

## Interim report, Q1 2020

### A large decrease in the number of journeys due to COVID-19 causes a loss before tax of DKK 119 million in Q1

- In Q1, COVID-19 has had a negative impact of more than DKK 200 million on the pre-tax result.
- After growth in the number of journeys in January and February, the number of journeys decreased significantly in the second half of March.
- As per the agreement with the Danish Government, the train schedule has not been significantly changed despite the COVID-19 restrictions in Denmark.
- We have completed a number of activities to ensure the safety of our passengers and employees.
- Liquidity reserves in the form of bank facilities have been secured for all of 2020.
- We expect a significant loss in 2020 on at least DKK 1 billion due to COVID-19. The size of the loss is subject to a great deal of uncertainty and will depend on the extent and speed at which customers return.
- The punctuality for both S-trains and Long-distance & Regional trains is above the contract targets.

*"We are operating with an almost complete train schedule, and we are therefore still paying practically all of our normal expenses - but we are lacking a great deal of the passenger revenue."*


*Flemming Jensen, CEO*

### The COVID-19 situation

Like most Danish companies, DSB is greatly impacted by COVID-19. Our role as a provider of critical infrastructure means that we must keep the trains running - even during times of crisis. We are in close dialogue with the Ministry of Transport, Building and Housing about what train schedule is the most appropriate in this situation from a societal perspective. Those who need to go to work, including critical personnel in the healthcare sector, must be able to take the train if they need to.

In order to ensure that both our employees and customers can have a safe journey, we have launched a number of initiatives in response to COVID-19, including requiring seat reservations for long-distance and regional traffic, putting up markers to remind people to maintain social distancing and implementing extra cleaning. These initiatives will also contribute to making it safe to resume using the trains as Denmark begins to reopen.

COVID-19 and the Government's initiatives to prevent the spread of the virus in Denmark will have a significant impact on DSB's finances in 2020. During the lockdown period in Denmark, we have lost passenger turnover and earnings from kiosks amounting to approximately DKK 100 million per week.



We cannot operate seat reservations in S-trains. In order to ensure customers a safe journey in accordance with the recommendations of the health authorities, we have developed a new web app: [www.pladspaareisen.dk](http://www.pladspaareisen.dk).

The web app can be accessed from the internet and placed as an app on, for example, one's mobile phone.

On the app the customers can see:

- How many passengers are already on the S-train that one is planning to take
- Basic traffic information
- Live map and all trains on the S-train lines

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At the same time, we have only had limited opportunities to cut costs, as train operations have had to be maintained to a significant extent.

The Government has begun a gradual reopening of Denmark. However, it remains uncertain how quickly and to what extent the customers will return. It is also uncertain whether the requirements from the authorities concerning distancing between customers will be an issue that limits the utilisation of the capacity of trains. It is our assessment that the negative impact on DSB's finances will be significant throughout 2020.

This situation is unprecedented, and it is difficult to set the expectations for the result for 2020. Currently, we estimate a deficit of at least DKK 1 billion. The extent of the negative impact is uncertain, and it is very difficult to predict the impact on the total number of journeys and finances in the following years.

It has been agreed with the Ministry of Transport, Building and Housing that before the end of 2020 a basis for the Government's decision on DSB's future economic framework that also takes into account the impact of COVID-19 will be established.

### **Finances - good start to the year before COVID-19**

DSB suffered a loss before tax of DKK 119 million in Q1 2020. This result is DKK 86 million lower than in the same period of 2019. The lower figure is almost entirely the result of COVID-19 in the month of March. Passenger turnover decreased by DKK 204 million in the period compared to Q1 2019, and this can be attributed entirely to the last half of March.

DSB was off to a good start in 2020. In January and February, the passenger turnover was higher than last year, we were winning market share for the Great Belt crossings, and we had in the number of East/West journeys, in S-train and Regional traffic. It is stated that the strategy of investing in travel growth bore fruit from the beginning of the year.

For the months of January and February the result before tax was almost DKK 80 million higher than in the same period of 2019, primarily because of lower depreciation.

