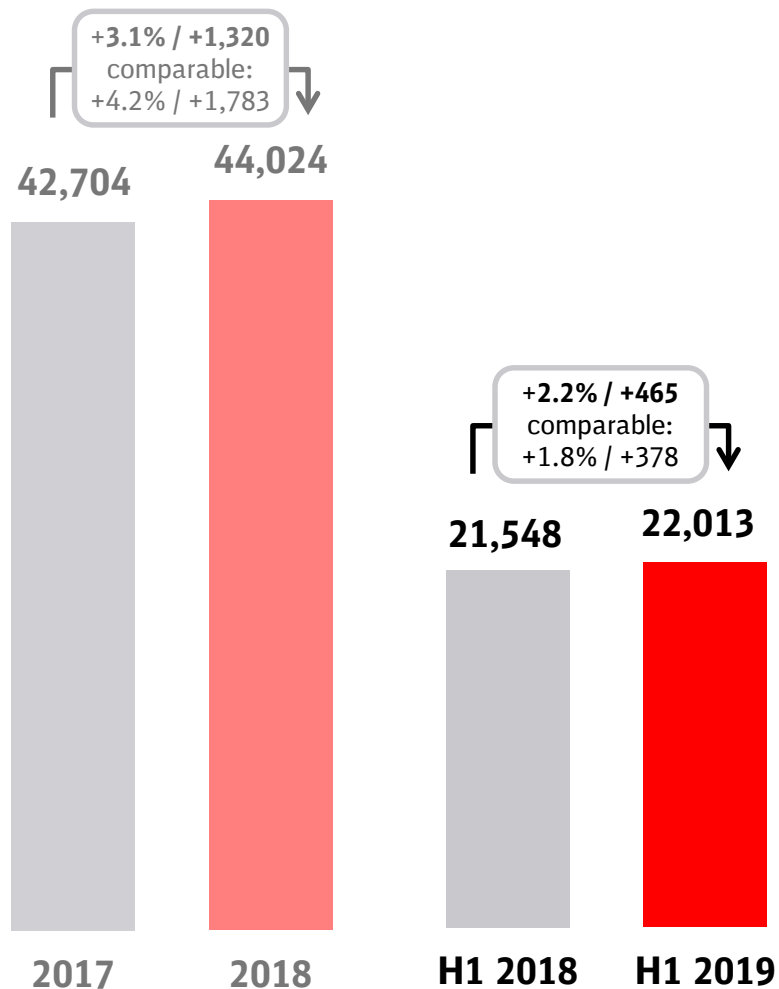
Key figures (€ mn)	H1 2019	H1 2018	+/- €	IFRS 16 effect	+/- %
Revenues adjusted	22,013	21,548	+465	-	+2.2
Revenues comparable	21,548	21,548	+378	-	+1.8
EBITDA adjusted	2,534	2,304	+230	+459	+10.0
EBIT adjusted	757	974	-217	+20	-22.3
Net profit	205	562	-357	-14	-63.5
ROCE (%)	3.6	5.4	-	-0.3 ¹⁾	-
Free Cashflow	-655	-329	-326	-50	+99.1
Gross capex	4,825	4,217	+608	+444	+14.4
Net capex	2,350	1,925	+425	+444	+22.1
Net financial debt as of Jun 30, 2019 / Dec 31, 2018	25,409	19,549	+5,860	+4,272	+30.0
Order book regional transport (€ bn, as of Jun 30, 2019 / Dec 31, 2018)	90.5	91.0	-0.5	-	-0.5

¹⁾ Percentage points.

Positive revenue development



Revenues (€ mn)



Key impact factors H1 2019

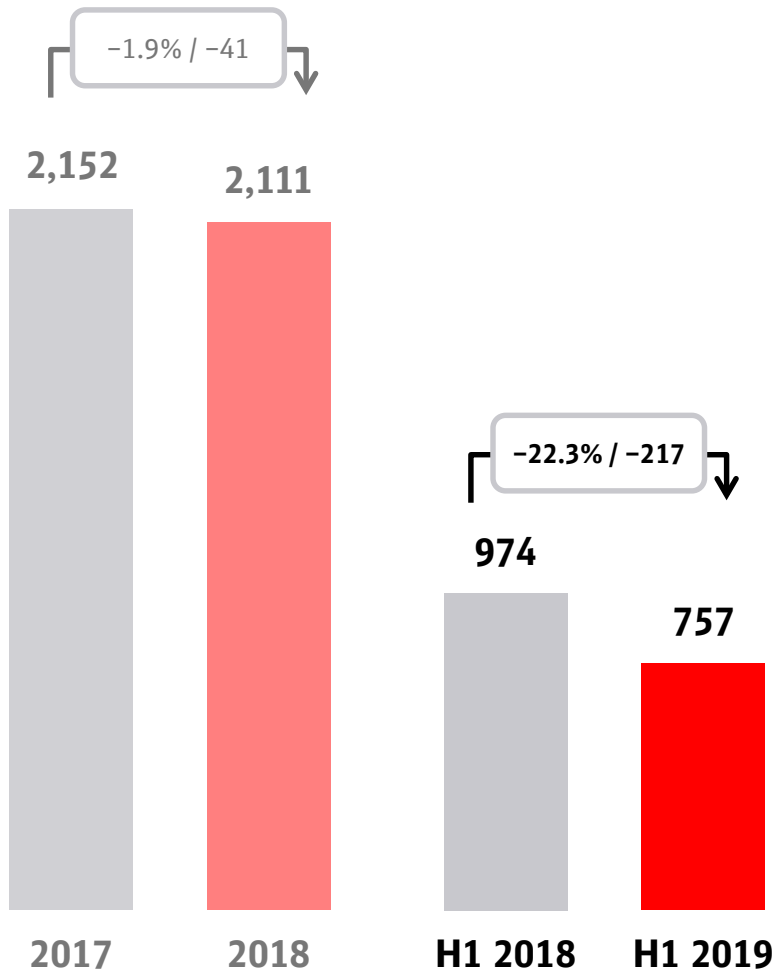
- Increased performance (mainly DB Long-Distance and DB Schenker)
- Price effects
- Restrictions in rail services
- Quality issues
- Resource shortage

External revenues by business units (€ mn)

	H1 2019	H1 2018	+/- €	+/- %	2018
DB Long-Distance	2,310	2,177	+133	+6.1	4,528
DB Regional	4,361	4,325	+36	+0.8	8,862
DB Arriva	2,687	2,702	-15	-0.6	5,433
DB Cargo	2,141	2,112	+29	+1.4	4,177
DB Schenker	8,491	8,301	+190	+2.3	16,973
DB Netze Track	812	754	+58	+7.7	1,559
DB Netze Stations	303	297	+6	+2.0	569
DB Netze Energy	640	628	+12	+1.9	1,350
Other	268	252	+16	+6.3	573
DB Group	22,013	21,548	+465	+2.2	44,024

Quality measures and additional cost strains impact EBIT development

EBIT adjusted (€ mn)



Key impact factors H1 2019

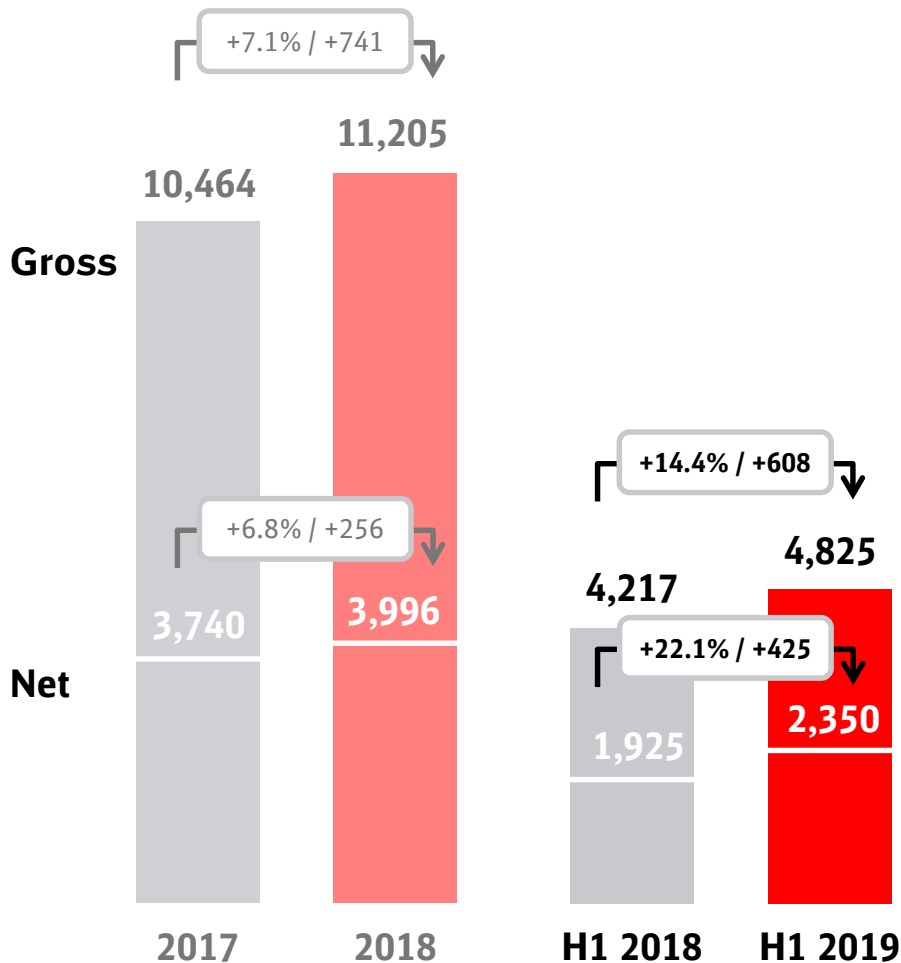
- ⬆ Increase in revenues
- ⬆ Cost management
- ⬇ Quality and digitalization measures
- ⬇ Quality issues
- ⬇ Cost increases (personnel and energy)

EBIT adjusted by business units (€ mn)

	H1 2019	H1 2018	+/- €	Thereof IFRS 16	+/- %	2018
DB Long-Distance	224	206	+18	+0	+8.7	417
DB Regional	186	214	-28	+0	-13.1	492
DB Arriva	101	106	-5	+3	-4.7	300
DB Cargo	-132	-127	-5	+3	+3.9	-190
DB Schenker	238	216	+22	+8	+10.2	503
DB Netze Track	379	483	-104	+0	-21.5	840
DB Netze Stations	123	158	-35	-1	-22.2	221
DB Netze Energy	23	12	+11	+1	+91.7	21
Other/Consolidation	-385	-294	-91	+6	+31.0	-493
DB Group	757	974	-217	+20	-22.3	2,111

Capex increase due to higher infrastructure grants and inclusion of leasing (IFRS 16)

Capital expenditures (€ mn)

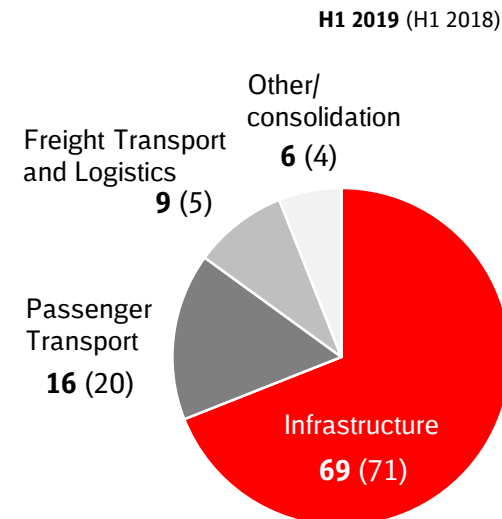


Key impact factors

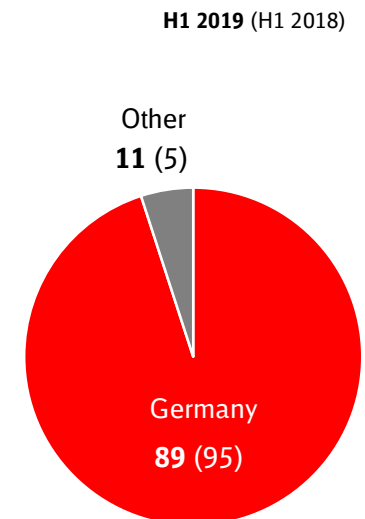
- Higher infrastructure capex
- IFRS 16 effects (not cash effective)

Gross capex split (%)

By divisions

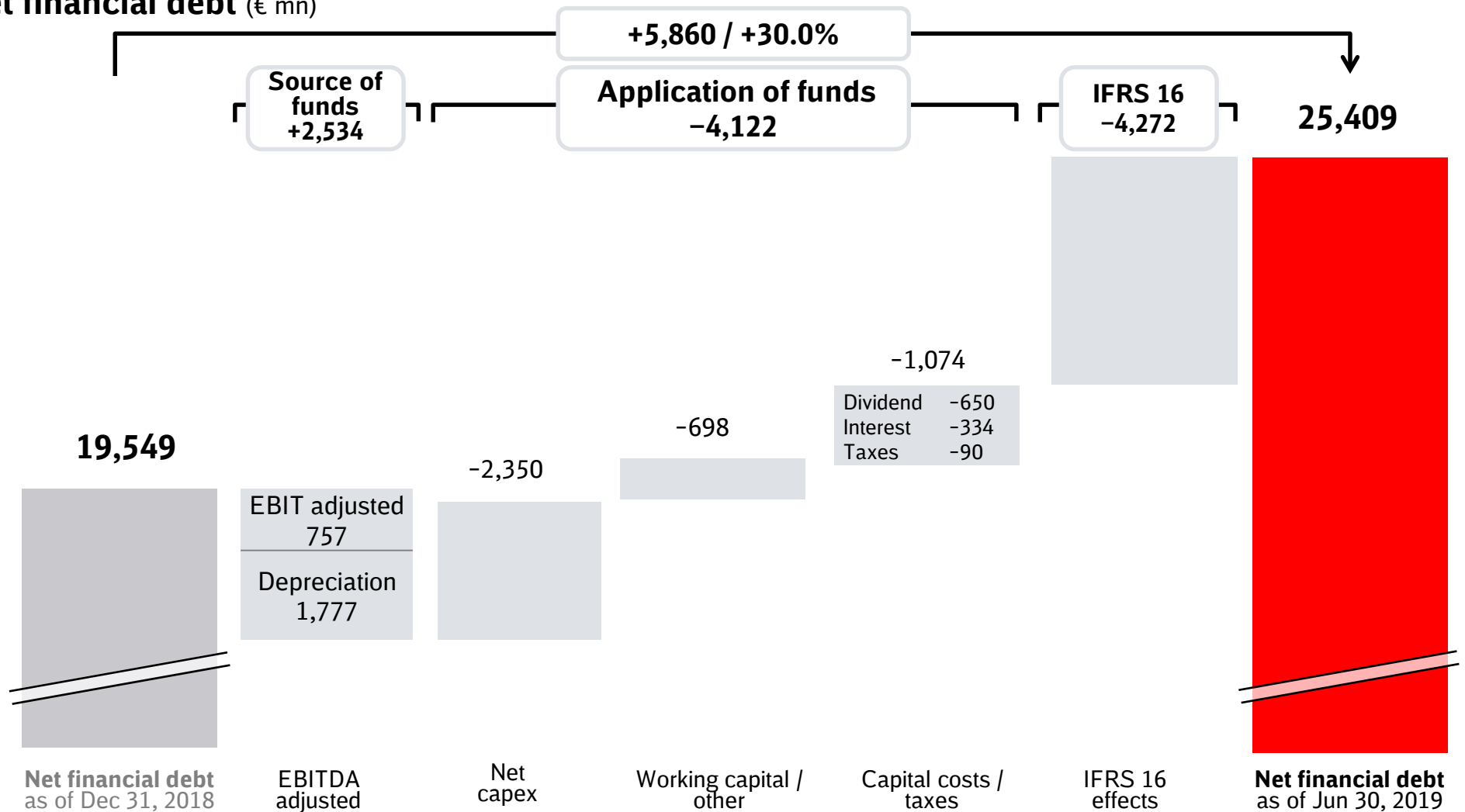


By regions

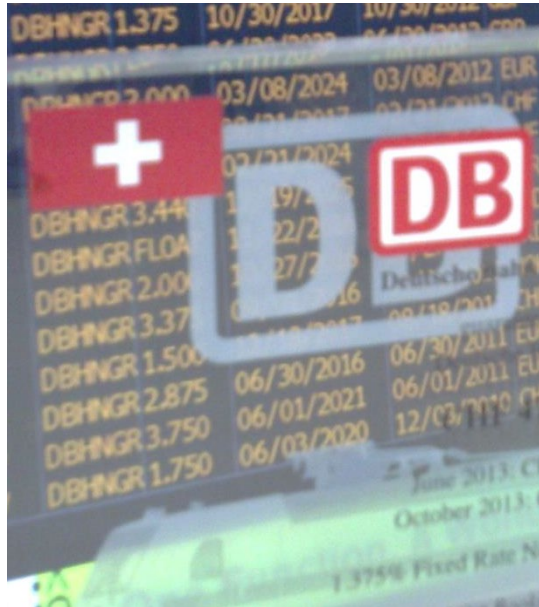









Net financial debt increased further due to high level of net capex and IFRS 16 effects

Net financial debt (€ mn)



Seven bond transactions in 2019 so far with total volume of € 2.0 bn



#	Issue date	Volume (€ mn)	Currency	Term (years)	Interest all in € (%)	Credit spread (%)
1	Jan 09	1,000	EUR 	9.9	1.23	0.430
2	Feb 05	341	GBP 	7.0	0.74 ¹⁾	0.340
3	Feb 07 ²⁾	103	NOK 	15.0	1.48 ¹⁾	0.461
4	May 22	310	CHF 	10.0	0.67 ¹⁾	0.227
5	May 22	133	CHF 	15.0	1.15 ¹⁾	0.361
6	May 28 ²⁾	47	SEK 	20.0	1.42 ¹⁾	0.537
7	May 29 ²⁾	71	AUD 	10.0	0.62 ¹⁾	0.250
Total		2,005		Ø 10.3³⁾	Ø 1.05³⁾	Ø 0.376³⁾

¹⁾ Swapped in EUR. ²⁾ Private Placement. ³⁾ Volume weighted average.

- Total issue volume 2019 (so far): € 2,005 mn
- Remarks:
 - NOK bond (February): private placement
 - CHF bond (May): dual tranche issue to address different investor groups
 - SEK bond (May): private placement
 - AUD bond (May): private placement

Overview credit and ESG ratings and financing activities

Credit ratings

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

ESG ratings

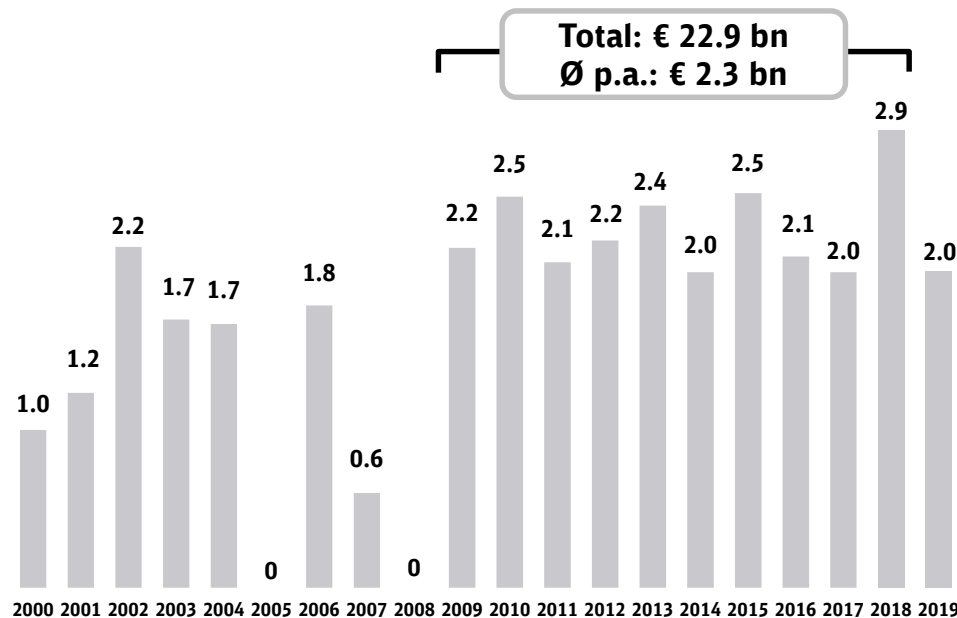
- ISS-oekom: B- (prime status)
- MSCI: A
- CDP: A (best grade)
- ecoVadis: Silver status

Financing programs

- European Medium Term Notes program (EMTN; volume: € 25 bn)
- Australian Debt Issuance program (Kangaroo program; volume: AUD 5 bn)
- Commercial Paper program (volume: € 3 bn)

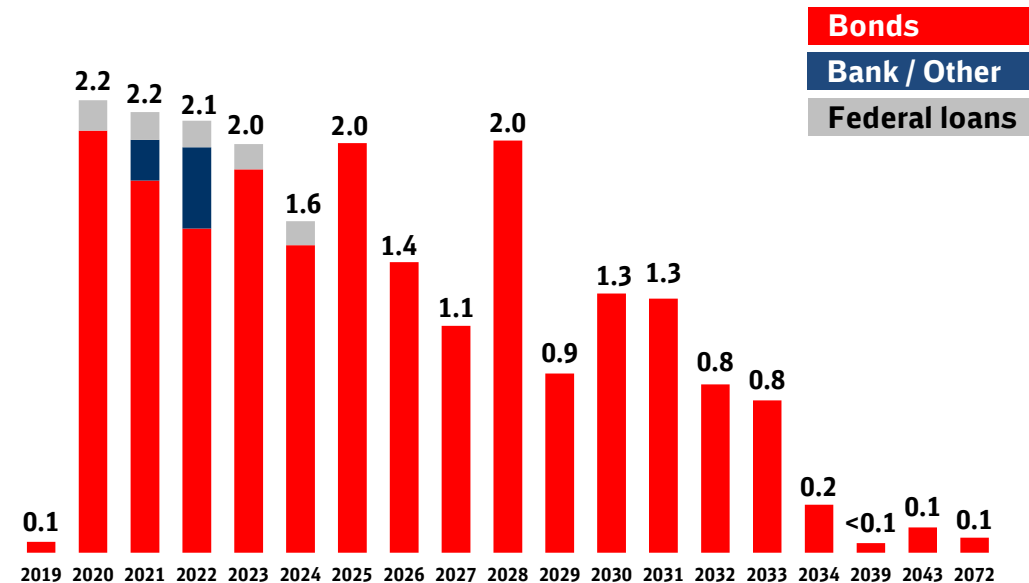
Bond issues

(€ bn; as of Jul 31, 2019)



Maturity profile financial debt

(as of Jul 31, 2019; € bn; excl. leasing; incl. swaps)



Outlook for 2019 Financial Year confirmed



Outlook (€ bn)	2018	2019 (March forecast)	2019 (July forecast)
Revenues adjusted	44.0	>45	>45
EBIT adjusted	2.1	≥1.9	≥1.9
Net profit for the year	0.5	>0.5	>0.5
ROCE (%)	5.8	~ 4.4	~ 4.4
Redemption coverage (%)	17.6	~17	~ 16
Gross capital expenditures	11.2	>13	>13
Net capital expenditures	4.0	>5.5	>5.5
Maturities	2.2	2.2	2.2
Bond issues	2.9	≤3	≤3
Net liquidity as of Dec 31	3.5	~3	~3
Net financial debt as of Dec 31	23.7	~24.4	~24.4



Thank you very much for your attention

A1 **DB Group**

A2 **Strategy**

A3 **2018 Financial Year**

A4 **H1 2019**

A5 **Sustainability**

A6 **Track Record**

A1

Key investment highlights Deutsche Bahn



Strong position in Germany

- Dominant player in German rail market.
- Balanced business mix
 - 52% rail / 48% non rail
 - 57% Germany / 43% int.

State obligation for capex funding

- Roughly two thirds of capex financed by investment grants.
- Funds for existing infrastructure contractually agreed.

Strong ESG profile

- Sustainability focused: ambitious economic, social and environmental targets.
- Very favorable ESG ratings.

Stable cash flows from regional transport

- Transport authorities order regional rail transport services
- Strong order book with total volume of € 91 bn.

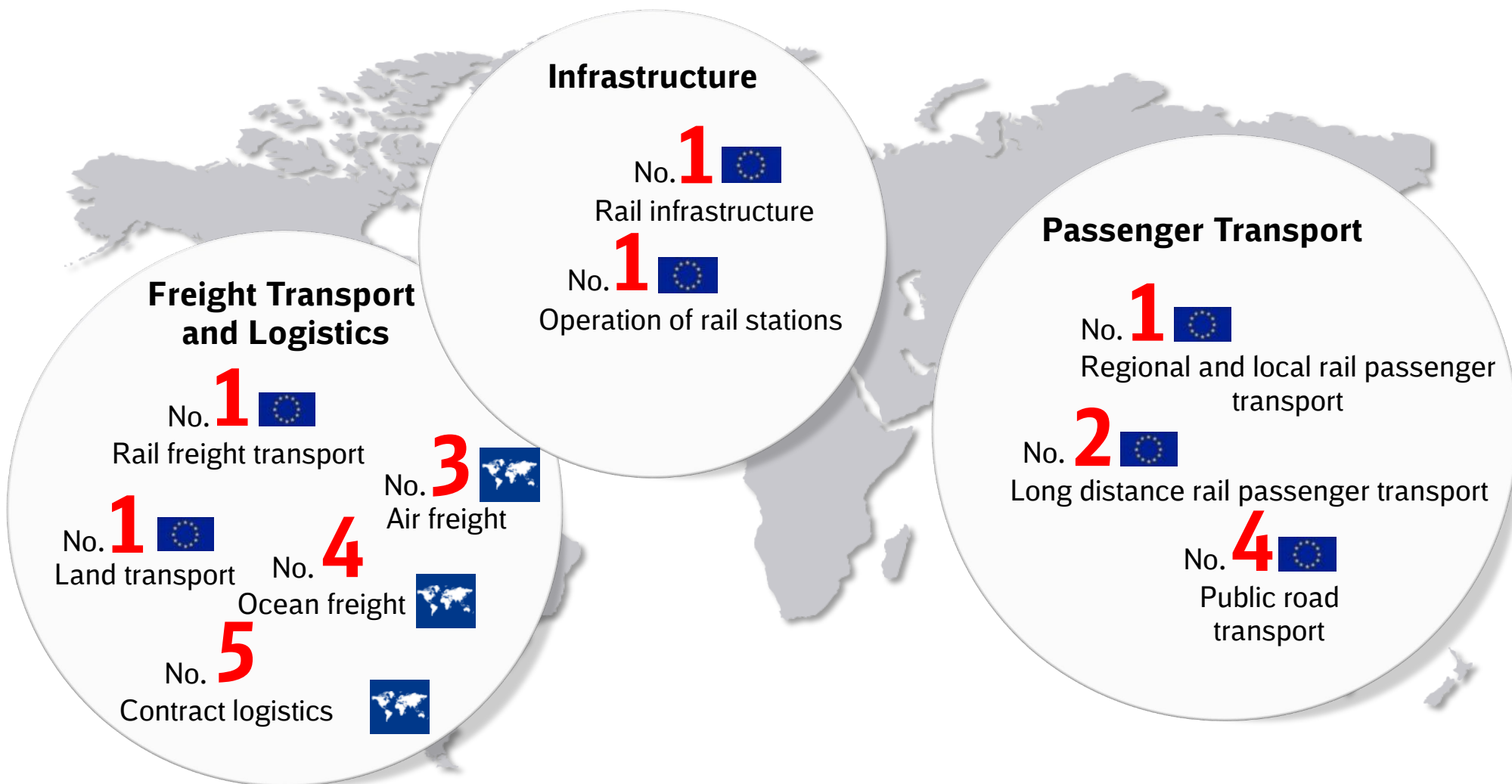
Growth potential

- Leading market positions in all relevant markets.
- Renaissance of rail (“e-mobility solution”).

Clear strategic approach

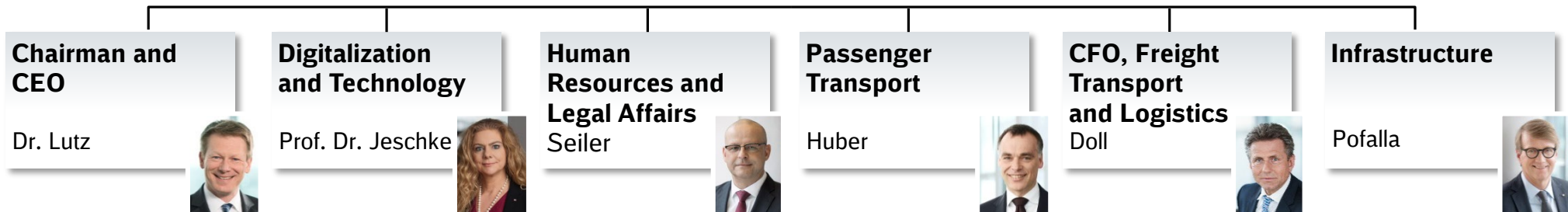
- New Strong Rail strategy addressing key issues.
- Shift to environmental-friendly rail is key for reaching CO₂ reduction targets.

DB Group holds leading market positions – in Europe and throughout the world



No major changes in top management team – Alexander Doll additionally CFO since January 1, 2019

Deutsche Bahn AG



Integrated Rail System

DB Long-Distance
(Dr. Peterson)



DB Cargo
(Dr. Bosch)



DB Netze Track
(Sennhenn)



DB Regional
(Dr. Sandvoss)



DB Netze Stations
(Koch)



DB Netze Energy
(Schein)



International business

DB Arriva
(Dr. Rudhart)



DB Schenker
(Thewes)



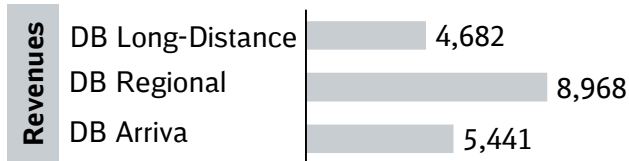
Through its eight business units, DB Group operates in every segment of the transport market

Passenger Transport



- **DB Long-Distance**
Long distance rail passenger transport¹⁾
- **DB Regional**
Regional and local passenger transport in Germany
- **DB Arriva**
Regional and local passenger transport in Europe²⁾

2018 (€ mn)

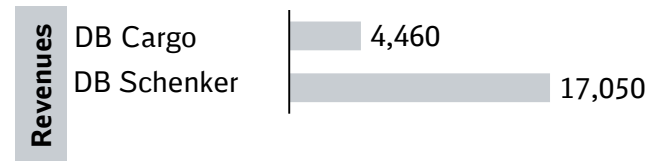


Freight Transport and Logistics



- **DB Cargo**
German and European rail freight
- **DB Schenker**

2018 (€ mn)

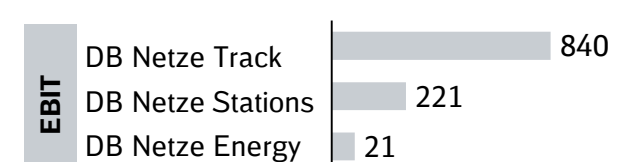
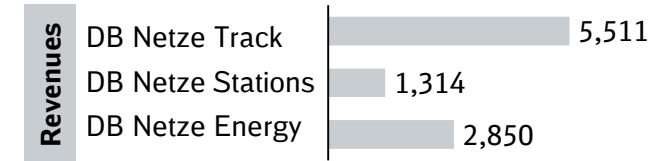


Infra-structure



- **DB Netze Track**
Rail network
- **DB Netze Stations**
Passenger stations
- **DB Netze Energy**

2018 (€ mn)



¹⁾ In Germany and cross-border transport. ²⁾ And long-distance rail transport in the UK, through CrossCountry.

