



# Press Release

## Deutsche Bahn invests a record EUR 7.6 bn in Strong Rail in Germany in 2023

**Operating loss as expected: adjusted EBIT of EUR -964 million • Upfront maintenance expenses of EUR 1 billion for infrastructure overhaul • Continued increase in demand for passenger service • Positive EBIT of over EUR 1 billion planned for 2024**

(Berlin, March 21, 2024) DB Group (DB) invested more than ever before in creating a high-performance rail network and vehicle fleet in 2023, continuing to systematically implement its strategy for Strong Rail in Germany. At some EUR 7.6 billion, net capital expenditures from Deutsche Bahn's own funds increased by over 16% year on year, setting a new record. As expected, additional infrastructure expenditures and substantial upfront expenses of more than EUR 1 billion pre-financed for the German government had a negative impact on DB's EBIT. DB Group closed the 2023 financial year with an adjusted EBIT of EUR -964 million (compared with EUR 1.225 billion in the previous year). DB expects a positive adjusted EBIT of over EUR 1 billion again in 2024.

Demand for rail passenger service continued to rise in 2023. DB also made significant progress in its services for passengers in 2023, for example with a larger and more modern vehicle fleet, additional connections and more digital service.

### Clear plan for Germany's climate targets, says DB CEO Lutz

"In 2023, we made upfront expenditures and did more construction than ever before because we cannot delay overhauling and modernizing our infrastructure," said DB CEO Dr. Richard Lutz in Berlin. "But 2023 also marks a turning point: together with the German government, we launched the largest and most comprehensive capital expenditure program since the German Rail Reform in 1994. No more running our rail infrastructure into the ground – it's time to overhaul and modernize it from top to bottom. Thanks to the major increase in budgetary funding from the German government, we are able to make additional expenditures of roughly EUR 30 billion. We are continuing to press ahead with implementing our Strong Rail strategy. Achieving Germany's climate and transport policy objectives and shifting more traffic to environmentally friendly rail will simply not be possible without high-performance infrastructure."

A general modernization of roughly 40 heavily used corridors in DB's rail network will be the key piece in upgrading rail infrastructure for more stability and quality. The lines will undergo a full modernization, which will equip them with extended platforms, upgraded permanent way, digital signaling technology and more. By 2030, Germany will have a high-performance network over 9,000 kilometers long. The project will begin this year with the roughly 70 kilometer Riedbahn line between

Nicole Mommsen  
Head of Communications  
and Marketing  
Tel.: +49 (0) 30 297-61030  
presse@deutschebahn.com  
deutschebahn.com/presse  
x.com/DB\_Press



# Press Release

Frankfurt and Mannheim. A test phase in January 2024 installed five times more building material than is typical for conventional construction projects.

DB and the German government increased gross capital expenditures in 2023 by about 12% year on year to a total of EUR 16.9 billion. More than 94% of this record capital expenditures went toward rail in Germany, primarily in the infrastructure. As expected, net financial debt was up as of December 31, 2023, in part due to capital expenditures on rail infrastructure and vehicles, and to DB's pre-financed expenditures for the German government. DB had a net loss for 2023 of some EUR 2.4 billion (compared with a net loss of EUR 227 million in the previous year). One of the negative factors here was the significant increase in interest paid, which was driven in part by higher borrowing for capital expenditures. The DB Group's results were also affected by the additional burdens of inflation-related cost increases, a sharp rise in personnel expenses and multiple strikes.

## **Some 1.8 billion passengers took DB's trains**

DB Group generated revenues totaling roughly EUR 45.2 billion in the 2023 financial year, down about 13% from 2022. The decline can largely be attributed to the industry-wide normalization of freight rates in international logistics, which, as expected, was also felt by DB Schenker. With an operating profit of EUR 1.1 billion, DB Schenker's adjusted EBIT was still more than twice as high as it was before the Covid pandemic.

In DB's core business, the Integrated Rail System, revenues rose 6.2% to about EUR 26.2 billion. DB Long-Distance increased its revenues in 2023 by 18.4% year on year to some EUR 5.9 billion. DB Regional, DB's business unit for regional and local transport, generated some EUR 9.7 billion in revenues, a year-on-year increase of 7.4%. It significantly increased its volume sold, for both rail and bus service, by over 9% to some 43.5 million passenger kilometers. The Germany-Ticket played a major role in this increase. DB Long-Distance surpassed pre-Covid levels for the first time in 2023, with some 45.5 million passenger kilometers (up 9.0%). At DB Cargo, revenues rose 6.4% to some EUR 5.6 billion in 2023.

About 1.8 billion passengers took DB's trains in 2023, 5.8% more than in the previous year. By taking the train instead of driving, they traveled the climate-friendly way: long-distance rail passengers alone reduced greenhouse gas emissions by some 7.5 million tons in 2023. In order to meet growing demand, DB continued to expand its services. On average, it put three new ICE trains into service each month. DB greatly expanded its long-distance connections at the timetable change in December. Many new service features were added to DB Navigator, Germany's most popular mobility app.

Train kilometers on the highly utilized track infrastructure in 2023 fell slightly year on year, by 1.3%, to about 1.12 billion train-path kilometers. High capacity utilization of the rail network, combined with a high level of construction, had a negative impact on punctuality in long-distance transport, which was at 64.0%

Nicole Mommsen  
Head of Communications  
and Marketing  
Tel.: +49 (0) 30 297-61030  
presse@deutschebahn.com  
deutschebahn.com/presse  
x.com/DB\_Press



# Press Release

(down from 65.2% in the previous year). The punctuality of DB Regional trains was 91.0% (compared with 91.8% in the previous year).

## Looking ahead

DB Group expects revenues to increase to about EUR 47 billion in 2024. It also expects to generate an operating profit, and decidedly so at over EUR 1 billion. Reimbursement of DB's pre-financed expenditures for maintenance in 2023 will be the main contributing factor. DB Group also expects positive effects from a further increase in demand for rail passenger service and from measures to boost efficiency.

"Our rail companies will need to return to profitability and to be able to finance their capital expenditures from their own cash flow," said Dr. Levin Holle, DB's Chief Financial Officer, at the annual results press conference. "To achieve this, we must become significantly more efficient."

Gross capital expenditures by DB and the German government is set to increase further to about EUR 21 billion. DB Group intends to significantly increase net capital expenditures from its own funds again in 2024. Additionally, it expects to achieve a punctuality of about 70% for its long-distance services and some 93% for DB Regional rail services.

This forecast is subject to uncertainties, particularly since the legal and regulatory framework for higher payments from the German government still needs to be put in place.

## Note for the media

**Photos will be posted to Deutsche Bahn's media library: [mediathek.deutschebahn.com](https://mediathek.deutschebahn.com). The complete 2023 balance sheet is available online as part of DB's Integrated Report at [www.db.de/ib](https://www.db.de/ib) (German language).**

Nicole Mommsen  
Head of Communications  
and Marketing  
Tel.: +49 (0) 30 297-61030  
[presse@deutschebahn.com](mailto:presse@deutschebahn.com)  
[deutschebahn.com/presse](https://deutschebahn.com/presse)  
[x.com/DB\\_Press](https://x.com/DB_Press)