In March 2020 - when the impact of COVID-19 hit - the result before tax was DKK approximately DKK 170 million lower than in March 2019. Taking into account that March 2019 included DKK 51 million in severance costs, then when looking at March by itself it was actually a result that was DKK 220 million lower. This is due to the loss of revenue resulting from the lockdown in Denmark.

The situation is being monitored and assessed continually, and initiatives have been launched to reduce costs by DKK 130 million in 2020, including a hiring freeze. At the end of March, we also decided to use the Government's aid package and furloughed approximately 1,750 employees.

### **Fewer customers due to COVID-19**

In Q1 2020, there were 36.1 million journeys with DSB compared to 43.2 million journeys in the same period of last year. This is the equivalent of a 16% decrease, and it can be completely attributed to the COVID-19 crisis.

For the months of January and February, the number of journeys grew by 2%. The number of journeys across the Great Belt saw the largest increase, growing by 10% compared to the same two months of last year. The market share for Great Belt crossings grew by 1.9 percentage points. In January and February 2020, 0.5 million Orange and Orange Free tickets for journeys across the Great Belt were sold compared to 0.3 million in the same period of 2019. After COVID-19, due to customer considerations, we have decided to temporarily suspend the sale of Orange and Orange Free tickets.

COVID-19 began to seriously impact Denmark in March. This resulted in a decrease of 7.8 million journeys for that month - a 50% drop. The decrease in the number of journeys is evenly distributed across all markets, though S-trains have seen the biggest impact, with 53% fewer journeys.

At the end of March, the COVID-19 effect resulted in a significant impact on sales. During the last week of March, turnover decreased by 83% compared to the year before. The same trend can be seen with S-trains, where passenger turnover decreased by 78% in the last week of March compared to last year.

**Punctuality is above the contractual targets**

The customer punctuality for S-trains ended up at 92.6% in Q1, which is above the traffic contract's target of 92.3%.

For Long-distance & Regional trains, customer punctuality was at 86.9%, and therefore also over the traffic contract's target of 78.7%.

Taastrup, 19 May 2020

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Peter Schütze  
Chairman of the Board

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Flemming Jensen  
CEO

**The first quarter report is published in both a Danish and an English language version. In the event of any discrepancies the Danish language version shall prevail.**

## Interim report, Q1 2020

Key Financial and Operating Data					
DSB Group	1st quarter		Increase		Full year
Amounts in DKK million	2020	2019	Abs.	Pct.	2019
Passenger revenue - before the impact of the metro double factor	1,111	1,307	-196	-15	5,399
Metro double factor	64	56	8	14	226
Passenger revenue - after the impact of the metro double factor	1,047	1,251	-204	-16	5,173
Traffic contract revenues	975	985	-10	-1	4,025
Net revenue <sup>1)</sup>	2,111	2,337	-226	-10	9,546
Total revenue <sup>2)</sup>	2,516	2,837	-321	-11	11,385
Of which non-recurring items	0	9	-9	-100	44
Total expenses	2,299	2,382	-83	-3	9,371
Of which non-recurring items	10	62	-52	-84	54
Earnings before amortisation, depreciation and write downs	217	455	-238	-52	2,014
Amortisation, depreciation and write-downs of intangible and tangible assets	318	462	-144	-31	3,551
Of which non-recurring items	-	-	-	-	1,715
Operating profit/loss	-101	-7	-94	-	-1,537
Profit or loss before tax	-119	-33	-86	-	-1,641
Profit/loss before tax adjusted for non-recurring items	-109	20	-129	-	84
Net profit or loss for the period	-91	-26	-65	-	-1,276
Balance sheet total	12,189	14,540	-2,351	-16	12,081
Total equity	4,191	5,639	-1,448	-26	4,345
Interest-bearing liabilities, net	3,366	3,784	-418	-11	3,320
Operating profit margin (EBITDA margin)*	10.3	19.5	-9.2	-47	21.1
Profit ratio (EBIT margin)*	-4.8	-0.3	-4.5	-	-16.1
Return on invested capital after tax (ROIC after tax) p.a.*	-4.0	-0.2	-3.8	-	-13.8
Gearing p.a.*	3.9	2.1	1.8	86	1.6
Equity ratio*	34.3	38.8	-4.5	-12	36.0
Interest cover*	-4.7	-0.3	-4.4	-	-13.8
Average number of full-time employees	6,842	6,908	-66	-1	6,866
<b>Productivity<sup>3)</sup></b>					
Passenger revenue per seat kilometre (DKK 0.01/km)	24.6	29.8	-5.2	-17	31.0
Costs per seat kilometre, adjusted for non-recurring items (DKK 0.01/km)	54.3	60.1	-5.8	-10	59.7
<b>Operator Punctuality<sup>4)</sup></b>					
Long Distance & Regional Trains (%)	96.5	96.0	0.5	1	94.9
S-trains (%)	97.7	98.9	-1.2	-1	98.2
<b>Passenger punctuality<sup>5)</sup></b>					
Long Distance & Regional Trains (%)	86.9	83.8	3.1	4	79.1
S-trains (%)	92.6	94.5	-1.9	-2	93.0
<b>Customers</b>					
Customers (million) <sup>6)</sup>	36.1	43.2	-7.1	-16	175.0
"Customer satisfaction with this journey"	7.9	8.1	-0.2	-2	8.0
<b>Reputation</b>					
DSB	55.4	53.6	1.8	3	52.7
Users of DSB	56.9	55.7	1.2	2	54.6
Non-users of DSB	50.0	46.7	3.3	7	46.4