DB Long-Distance runs a network of long-distance commercial rail passenger transport services centered on Germany



DB Long-Distance (2018)

Revenues	€ 4,682 mn
EBIT	€ 417 mn
Employees (FTE)	16,548
Volume sold	42,827 mn pkm
Passengers	148.6 mn
Fleet	243 ¹⁾ / 274 ²⁾
Avg. dist. traveled	290 km

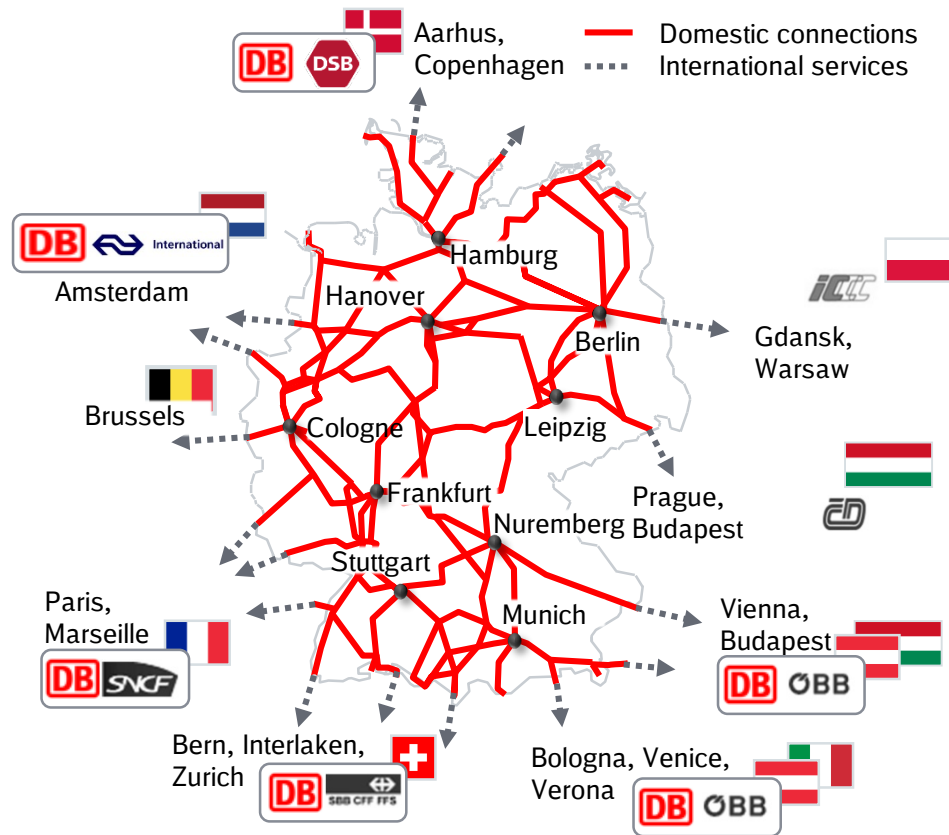
¹⁾ Locomotives ²⁾ ICEs

Profile

- DB Long-Distance provides fast, comfortable, convenient and eco-friendly travel within Germany and to and from its neighboring countries on a purely commercial basis.
- Daily scheduled ICE, IC and EC services are the backbone of the DB Long-Distance portfolio.
- DB Long-Distance is progressively increasing and modernizing its fleet, in particular with more and longer ICE 4 trains, IC 2 trains and ECx trains.
- Connections to the islands of Sylt and Wangerooge are also offered.
- IC Bus services are complement to the existing rail network for certain German and international connections.
- With its high percentage of renewable traction power, new energy-efficient trains and a completely carbon-neutral ICE maintenance depot, DB Long-Distance is committed to environmental sustainability. The percentage of journeys run on green energies rose from roughly 75% to 100% in 2018.
- The BahnCard discount card, with five million holders, is the most important customer loyalty tool at DB Long-Distance.

DB Long-Distance: Long-distance rail network connections with European neighbors

Market overview



Significant characteristics

- DB Long-Distance operates its services on a purely commercial basis.
- Germany is the home market – DB Long-Distance is currently the only network provider with full-coverage connections between German cities.
- German long-distance transport market completely open for competition since rail reform in 1994.
- Market liberalization in many countries is not yet advanced, so often only cross-border connections in cooperation with the national railways can be offered.
- DB Long-Distance links the most important neighbouring cities with point-to-point connections from the German network.

DB Regional offers on-time, reliable and eco-friendly regional transport service for nearly seven million passengers each day



DB Regional (2018)

Revenues	€ 8,968 mn
EBIT	€ 492 mn
Employees (FTE)	35,881
Volume sold	48,615 mn pkm
Passengers	2,521 mn ¹⁾
Fleet	4,948 ²⁾ / 11,712 ³⁾
Avg. dist. traveled	21.6

Profile

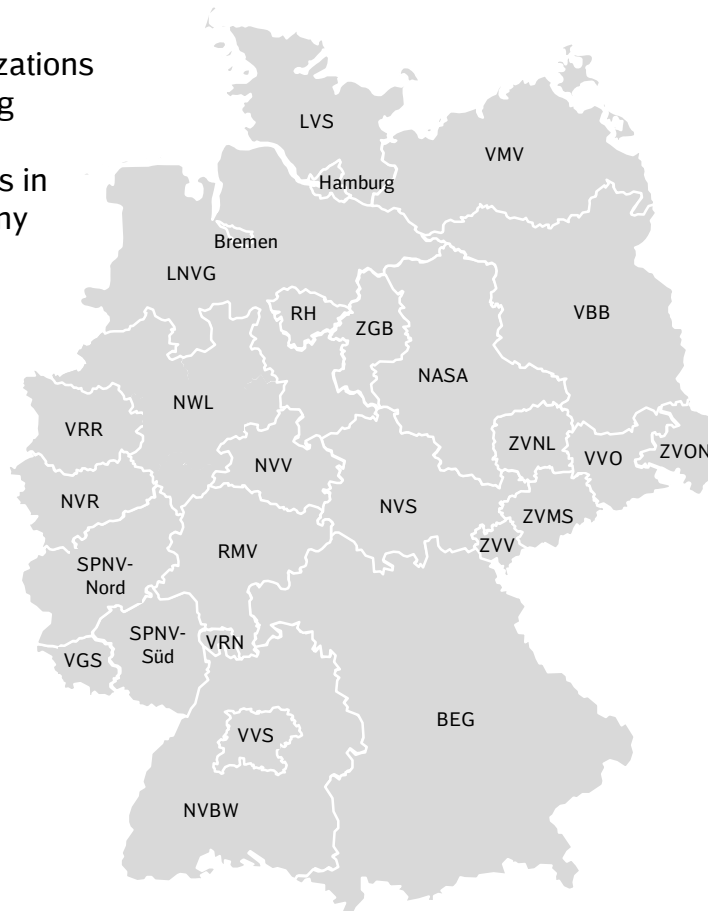
- DB Regional Trains is commissioned by local transport authorities to offer rail passenger transport tailored to regional and local needs and is market leader in local German public transport. Its services cover both urban transport in high-population areas and regional transport in lower-population areas.
- The 27 contracting organizations in Germany use competitive tendering to select operators for regional and local rail passenger transport service.
- These public service obligation (PSO) services are financed by concession fees and ticket sales.
- The predominant model in Germany is based on gross-cost contracts, in which ticket sales go straight to the orderer, who then compensates the operator in full for the PSO services offered.
- DB Regional Bus offers both commercial and PSO services on the regional bus market in Germany.
- There are over 400 local transport authorities responsible for public road transport, and services are increasingly being awarded in competitive tenders.

¹⁾ Including 1,940 mn rail passengers. ²⁾ Locomotives (871) and multiple units (4,077). ³⁾ Buses (including 4,969 of DB Regional's own).

DB Regional: 27 client organizations order local rail passenger transport services

Market overview

Organizations
ordering
LRPT¹⁾
services in
Germany



- In 1996 responsibility for local rail passenger transport (LRPT) was transferred from the German government to the individual German states.
- To finance this, the Federal Government makes regionalization funds available to the Federal states (2017: € 8.35 bn; 2018: € 8.5 bn).
- 27 client organizations order LRPT services from train operating companies on behalf of the states.
- Market volume is about 669 mn train km (2017).
- The market in Germany is completely liberalized. With a market share of around 67% (2017) DB Regional is the backbone of the German local rail passenger transport market.

¹⁾ LRPT = local rail passenger transport

DB Cargo has a strong European network and is the number one in European rail freight transport



DB Cargo (2018)

Revenues	€ 4,460 bn
EBIT	€ -190 m
Employees (FTE)	28,842
Volume sold (tkm)	88,237 bn
Freight carried	256 million t
Fleet (locos/cars)	2,686 / 82,895
Avg. transport dist.	345 km

Profile

- With about 4,200 private customer sidings in Europe, DB Cargo offers its customers access to one of the world's largest rail networks.
- DB Cargo's international network follows the major European rail freight corridors.
- DB Cargo offers European rail transport in the form of block train, single wagonload and multimodal services.
- Tailor-made transport and logistics solutions are also available as additional services that can link the rail mode with road (trucking) and ocean freight service.
- DB Cargo's customers are primarily key accounts.
- Target customers are:
 - In the segment of bulk logistics: Building material, fertilizer, metal and coal industry
 - In the segment of industrial and commercial logistics: Automotive, chemical, petroleum, consumer goods, pulp and paper industries
 - In the segment of combined transport: Operators, freight forwarders and shipowners
- Most of DB Cargo's services are carried out using its own fleet of locomotives and freight cars.

DB Cargo offers a wide range of services and industry products, supplemented with additional services

Core products



Block train transport

For transporting large volumes within the European transport network



Single wagon transport

For transporting small to mid-size volumes within the European transport network



Container logistics

Combines rail transport with other modes, including first and last mile by road and terminal handling

Additional services



Door-to-door logistics services

Door-to-door transport and logistics solutions



Rail logistics

Intermodal logistics solutions, including Railports



Sidings

Set up and maintenance of private sidings



Maintenance

Range of operational maintenance services (locomotives, cars)

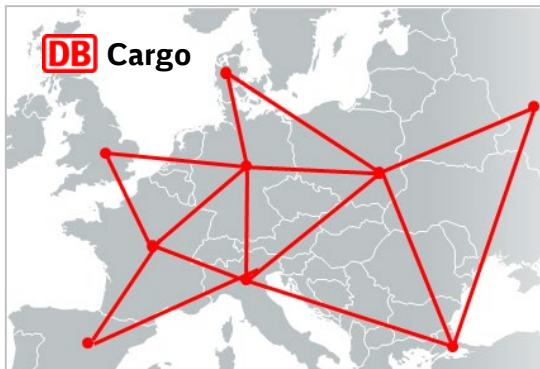


Eco Plus

Entirely carbon-free transport of goods

Three decisive factors shape the business model of DB Cargo

European network



- International network alongside the major European rail freight corridors.

Clear sector and customer focus



- Bulk logistics: Building material, fertilizer, metal and coal industry.
- Industrial and commercial logistics: Automotive, chemical, petroleum, consumer goods, pulp and paper industries.
- Combined transport: Operators, freight forwarders and ship owners.

High asset investment

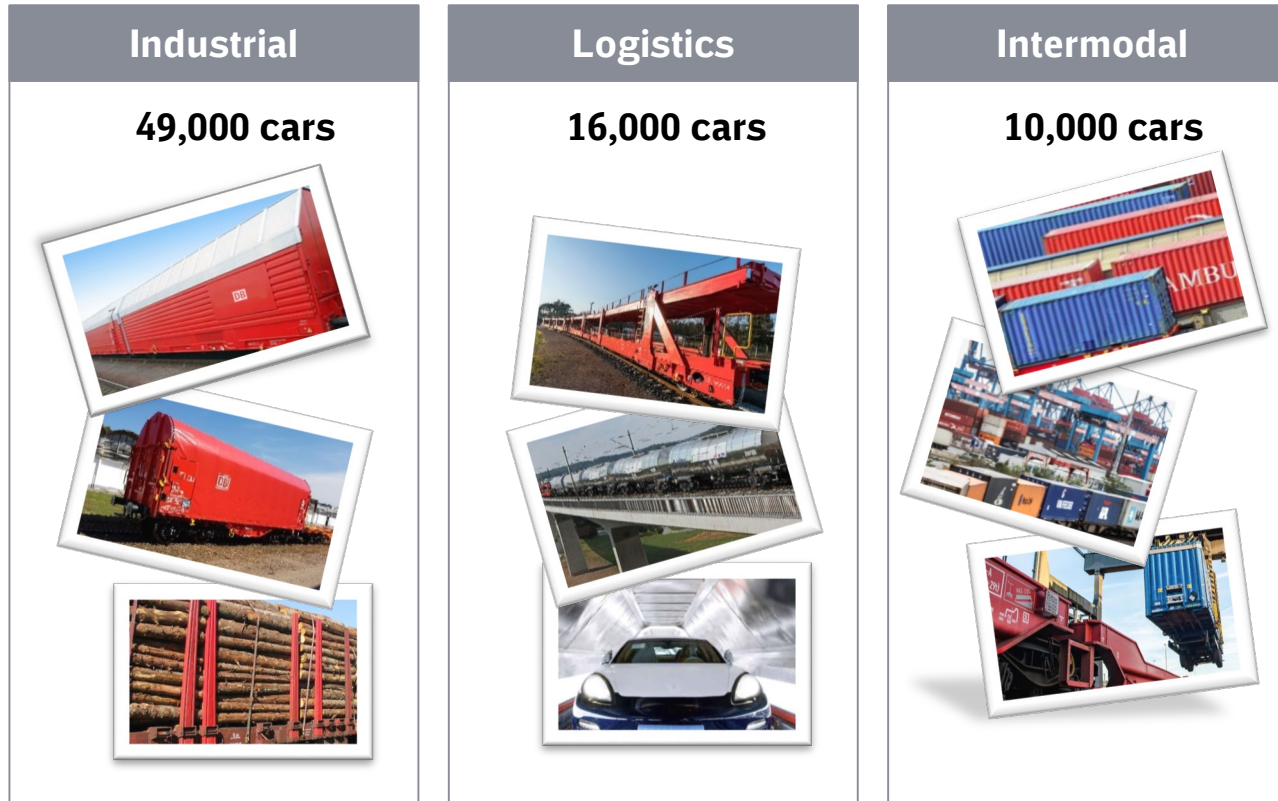


- Own production.
- Fleet¹⁾ of >2,600 locomotives and about 82,900 freight cars.
- High specialization of rolling stock.

¹⁾ Own and leased.

The customers of DB Cargo benefit from a highly diverse wagon fleet

Car fleet of DB Cargo in Germany (2018)



- With our large car fleet we can offer comprehensive transport solutions in Europe.
- Highly diverse fleet with 200 car species (in Germany).
- Provision of special equipment for complex requirements (e.g. dangerous goods).

DB Netze Track is Europe's number one track infrastructure provider



DB Netze Track (2018)

Revenues	€ 5,511 mn
EBIT	€ 840 mn
Employees (FTE)	46,969
Train-path km	1,086 mn
Line operated ¹⁾	33,440 km ²⁾
Switches ¹⁾	65,844
Bridges ¹⁾	25,127

Profile

- DB Netze Track is responsible for the rail network and all the infrastructure necessary for operations.
- It ensures non-discriminatory network access for all authorized rail companies, local and regional passenger transport authorities, and freight forwarders and consignors.
- DB Netze Track's seven operations centers and one network control center keep rail service in Germany running smoothly 365 days a year.
- DB Netze Track's core responsibilities also include preparing train schedules in close partnership with customers, managing operations and construction, and providing maintenance service.
- Train path products are the most important source of revenues for DB Netze Track.
- Track access charges are set in a transparent train path pricing system regulated by the Federal Network Agency.
- DB Netze Track coordinates over 78,000 regular train path requests in its working timetable, and roughly 1,000,000 ad hoc requests from the freight transport sector in particular.
- Focusing new line and line upgrade projects on removing infrastructure bottlenecks and creating additional capacity for transport growth along core routes and in urban areas will be crucial for further growth.

¹⁾ Including Infra Silesia S.A. and UBB Usedomer Bäderbahn GmbH. ²⁾ Including 20,286 km powered by electricity.

DB Netze Stations is the largest operator of rail stations in Europe



DB Netze Stations (2018)

Revenues	€ 1,314 mn
EBIT	€ 221 mn
Employees (FTE)	5,804
Station stops	151 mn
Stations	5,368
Platforms	~ 9,500
Passenger info	12,800 ¹⁾

Profile

- In addition to its core business of developing and operating rail stations, DB Netze Stations also offers a variety of services at and around stations for customers and visitors ensuring that stations are pleasant places in which to spend time.
- It links diverse transport-related services and ensures that stations are pleasant places in which to spend time.
- DB Netze Stations is also one of the largest landlords for commercial real estate in Germany, with over 1 mn m² of leasable space.
- Each day, its stations are served by more than 410,000 trains operated by some 100 rail companies, and used by roughly 20 mn passengers and visitors.
- DB Netze Stations earns its revenues from station access charges (regulated in the station pricing system by the Federal Network Agency) and commercial property leases (not regulated).
- To ensure high quality, DB Netze Stations focuses on safety, service, and station cleanliness, with its Triple-S Centers
- Station access fees account for roughly 70% of total revenues.

¹⁾ 6,100 passenger information systems and roughly 6,700 dynamic displays.

DB Netze Energy is the utility company for DB Group and one of the largest power providers in Germany



DB Netze Energy (2018)

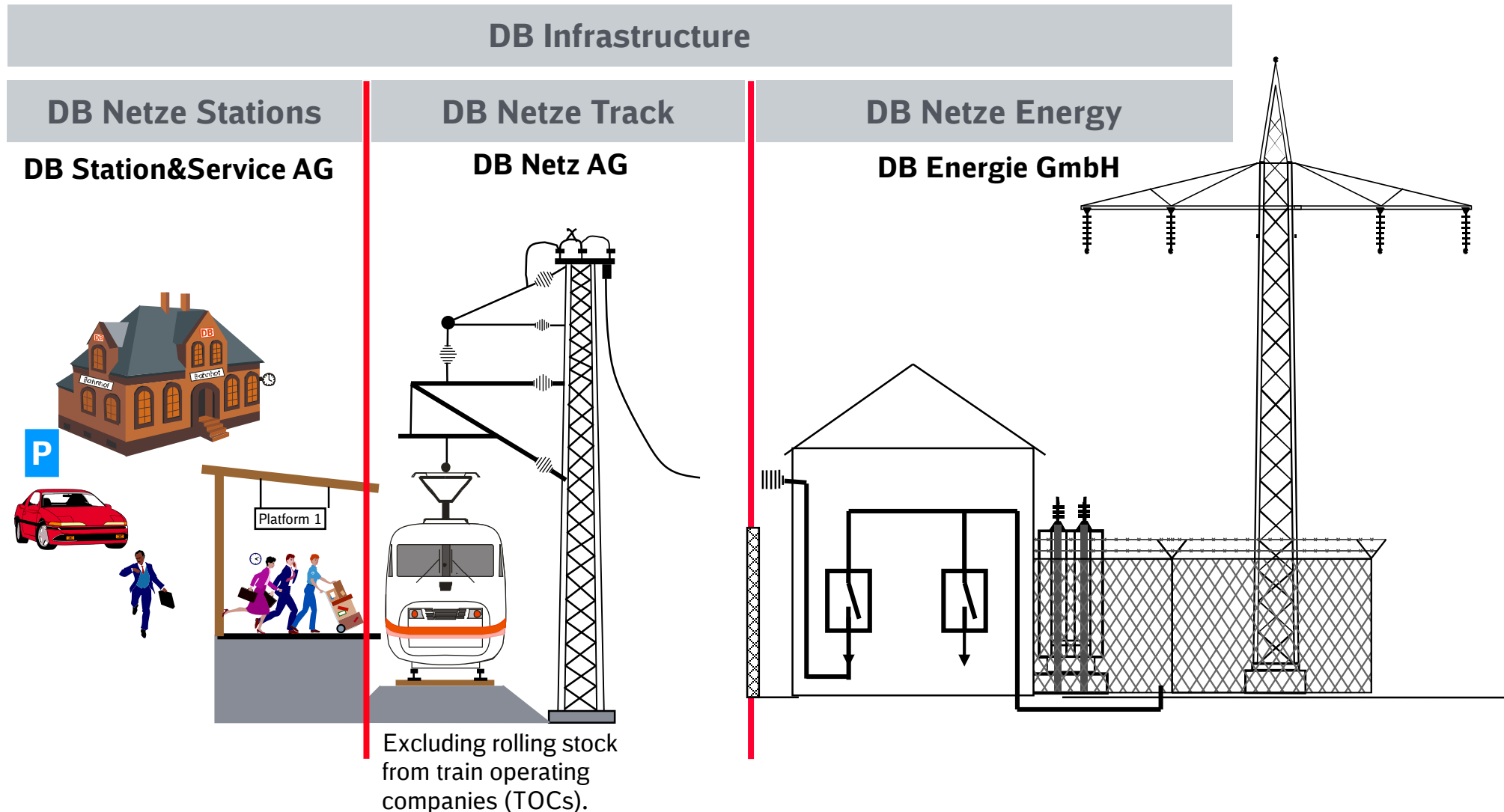
Revenues	€ 2,850 mn
EBIT	€ 21 mn
Employees (FTE)	1,734
Traction power ¹⁾	8,245 GWh
Stationary Power ²⁾	18,196 GWh
Diesel	429.6 mn liters
Traction power grid	7,936 km


Profile

- DB Netze Energy offers the entire range of energy products for traction as well as stationary power supply for property in Germany.
- These commodity portfolio includes traction power and diesel for rail traffic, and electricity, gas and heat for DB Group's stations and other buildings.
- DB Netze Energy also offers a broad range of electricity and natural gas products to industrial and commercial customers throughout Germany.
- Energy consulting and technical services enhance the commodities offered.
- DB Netze Energy is operator for the nationwide high-voltage traction power grid, offering non-discriminatory use to all railway companies.
- Its network charges are regulated by the German Federal Network Agency.
- DB Netze Energy furthermore operates the nationwide network of diesel refueling stations for trains.
- DB Netze Energy continually raises the share of renewable energies in its traction current mix (2018: 57.2%).

¹⁾ 16.7 Hz and DC. ²⁾ 50 Hz and 16.7 Hz.

The public rail infrastructure is clearly allocated to one of the three infrastructure business units



Ever since it was acquired in September 2010, DB Arriva has been  a platform for growth in passenger transport outside Germany



Profile

- DB Arriva is a platform for growth and the foundation for all of DB Group's passenger services outside Germany (with the exception of cross border long-distance services).
- DB Arriva offers a broad range of transport services in 14 European countries with 17,049 buses (20,400 incl. JVs/Associates) and 1,083 trains (light and heavy rail) (1,233 incl. JVs/Associates), 4 waterbuses (21 incl. JVs/Associates), 485 car-share cars, 350 bikes and 223 patient transport vehicles.
- DB Arriva is usually commissioned by regional and national authorities or other parties ordering transport services.
- DB Arriva runs both commercial and PSO services, generating the majority of its revenues with the latter.
- UK Trains is a leader on the UK rail passenger transport market.
- UK Bus is one of the largest providers of urban and regional bus transport in the UK.
- Mainland Europe operates a range of transport services in continental Europe.
- DB Arriva's vision is to be the mobility partner of choice.

DB Arriva (2018)	
Revenues	€ 5,441 mn
EBIT	€ 300 mn
Employees (FTE)	53,056
Volume sold (rail)	12,999 mn pkm
Volume sold (bus)	1,074 mn bus km
Passengers	1,998 mn ¹⁾
Fleet	1,094 ²⁾ / 17,049 ³⁾

¹⁾ Including 494 mn rail passengers. ²⁾ Locomotives (19) and multiple units (1,074). ³⁾ Buses (including 16,397 of DB Arriva's own).

DB Arriva: Established growth platform in 14 European countries



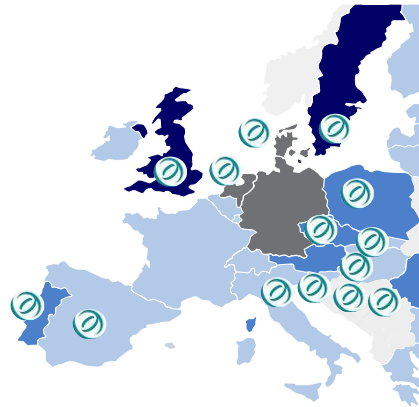
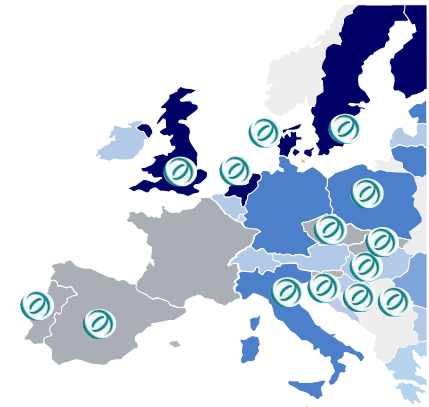
Market overview



Bus



Rail



mature
 mid-liberalization
 emerging
 yet to liberalize
 not defined

Significant characteristics

- Europe sees varying degrees of liberalization.
- Heterogeneous markets throughout Europe – in terms of both market liberalization and competition – complete liberalization means a redistribution of contracts.
- DB Arriva is a growth platform in Europe and is already well-established in 14 countries with about 17,000 buses and about 1,100 trains (light and heavy rail), 4 waterbuses, 485 car sharing vehicles, 350 bikes and 225 patient transport vehicles.
- Thanks to its diversified portfolio, DB Arriva is well positioned for further market opening (broad geographical coverage, various modes of transport and business models).

Arriva UK Trains is one of the leading providers with a diversified portfolio

Arriva UK Trains – facts and figures

- DB Arriva runs three rail franchises and two rail contracts that cover 21% of the entire network, as well as the UK's first modern light rail service.

Northern

- 5,920 employees
- 346 train sets
- 475 stations managed
- 2,500 services every day

CrossCountry

- 1,835 employees
- 1,478 route miles
- 92 train sets
- 295 services every weekday

Chiltern Railways

- 835 employees
- 215 route miles
- 77 train sets
- 36 stations managed
- 417 services every weekday

Grand Central

- 165 employees
- 474 route miles
- 9 train sets
- 18 services every weekday

London Overground

- 1,445 employees
- 7 routes and 104 miles
- 96 train sets
- 72 per cent of network stations managed
- 1,485 services every weekday

- Important rail operator in UK with five rail contracts.
- Entered UK rail market in 2000.
- 21% market share of rail passenger transport.
- 10,800 employees.
- Fleet of 620 trains.
- Managing 594 stations.
- Broad portfolio of products and services: light rail, commuter transport, regional and long-distance transport.
- Over a decade of experience in a highly competitive, deregulated rail transport market.
- Close relationships with customers, transport associations and client bodies.
- Operation and development of open access transport services through Grand Central Railway and Alliance Rail Holdings.

Arriva UK Bus provides urban and regional transport services

Arriva UK Bus – facts and figures

Regions outside of London



Regions outside of London

- Third-largest provider of bus services in regional markets (outside London) with rural, urban and inter-urban bus services.
- Entered market in 1996.
- 9,755 employees.
- Fleet of 3,375 buses.
- On-demand transport services through ArrivaClick and non-emergency patient transport services also part of the portfolio.
- Predominantly commercial transport services.

London Bus

- One of the market leaders, operating ~18% of bus services.
- Entered market in 1980 (privatization in 1994).
- 5,370 employees.
- Management of a fleet of 1,690 buses.
- Mainly contracted transport services.
- First company to operate Routemaster buses and first all-electric bus route.

DB Schenker offers global transport and logistics solutions

– by land, ocean and air



DB Schenker (2018)

Revenues	€ 17,050 mn
EBIT	€ 503 mn
Employees (FTE)	75,817
Shipments	106.5 mn
Air freight volume	1.3 mn t
Ocean freight volume	2.2 mn TEU ¹⁾
Warehousing space	8.3 mn m ²

Profile

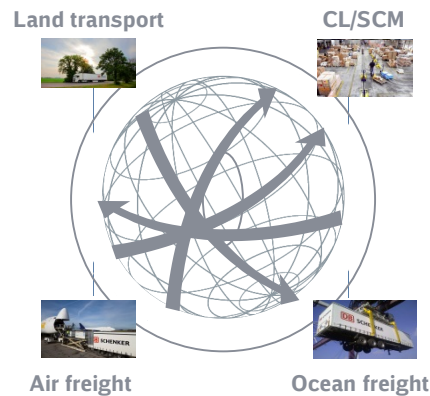
- As an integrated transport and logistics provider, DB Schenker serves both established and emerging markets, with a global network in more than 130 countries.
- DB Schenker's dense land transport network links the most important economic centers in Europe.
- DB Schenker is one of the world's leading air and ocean freight providers, offering a full range of services in this segment.
- Its contract logistics portfolio serves every stage of the value chain: suppliers, manufacturers and dealers, customers, and spare part service.
- DB Schenker has a global customer base in a wide range of industries.
- It uses a vertical market approach to develop sector-specific solutions.
- In air and ocean freight, DB Schenker serves exclusively as a freight forwarder, without its own planes or ships; in land transport, however, it relies in part on its own vehicles and swap bodies.
- Effective IT support plays an especially important role.

¹⁾ Twenty-foot Equivalent Unit.

DB Schenker has a broad global customer base and an asset-light business model

Business model

Network business



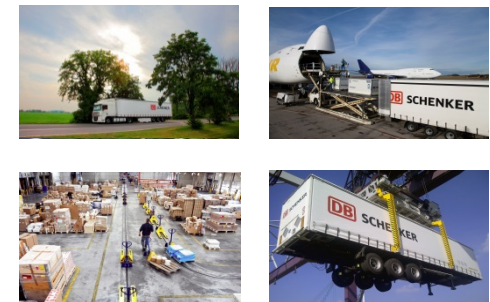
- Size is key for a high supply density and for economies of scale when purchasing transport capacity.
- Door-to-door solutions thanks to a global presence in more than 130 countries.

Broad customer base



- About 700,000 customers with a wide range of industries.
- Large anchor customers and small/medium-sized customers.
- Wide range of customers/industries makes business less prone to crisis.

Asset-light business model



- Own vehicles and swap bodies only in parts of land transport.
- Predominately leased logistics locations.
- Asset-light business model creates flexibility.

DB Schenker operates a global network for air and ocean freight solutions

Air freight



- No. 3 worldwide.
- Global presence with 700 sites worldwide.
- Worldwide network with regional hubs.
- Organization of "door-to-door" transports.
- >1,000 dedicated charter flights p.a.
- 1.3 mn t air freight volume (exports) in 2018.