<sup>1)</sup> Net revenue includes turnover relating to the railway business.

<sup>2)</sup> Total income includes income from activities not related to the railway business.

<sup>3)</sup> Seat kilometres are calculated as the number of seats contained in a litra unit multiplied by the number of litra kilometres travelled.

<sup>4)</sup> Operator punctuality is the total punctuality, minus any delays due to circumstances for which DSB is not responsible. Arrivals are considered punctual if they are less than 3 minutes delayed. Cancellations due to circumstances at DSB that are not notified 72 hours in advance are counted as a delay.

<sup>5)</sup> Customer punctuality for long-distance and regional train traffic is defined as the number of passengers riding on punctual trains in relation to the total number of passengers. Customer punctuality for the S-train network is defined as the proportion of passengers who may arrive punctually on the basis of passengers' expected travel pattern and the operated train traffic. Arrivals are considered punctual if they are less than 3 minutes delayed. Cancellations, which are not notified 72 hours in advance, are counted as delays.

<sup>6)</sup> Customers in Denmark in 2019 have been adjusted compared with previously published figures. Furthermore number of journeys on Øresund – crossing the bridge has been omitted.

\* Calculated pursuant to the definitions laid down in Definitions of key figures in DSB's annual report for 2019.

## Report - financial activities

The profit/loss before tax for Q1 2020 amounted to a loss of DKK 119 million and this is DKK 86 million lower than the same period in 2019. The result has been negatively impacted by the shutdown of Denmark due to COVID-19.

**Table 1: Profit/loss before tax, adjusted for non-recurring items<sup>1)</sup>**

DKK million	1st quarter	
	2020	2019
<b>Profit or loss before tax</b>	<b>-119</b>	<b>-33</b>
Profit on real estate, net	1	2
Costs for preparing the divestment of spare parts workshops	9	-
Severance costs	-	51
<b>Adjusted pre-tax profit or loss</b>	<b>-109</b>	<b>20</b>

<sup>1)</sup> A minus indicates that the adjustment has had a positive effect on pre-tax profit.

Adjusted for non-recurring items, the result before tax is DKK 129 million lower than the corresponding result for Q1 2019. This is mainly due to lost revenues resulting from the shutdown of Denmark. Conversely, the amortisation, depreciation and write downs is significantly lower as a direct result of the write-downs of rolling stock in Long-distance & Regional trains at the end of 2019.

In the later part of March 2020, DSB has lost passenger revenue and earnings on shop sales amounting to more than DKK 200 million. At the same time, DSB has only been able to reduce the costs for train production to a limited extent as operations here were significantly maintained in accordance with the agreement with the Danish Ministry of Transport, Building and Housing.

The result before tax in the year's first two months was around DKK 80 million higher than in the same period last year. The lower depreciations on rolling stock is the most significant reason for the improved numbers. The result before tax for March 2020, which was impacted by the shutdown of Denmark, was

approximately DKK 170 million lower than in March 2019 which was even negatively impacted by DKK 51 million in severance costs.

The balance sheet total was DKK 12,189 million at the end of March, compared with DKK 12,081 million as of 31 December 2019.

In the first 3 months of 2020, DSB has invested DKK 252 million (DKK 214 million). The investments were mostly in heavy maintenance of long-distance and regional trains and S-trains. On top of this, there is an advance payment for the acquisition of new train carriages.

Net interest-bearing debt increased by DKK 46 million compared with 31 December 2019 and stood at DKK 3,366 million as of 31 March 2020. In order to respond to the increased uncertainty in coming periods, the liquidity reserve in March was increased by new confirmed irrevocable bank facilities of DKK 1.5 billion. As of 31 March 2020, the liquidity reserve was at DKK 4.5 billion.

By the end of Q1 2020, Return on invested capital after tax (ROIC) p.a. was -4.0 (-0.2), Gearing p.a. was 3.9 (2.1) and the Solvency ratio was 34.3 (38.8). The negative development in the result was the main reason for the large decline of ROIC and the increase in Gearing.

### Net revenue

The net revenue of the DSB Group was DKK 2,111 million in Q1 2020 (DKK 2,337 million).

The passenger revenue amounted to DKK 1,047 million. This is DKK 204 million lower than in Q1 2019, which can be attributed to the large decrease in the number of journeys resulting from the shutdown of Denmark.

Up until the shutdown of Denmark, Long-distance & Regional Trains had a 2% increase in passenger revenues, among other things, due to increased sales of Orange and Orange Free tickets. The passenger revenue in the same period was also higher than in 2019, when the effect of the Metro double factor is taken into account.

In connection with the shutdown of Denmark, the number of journeys decreased for all geographical areas for Long-distance & Regional Trains and DSB has so far halted the sale of Orange and Orange Free tickets. The passenger revenue for Long-distance & Regional Trains has fallen with DKK 143 million in Q1 2020 compared to Q1 2019.

**Table 2: Number of journeys, January–February**

Total journeys	January–February		Increase	
(1,000 journeys)	2020	2019	Abs.	Pct.
Long-distance & Regional Trains <sup>1)</sup>	10,004	9,683	321	3
S-trains	18,528	18,165	363	2

**Table 3: Number of journeys, March**

Total journeys	March		Increase	
(1,000 journeys)	2020	2019	Abs.	Pct.
Long-distance & Regional Trains <sup>1)</sup>	2,843	5,335	-2,492	-47
S-trains	4,747	10,024	-5,277	-53

1) Number of journeys for Øresund – crossing the bridge are omitted for 2020 and 2019, as the number of journeys are not comparable with the previous basis.

S-trains have also been impacted by the shutdown of Denmark. Before the shutdown, S-trains had a 2% growth in the number of journeys, but in March of this year there were 53% fewer journeys than in March 2019. The passenger revenue for S-trains in Q1 2020 thus amounted to DKK 61 million less than in the same period last year.

Revenue from traffic contracts with the state amounted to DKK 975 million and has thus declined by DKK 10 million compared with Q1 2019. The traffic contract payments for Q1 2020 have been reduced by DKK 18 million. Conversely, the overall traffic contract payment has been adjusted upwards to reflect current price levels.

Sales of repairs and maintenance of rolling stock, etc. amounted to DKK 75 million and have decreased by DKK 6 million in relation to

Q1 2019. The decrease is a result of the reduced amount of traffic over Øresund in March in connection with the shutdown of Denmark.

Leasing of rolling stock amounted to DKK 14 million, a decrease of DKK 6 million compared with Q1 2019.

Work performed by the enterprise and capitalised decreased by DKK 19 million and totalled DKK 136 million in Q1 2020. The decrease is mainly a result of a lower value of the completed major overhauls and fewer supplemental works having been completed in addition to fewer completed IT projects.