Ocean freight



- No. 4 worldwide.
- Global presence with 600 sites worldwide.
- Organization of "door-to-door" transport services.
- LCL services with 600 direct connections.
- 2.2 mn TEU (exports) ocean freight volume in 2018.

-
- Preferred-carrier strategy.
 - Paperless transport (digital transport documentation).
 - DB Schenker sky bridge (combined air and sea traffic).
 - Supply chain solutions (value added services).

DB Schenker takes advantage of market opportunities in contract logistics



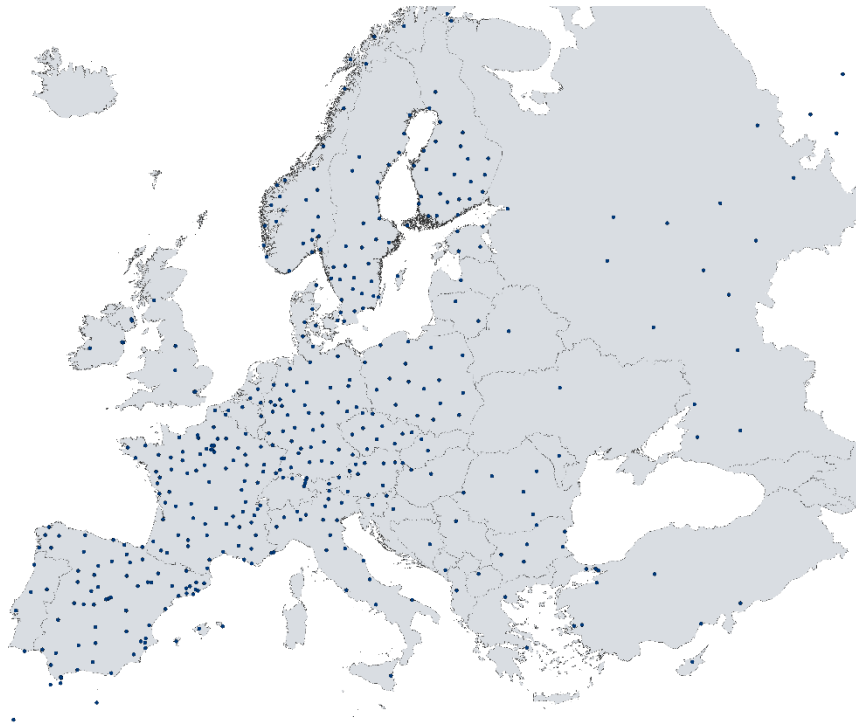
Contract logistics



- No. 5 worldwide.
- Global presence in over 56 countries.
- About 750 locations overall.
- >8 mn m² warehouse space.
- Products along the supply chain: procurement – warehousing – fulfillment – value-added services – aftermarket/reverse.
- Focus on industry branches:
 - Automotive
 - Consumer
 - Electronics
 - Healthcare
 - Industrial
- XSite global business excellence program.
- Global profitability program G4P (Go-for-Performance) successfully transferred to line organization.

No other provider links as many places in European land transport as DB Schenker

European land transport network

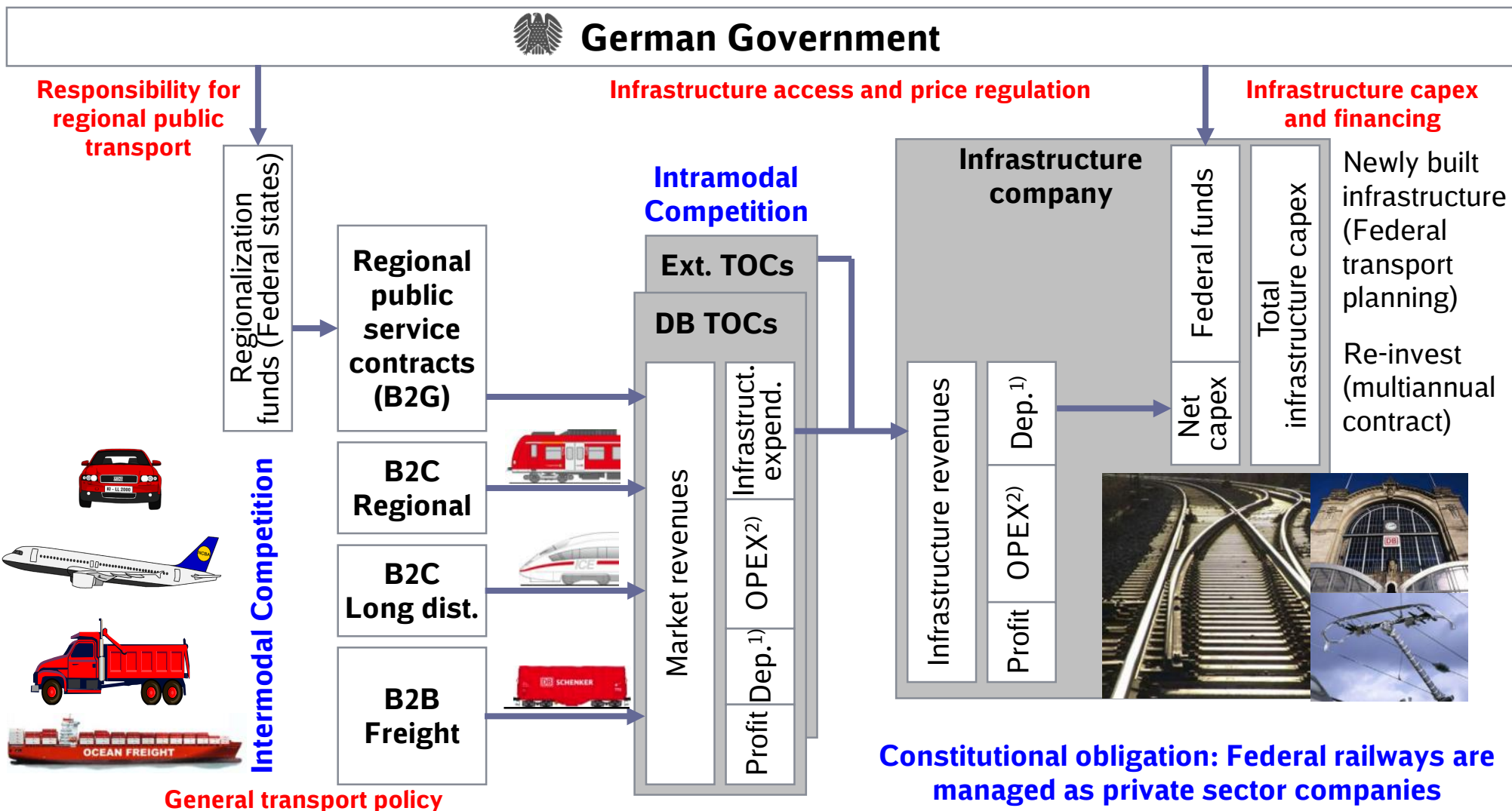


● DB Schenker European land transport terminals

Competitive advantage

- Fully integrated network with 430 operational branches.
- More than 720 locations in 36 countries with own national organizations.
- 106 mn shipments in land transport in 2018.
- Fleet of about 31,000 trucks.
- Daily departures to all European terminals.
- About 32,000 scheduled services per week.
- Defined door-to-door lead times.
- Timely customer information through tracking.



The “Big Picture”: Finance, regulation and transport policy in Germany at a glance



¹⁾ Depreciation of fixed assets. ²⁾ Operating expenses.

DB Group is active in its market segments with independent commercial services and publicly mandated services



 Independent commercial services
 Publicly mandated services



Passenger Transport

- Long-distance transport services.
- Direct competition, above all, with cars and airplanes.
- End-customer business.
- Intensive level of fixed assets.

Local public transport services

- Contracted services, tender competition.
- Customers here are both the contracting organization¹⁾ as well as the passenger (end customer).
- Intensive level of fixed assets.

Freight transport and logistics

Rail freight transport services

- Rail competes directly with other modes of transport.
- Big customer business, clear sector focus.
- Intensive level of fixed assets.

Freight forward. and logistical services

- Direct competition (world-wide).
- Full service forwarder, large customer base, broad mix of industries.
- Less intensive level of fixed assets.

Infrastructure

Provision of infrastructure

- No competition, monopoly position in regulated markets, public-sector contracts for reliable and efficient provision of infrastructure at competitive prices.
- Customer: Carriers (derived demand).
- Very intensive level of fixed assets.

¹⁾ Contracting organizations can be states, state-run enterprises, transport associations, or regional bodies.

The German Constitution sets legal grounds to organize DB Group as a private sector company

Art. 87e Basic Law

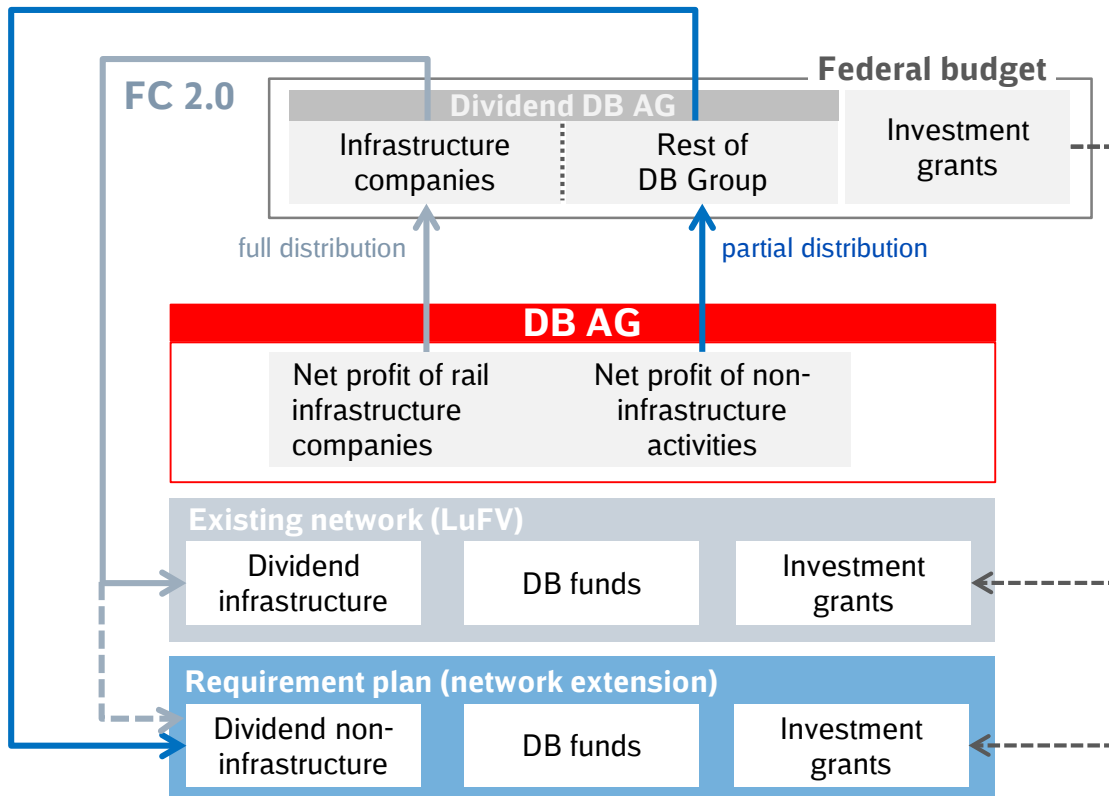
(3) Federal railways shall be operated as enterprises under private law. They shall remain the property of the Federation to the extent that their activities embrace the construction, maintenance and operation of the tracks. The transfer of Federal shares in these enterprises under the second sentence of this paragraph shall be effected pursuant to a law; the Federation shall retain a majority of the shares. [...]

(4) The Federation shall ensure that in developing and maintaining the Federal railway system as well as in offering services over this system, other than local passenger services, due account is taken of the interests and especially the transport needs of the public. Details shall be regulated by a Federal law.

Rail infrastructure financing in Germany – profits of rail infrastructure companies will be reinvested in the infrastructure

Financing circle (FC)

FC 1.0



- Closed financing circle for the infrastructure, meaning that all profits of DB AG rail infrastructure companies will be reinvested in the infrastructure.
- **FC 2.0:** Net profit of the rail infrastructure companies will be fully paid out to the Federal Government as part of the dividend of DB AG in the first step and then paid back to DB Group as non-repayable investment grants for existing network capex.
- **FC 1.0:** The net profit of the non-infrastructure activities of DB Group is paid out partly as dividend to the Federal Government, and afterwards paid back as construction grants to DB Group for the network extension. The profits of the non-infrastructure activities of DB Group are thus involved in co-financing in the construction and extension. The rest is used to finance growth projects.

Implementation of the Government support package as planned: reduction of dividend payments and € 1 bn capital increase

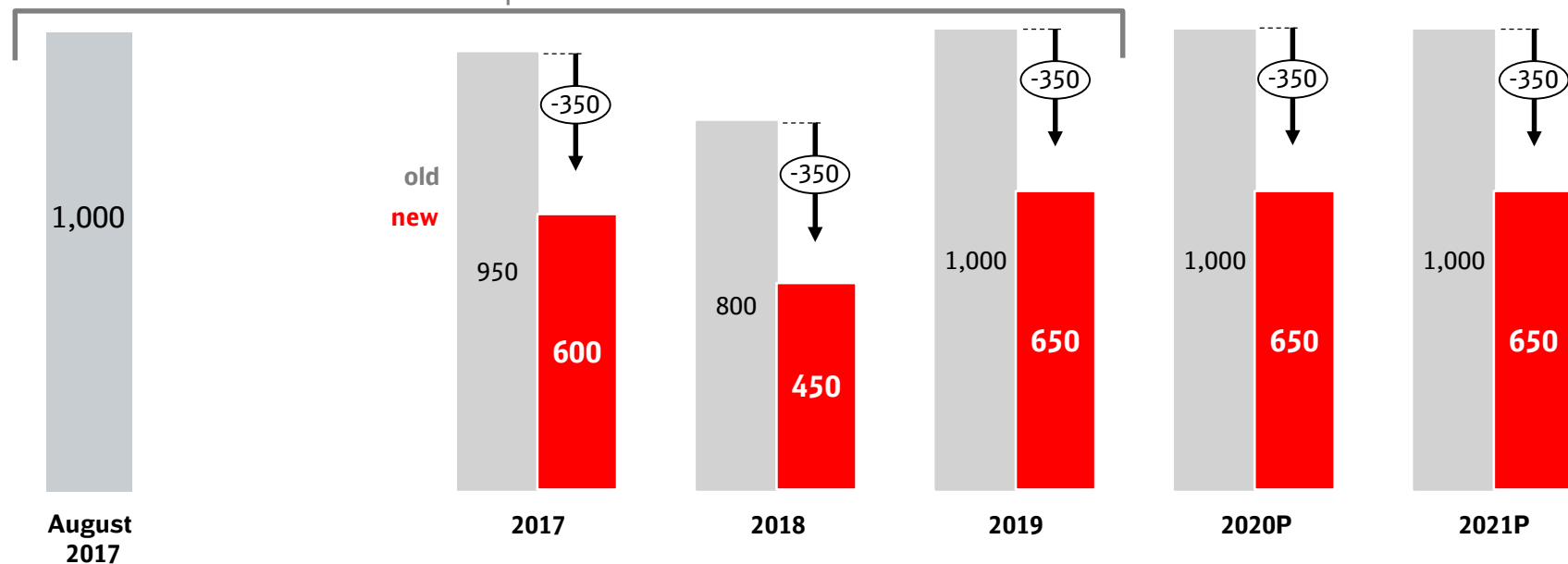


Government support package (€ mn)

**Capital increase
Federal Government**

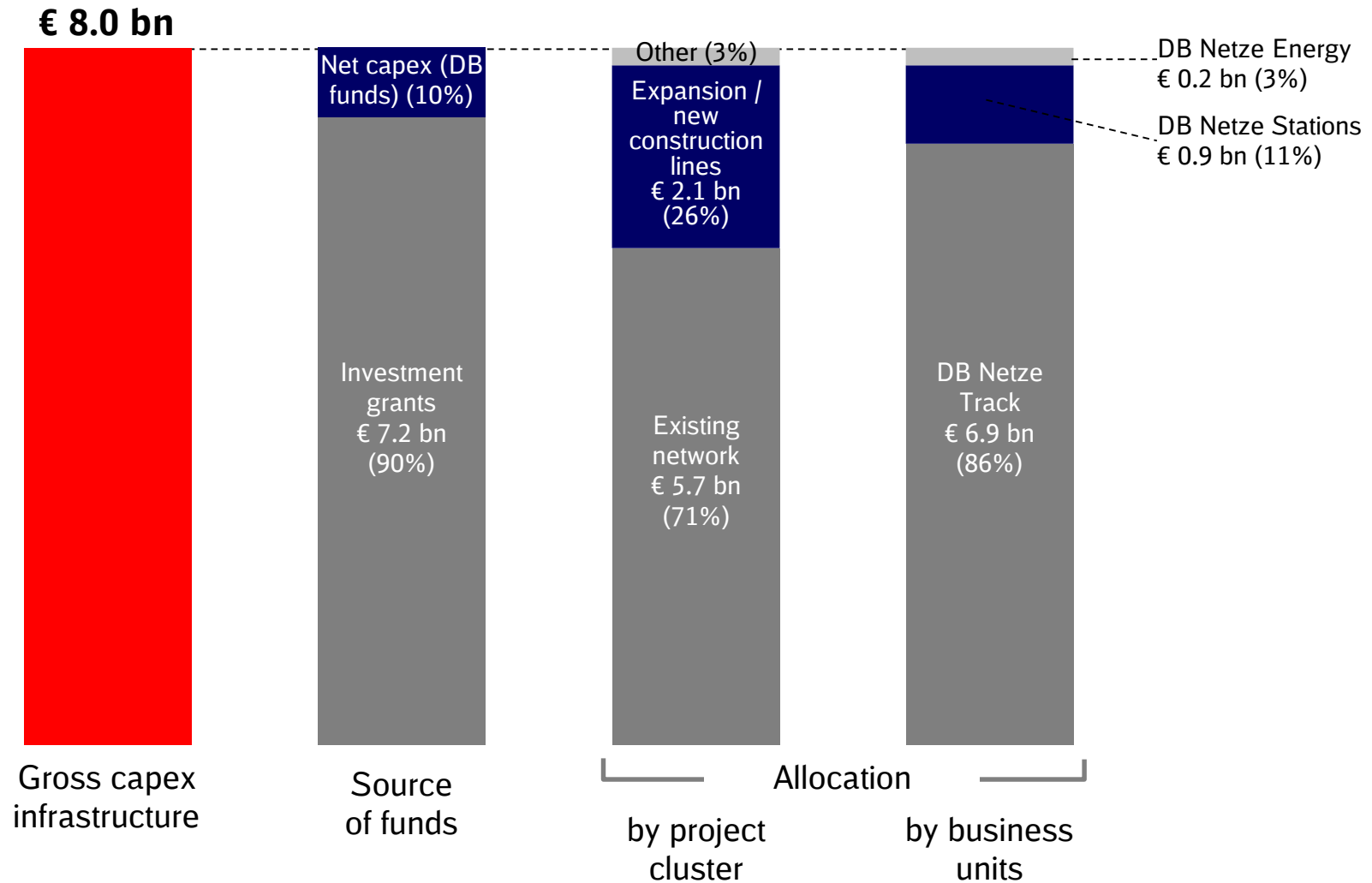
**Reduction
dividend payments**

Implemented



All profits of infrastructure companies will be paid out as dividends and then reinvested by the Federal Government in the rail infrastructure (investment grants).

Infrastructure capex in Germany is mainly financed by the Federal Government



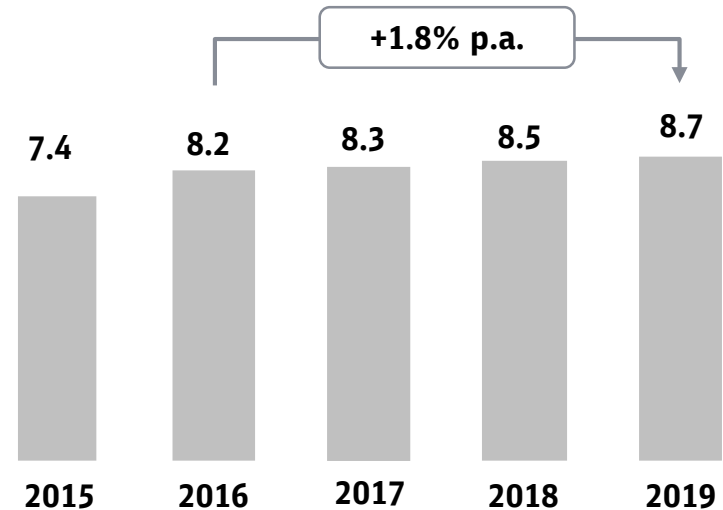
German regional rail market is subject to service contracts and concession fees

Funding of regional passenger rail transport

Regional passenger rail transport



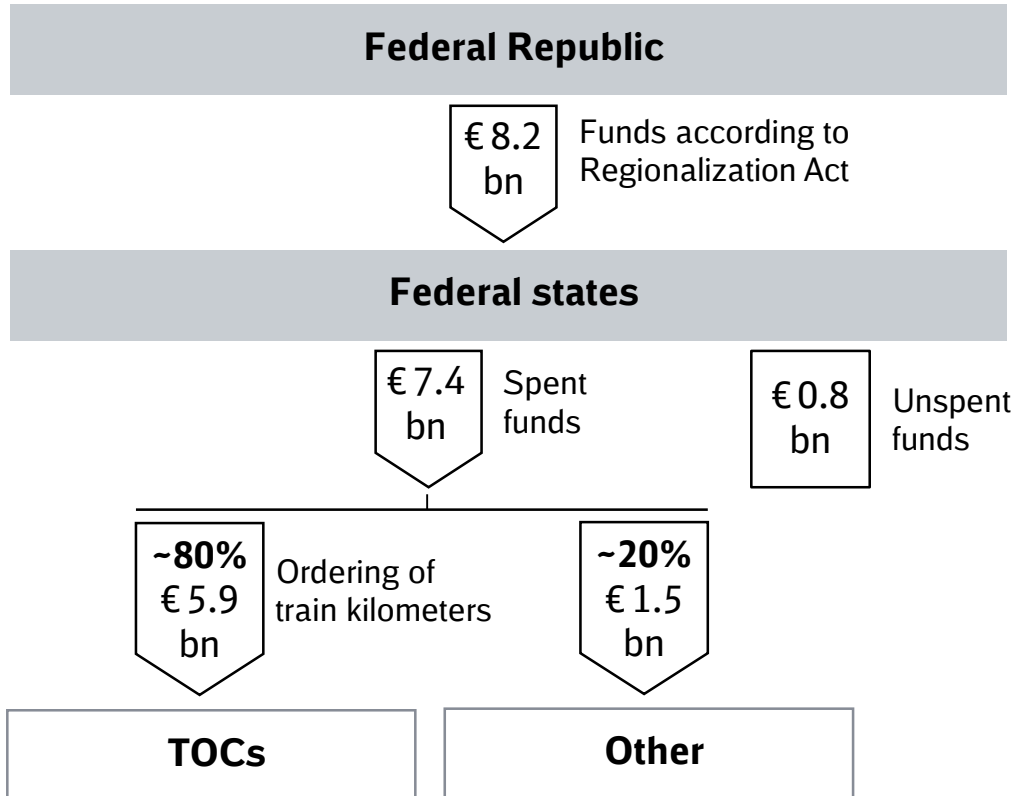
Federal budget for funding regional and urban passenger transport (€ mn)



- Federal states receive annual funds to warrant regional passenger rail transport.
- Service definitions and fees are subject to contracts between regional authorities and operators.
- Contracts are tendered or negotiated competitively.
- By law, Federal states are required to use funds for regional and urban transport, these funds are predominantly used for concession fees.
- Since 2016, total regionalization funds increase constantly by 1.8% p.a. until 2031.

Financing of regional transport services is based on a Federal law

Allocation of regionalization funds 2016¹⁾ (€ bn)



- DB Group
- Non-Group companies

- Investments
- Administration
- Tariff measures
- etc.

Financing of regional rail transport

- The Federal states use the regionalization funds to order services in regional rail transport from transport companies (train kilometers).
- The other part of the regionalization funds is used to:
 - Support projects (e. g. investments in rolling stock and track infrastructure)
 - Financing of the organization/ administration of regional rail transport (e.g. ordering organizations)
 - Balance of losses resulting from tariff measures
- Transport companies have to finance the modernization of their rolling stocks mainly from their revenues. In most of the tender processes the operation of new rolling stock is required.
- The efficient use of the regionalization funds should be secured by competition processes (mostly tenders).

¹⁾ Based on the report by the Federal Government on the use of regionalization funds by the Federal states in 2016 (published in July 2018).

A1 DB Group

A2 Strategy

A3 2018 Financial Year

A4 H1 2019

A5 Sustainability

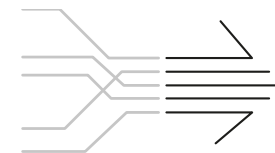
A6 Track Record

A2

We are fully focused on our Strong Rail strategy



It is our mission to enable a strong rail system for Germany.
This is, what we are working for and what is worth our full engagement.
It is, what DB Group is heading for and standing for,
it is the focal point of our attention and for what we pool all our strengths.



That's why we set up our focus:

1 The Strong Rail strategy is the driver of our actions.

Deutsche Bahn will be only guided by our aspiration of a Strong Rail in the future: As an integrated Group, with respective capital expenditures in capacity and digitalization, interlinked with partners from the sector and other modes of transport, for long-term growth and high quality.

2 Europe remains our sphere of activity.

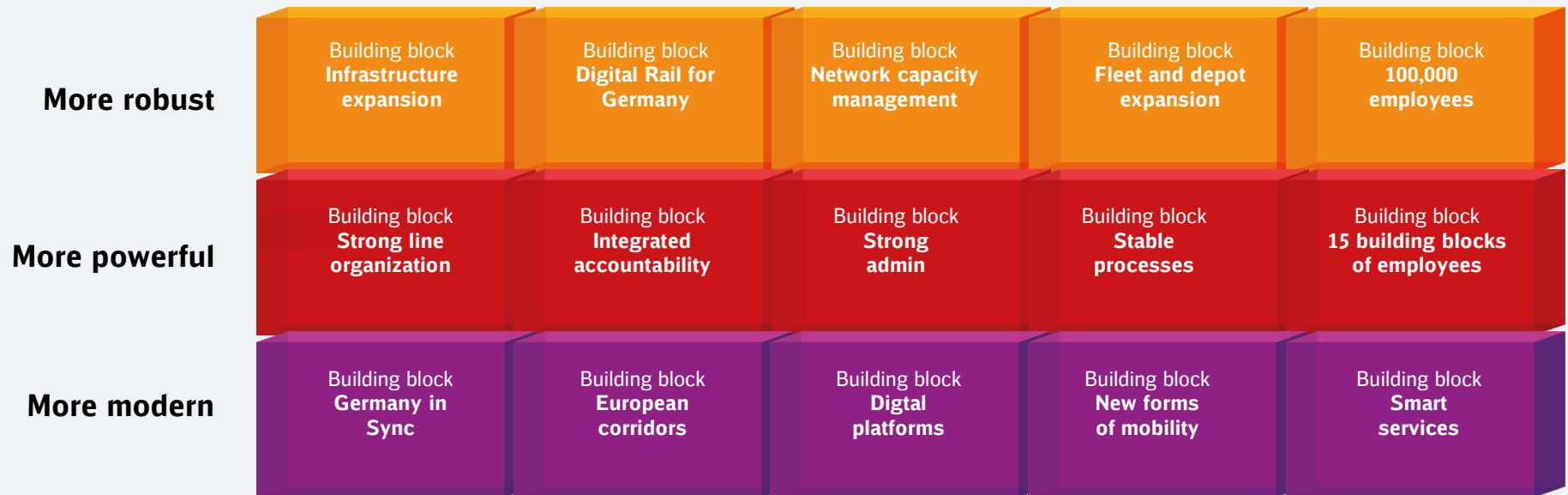
Due to the importance of the Strong Rail for Europe, Deutsche Bahn is working together with other European railways on the expansion of the European rail freight and long-distance network.

DB Regional will be focused with regard to international services on transports close to borders for the time being and will size opportunities arising from the European liberalization in the future as well.

3 Subsidiaries are measured by their contribution to the Strong Rail.

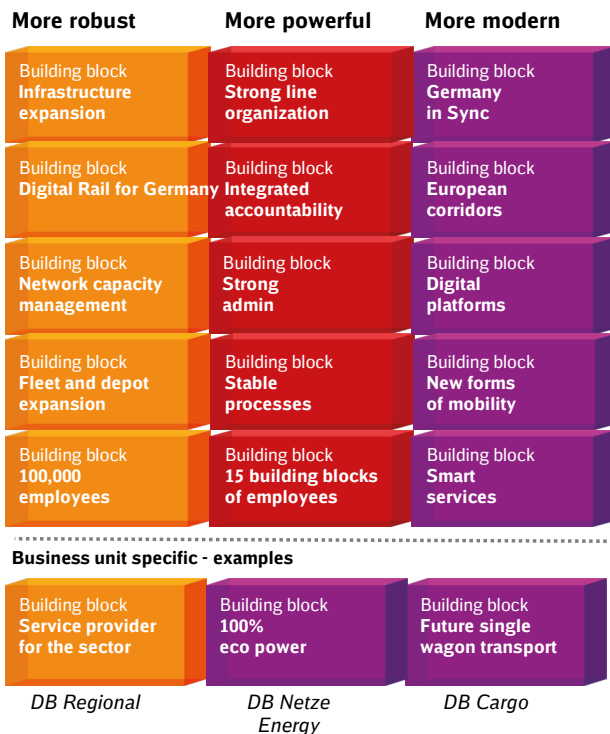
Deutsche Bahn manages its major subsidiaries with strategic importance for the Strong Rail unchanged as financial subsidiaries. Operational interventions are limited to the target of achieving synergies with the integrated rail system. Subsidiaries without strategic relevance for the Strong Rail will be evaluated and afterwards potentially sold.