Other operating income has decreased by DKK 76 million compared to the same period in 2019 and amounted to DKK 269 million. The decrease can, among other things, be attributed to the fact that there were less earnings from DSB's shops in Q1 2020 due to the shutdown of Denmark.

#### Expenses

Expenses totalled DKK 2,299 million in the first 3 months of 2020 (DKK 2,382 million).

Expenses for raw materials and consumables amounted to DKK 485 million and has decreased by DKK 10 million. The development is impacted by a lower consumption of goods due to the lower shop turnover and lower costs for spare parts. Costs for propulsion energy has increased due to an adjustment of the price as a result of new regulations.

Other external costs amounted to DKK 900 million, a decrease of DKK 31 million compared with the same period in 2019. Among other things, the decrease is due to lower costs for substitution traffic, education and marketing. In March, DSB temporarily halted its marketing activities as a result of the shutdown of Denmark. Conversely, there has been more costs for consultants, which is mainly related to preparing for the acquisition of future rolling stock and consultancy services in connection with the planned divestment of the spare parts workshops.



COVID-19 has meant that it is only possible to reduce the variable costs for train operations to a limited extent, as the production per the agreement with the Danish Ministry of Transport, Building and Housing has been maintained at a more or less normal level.

Staff costs amounted to DKK 914 million and decreased by DKK 42 million compared with the same period in 2019. The decrease is a result of Q1 2019 having severance costs of DKK 51 million in connection with a streamlining of the administration. The effect of the decrease in the number of full-time employees is counteracted by the general increase in salaries.

**Amortisation, depreciation and write downs**  
Amortisation, depreciation and write downs amounted to DKK 318 million (DKK 462 million). The decrease is a result of less depreciation rolling stock as a direct consequence of the write-downs made in 2019.

### Financials

Net financials amounted to an expense of DKK 18 million (DKK 26 million). The reduced earnings for March 2020 have not impacted the financials over the period.

### Expectations for 2020

DSB expects a significant loss for 2020 on at least DKK 1 billion due to COVID-19. The size of the expected result is very uncertain and depends primarily on the extend and pace on customer return.

## Productivity

**Table 4: Number of full-time employees**

	1st quarter		Increase	
	2020	2019	Abs.	Pct.
Number of full-time employees – at end of period	6,848	6,896	-48	-1
Average number of full-time employees	6,842	6,908	-66	-1

The reduction in the number of full-time employees has mainly been among the administrative staff.

At the end of March, DSB chose to furlough employees on the basis of the Danish Government's aid package for salary compensation for furloughed workers. The furloughed workers, are included in the table above. Similarly, Staff costs are not impacted by the furloughing of employees.

**Table 5: Productivity, train activities**

	1st quarter		Increase	
	2020	2019	Abs.	Pct.
Passenger revenue per seat kilometre <sup>1)</sup> (DKK 0.01/km)	24.6	29.8	-5.2	-17
Costs per seat kilometre <sup>1)</sup> (DKK 0.01/km)	54.3	60.1	-5.8	-10

<sup>1)</sup> Seat kilometres are calculated as the number of seats contained in a litra unit multiplied by the number of litra-kilometres travelled. The calculation includes depreciation but is adjusted for non-recurring items.

Passenger revenue per seat kilometre has fallen by DKK 17% compared to the same period last year. This decrease in passenger revenue is a result of the shutdown of Denmark. The number of seat kilometres has increased by 1% while the passenger revenue has decreased by 16%.

The costs per seat kilometre have decreased by 10% in Q1 2020 compared with Q1 2019. This is due to a decrease in costs of DKK 215 million (an 8% decrease), which is mainly due to less depreciations as a direct result of the write-downs of rolling stock at the end of

2019. The 1% increase in the number of seat kilometres also has a positive impact on this key figure.

## Punctuality

**Table 6: Operator punctuality<sup>1)</sup>**

Percent	1st quarter		Increase	
	2020	2019	Abs.	Pct.
Long-distance & Regional Trains	96.5	96.0	0.5	1
S-trains	97.7	98.9	-1.2	-1

<sup>1)</sup> Operator punctuality is the total punctuality, minus any delays due to circumstances for which DSB is not responsible. Arrivals are considered punctual if they are less than 3 minutes delayed. Cancellations due to circumstances at DSB that are not notified 72 hours in advance are counted as a delay.

Operator punctuality in Long-distance & Regional trains has risen from 96.0% to 96.5%. Operator punctuality has generally seen improvements as a result of a more robust time schedule and fewer faults on the rolling stock.

The operator punctuality of 96.5% exceeds the traffic contract's target of 94.1%.

The operator punctuality for S-trains has fallen from 98.9% to 97.7%. The lower operator punctuality is mainly due to DSB being hit by a large number of sick days among train drivers after the shutdown of Denmark.

The operator punctuality of 97.7% exceeds the traffic contract's target of 97.5%.

**Table 7: Customer punctuality<sup>1)</sup>**

Percent	1st quarter		Increase	
	2020	2019	Abs.	Pct.
Long-distance & Regional Trains	86.9	83.8	3.1	4
S-trains	92.6	94.5	-1.9	-2

<sup>1)</sup> Customer punctuality for Long-distance & Regional train traffic is defined as the number of passengers riding on punctual trains in relation to the total number of passengers. Customer punctuality for the S-train network is defined as the proportion of passengers who may arrive punctually on the basis of passengers' expected travel pattern and the operated train traffic. Arrivals are considered punctual if they are less than 3 minutes delayed. Cancellations, which are not notified 72 hours in advance, are counted as delays.

Customer punctuality for Long-distance & Regional trains has increased from 83.8% to 86.9%. The new robust time schedule has contributed to improving customer punctuality. In addition, there has been fewer errors on the infrastructure and the rolling stock.

At 86.9%, customer punctuality exceeds the traffic contract's target of 78.7%.

Customer punctuality for S-trains has decreased from 94.5% to 92.6%. In Q1 2020, there have been some individual major incidents which have had a great impact on the traffic and thus also on customer punctuality. In addition, there has been cancellations due to the lack of available train drivers.

At 92.6%, customer punctuality exceeds the traffic contract's target of 92.3%.

## Customers

In Q1 2020, 36.1 million journeys were taken with DSB in Denmark, compared with 43.2 million journeys in the same period last year. The figures are excluding the number of journeys for Øresund – crossing the bridge. The 16% decrease is due to the shutdown of Denmark.

January and February 2020 showed a 2% growth rate. The number of journeys in regional traffic grew by 10%, Other traffic (the international market) grew by 47% and S-train traffic grew by 2%.

The shutdown of Denmark resulted in a decrease of 8.2 million journeys – or a 50% drop for the month – in March. The decrease in the number of journeys is distributed across all markets, but it is greatest for S-trains, where the decrease amounted to 53% – mainly a result of a very large decline after the shutdown on 11 March 2020.



**Table 8: Number of journeys, January–February**

1,000 journeys	January–February		Increase	
	2020	2019 <sup>1)</sup>	Abs.	Pct.
Long-distance & Regional trains	10,004	9,683	321	3
Øresund - crossing the bridge <sup>2)</sup>	-	-	-	-
(Zealand, including Kystbanen/the Coast Line and the Kastrup Line)	6,474	6,365	109	2
West (Jutland and Funen)	2,132	2,066	66	3
East/West: (across the Great Belt)	1,281	1,167	114	10
Others	117	85	32	38
S-trains	18,528	18,165	362	2
<b>Total</b>	<b>28,532</b>	<b>27,848</b>	<b>684</b>	<b>2</b>

**Table 9: Number of journeys, March**

1,000 journeys	March		Increase	
	2020	2019 <sup>1)</sup>	Abs.	Pct.
Long-distance & Regional trains	2,843	5,335	-2,482	-47
Øresund - crossing the bridge <sup>2)</sup>	-	-	-	-
(Zealand, including Kystbanen/the Coast Line and the Kastrup Line)	1,754	3,436	-1,682	-49
West (Jutland and Funen)	726	1,148	-422	-37
East/West: (across the Great Belt)	363	705	-342	-49
Others	0	46	-46	-100
S-trains	4,747	10,024	-5,277	-53
<b>Total</b>	<b>7,590</b>	<b>15,359</b>	<b>-7,769</b>	<b>-51</b>

1) Journeys in Denmark in 2019 have been adjusted compared with previously published figures due to the final journey inventories, etc.