The heart of our new Strong Rail strategy are 15 building blocks



The overall sector targets are the foundation of our DB targets. Building blocks are the basis for implementation and monitoring

15 + X building blocks



10 DB targets

Traffic shift

- 260 million passengers in long-distance
- +1 billion passengers in regional
- +70% volume sold in freight transport
- +30% capacity in infrastructure

Customers

- Customer satisfaction >80 SI (long-distance), >75 SI (regional), >70 SI (DB Cargo)
- Punctuality > 85% (long-distance), >95% (regional), >77% (DB Cargo)

Employees

- Employee satisfaction >3.8

Climate

- 100% share of renewable energies

Financials

- Reasonable rate of return (ROCE of 7%)
- Financial stability (redemption coverage of 20%)

3 sector targets

Passengers in rail transport

+100%

Market share rail freight transport

25%

Share of renewable energies

100%

The measures of our Agenda for a Better Railway were integrated in the new Strong Rail strategy, expanded by strategic aspects

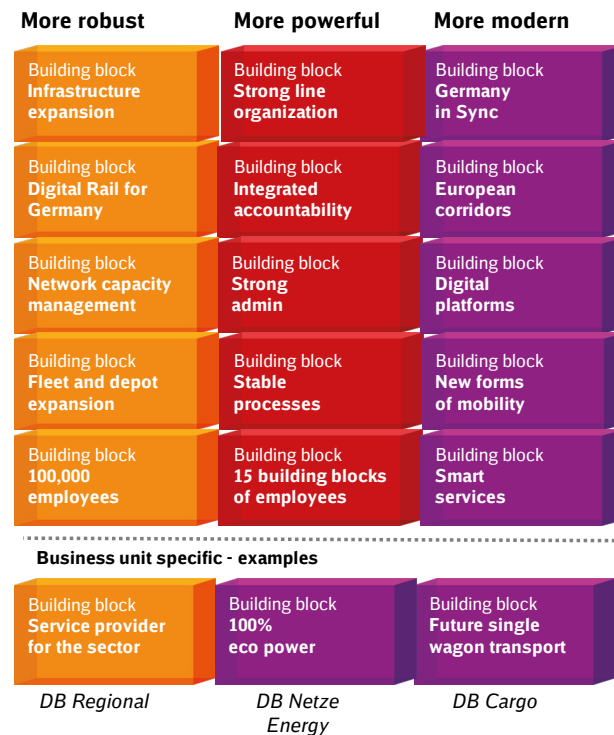
Measures of Agenda for a Better Railway were integrated into Strong Rail

- 1** Management/increase network capacity and punctuality
- 2** Expansion of fleet capacity and availability
- 3** Securing personnel resources
- 4** Stabilization and improvements at DB Cargo
- 5** Stabilization and improvements at DB Regional
- 6** Mobility portfolio passenger transport
- 7** Strengthening of process perspective
- 8** Management and increase of quality and punctuality

Additions in Strong Rail compared to Agenda for a Better Railway

- **Strong Rail is a consistent extension of Agenda for a Better Railway**
 - Included in a committed strategic context.
 - Time horizon expanded to 2030+.
- **12 of the 15 building blocks included in Agenda for a Better Railway**
 - Targeted additions to eliminate white spots.
 - New: 15 building blocks of employees, Germany in Sync, Smart services.
- **Established monitoring mechanisms will be continued**
 - Monitoring of implementation in Steering Committee, regularly reports to Supervisory Board.

15 + X building blocks



Becoming more robust by implementing five key building blocks

Building block Infrastructure expansion

- Planned new and expansion projects will be realized consequently and as fast as possible.
- Additional smaller infrastructure measures improve the robustness in bottlenecks.
- As a result existing bottlenecks will be removed and capacities increased.

Building block Digital Rail for Germany

- The infrastructure will become more modern and thus strong through technological innovations.
- Digital Rail for Germany enables a further capacity increase, reduces traffic jams and creates the operational prerequisites for digital rail operations.
- Broad roll out of ETCS and digital interlockings enables a further higher traffic density and reduces malfunctions – at a stable high level of safety.

Building block Network capacity management¹⁾

- Our capacity consumption will be reduced through capacity-friendly construction.
- Time tables will be more in line with existing capacities through capacity-friendly operations. The utilization will be increased among others by harmonizing the speed profiles.
- PlanCorridor and PlanStart are first measures for a optimized utilization of existing capacities in bottlenecks.

Building block Fleet and depot expansion

- Fleet capacity will be extended by modernization of existing and capex in new vehicles.
- Maintenance capacity will be extended by expansion of our maintenance facilities.
- Maintenance efficiency will be improved by using sensors, AI-based processes und 3D printing technology.

Building block 100,000 employees

- In the next years we will be hiring at least 100,000 new employees.
- Therefore an end to end process for a dynamic demand assessment will be established, a comprehensive employer branding campaign will be conducted and the work of the future will be newly shaped.
- As a result our image as an attractive employer will be strengthened personnel bottlenecks, mainly in jobs critical for operations, will be avoided.

¹⁾ Including involvement of third parties.

Becoming more robust through more train-paths



Since the German rail reform rail transport volume increased by more than 20%. Now we are reaching our capacity limits: Roughly 5% of the network are overloaded, but roughly 70% of the volume sold in long-distance is impacted. That's why we are aiming for an increase of 350 million train-path kilometers, creating more than 30% additional capacity in the network. This will be reached through expansion, technological innovations and digitalization as well as an improved capacity management.

New construction and expansion of lines and hubs

For a mid- to long-term capacity increase of about 108 million train-path km

- **Capacity increase** with the support of politics, among others via implementation of Federal Transport Plan, smaller/middle measures and additional measures for Germany in Sync. Thus bottlenecks can be eliminated and growth enabled.
- **Extensive 740 m network and additional terminals** ease freight transport access to the rails.

Technological innovation and digitalization of the network

For a mid- to long-term capacity increase of about 100 million train-path km

- **Digital Rail for Germany** enables the technology leap of the infrastructure in the 21. century.
- **Broad roll out of ETCS and digital interlockings** reduces malfunctions and enables capacity gains of up to 20%.
- **Digital rail operations** increase capacity by up to 15% in the long-term.

Improved capacity management¹⁾

For a short to mid-term capacity increase of about 70 million train-path km

- **Capacity-friendly construction** reduces our own capacity consumption for the necessary modernization of the network.
- **Capacity-friendly operations** through a time table that is better aligned with capacity. The harmonization of speed profiles improves utilization.
- **Operating management** through PlanCorridor, PlanStart among others improved quality at major bottlenecks.

¹⁾ Including involvement of third parties.

Becoming more robust through more trains



DB Long-Distance delivers record levels of patronage, but quality and punctuality needs to be improved. One reason is that the utilization of the fleet has reached its limit and maintenance requirement has increased further. That's why it is necessary to increase fleet capacity to reach our target of about 260 million passengers p.a. At the same time the fleet at DB Regional and DB Cargo needs to be extended too.

Expansion of fleet capacity

For an increase of seat capacity by up to 100%

- **Through capital expenditures in new trains** we are expanding our fleet – in long-distance by 120 trains, in freight transport by more than 300 locomotives.
- **Longer trains and improved utilization** will increase additional capacity: In regional transport roughly 1,000 existing vehicles will be equipped with up to 12% more seats together with ordering organizations.

Expansion of maintenance capacity

For higher efficiency in our maintenance facilities

- **Through the extension of maintenance facilities** more capacity in line with the growth of our fleet will be created.
- **In long-distance** for more than 50% maintained ICE per day.
- **In regional transport** reduction of downtime during rush hours by 20%.

Digitalization and automatization of maintenance

For an additional increase of vehicle availability

- **Digital technologies:** Use of sensors, data analytic methods and digital optimization are key to reduce future maintenance work. For instance equipment of 68,000 freight cars with intelligent sensors.
- **Digital scans of trains,** intelligent diagnostic systems and AI-based automatized maintenance processes at long-distance to boost efficiency.
- **AI and IoT solutions** for a reduction of comfort malfunctions by 40% in regional transport.

Becoming more powerful by implementing five key building blocks

Building block **Strong line organization**

- The organization will be focused on one target system. Existing trade-offs will be solved and responsibilities sharpened.
- The effectiveness of the organization will be improved by the elimination of management levels, dissolution of redundancies and streamlining of management boards.
- Projects will be strictly focused on Strong Rail and limited in its number.

Building block **Integrated accountability¹⁾**

- Cross-business unit process will have one clear process owner in the future.
- This one process owner is responsible for the focus on customer value, the result and the continuous improvement of the process.
- The process owner is part of the line organization and connected with a direct reporting line to the Management Board.

Building block **Strong admin¹⁾**

- Strong admin in Finance and Controlling, Procurement, Human Resources and Technology and Digitalization set standards and realize economies of scale by bundling resources and competencies.
- They draw up binding quality guidelines at important interfaces, have an veto right in the case of non-conformance and a direct reporting line to the Management Board.
- They lead the respective functions at the business units with regard to their defined spectrum of responsibilities.

Building block **Stable processes**

- With the DB excellence system we establish a common language and a common method and tool box for process design and development.
- All 21 core processes of the integrated rail system will be optimized and standardized with this method box.

Building block **15 building blocks of employees**

- DB employees will be involved in the change and shall develop and create their own building blocks.
- We are looking for 15 building blocks of employees, that mobilize DB Group and help to successful implement the 15 building blocks.
- The development will take place in employee forums and events – the Management Board is committed to implement them.

¹⁾ In compliance with regulatory framework conditions.

Becoming more powerful through a slim structure



Six business units, more than 70 legal entities and internal service providers, 9,500 organizational units: To keep a group of this size manageable, complexity needs to be reduced and the organization must be structured as clearly and simple as possible. Customer and employee focus must be restored. This is the only way to be flexible in stead of rigid, fast in stead of idle, strong and solution-focused. Mantra: We exclude everything the customer doesn't need.

Strengthening and easing of line organization

- **Elimination of trade-offs** through introduction of a common target system.
- **More effective management structures** through less management levels and dissolution of redundancies.
- **Stronger focus** through a reduction to a maximum of 100 top projects at the integrated rail system.

¹⁾ In compliance with regulatory framework conditions.

Establishment of strong integrated process owners¹⁾

- **They align integrated processes** with customer value.
- **They are responsible for process results** and integrate the targets into the objectives of the participants.
- **They are part of the line organization** and will be strengthened through a direct reporting line to the Management Board.

Strengthening of line organization¹⁾

- **Definition of binding standards** for processes and methods.
- **Definition of binding quality guidelines** at important interfaces.
- **Definition and management** of cross-business unit issues.
- **Realization of economies of scale** through bundling of resources and competencies.

Becoming more modern by implementing five key building blocks

Building block Germany in Sync

- Regional transport, long-distance transport, rail and bus will be aligned better across Germany.
- Hence travel time can be reduced and customer experience can be improved.
- On all major intra-German connections will be a train running twice a hour, to major European cities at least once a hour.

Building block European corridors

- In freight transport we strengthen the role of international corridors in line with Germany in Sync.
- Therefore we increase the frequency and enable seamless cross-border transport and create new services on the trans-Eurasian corridor between China and Europe.
- Regular departure times and outstanding service secure competitiveness of rail freight and help to acquire new customers in the long-term.

Building block Digital platforms

- We expand existing and establish new platforms to integrate our services and third-party services.
- Therefore we develop customized solutions for rail freight transport and passenger transport.

Building block New forms of mobility

- We supplement our core product mobility on the rails with new and innovative transport solutions.
- So we make possible seamless end to end transport and travel chains for our customers.

Building block Smart services

- Optimization of travel experience in long-distance, among others through improved travel information, for more self-determination during the journey as well as through personalized services.
- Innovative services in regional transport jointly with the sector for the customers – for instance Wi-Fi and innovative space and train concepts.
- New services in freight transport, for instance through further development supply chain solutions.

Becoming more modern through higher frequencies



It is key for customers to reach their destination simple, fast and convenient. Whether in passenger or in freight transport: Waiting time, missed connections and issues while switching the mode of transport should be reduced as much as possible. Therefore Deutsche Bahn must become faster, volume stronger, more multi-faceted and more intermodal.

In a fast frequency through Germany and Europe

- **Targeted extension of services** makes traffic on major long and mid distance connections faster and more frequently.
- **Additional direct connections and frequencies** connect until 2030 more than 30 German cities two-times per hour. The European railways expand their connections and hence together their services.
- **Additional 7 million people** and hence more than 80% of the German population have access to the long-distance network through the integration of small and mid-size cities, at least twice every hour.
- **In European rail freight transport** services will be extended on the major corridors in line with Germany in Sync and the number of daily cycle runs will be increased.

Extension of mobility services in local transport

- **Build up of a mobility portfolio** for urban and rural traffic through investments, own developments and partnerships.
- **Innovative transport services** extend urban and rural mobility: Ride pooling with cars, sharing of scooters.
- **Integration of these new services** into an even more efficient S-Bahn (metro) offering in conurbations.

Easing of the change of transport modes

- **Stations will become mobility hubs** offering a lot of different mobility services.
- **Charging infrastructure** for cars, e-scooter and pedelecs will be expanded.
- **100,000 new bicycle stands** at stations until 2022 from DB Group and Federal Government.
- **Vital centers of the city:** Eating, shopping or working – at the stations under one roof.
- **Processes in freight transport** at container terminals, railports, marshalling yards and freight transport facilities will be more efficient and faster through new technologies.

Becoming more powerful by stronger interlinking



Digitalization enables totally new ways of information and coordination regarding transport as well the integration of different modes of transport. Hence movement for everybody becomes much easier: Always knowing, where and how to come to the destination while feeling completely accompanied. Therefore services of Deutsche Bahn will become significantly more integrated and even better available through digital platforms.

Extension of the most important mobility platform in long-distance

- **DB Navigator** will become by 2030 with a 35% increase of active user Europe's biggest mobility platform.
- **Real door to door solutions** at long- and mid-distance connections and permanent real time orientation make the DB Navigator even more appealing.

Creation of new interlinkage in local transport – jointly with the sector

- **Mobimeo** develops technologies to make every booking platform multi modal.
- **Mobimeo** develops technologies, to make every booking platform to a real navigation service for day-to-day mobility.
- **Short-term start of pilots** in nine German cities together with Mobility Inside.

Digitalization of the interface for rail freight customers

- **Link2Rail** will digitalize and integrate all booking and monitoring processes along the entire transport chain, for instance tracking and tracing.
- **The Order-2-Cash process** will be automatized, for instance ordering of empty cars, transport orders.
- **Individual sector solutions** will be further developed together with the customers.

Becoming more modern by smarter services



It is not only decisive for the customers to reach their destination. It is of equal importance, how they get there. Or in freight transport, whether and how the freight arrives at the final destination. Therefore we systematically expand our services and extend and optimize them with all new technological and digital possibilities to improve the Deutsche Bahn experience comprehensively.

Optimization of travel experience in long-distance

- **Wi-Fi and telephony.** € 30 mn expenditures to offer complimentary Wi-Fi in all long-distance trains by 2021.
- **Comfort and service at the seat.** Establishment of comfort check in as standard and consistent consideration of customer preferences in on board services.
- **New entertainment possibilities.** Access to exclusive content according to the individual customer preferences.
- **Active travel support.** Introduction real time ticketing, real time navigation and automatized accommodation processes.

Innovative services in regional transport jointly with the sector for the customers

- **Wi-Fi in regional transport.** Offering of high performance Wi-Fi and development of attractive regional customer portals.
- **Idea train.** Development of innovative space and train concepts for individual use of commuting times.
- **Line agent.** Offering of a digital partner for day-to-day mobility – push information in real time in case of interruptions, replacement traffic or alternative routes.

New services in freight transport

- **Further development of supply chain solutions** regarding reliability and lead times with additional logistical services in freight transport.
- **Full transparency in real time** regarding shipment status.
- **Door-to-door-solutions** – consistent transport chains in combined transport.

A1 DB Group

A2 Strategy

A3 2018 Financial Year

A4 H1 2019

A5 Sustainability

A6 Track Record

A3

Mixed performance development of rail business in Germany

Performance indicators – Integrated rail system

Long-distance

(bn pkm)



Regional¹⁾

(bn pkm)



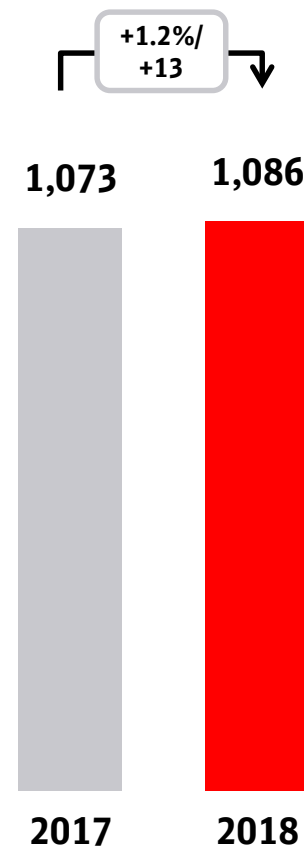
Rail freight

(bn tkm)



Infrastructure

(mn train-path km)

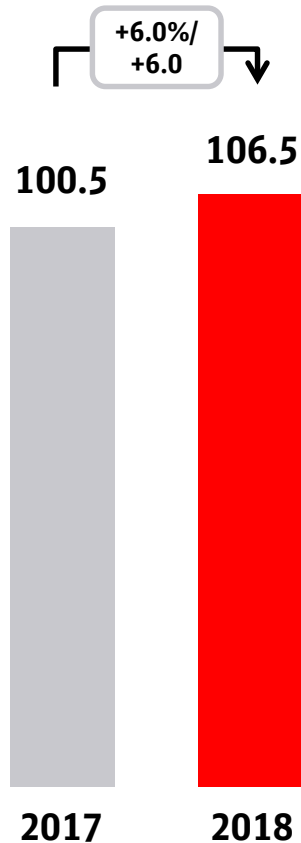


¹⁾ DB Regional and UBB Usedomer Bäderbahn GmbH.

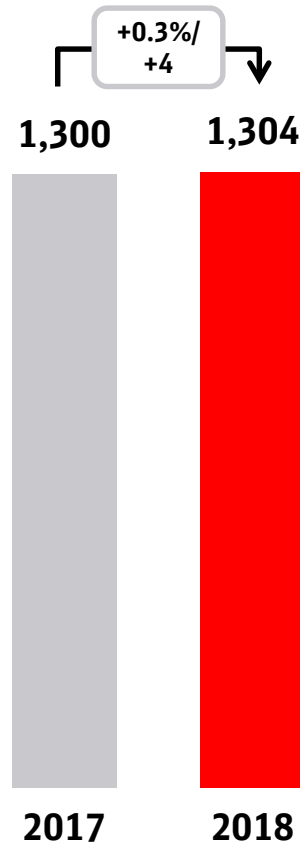
Predominantly positive performance development in the freight forwarding and logistics business

Performance indicators – DB Schenker

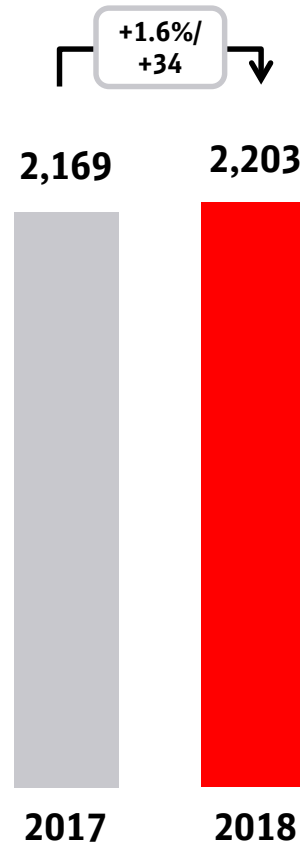
Land transport (mn shipments)



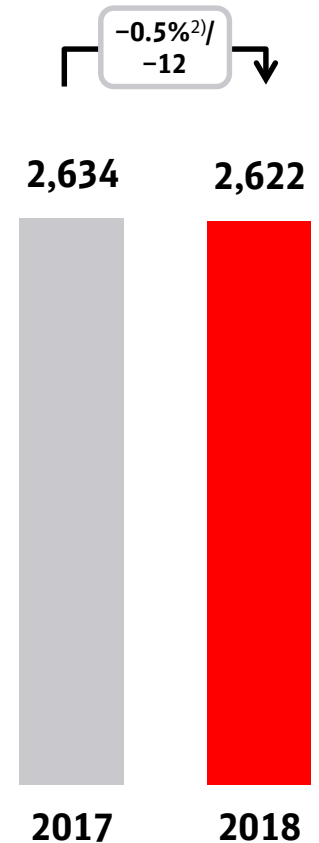
Air freight (thousand t¹⁾)



Ocean freight (thousand TEU¹⁾)



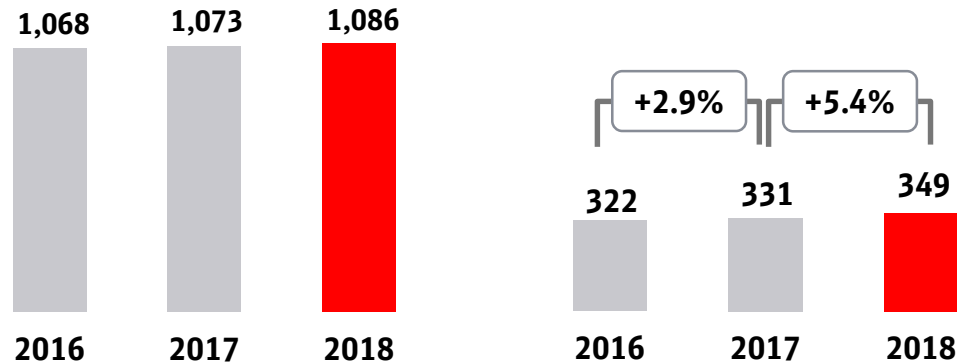
Contract logistics (€ mn)



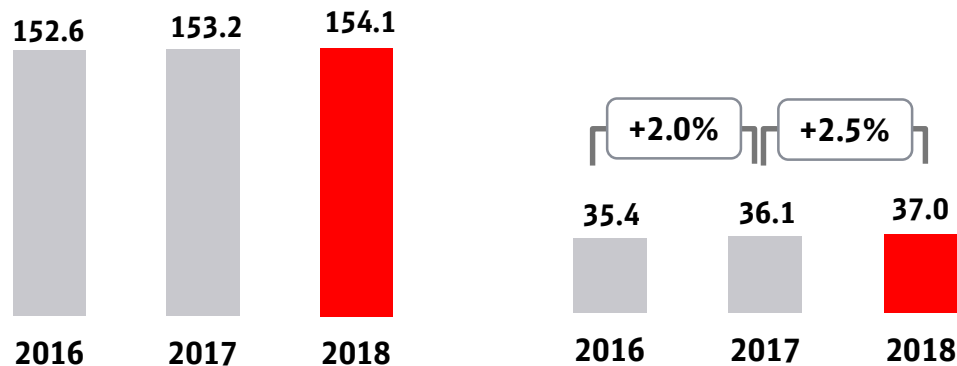
¹⁾ Exports. ²⁾ FX adjusted +2.3%.

Further intensification of non-Group infrastructure usage

Train-path usage total/non-Group (mn train-path km)

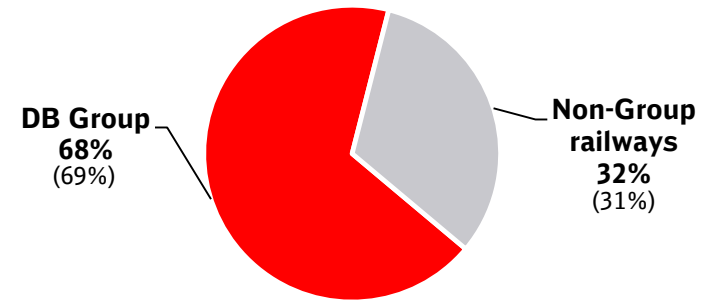


Station stops total/non-Group (mn stops)



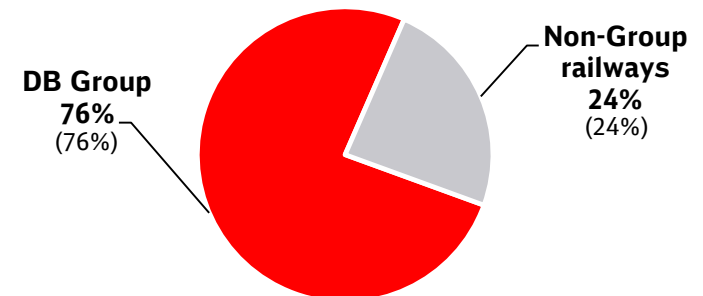
Structure of train-path usage (%)

(2017)



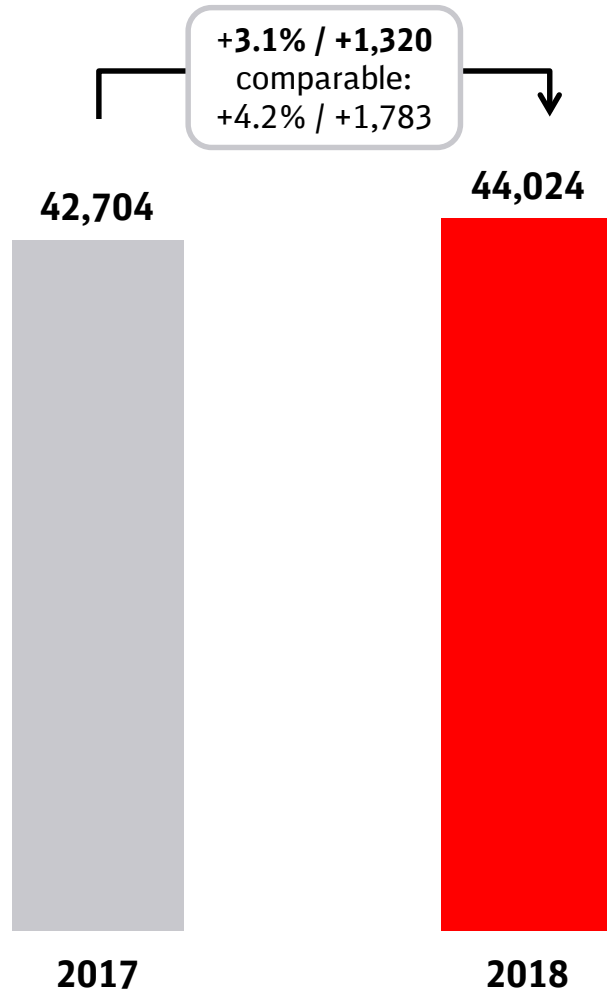
Structure of station stops (%)

(2017)



Revenue development mainly positive, particularly at DB Long-Distance

Revenues (€ mn)



Key impact factors

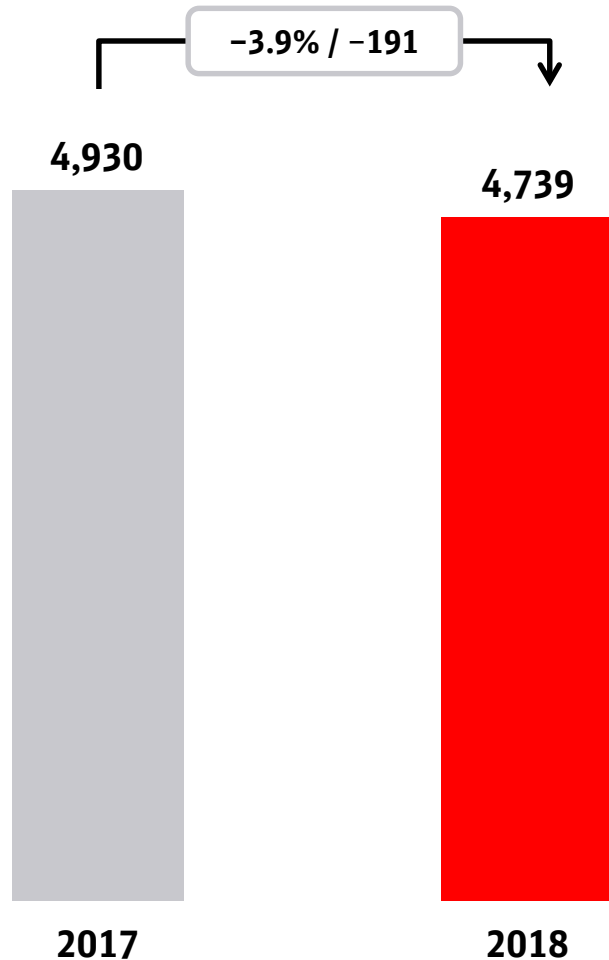
- ⊕ Increased performance (mainly DB Long-Distance and DB Schenker)
- ⊕ Development of freight rates (DB Schenker)
- ⊕ Price effects
- ⊖ Restrictions in rail services
- ⊖ Quality issues
- ⊖ Resource shortage
- ⊖ FX effects

External revenues by business units (€ mn)

	2018	2017	+/- €	+/- %
DB Long-Distance	4,528	4,193	+335	+8.0
DB Regional	8,862	8,629	+233	+2.7
DB Arriva	5,433	5,338	+95	+1.8
DB Cargo	4,177	4,209	-32	-0.8
DB Schenker	16,973	16,345	+628	+3.8
DB Netze Track	1,559	1,522	+37	+2.4
DB Netze Stations	569	540	+29	+5.4
DB Netze Energy	1,350	1,301	+49	+3.8
Other	573	627	-54	-8.6
DB Group	44,024	42,704	+1,320	+3.1

EBITDA development impacted by quality measures and additional cost strains

EBITDA adjusted (€ mn)



Key impact factors

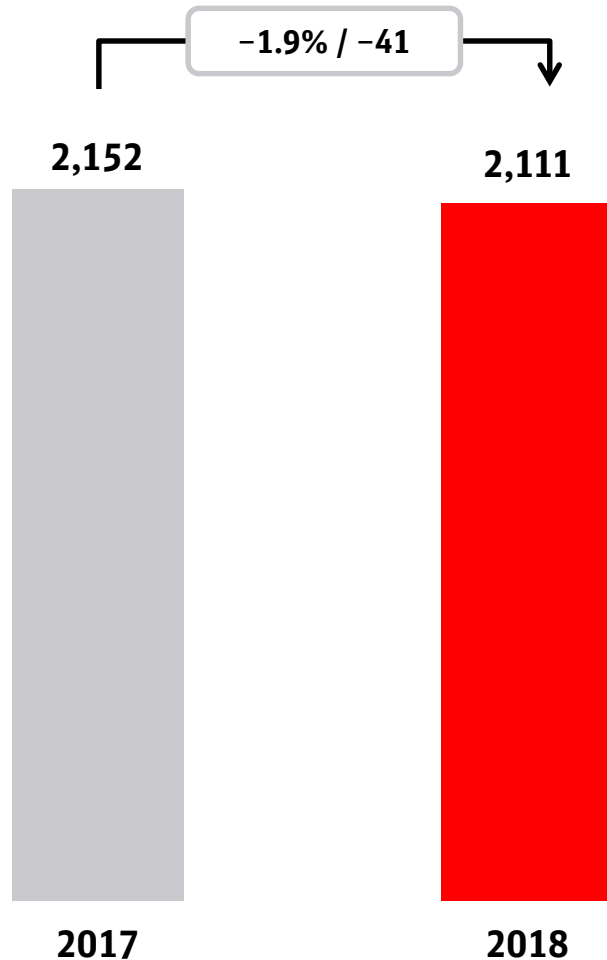
- ⊕ Volume development (mainly DB Long-Distance and DB Schenker)
- ⊕ Price effects
- ⊕ Cost management
- ⊖ Tariff increases
- ⊖ Quality issues/measures
- ⊖ Resource shortage

EBITDA adjusted by business units (€ mn)

	2018	2017	+/- €	+/- %
DB Long-Distance	675	611	+64	+10.5
DB Regional	1,126	1,156	-30	-2.6
DB Arriva	575	569	+6	+1.1
DB Cargo	54	130	-76	-58.5
DB Schenker	703	676	+27	+4.0
DB Netze Track	1,446	1,484	-38	-2.6
DB Netze Stations	362	372	-10	-2.7
DB Netze Energy	87	141	-54	-38.3
Other / Consolidation	-289	-209	-80	+38.3
DB Group	4,739	4,930	-191	-3.9

EBIT follows EBITDA development

EBIT adjusted (€ mn)