2) Number of journeys for Øresund – crossing the bridge are omitted for 2020 and 2019, as the number of journeys are not comparable with the previous basis.

Long-distance & Regional trains had (exclusive number of journeys for Øresund – crossing the bridge) 12.8 million journeys compared with 15.0 million journeys in the same period of 2019. There was a 3% growth rate in January and February, but March journeys decreased by 47% due to the shutdown of Denmark on 11 March 2020.

The number of journeys on Zealand, including Kystbanen/The Coast Line and the Kastrup Line, increased by 2% in January and February compared to the same period of last year. March, however, was impacted by the shut-down of Denmark and this resulted in journeys decreasing by 1.7 million or 49%.

For West (Jutland and Funen), the number of journeys increased by 3% in January and February compared to the same period of 2019. In March, the number of journeys decreased by 0.4 million, the equivalent of a 37% decrease.

The number of journeys for East/West (across the Great Belt) increased by 10% in January and February compared to the same period last year. In response to the increasing competition, more Orange and Orange Free tickets have been offered for sale in January and February. Thus, in January and February 2020, there was sold a total of 0.5 million Orange and Orange Free tickets for East/West journeys compared to 0.3 million in the same period of 2019. In March, the shutdown of Denmark resulted in a 0.3 million decrease in the number of journeys across the Great Belt, the equivalent of a decrease of 49% compared to the same period last year. The sale of Orange and Orange Free tickets has, however, been suspended in March as a result of the shutdown of Denmark. The market share for Great Belt crossings increased by 1.9 percentage points in January and February. In addition to the increase in the sale of Orange and Orange Free tickets, the development was impacted by a changed schedule for international trains which now cross the Great Belt.

In January and February, S-trains had 18.5 million journeys, which is an increase of 2% compared to the same period of 2019. In March, the number of journeys fell by 5.3 million, a decrease of 53% resulting from the shutdown of Denmark.

In February, it became possible for customers to buy pram tickets via the DSB App. Before, it was only possible to buy a pram ticket by

contacting DSB. In Q1, there was sold 2,300 pram tickets via the DSB App. The digitalisation of the sale of pram tickets is part of DSB's efforts to increase the degree of digitalisation.

28 February was the last day where customers could get a refund for their 1-month commuter cards after the comprehensive track works of 2019. In total, more than 7,000 customers were reimbursed DKK 16 million. The initiative has meant that DSB has kept its commuters on Zealand lines which for three years have been impacted by major track works.

At the end of March, Rail Net Denmark began the major track works on Sydbanen. The customers are greatly inconvenienced by track works, and therefore DSB offers refunds like with the pilot project that was completed in 2019 in connection with other track works on Zealand. The track works on Sydbanen are expected to last from the end of March to the end of November. The customers have the opportunity to be refunded up to two 1-month commuter cards. In addition, customers are offered more zones on their cards so that they can travel on certain alternative lines without paying more for their commuter cards.

In connection with COVID-19, DSB introduced a seat reservation requirement for Long-distance & Regional Trains. As a result, seat reservations for regional trains were sold for free so that the costs would not impact the customers. The seat reservation requirement is to ensure that the trains are at most 50% percent full so that the customers can keep the proper distancing. For S-trains there is no possibility for making seat reservations, and therefore DSB has developed a new online App – plads-paarejsen.dk. The new online App shows how many passengers are already on the S-train that one is planning to take. The initiative has been developed to ensure that there is sufficient room for everyone.

Additionally, DSB has implemented extra cleaning for trains to ensure that both customers and employees can have a safe journey during the COVID-19 situation.