Key impact factors

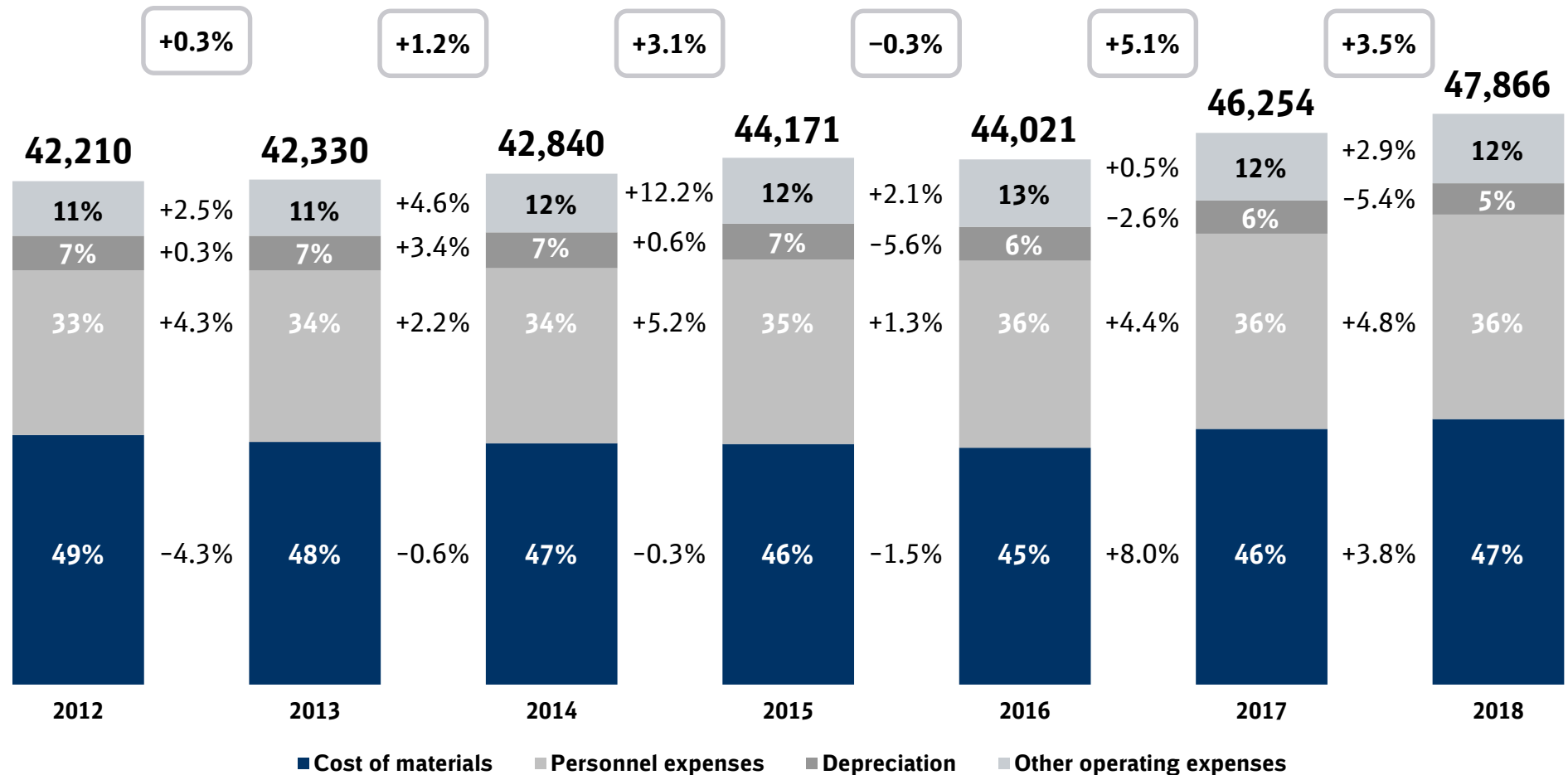
- ⊕ Volume development (mainly DB Long-Distance and DB Schenker)
- ⊕ Price effects
- ⊕ Cost management
- ⊖ Tariff increases
- ⊖ Quality issues/measures
- ⊖ Resource shortage

EBIT adjusted by business units (€ mn)

	2018	2017	+/- €	+/- %
DB Long-Distance	417	381	+36	+9.4
DB Regional	492	508	-16	-3.1
DB Arriva	300	301	-1	-0.3
DB Cargo	-190	-90	-100	+111
DB Schenker	503	477	+26	+5.5
DB Netze Track	840	687	+153	+22.3
DB Netze Stations	221	233	-12	-5.2
DB Netze Energy	21	72	-51	-70.8
Other / Consolidation	-493	-417	-76	+18.2
DB Group	2,111	2,152	-41	-1.9

Personnel expenses and cost of materials dominate expense structure

Expenses adjusted (€ mn)



Higher operating expenses made impact on 2018 income statement

Adjusted P&L (€ mn)

	2018	2017	+/- €	+/- %	Key impact factors
Revenues	44,024	42,704	+1,320	+3.1	<ul style="list-style-type: none"> Revenue growth dampened by negative FX effects .
Total income	49,977	48,406	+1,571	+3.2	<ul style="list-style-type: none"> Other operating income increased mainly due to effects from state support as part of the Master Plan for the Rail Freight Transport and higher income from the reversal of provisions.
Cost of materials	-22,254	-21,441	-813	+3.8	
Personnel expenses	-17,149	-16,363	-786	+4.8	
Other operating expenses	-5,835	-5,672	-163	+2.9	
EBITDA adjusted	4,739	4,930	-191	-3.9	<ul style="list-style-type: none"> Operating expenses increased mainly due to the development of freight rates and volume growth at DB Schenker and factor costs in Germany.
Depreciation	-2,628	-2,778	+150	-5.4	
EBIT adjusted	2,111	2,152	-41	-1.9	<ul style="list-style-type: none"> Burdens due to restrictions in rail services were at the high level of the previous year.
Financial result	-706	-790	+84	-10.6	
Extraordinary results	-233	-394	+161	-40.9	<ul style="list-style-type: none"> Continued high competitive and cost pressure.
Profit before taxes	1,172	968	+204	+21.1	
Taxes on income	-630	-203	-427	-	
Net profit	542	765	-223	-29.2	

Clear targets for yield management and creditworthiness

ROCE

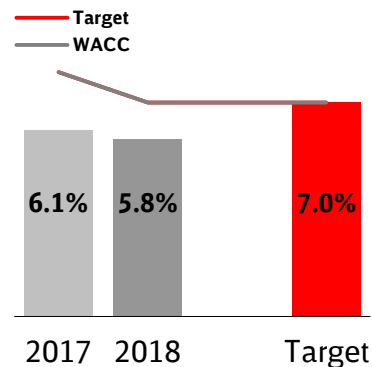
Calculation

$$= \frac{\text{EBIT adjusted}}{\text{Capital employed}}$$

Rationale

- ROCE links requirements of controlling (success control, management instrument) with capital market requirements (derivability, acceptance).

Targets

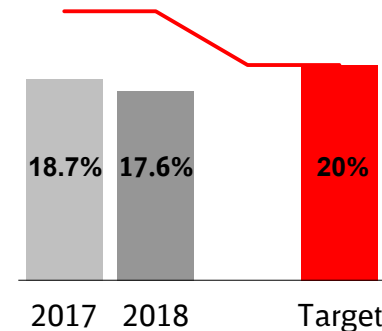


DB Group has to earn its cost of capital (WACC) in the mid-term; value generation: ROCEs > WACCs.

Redemption coverage

$$= \frac{\text{Operating cash flow after tax}}{\text{Adjusted net debt}}$$

- Connection of cash flow after tax and debt.
- Key figure in rating assessment process.
- Includes pension obligations.

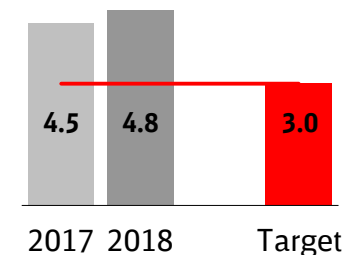


Access to the capital markets / preservation of a broad fixed income investor base. Confirmation of credit ratings in the good investment grade area even on a stand alone basis.

Net debt / EBITDA

$$= \frac{\text{Net debt}}{\text{EBITDA adjusted}}$$

- Connection of cash flow and financial debt.
- Key figure in rating assessment process.
- Widely used in investment analysis.

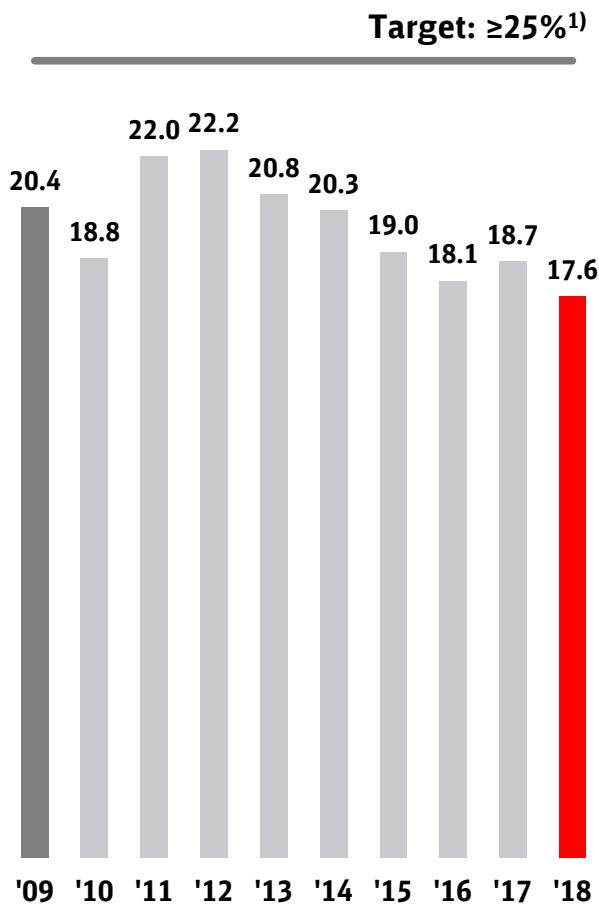


Development of key value management figures impacted by profit and net debt development

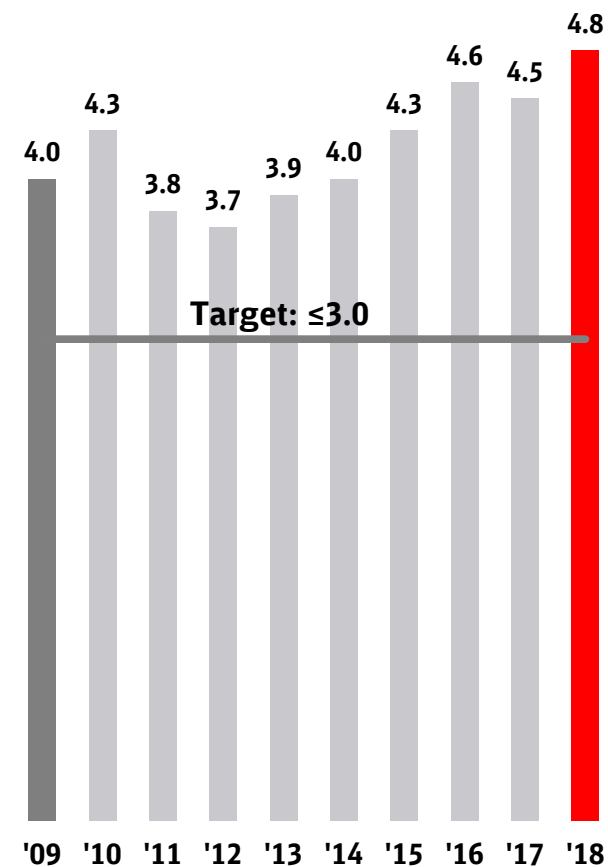
ROCE (%)



Redemption coverage (%)



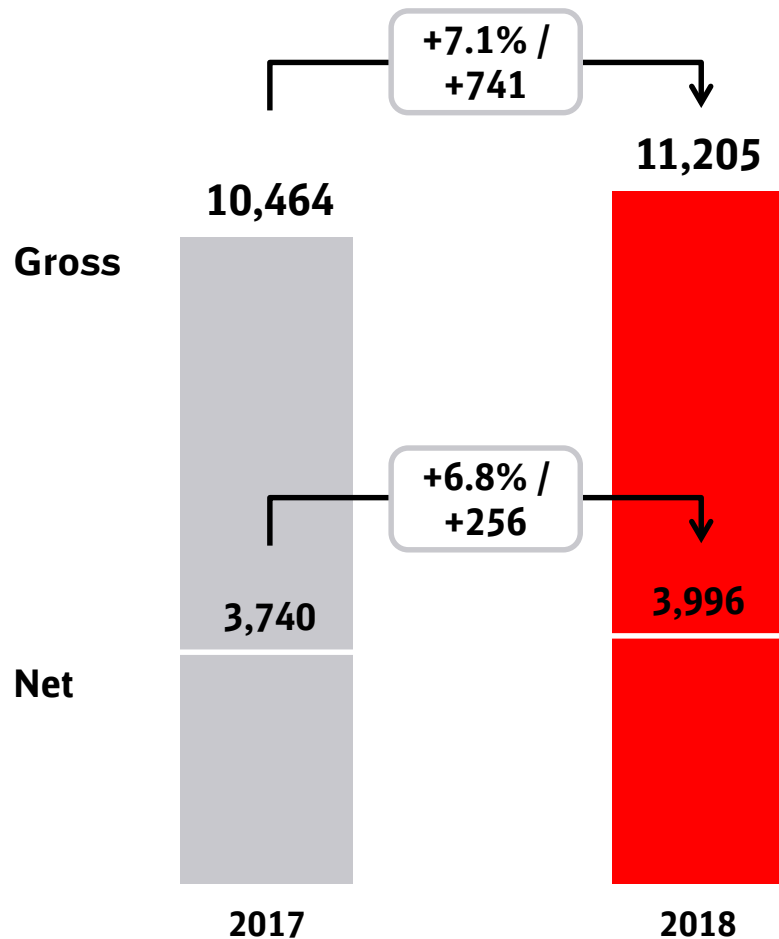
Net debt/EBITDA (multiple)



¹⁾ Since Jan 1, 2019 target for redemption coverage is $\geq 20\%$.

Capex increased by higher investments in infrastructure and rolling stock

Capital expenditures (€ mn)



Key impact factors

- ⊕ Higher rolling stock capex (especially at DB Long-Distance and DB Cargo)
- ⊕ Higher infrastructure capex

Net capex by business units (€ mn)

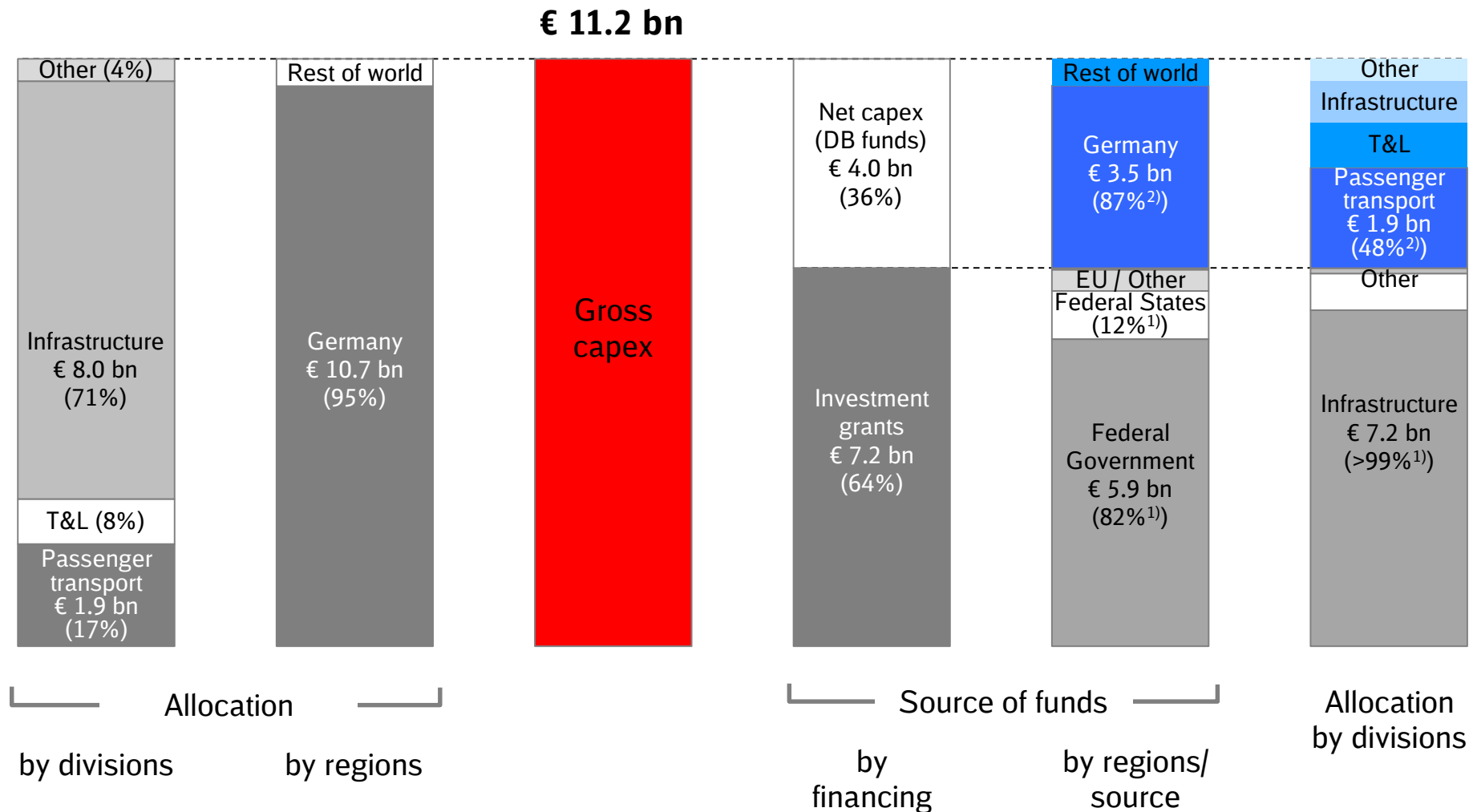
	2018	2017	+/- €	+/- %
DB Long-Distance	1,081	1,060	+21	+2.0
DB Regional	526	628	-102	-16.2
DB Arriva	312	372	-60	-16.1
DB Cargo	586	324	+262	+80.9
DB Schenker	273	246	+27	+11.0
DB Netze Track	564	660	-96	-14.5
DB Netze Stations	164	103	+61	+59.2
DB Netze Energy	65	53	+12	+22.6
Other / Consolidation	425	294	+131	+44.6
DB Group	3,996	3,740	+256	+6.8

Increased gross capex mainly at DB Netze Track, DB Cargo and DB Netze Stations

Capital expenditures (€ mn)

	Gross capex				Net capex			
	2018	2017	+/- €	+/- %	2018	2017	+/- €	+/- %
DB Long-Distance	1,081	1,060	+21	+2.0	1,081	1,060	+21	+2.0
DB Regional	539	674	-135	-20.0	526	628	-102	-16.2
DB Arriva	326	374	-48	-12.8	312	372	-60	-16.1
DB Cargo	587	328	+259	+79.0	586	324	+262	+80.9
DB Schenker	273	246	+27	+11.0	273	246	+27	+11.0
DB Netze Track	6,901	6,601	+300	+4.5	564	660	-96	-14.5
DB Netze Stations	883	709	+174	+24.5	164	103	+61	+59.2
DB Netze Energy	187	177	+10	+5.6	65	53	+12	+22.6
Other/Consolidation	428	295	+133	+45.1	425	294	+131	+44.6
DB Group	11,205	10,464	+741	+7.1	3,996	3,740	+256	+6.8

Gross capex financed roughly two thirds by investment grants and one third by DB funds

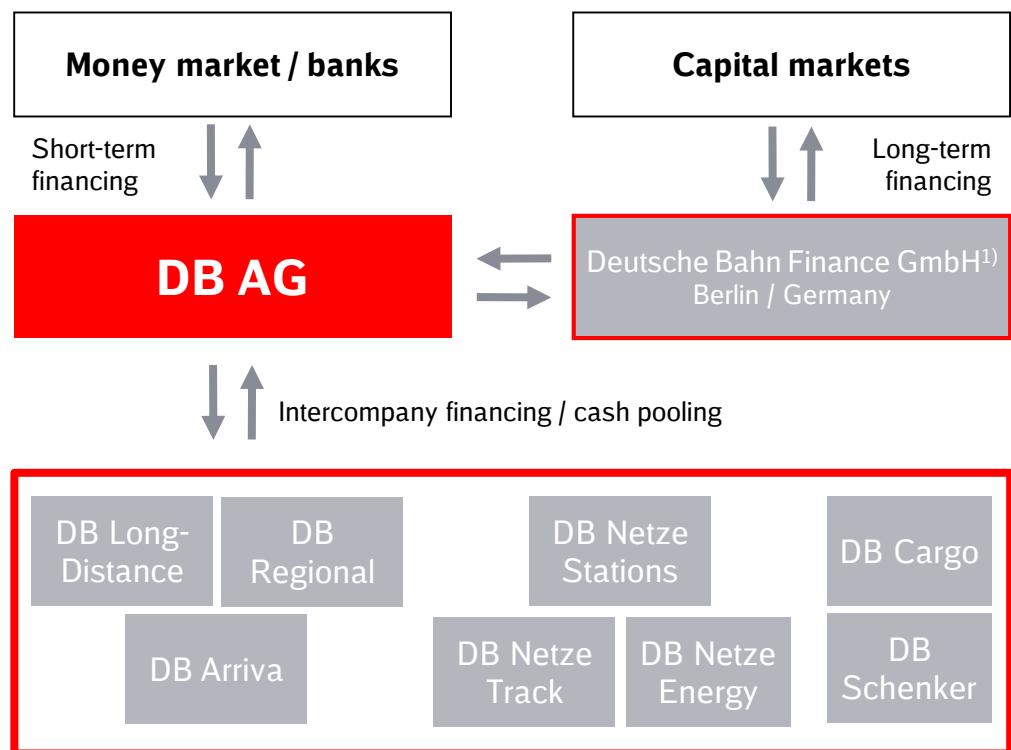


¹⁾ Share of total investments grants. ²⁾ Share of total net capex.

Clear concept of DB Group financing



Cash management and financing of DB Group



Comments

- DB AG's central Treasury department manages all financing, liquidity and hedging activities.
- External Group financing procured exclusively by DB AG and DB Finance.
- Internal funding conditions at arm's length.
- Cash pooling with roughly 300 subsidiaries in 21 countries; 2 regional cash pools.
- Two debt issuance programs, issuer DB AG / DB Finance guaranteed by DB AG:
 - Euro debt issuance program (since 2001), volume € 25.0 bn
 - Kangaroo debt issuance program (since 2017), volume AUD 5.0 bn

¹⁾ Since September 1, 2017. Formerly Deutsche Bahn Finance B.V., Amsterdam / the Netherlands.

Capital markets funding strategy: CP program increased by € 1 bn to € 3 bn in total

Strategy

- Centralized Group funding by the Group Treasury located at DB AG.
- Active management of maturity profile; max. about € 2 bn in bond maturities per year.
- Positioning as retail-friendly and sustainable issuer.
- Committed back-up facilities for Commercial Paper program of DB AG.

Instruments

- Cash pool and internal loans for intra-Group financing.
- EUR 25 bn Euro debt issuance program.
- AUD 5 bn (€ 3.4 bn) Kangaroo debt issuance program.
- EUR 3 bn Commercial paper program with a corresponding portfolio of about € 2 bn committed back-up facilities.
- Global credit lines with working capital and guarantee facilities for Group companies.
- Opportunistic leasing when favorable (e.g. rail franchises in UK and Germany).

Terms and conditions

- Typically German Law documentation (Kangaroo program under Australian/NSW law), each with Negative Pledge, Pari Passu, no Cross Default, no MAC, no Rating Trigger, no Ownership Clause, no Ratio Requirements (no Financial Covenants at all).
- All derivatives under German Master Agreement (DRV).

Documentation



EMTN
Program



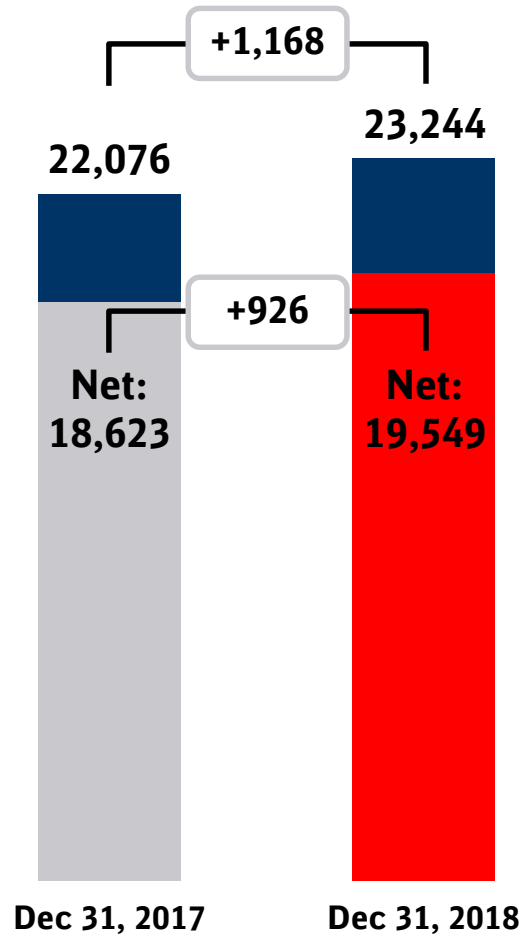
Kangaroo
Program



CP
Program

Components of financial debt as of Dec 31, 2018

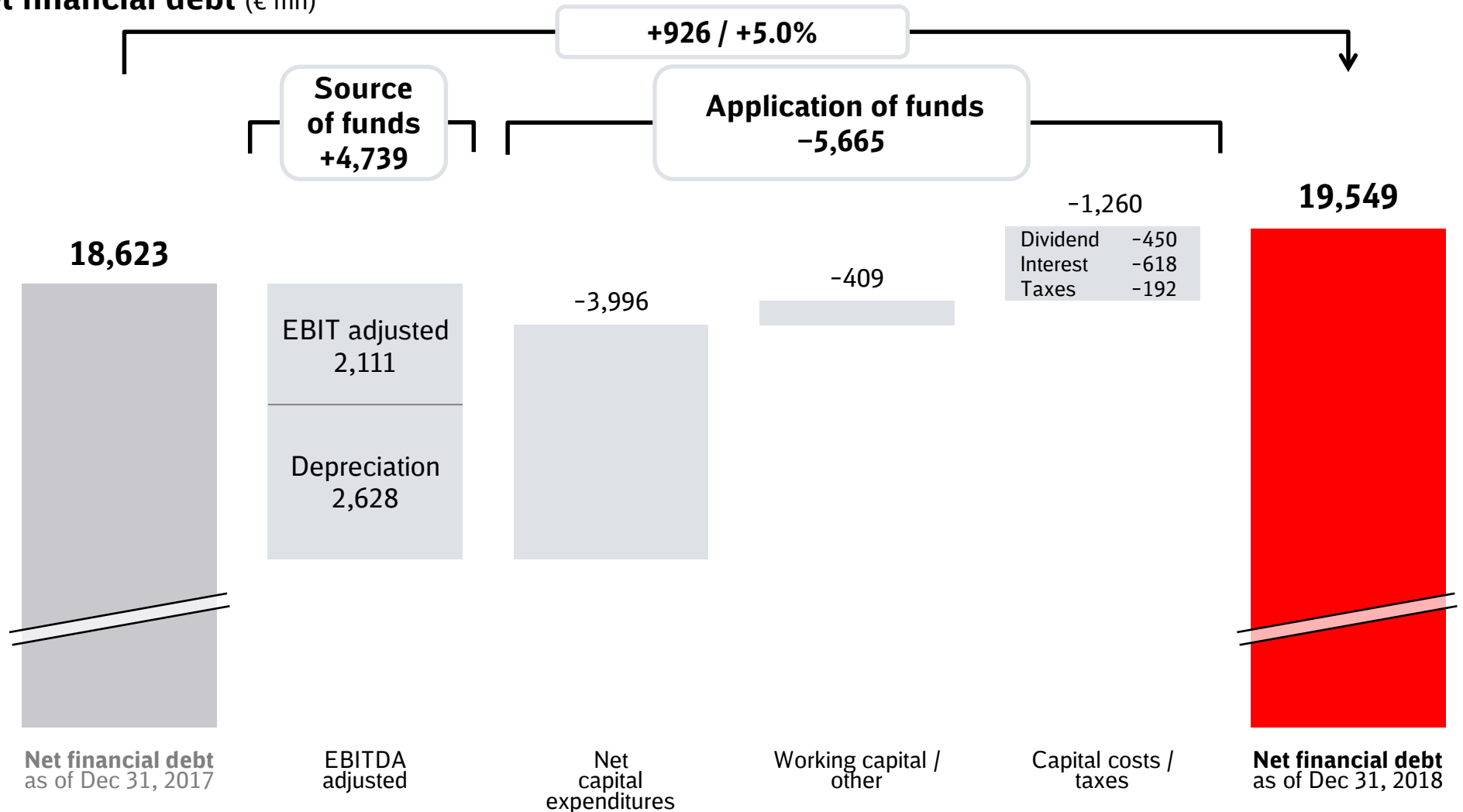
Financial debt (€ mn)



	2018	2017	+/-
Bonds	20,712	19,616	+1,096
+ Interest-free loans (present value)	851	1,014	-163
+ Bank borrowings (incl. EIB)	646	531	+115
+ Finance lease (present value)	562	501	+61
+ EUROFIMA loans	200	200	-
+ Finance liabilities from transport concessions	45	52	-7
+ Commercial paper	—	—	-
+ Other finance liabilities	228	162	+66
Financial debt	23,244	22,076	+1,168
- Cash and cash equivalents and receivables from financing	3,718	3,528	-190
- Effects from currency hedges	-23	-75	+52
Net financial debt	19,549	18,623	+926

Net financial debt increased among others due to high level of capex

Net financial debt (€ mn)



Balance sheet without significant structural changes

Balance sheet

(€ mn, as of Dec 31)

Assets	2018	2017	+/- €	+/- %
Non-current assets	46,646	45,625	+1,021	+2.2
Property, plant and equipment	40,757	39,608	+1,149	+2.9
Intangible assets	3,730	3,599	+131	+3.6
Deferred tax assets	1,032	1,416	-384	-27.1
Current assets	11,881	10,811	+1,070	+9.9
Trade receivables	4,962	4,571	+391	+8.6
Cash and cash equivalents	3,544	3,397	+147	+4.3
Equity and liabilities				
Equity	13,592	14,238	-646	-4.5
Non-current liabilities	29,104	27,510	+1,594	+5.8
Financial debt	20,626	19,716	+910	+4.6
Current liabilities	15,831	14,688	+1,143	+7.8
Financial debt	2,618	2,360	+258	+10.9
Trade liabilities	5,491	5,157	+334	+6.5
Total assets	58,527	56,436	+2,091	+3.7

Maturity structure

(%)

Assets	Equity and liabilities
Non-current assets (80, 2017: 81)	Equity (23, 2017: 25)
	Non-current liabilities (50, 2017: 49)
Current assets (20, 2017: 19)	Current liabilities (27, 2017: 26)
Total	Total
€ 58.5 bn	€ 58.5 bn

DB Regional won 70% of the volume tendered in 2018

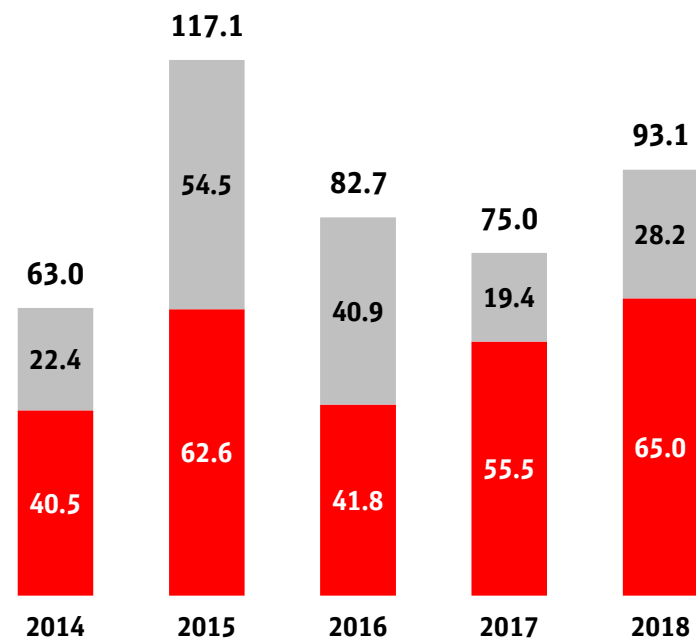


Awarded contracts in German regional passenger transport market

(mn train km)

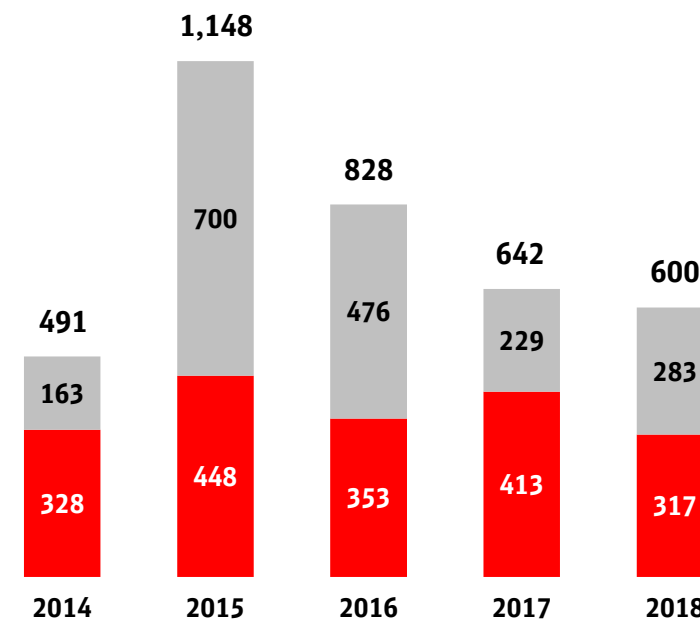
Annual basis

64% 53% 51% 74% 70%



Over duration of contract

67% 39% 43% 64% 53%

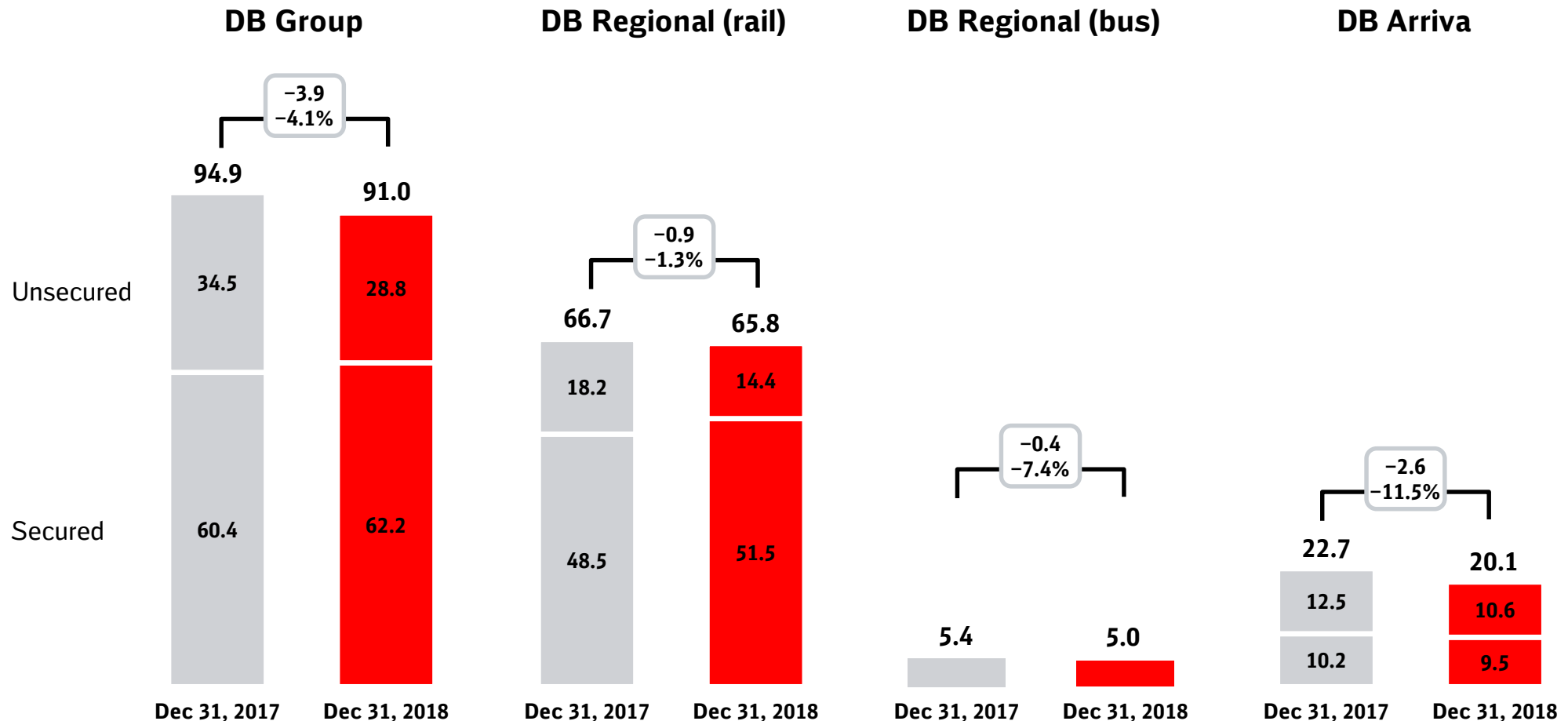


Hit rate DB Regional
 DB Regional
 Competitors

Possible differences are due to rounding.

Order book in passenger transport decreased mainly due to services performed – partially offset by awarded contracts

Order book¹⁾ in passenger transport (€ bn)



¹⁾ Secured and unsecured revenues. Unsecured revenues consist mainly of fare revenues.

A1 **DB Group**

A2 **Strategy**

A3 **2018 Financial Year**

A4 **H1 2019**

A5 **Sustainability**

A6 **Track Record**

A4

Strong development of DB Long-Distance and highest volume in infrastructure

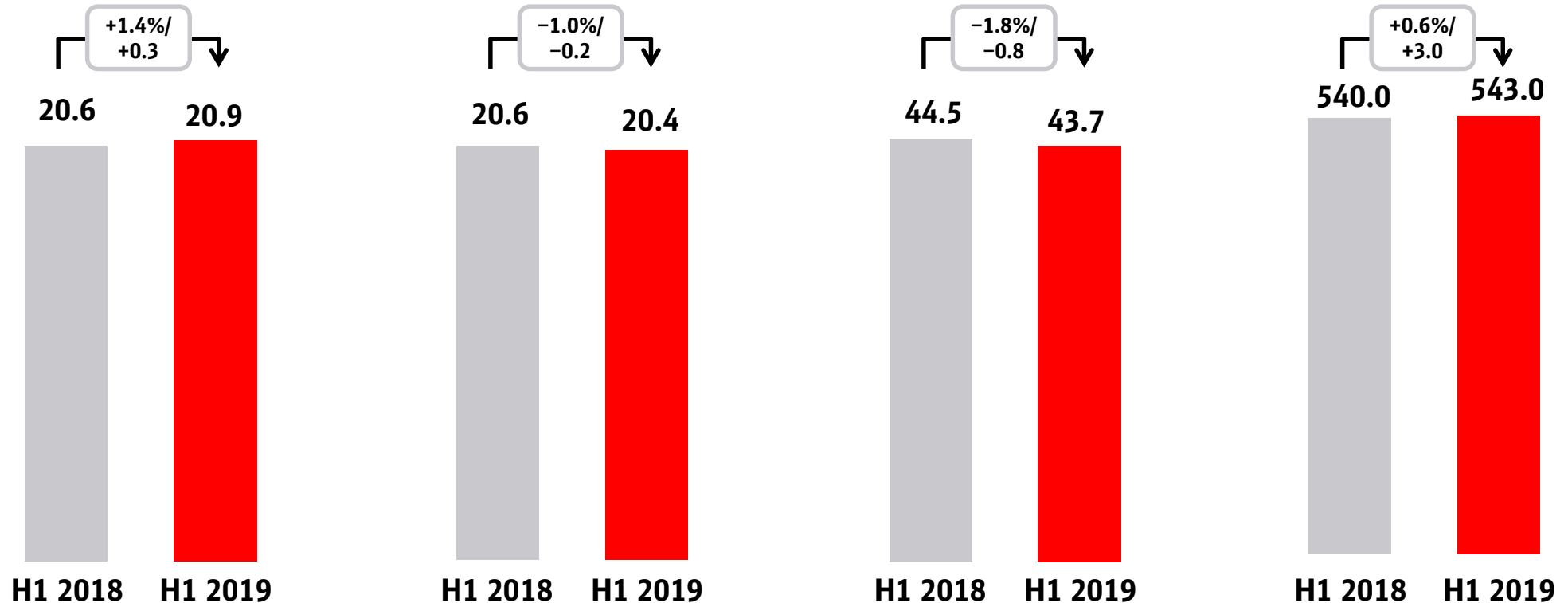
Performance indicators – Integrated rail system

DB Long-Distance
(bn pkm)

Regional¹⁾
(bn pkm)

DB Cargo
(bn tkm)

Infrastructure
(mn train-path km)

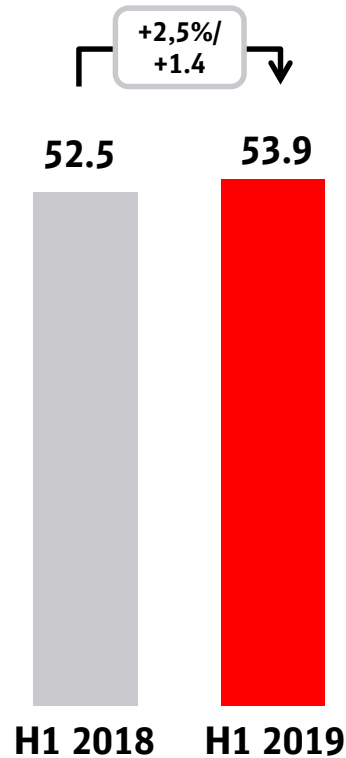


¹⁾ DB Regional and UBB Usedomer Bäderbahn GmbH.

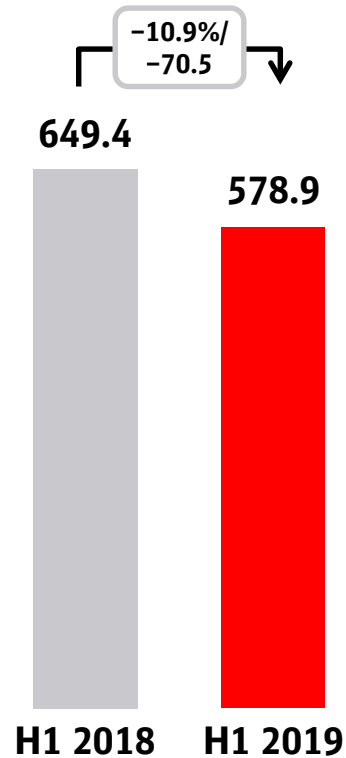
Predominantly positive performance development in the freight forwarding and logistics business

Performance indicators – DB Schenker

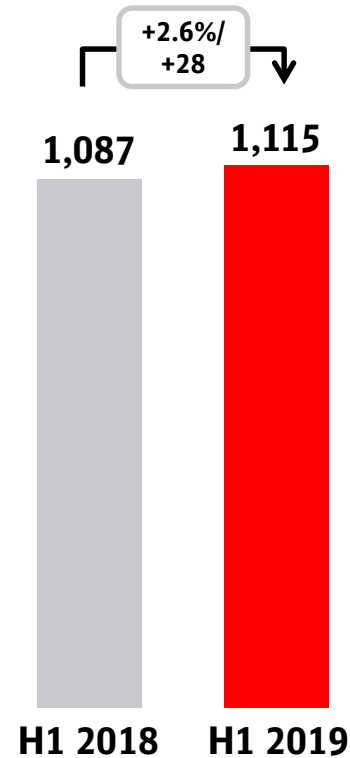
Land transport (mn shipments)



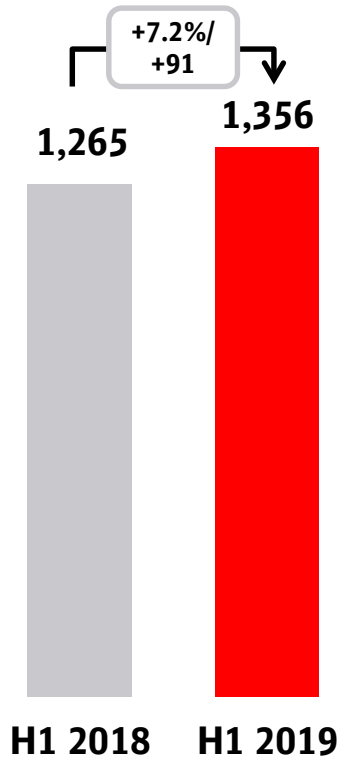
Air freight (thousand t)



Ocean freight (thousand TEU)



Contract logistics (€ mn)



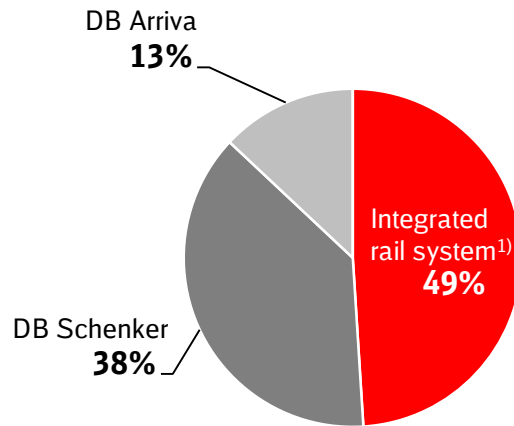
Stable revenue structure compared to H1 2018



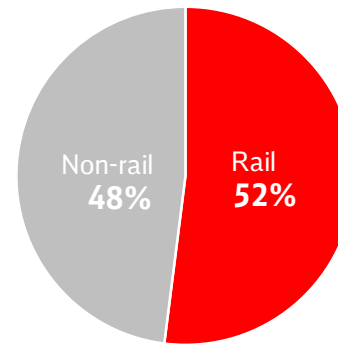
Revenues

By divisions

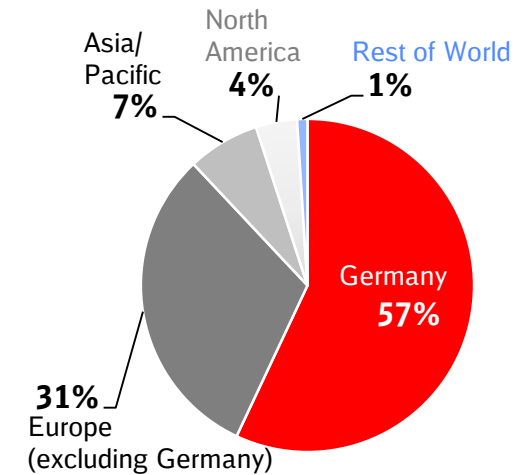
H1 2018



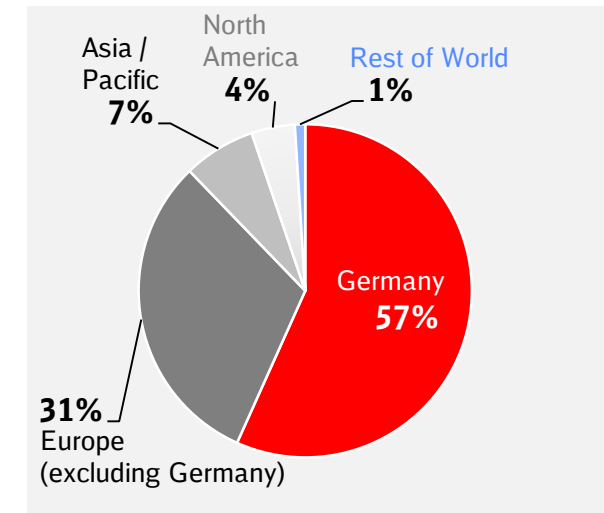
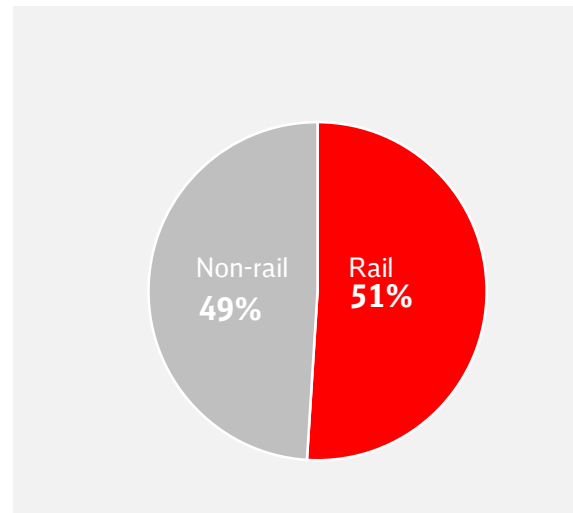
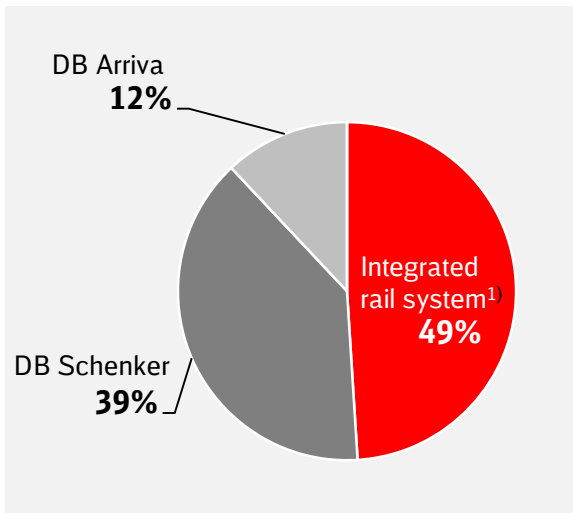
By activities



By regions



H1 2019



¹⁾ Mainly passenger transport activities in Germany, rail freight transport activities, operational service units and rail infrastructure companies.

Impact on key figures due to first-time implementation of IFRS 16 in H1 2019

IFRS 16 effects on key figures in H1 2019

- DB Group implemented IFRS 16 as of January 1, 2019
- This is based on the modified retrospective method, meaning that IFRS 16 is used without including or adjusting previous reporting periods

Balance sheet (IFRS 16 effects)

- Increase in property, plant and equipment and capital employed accordingly.
- Recognition of the lease liability in the balance sheet lead to a corresponding increase in financial debt (€ +4.3 billion as of Jun 30, 2019).

Income statement (IFRS 16 effects)

- EBITDA increased significantly driven by the omitted operating lease expenses (€ +459 mn in H1 2019).
- EBIT increased only slightly driven by the interest share of the lease payments (€ +20 mn in H1 2019).

Value management (IFRS 16 effects)

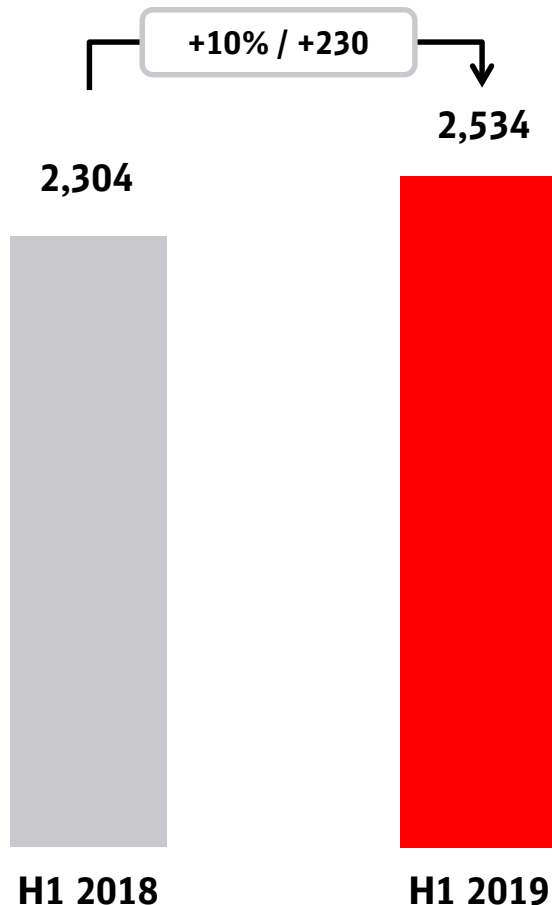
- ROCE deteriorated slightly (-0.3 percentage points as of Jun 30, 2019) to a permanently lower level due to the disproportional increase of capital employed compared to the EBIT.
- WACC is affected simultaneously and decreased as well. New ROCE target ($\geq 7\%$) considered that already.
- Redemption coverage target adjusted as well ($\geq 20\%$).

Capex (IFRS 16 effects)

- Capex increased significantly (€ +444 mn in H1 2019).

EBITDA development impacted by IFRS 16 effects

EBITDA adjusted (€ mn)



Key impact factors

- ⊕ Volume development (mainly DB Long-Distance and DB Schenker)
- ⊕ IFRS 16 effects
- ⊕ Cost management
- ⊖ Quality and digitalization measures
- ⊖ Quality issues
- ⊖ Cost increases (personnel and energy)

EBITDA adjusted by business units (€ mn)

	H1 2019	H1 2018	+/- €	Thereof IFRS 16	+/- %
DB Long-Distance	367	328	+39	+1	+11.9
DB Regional	512	530	-18	+4	-3.4
DB Arriva	326	243	+83	+87	+34.2
DB Cargo	20	-1	+21	+42	-
DB Schenker	499	314	+185	+188	+58.9
DB Netze Track	708	815	-107	+2	-13.1
DB Netze Stations	201	228	-27	+7	-11.8
DB Netze Energy	65	47	+18	+10	+38.3
Other / Consolidation	-164	-200	+36	+118	-18.0
DB Group	2,534	2,304	+230	+459	+10.0

Higher operating expenses made impact on income statement

Adjusted P&L (€ mn)

	H1 2019	H1 2018	+/- €	+/- %
Revenues	22,013	21,548	+465	+2.2
Total income	24,619	24,198	+421	+1.7
Cost of materials	-10,876	-10,743	-133	+1.2
Personnel expenses	-8,902	-8,423	-479	+5.7
Other operating expenses	-2,307	-2,728	+421	-15.4
EBITDA adjusted	2,534	2,304	+230	+10.0
Depreciation	-1,777	-1,330	-447	+33.6
EBIT adjusted	757	974	-217	-22.3
Financial result	-383	-350	-33	+9.4
Extraordinary results	-97	-64	-33	+51.6
Profit before taxes	277	560	-283	-50.5
Taxes on income	-72	2	-74	-
Net profit	205	562	-357	-63.5

Key impact factors

- Revenue growth substantially due to price and performance factors.
- Operating expenses increased mainly due to additional expenses, for our measures to improve quality and digitalization, additional employees and wage increases.
- IFRS16 effects lowered other operating expenses and increased depreciation.

Increased capex mainly at Infrastructure business units as well as at DB Arriva and DB Schenker due to IFRS 16 effects

Capital expenditures

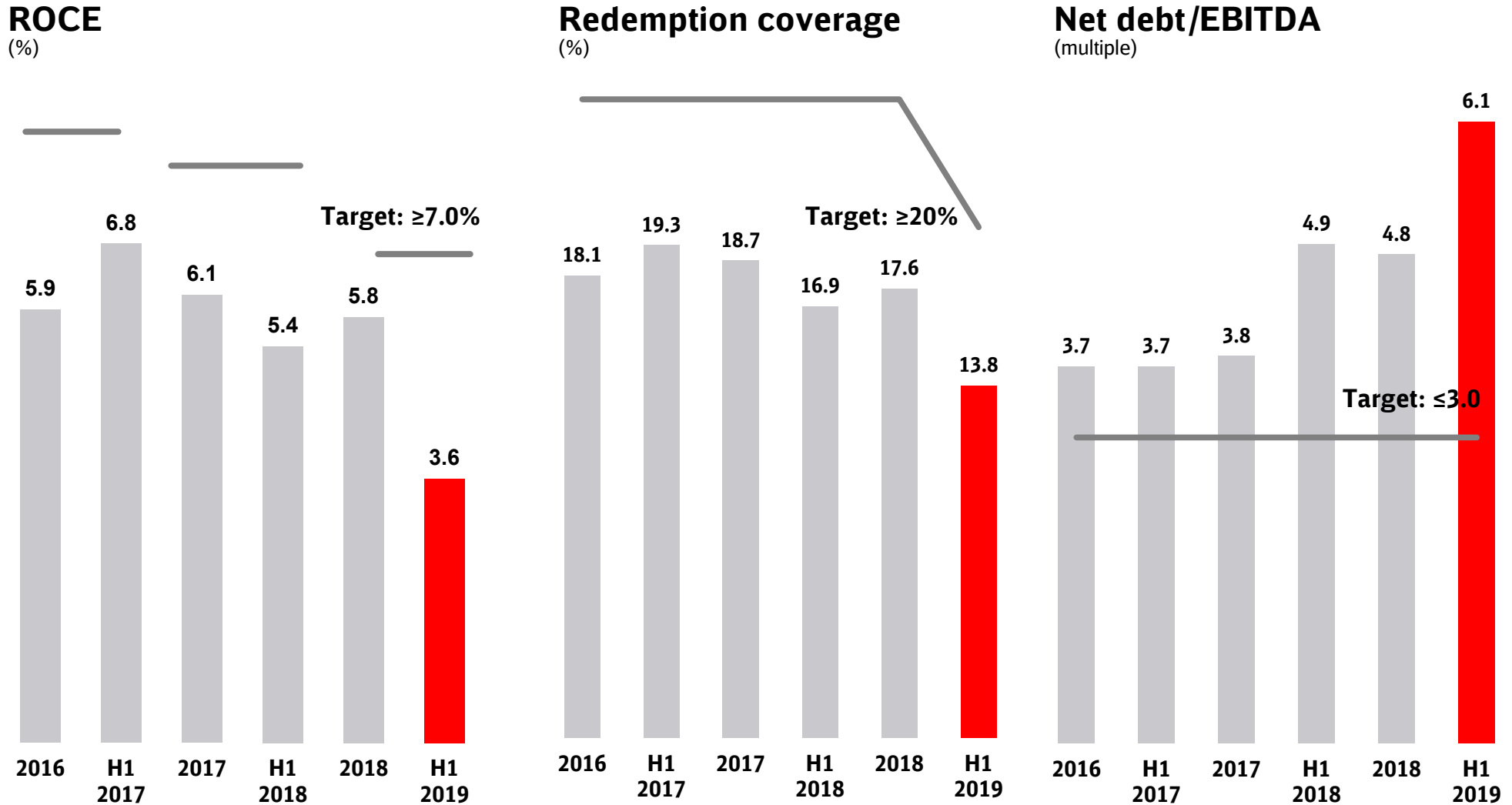
(€ mn)

Gross capex

Net capex

	H1 2019	H1 2018	+/- €	+/- %	H1 2019	H1 2018	+/- €	Thereof IFRS 16	+/- %
DB Long-Distance	169	380	-211	-55.5	169	380	-211	+1	-55.5
DB Regional	273	299	-26	-8.7	269	294	-25	+0	-8.5
DB Arriva	323	153	+170	+111	316	153	+163	+159	+107
DB Cargo	163	140	+23	+16.4	163	139	+24	+15	+17.3
DB Schenker	261	78	+183	–	261	78	+183	+154	–
DB Netze Track	2,875	2,634	+241	+9.1	636	545	-91	+1	-16.7
DB Netze Stations	397	291	+106	+36.4	216	138	+78	+1	+56.5
DB Netze Energy	67	81	-14	-17.3	23	40	-17	–	-42.5
Other/Consolidation	297	161	+136	+84.5	297	158	+139	+113	+88.0
DB Group	4,825	4,217	+608	+14.4	2,350	1,925	+425	+425	+22.1

Key value management figures impacted by operating profit and net debt development as well as IFRS 16 effects



Balance sheet without major changes except IFRS 16 effects

Balance sheet

(€ mn, as of Dec 31)

Assets

Non-current assets

Property, plant and equipment	45,326	40,757	+4,569	+11.2
Intangible assets	3,751	3,730	+21	0.6
Deferred tax assets	1,145	1,032	+113	-10.9

Current assets

Trade receivables	5,015	4,962	+53	+1.1
Cash and cash equivalents	3,663	3,544	+119	+3.4

Equity and liabilities

Equity

Non-current liabilities

Financial debt

Current liabilities

Financial debt

Trade liabilities

Total assets

2019 **2018** +/- € +/- %

51,367 **46,646** **+4,721** **+10.1**

45,326 40,757 +4,569 +11.2

3,751 3,730 +21 0.6

1,145 1,032 +113 -10.9

12,423 **11,881** **+542** **+4.6**

5,015 4,962 +53 +1.1

3,663 3,544 +119 +3.4

12,804 **13,592** **-788** **-5.8**

33,217 **29,104** **+4,112** **+14.1**

24,449 20,626 +3,823 +18.5

17,769 **15,831** **+1,938** **+12.2**

4,871 2,618 +2,253 +86.1

5,145 5,491 -346 -6.3

63,790 **58,527** **+5,262** **+9.0**

Maturity structure

(%)

Assets

Non-current assets
(80, 2018: 80%)

Current assets
(20, 2018: 20)

Total **€ 63.8 bn**

Equity and liabilities

Equity
(20, 2018: 23)

Non-current liabilities
(52, 2018: 50)

Current liabilities
(28, 2018: 27)

Total **€ 63.8 bn**

A1 DB Group

A2 Strategy

A3 2018 Financial Year

A4 H1 2019

A5 Sustainability

A6 Track Record

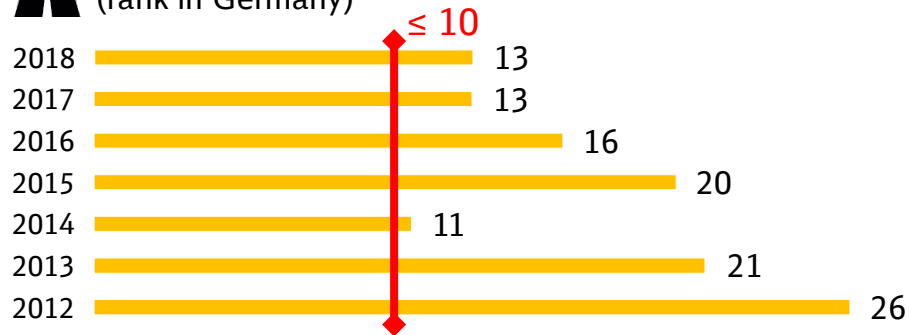
A5

Overall good development of top targets in the social and environmental dimension

Social



Employer attractiveness (rank in Germany)



Employee satisfaction¹⁾ (SI²⁾)



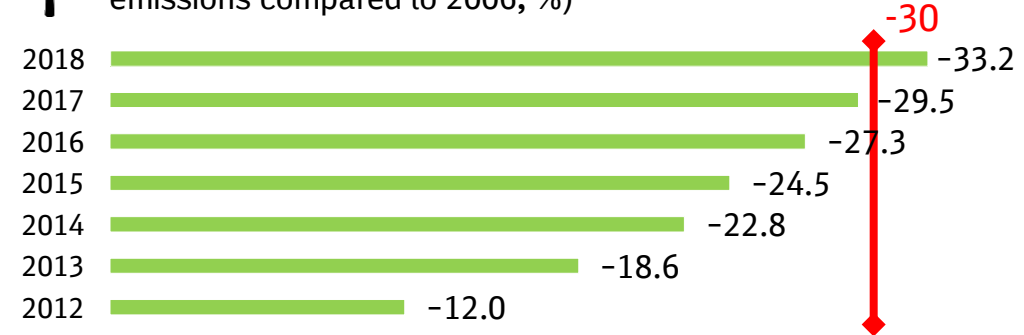
¹⁾ Survey every two years. ²⁾ Satisfaction index.

Environmental

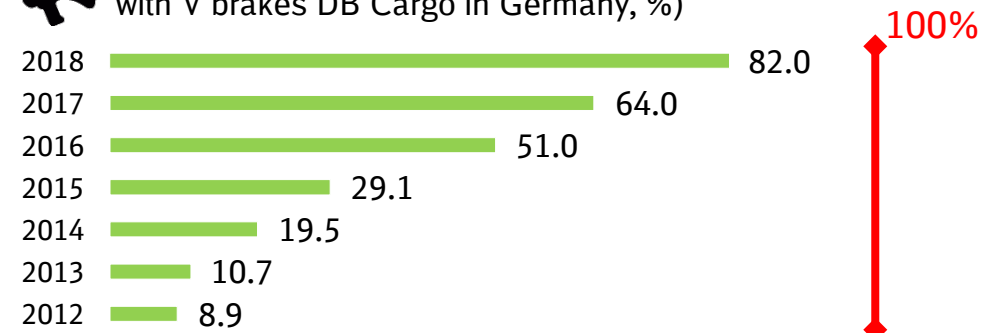
Target
DB2020+



Climate protection (specific greenhouse gas emissions compared to 2006, %)



Noise reduction – (share of freight cars equipped with V brakes DB Cargo in Germany, %)

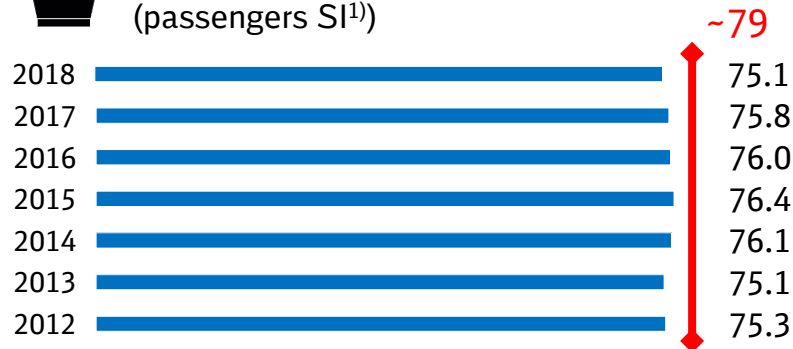


Weaker development of top targets in economic dimension, decline in product quality indicators

Quality



Customer satisfaction – (passengers SI¹⁾)



Product quality – (punctuality DB rail in Germany, %)



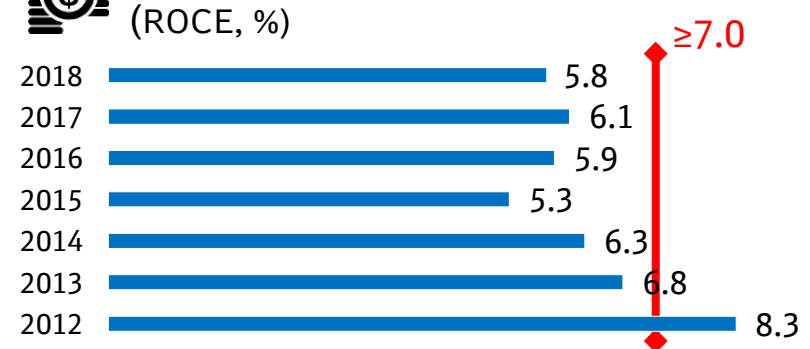
¹⁾ Satisfaction index.

Financial

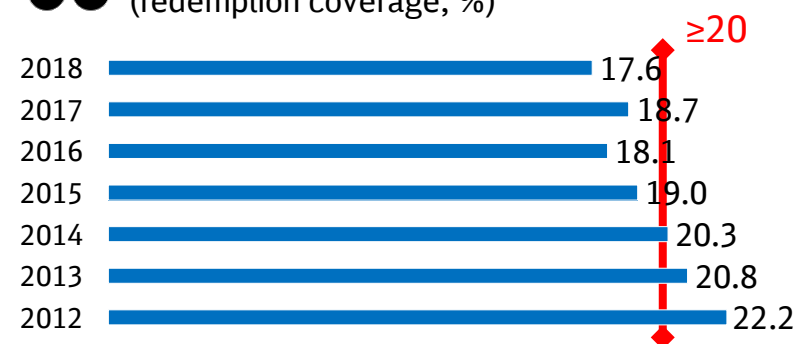
Target
DB2020+



Reasonable rate of return – (ROCE, %)



Financial stability – (redemption coverage, %)



DB Group enjoys good assessments in various established ESG ratings



DB Group is “Sector Leader Transportation”

- DB Group with the best possible climate score: Total assessment „A“ makes DB Group to the most climate-friendly railway company in Europe.
- CDP emphasized particularly the above-average performance of DB Group with regard to CO₂ reduction and the continuous efforts to improve data validity.



DB Group with “Silver” status

- DB Group is in the top 5% of companies assessed by EcoVadis in the Transport via railways industry.



DB Group with “Prime” status since 2010

- DB Group was rated as one of the very best in the transport & logistics/rail sector with prime status thanks to its good “B-” assessment.
- Oekom emphasized the high share of renewable energies, the Group-wide safety system and the environment issue management as particularly.



DB Group with “A” rating

- DB Group rated since 2014.
- DB Group in Top 5 of road and rail transport industry – best European railway company.
- MSCI emphasized the target in carbon emission reduction.

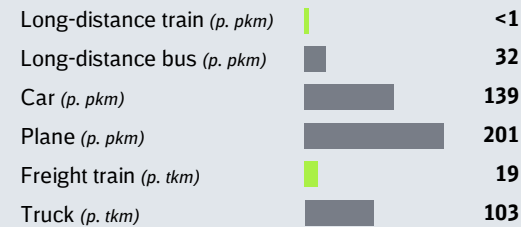
More details



Our Strong Rail strategy is a key prerequisite for the German Government to reach its climate targets

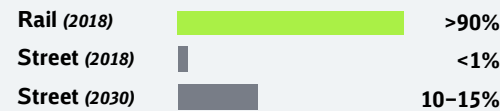
No other motorized mode of transport is as climate-friendly.

The lowest specific greenhouse gas emissions:



No other mode of transport is powered by a higher share of electricity.

The highest share of e-mobility:



No other mode of transport can reach a 100% share of eco power as fast.

The highest potential for eco power:



What a strong rail system means:

A reduction of total CO₂ emissions by 10.5 million tons p.a.
This is equivalent to the carbon footprint of one million people.

Our central approach is to “think together” about environmental and economic effects

Environmental protection - our key fields of action



Climate protection



Noise reduction



Nature conservation



Our key targets in the area of environmental protection for DB Group

–50%

Worldwide.
Until 2030.
Specific CO₂e reduction.

80%

Of DB traction current.
Until 2030.
Renewable energies.

–10 dB (A)

Across Germany.
Until 2020.
Rail noise.

95%

In DB operations.
Until 2020.
Recycling rate.

We are on track to meet our environmental targets in 2020 or 2030 respectively



Target 2030
Specific greenhouse gas emissions compared to 2006

–50%

Status 2018

–33%

On track



Share of renewable energies in the DB traction current mix

80%

57%

On track



Recycling rate until 2020

95%

98%

Target reached



Cutting rail noise by half until 2020 compared to 2000

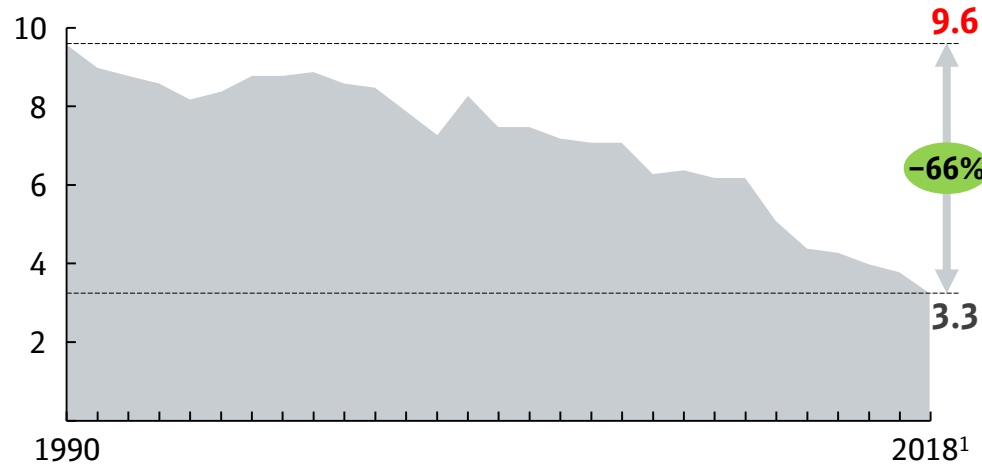
–10 dB(A)



On track

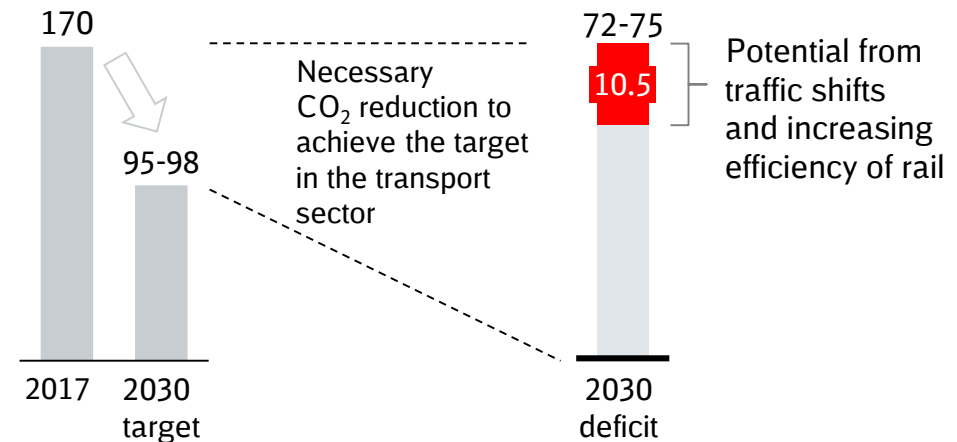
Rail as a mode of transport can make a significant contribution to achieving climate and environmental objectives

Absolute CO₂ emissions from regional transport, long-distance transport, cargo transport in Germany (mn t)



- Thanks to its energy efficiency and the increase in the share of renewable energies in the traction current mix, rail is the only mode of transport that lowered its CO₂ emissions compared to 1990.

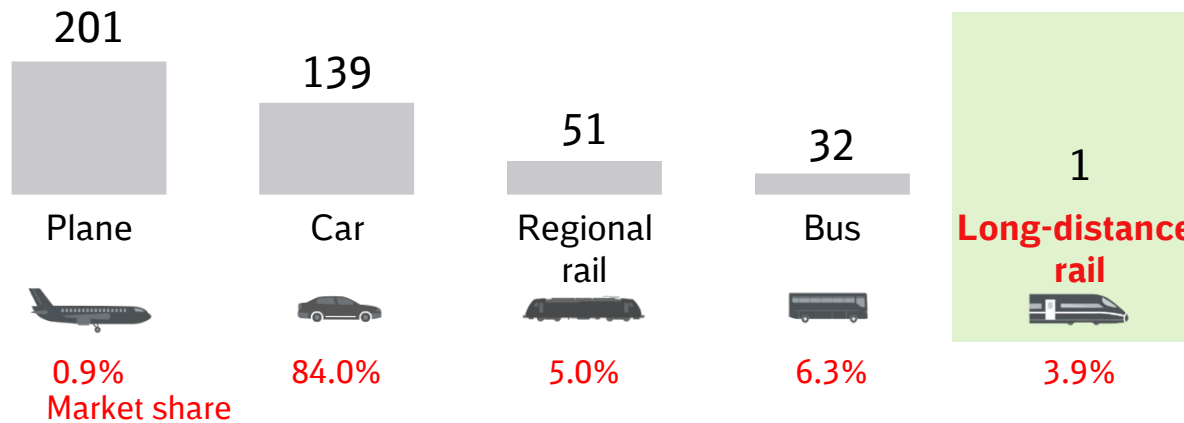
CO₂ emissions in the transport sector and potential for reduction from shifts in Germany (mn t)



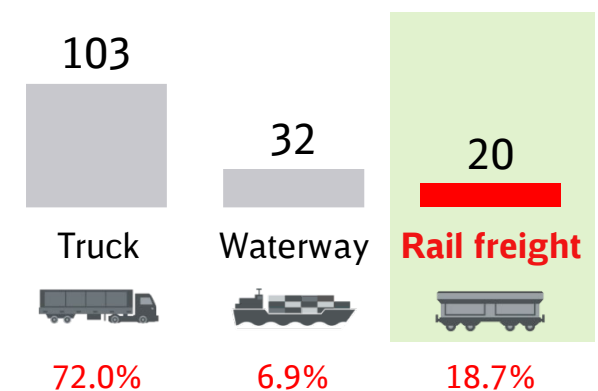
- A key lever for achieving the climate and transport targets by 2030 is the shift of traffic to the climate-friendly rail. Prerequisites for this are increasing attractiveness and creating the necessary capacity, especially in terms of the infrastructure.

Our sustainable mobility and transport solutions play a decisive role in fighting climate change

Carbon emissions passenger transport (CO₂e g/pkm)



Carbon emissions freight transport (CO₂e g/tkm)



Traffic shift to rail with significant contribution to reach CO₂ reduction targets in Germany

Fields of action for Germany	1990 (mn t CO ₂ e)	2014 (mn t CO ₂ e)	2030 (mn t CO ₂ e)	2030 (%; reduction compared to 1990)
Transport	163	160	95-98	-42 to -40

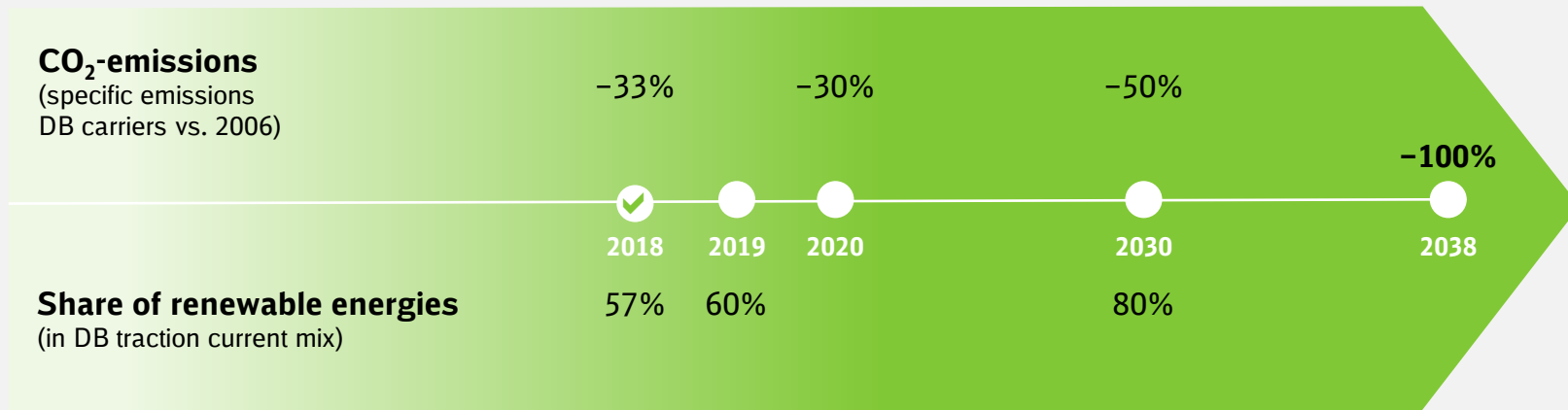
- Targets can only be reached with strong rail development.
- Therefore the strong governmental support lays the foundation.

CO₂e: Sum of greenhouse gases such as carbon dioxide, methane or nitrous oxide.

Source: Plane, car, bus, truck, waterway: UBA 2018 (TREMOT 5.82, related to 2017); rail: DB Group (related to 2018).

We have set ourselves ambitious climate targets to support Germany's energy transition

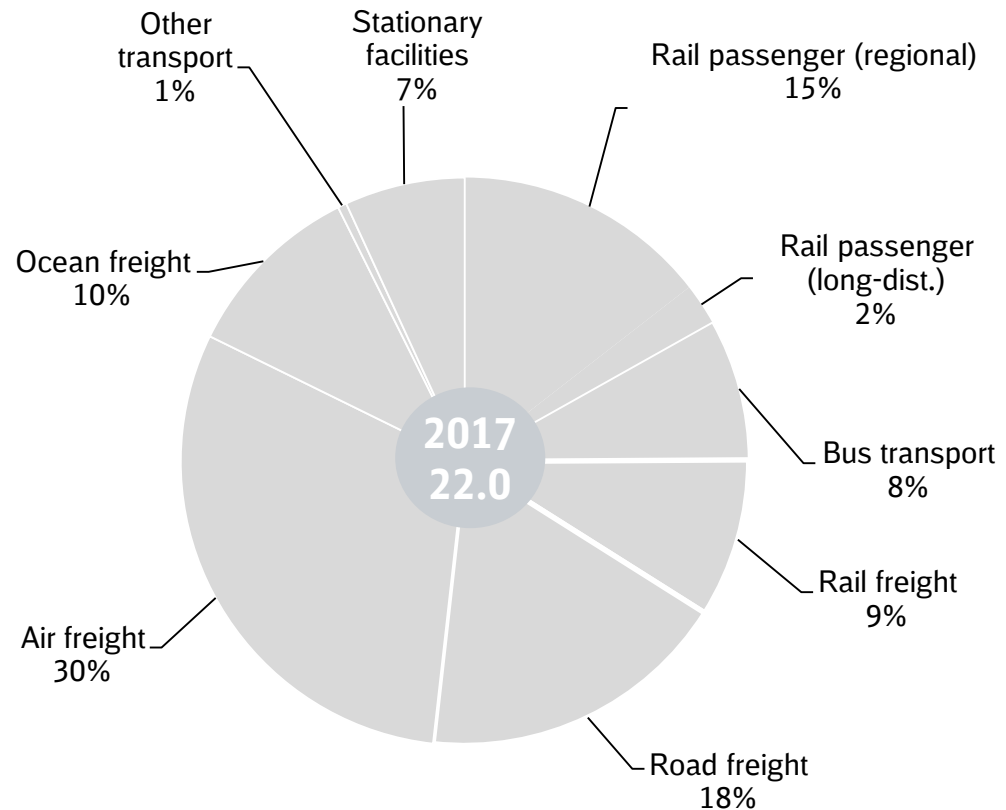
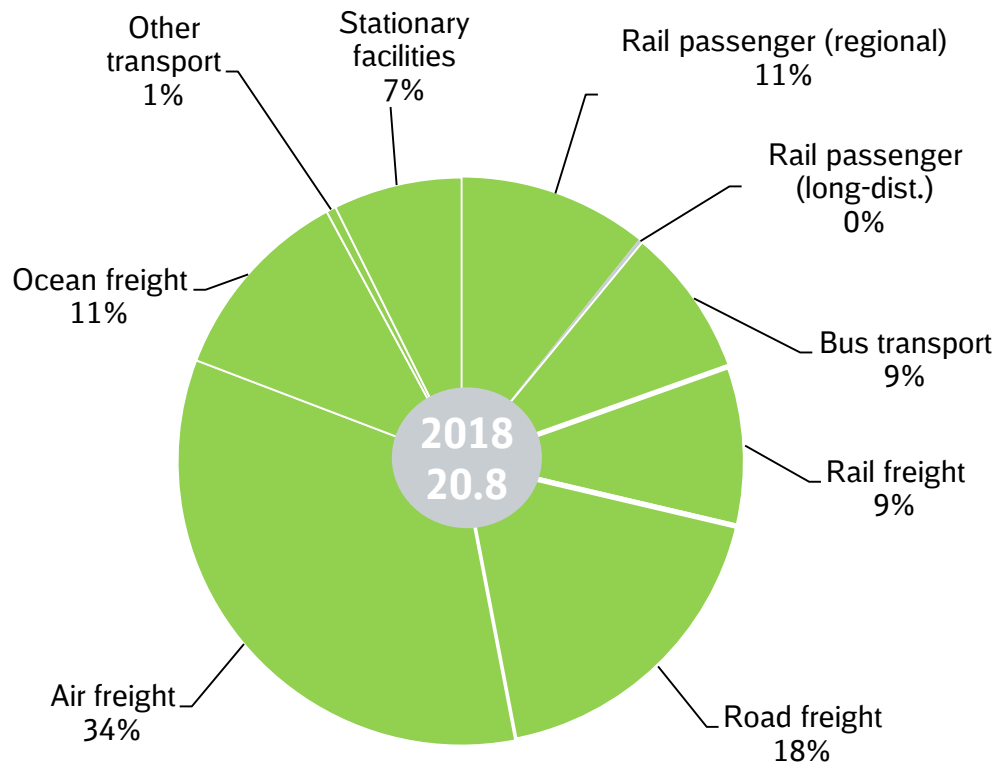
Environmental targets



- In 2018, the share of renewable energies in the DB traction current mix reached 57%, thereby exceeding the share of renewable energies in Germany's final energy consumption (37.8% in 2018) significantly.
- DB Group has set new green energy targets for 2030 to further enhance the share of renewable energies in the traction current mix to 80% as well as to reduce overall CO₂ emissions by 50% compared to 2006.
- To enable DB Group's vision to become CO₂ neutral by 2038, DB Netze Energy actively supports the energy transition (Energiewende) in Germany.

The absolute CO₂e emissions by journeys, transports and stationary facilities of DB Group were reduced in 2018

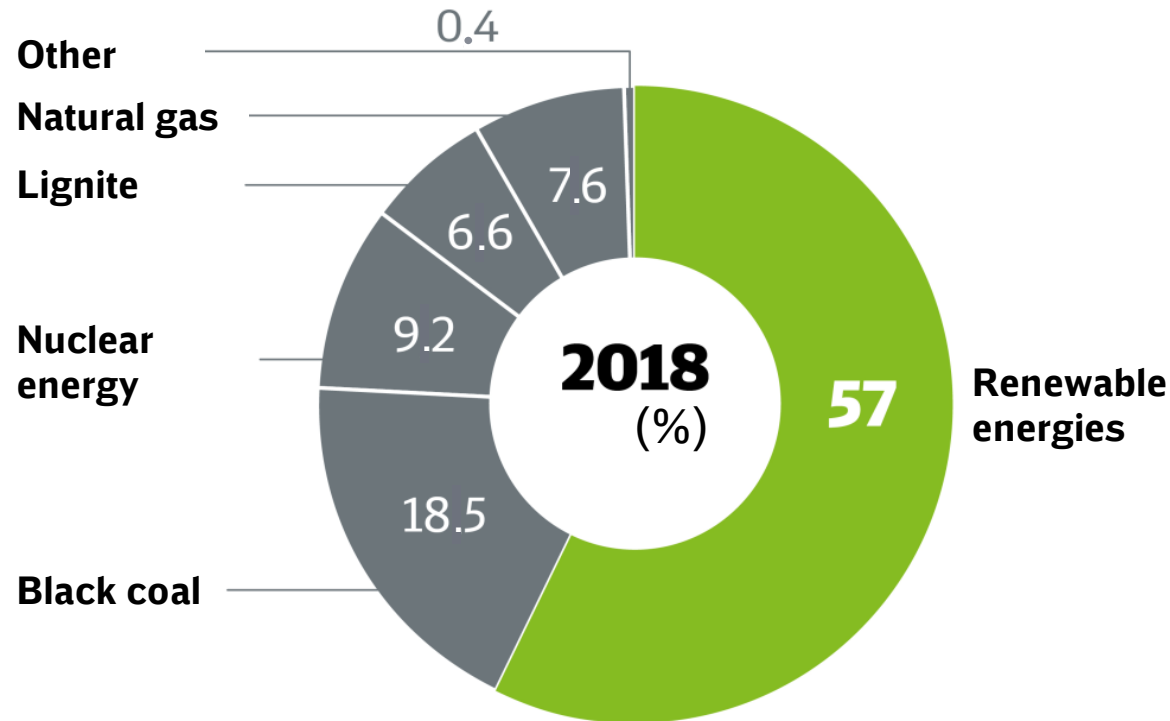
Absolute CO₂e emissions by journeys, transports and stationary facilities (mn t)



Road, air and ocean including pre- and onward carriage.

Share of renewable energies in the DB traction current mix increased to 57% in 2018

DB traction current mix by energy sources
(2018)



We have expanded the use of 100% green energy to our 15 largest stations

Renewable energies at stations

- Renewable energies are now being used not only for DB Long-Distance trains but also at our stations too.
- Since 1 January 2019, Germany's 15 largest stations have been powered by 100% green electricity.
- They comprise six stations in Berlin, the central stations in Hamburg, Hanover, Düsseldorf, Cologne, Frankfurt am Main, Nuremberg and Stuttgart, and two stations in Munich.
- Together, they serve over four million passengers and visitors every day.

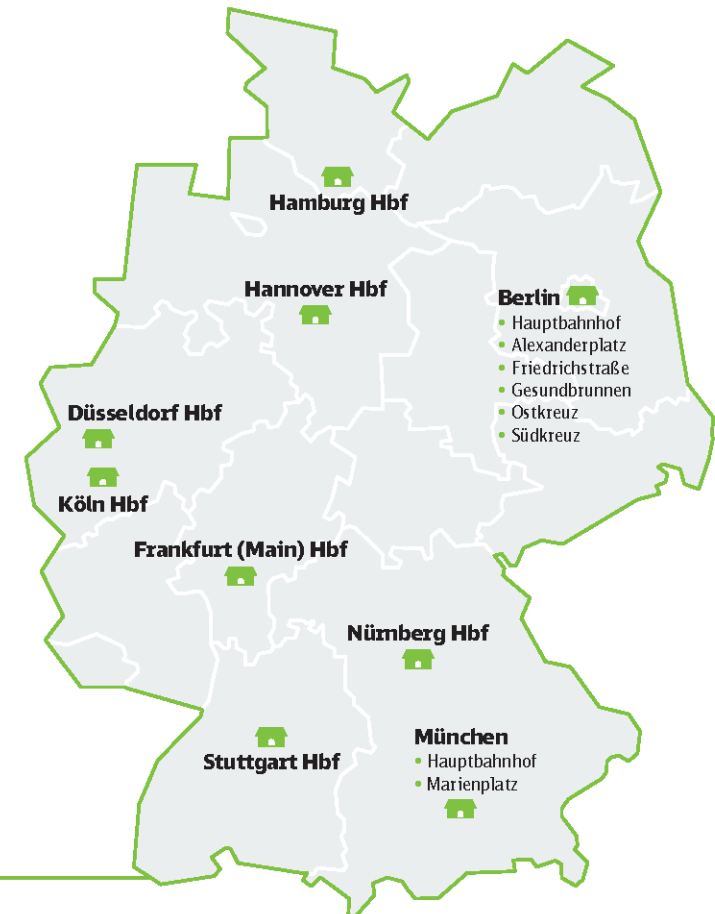
Green stations

- In addition to this initiative, DB Netze Stations operates two specially designed green stations, Lutherstadt Wittenberg in Saxony-Anhalt and Kerpen-Horrem in North Rhine-Westphalia.
- These stations have geothermal heating, solar panels, modern rain water management and green roofs.

Green stations

Passenger/visitors
(per day, thousand)

Hamburg Hbf	542
Frankfurt (Main) Hbf	469
München Hbf	379
Köln Hbf	318
Stuttgart Hbf	313
Berlin Hbf	313
Hannover Hbf	283
Düsseldorf Hbf	279
Berlin Friedrichstraße	256
Berlin Ostkreuz	228
Nürnberg Hbf	199
Berlin Gesundbrunnen	193
Berlin Südkreuz	171
München Marienplatz	163
Berlin Alexanderplatz	155



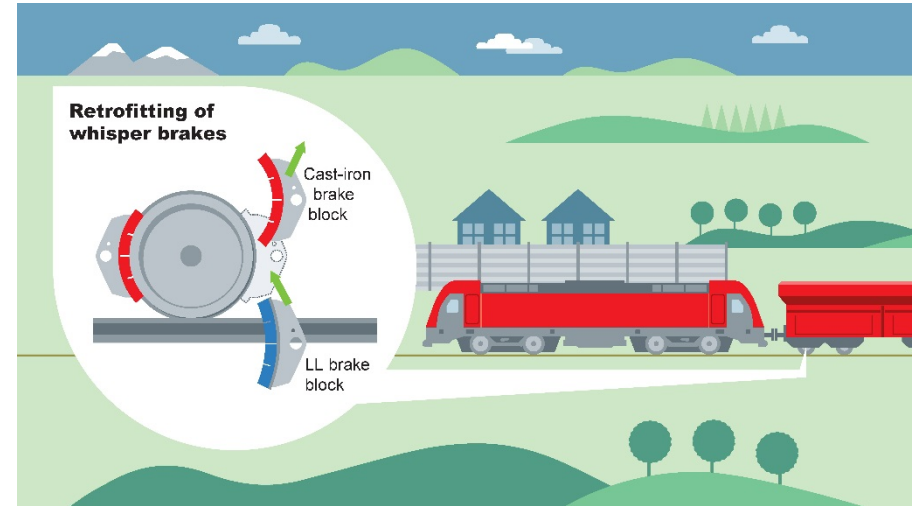
Noise reduction measures: noise remediation and prevention in the infrastructure and more quiet freight cars on the rails

DB's whisper brakes.

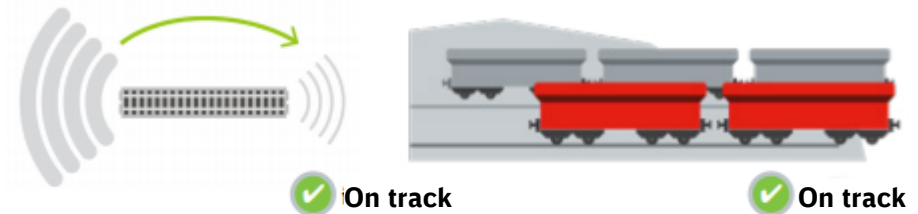
- About 50,400 freight wagons in Germany (>80%) are already equipped with whisper brakes. Use of these brakes helps keep the wheels' running surfaces from being roughened when braking, something that leads to louder operation.
- This makes it possible to reduce the rolling noise of a freight train by ten decibels, an amount that is the equivalent of halving the noise to the human ear.
- By 2020, almost all of DB Cargo's freight wagons in Germany will be utilizing these quieter brake blocks.

Halving of the noise level

- We will have reduced the noise level of its rail traffic by half by the end of 2020.
- In addition to converting the freight wagons, this also includes noise abatement measures on existing routes, such as through the construction of noise barriers and the installation of soundproofed windows in residential buildings.
- Furthermore, we are developing innovative technologies for vehicles and rails aimed at achieving further reductions in railway noise. That is because reducing noise helps protect the environment – to create a healthier environment for people and animals.



As of Dec 31, 2018



About 1,800 km

Target until 2020:
2,000 train kilometers
noise remediated.

About 5,400

**As of Dec 31, 2018 about 80% of freight cars in
Germany were equipped with whisper brakes.**
Target until 2020: 100%.

We are transforming our approach to waste management from an optimized system into a modern resource management system

Volume of waste according to type (thousand t)



Waste in total: 12,807 thousand t

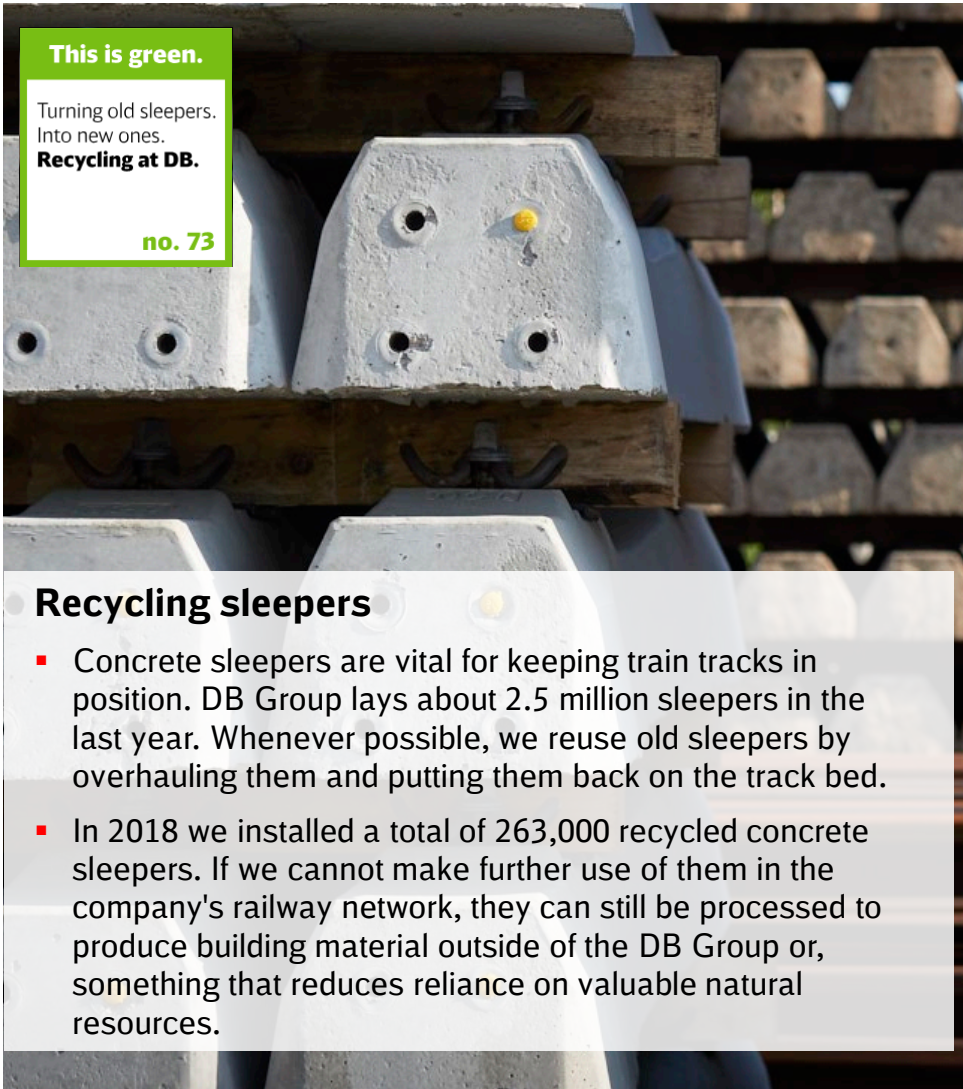
Our goal is to maintain our recycling rate at a high level of at least 95%



This is green.

Turning old sleepers.
Into new ones.
Recycling at DB.

no. 73



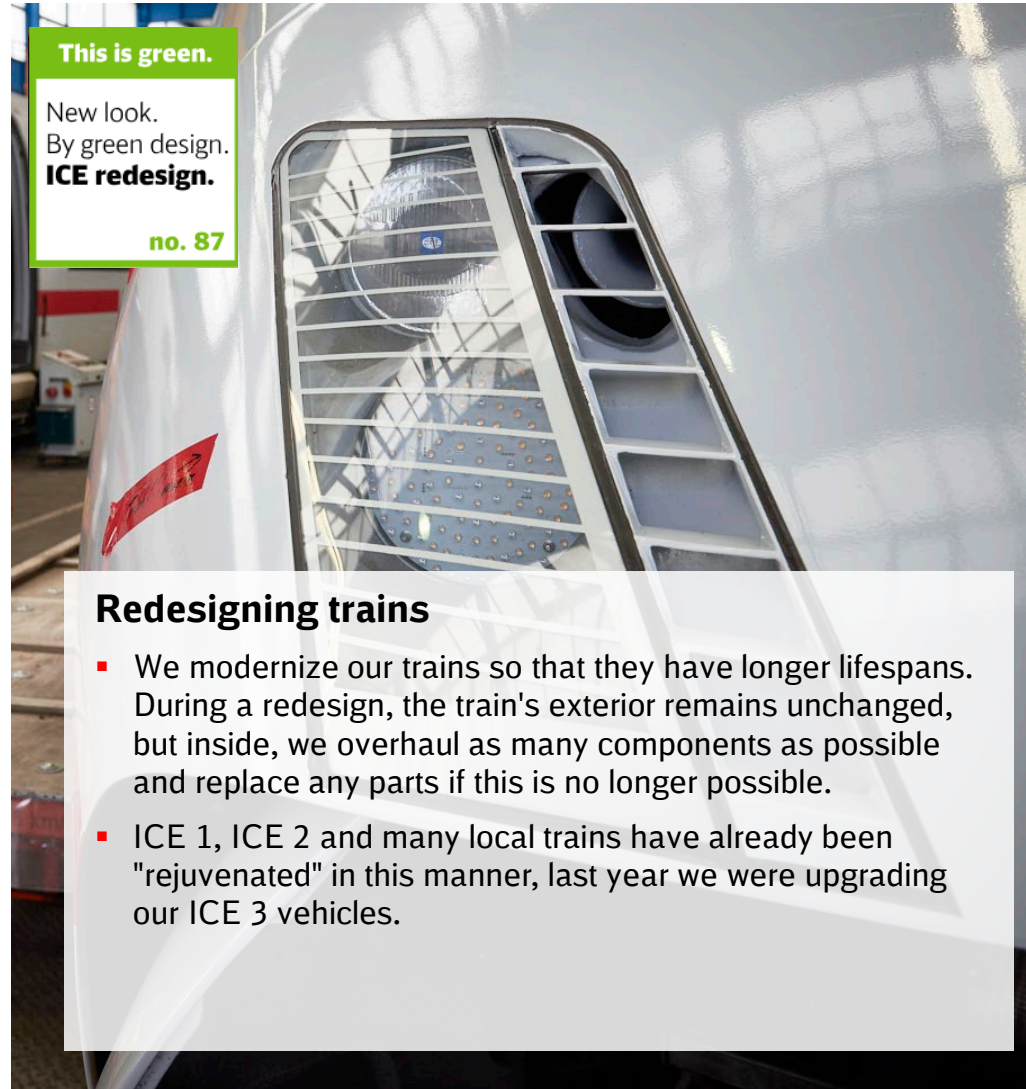
Recycling sleepers

- Concrete sleepers are vital for keeping train tracks in position. DB Group lays about 2.5 million sleepers in the last year. Whenever possible, we reuse old sleepers by overhauling them and putting them back on the track bed.
- In 2018 we installed a total of 263,000 recycled concrete sleepers. If we cannot make further use of them in the company's railway network, they can still be processed to produce building material outside of the DB Group or, something that reduces reliance on valuable natural resources.

This is green.

New look.
By green design.
ICE redesign.

no. 87



Redesigning trains

- We modernize our trains so that they have longer lifespans. During a redesign, the train's exterior remains unchanged, but inside, we overhaul as many components as possible and replace any parts if this is no longer possible.
- ICE 1, ICE 2 and many local trains have already been "rejuvenated" in this manner, last year we were upgrading our ICE 3 vehicles.

DB Group is one of the largest and most multifaceted providers of vocational training in Germany



- DB Group employs over 318,000 people worldwide in more than 500 professions.
- Nearly two-thirds of our employees are based in Germany.
- DB Group trains some 10,000 vocational trainees and 950 cooperative education students in more than 50 professions.
- Through its "Chance plus" program, DB Group helps some 250 interns launch their careers at DB Group every year.
- Over 94% of DB Group's vocational trainees are offered jobs upon successful completion of their training.

DB Group employs over 310,000 people worldwide, including about 196,000 in Germany

Employees by business units

100% ~ 318,528 full-time employees

Other

Passenger Transport

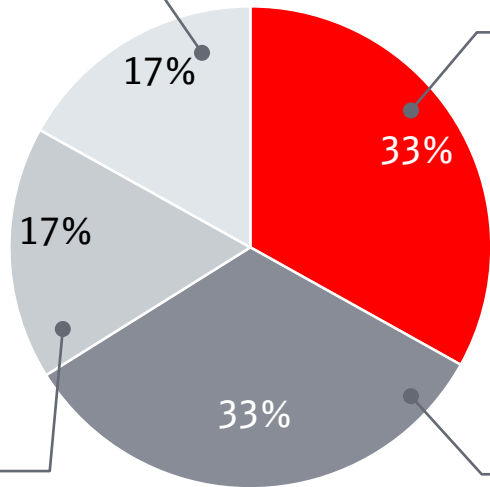
DB Long Distance: 5.2%
DB Regio: 11.2%
DB Arriva: 16.7%

Freight Transport and Logistics

DB Cargo: 9.1%
DB Schenker: 23.8%

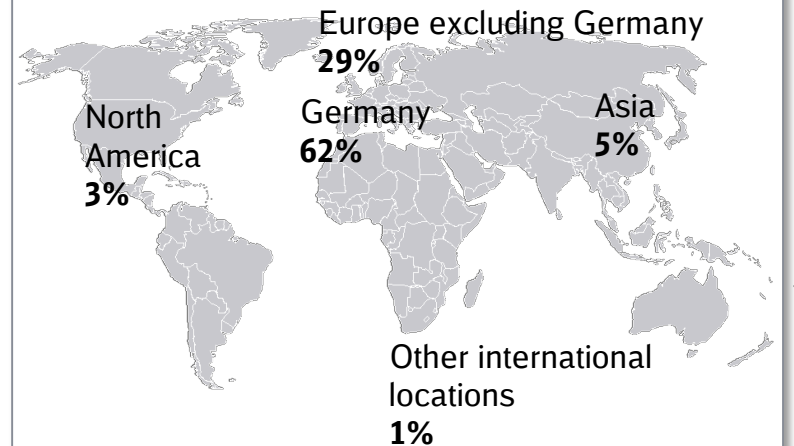
Infrastructure

DB Netze Track: 14.7%
DB Netze Stations: 1.8%
DB Netze Energy: 0.5%



Employees by regions

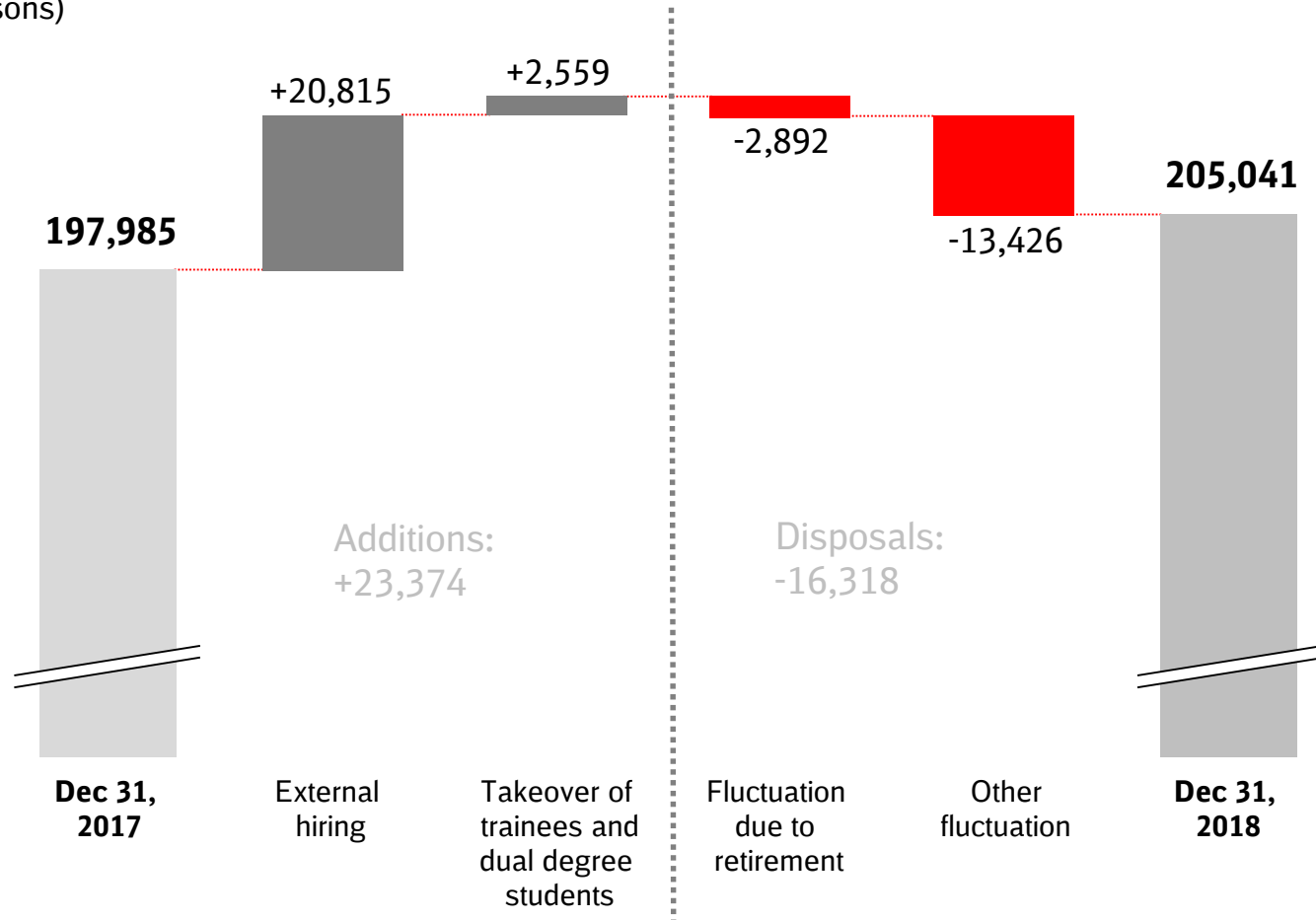
100% ~ 318,528 full-time employees



We hired about 20,800 new employees in Germany in 2018 to meet staffing requirements

Employees in Germany

(natural persons)



A1 DB Group

A2 Strategy

A3 2018 Financial Year

A4 H1 2019

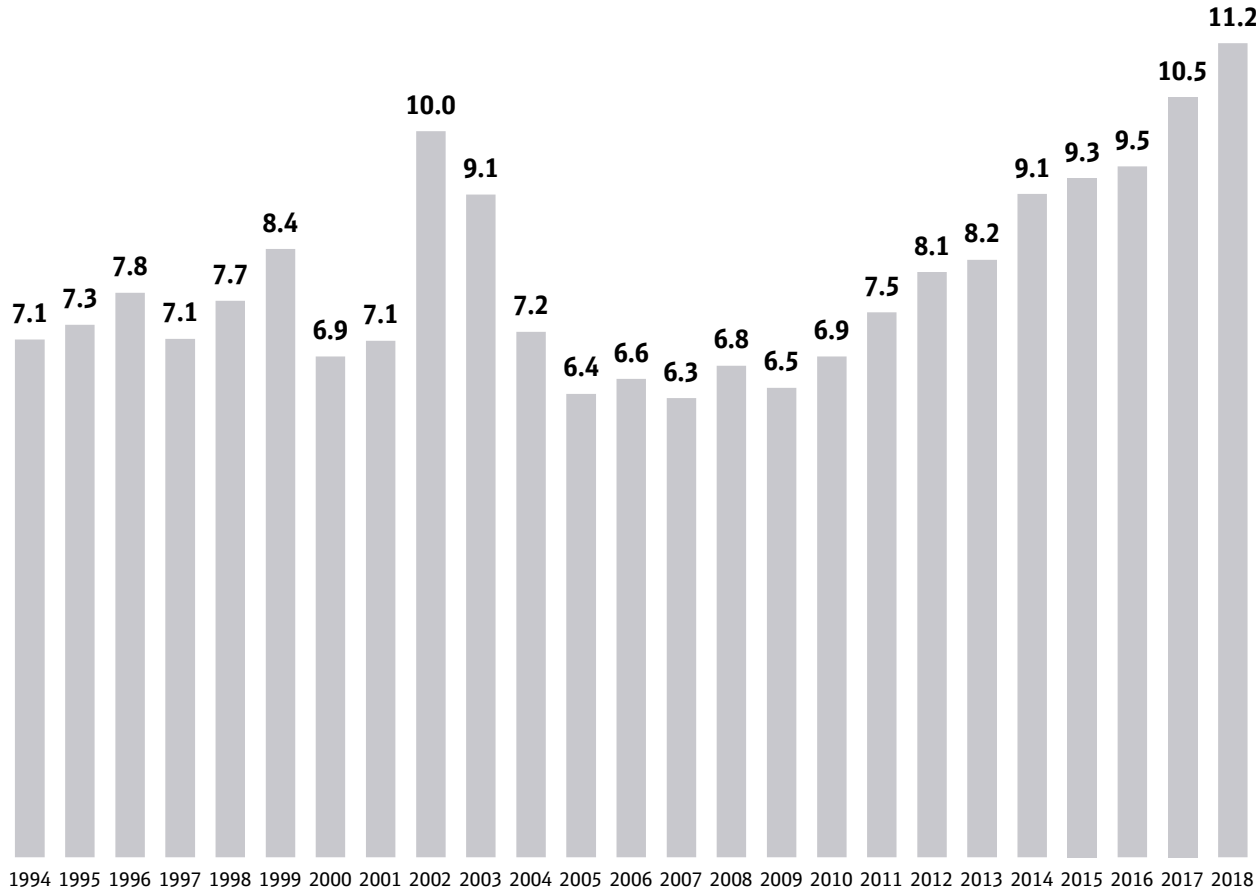
A5 Sustainability

A6 Track Record

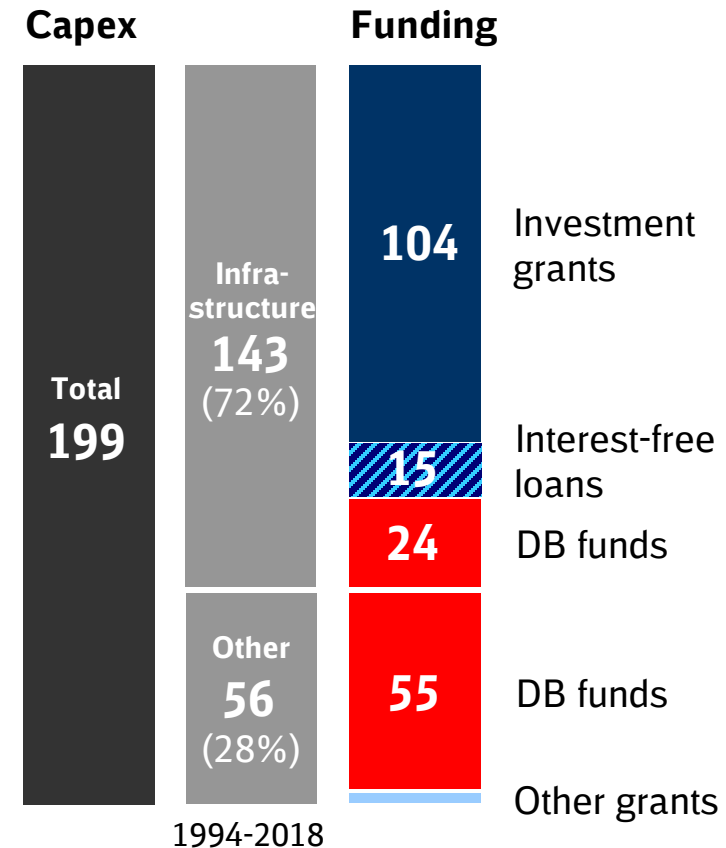
A6

High capex level since 1994 for major overhaul of rail system

Gross capital expenditures (€ bn)



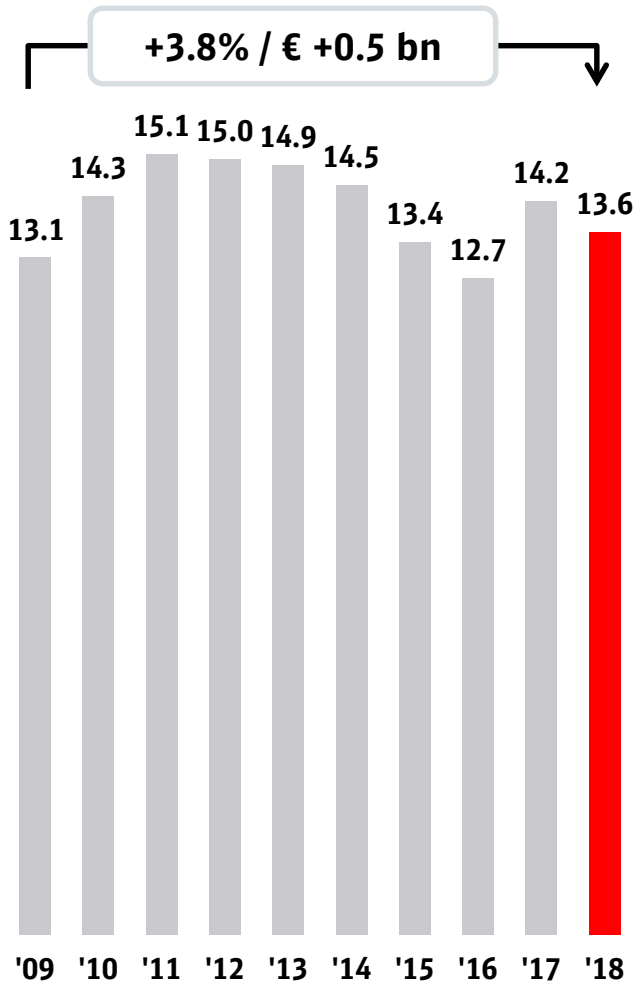
Structure and source of funds (€ bn)



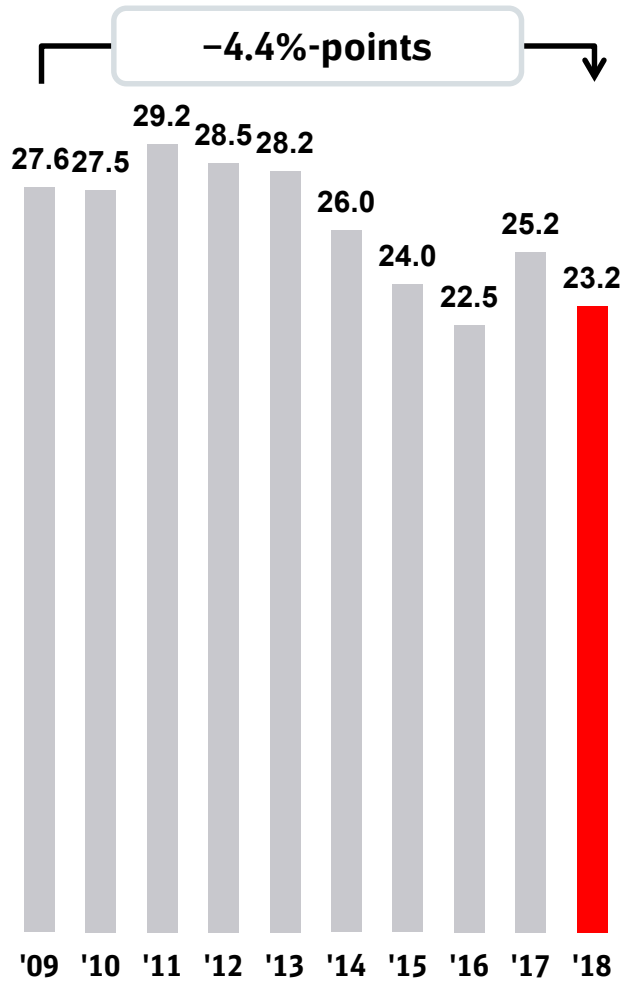
Development of equity and net financial debt



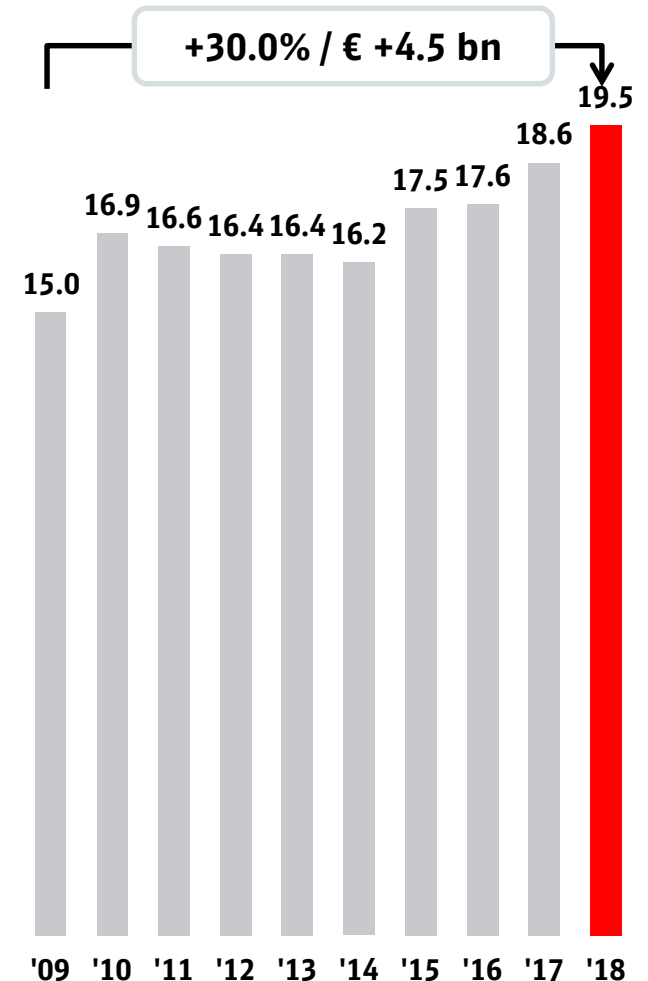
Equity (€ bn)



Equity ratio (%)



Net financial debt (€ bn)



Development since 2003



(€ mn)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Rail passenger volume sold (mn pkm)	97,707	95,854	91,651	88,636	88,407	88,746	88,433	79,228	78,582	76,772	77,812	74,792	74,788	72,554	70,260	69,534
Rail freight volume sold (mn tkm)	88,237	92,651	94,698	98,445	102,871	104,259	105,894	111,980	105,794	93,948	113,634	98,794	96,388	88,022	89,494	85,151
Revenues	44,024	42,704	40,576	40,403	39,728	39,107	39,296	37,979	34,410	29,335	33,452	31,309	30,053	25,055	23,962	28,228
Profit before taxes	1,172	968	706	-932	937	876	1,525	1,359	900	1,387	1,807	2,016	1,555	490	154	-133
EBIT adjusted	2,111	2,152	1,946	1,759	2,109	2,236	2,708	2,309	1,866	1,685	2,483	2,370	2,143	1,350	1,011	465
EBITDA adjusted	4,739	4,930	4,797	4,778	5,110	5,139	5,601	5,141	4,651	4,402	5,206	5,113	-	-	-	-
Cash flow from operating activities	3,371	2,329	3,648	3,489	3,896	3,730	4,094	3,390	3,409	3,133	3,539	3,364	3,678	2,652	2,736	-
Total assets	58,527	56,436	56,324	56,059	55,883	52,894	52,525	51,791	52,003	47,303	48,193	48,529	48,440	47,101	47,616	47,647
Gross capex	11,205	10,464	9,510	9,344	9,129	8,224	8,053	7,501	6,891	6,462	6,765	6,320	6,584	6,381	7,238	9,121
Net capex	3,996	3,740	3,320	3,866	4,442	3,412	3,487	2,569	2,072	1,813	2,599	2,060	2,836	2,362	3,251	4,013
Ratings (Moody's/S&P)	Aa1/AA-	Aa1/AA-	Aa1/AA-	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA
Employees (as of Dec 31)	318,528	310,935	306,368	297,202	295,763	295,653	287,508	284,319	276,310	239,382	240,242	237,078	229,200	216,389	225,632	242,759

DB roadshow team



- Alexander Doll
Member of the
Management
Board for Finance, Freight
Transport and Logistics



- Dr. Wolfgang Bohner
Head of
Finance and Treasury



- Robert Allen Strehl
Head of
Investor Relations



- Christian Große
Erdmann
Head of
Capital Market Financing

The Investor Relations team and further information available online



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(from left to right) Friederike Thyssen, Larissa Wandert-Ribeiro, Robert Allen Strehl, Sascha Friedrich, Johanna Freund

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