## Rolling stock

**Table 10: Litra kilometres<sup>1)</sup>**

Kilometre (1,000 )	1st quarter		Increase	
	2020	2019	Abs.	Pct.
IC4 train sets	1,753	1,792	-39	-2
IC3 train sets	7,481	7,259	222	3
IR4 train sets	2,750	2,511	239	10
Øresund train sets	1,775	1,884	-109	-6
Double-decker coaches <sup>2)</sup>	3,497	3,814	-317	-8
Desiro train sets	671	489	182	37
ME diesel locomotives	754	841	-87	-10
EA electric locomotives	44	70	-26	-37
S-train sets	4,547	4,478	69	2

<sup>1)</sup> Litra-kilometre is the aggregated number of kilometres travelled by DSB's locomotives, train sets and double-decker coaches in Denmark.

<sup>2)</sup> Litra kilometres for double-decker coaches are calculated per coach, regardless of the fact that several coaches are usually connected.

**Table 11: Number of kilometres travelled between incidents<sup>1)</sup>**

Kilometre (1,000 )	1st quarter		Increase	
	2020	2019	Abs.	Pct.
IC4 train sets	14.4	7.6	6.8	89
IC3 train sets	43.5	30.3	13.2	44
IR4 train sets	25.0	21.3	3.7	17
Øresund train sets	33.0	22.7	10.3	45
Double-decker coaches	22.0	25.5	-3.5	-14
Desiro train sets	10.8	9.9	0.9	9
ME diesel locomotives	30.1	25.2	4.9	19
EA electric locomotives	10.9	4.4	6.5	148
S-train sets	18.6	17.9	0.7	4

<sup>1)</sup> A technical incident on the rolling stock which causes a delay.

In Q1 2020, the IC4 production was more or less the same as in the equivalent period of 2019. The IC4 train sets have travelled significantly more kilometres between incidents in Q1 2020 compared with the same period in 2019. Over the last year, DSB has also continued working on the structural issues and launched initiatives related to the planning of the maintenance of IC4 train sets, and this has resulted in an increase in the number of kilometres between incidents.

In Q1 2020, the IC3 production was more or less the same as in the equivalent period of

last year as well. In the period, the IC3 train sets travelled significantly more kilometres between incidents than in the same period of last year. Among other things, this is due to significantly fewer engine errors.

The IR4 production was higher in Q1 2020 compared to the same period of last year. This is due to a general prioritisation of electric rolling stock operations.

The Øresund trains travelled 6% fewer litre kilometres in Q1 2020 compared to the same period of last year. This is due to cancellations resulting from the shutdown of Denmark – including the closing of the border with Sweden. The number of kilometres between incidents has increased significantly, and this is in part due to significantly fewer errors on ATC (Automatic Train Control) and the internal communication systems.

The double-decker coaches and ME diesel locomotives have travelled significantly fewer kilometres in Q1 2020 compared to the same period in 2019. DSB has on an ongoing basis been reducing the use of the ME-diesel locomotives which are being phased out – from December 2020, DSB will be able to begin putting new electric locomotives into operation.

The Desiro train sets have travelled significantly more litre kilometres in Q1 2020 compared to the same period of last year, as the production in Q1 2019 was lower than normal due to scheduled major overhauls.

The S-train production and the number of kilometres between incidents in Q1 2020 was more or less at the same level as in Q1 2019.

### **DSB Ejendomsudvikling A/S**

In connection with the amendment of the DSB Act in 2019, DSB was given the opportunity to generate long-term earnings from rental incomes rather than proceeds from property sales. In addition, DSB Ejendomsudvikling A/S

has rental income from the renting of existing properties.

DSB has signed an agreement with Ny Valby Udvikling A/S concerning the project development of DSB's building rights on Grønttorvet in Copenhagen via Ejendomsselskabet Frugtmarkedet 11 ApS which was founded in 2019. The founding of the company has no impact on the accounts for Q1 2020.

In addition, DSB Ejendomsudvikling continues the initial work on a number of other commercial property development projects.

The profit/loss before tax for DSB Ejendomsudvikling amounted to DKK 0 million in Q1 2020.

### **Accounting policies applied**

The interim report for the independent public company DSB has been prepared in accordance with the provisions of the Danish Financial Statements Act on the Act on DSB. The interim report follows the same accounting policies as Annual Report 2019.

### **Events after 31 March 2020.**

DSB will apply for salary compensation for furloughed employees on the basis of the Danish Government's aid package. Possible compensation will not have any impact on the result for Q1 2020.

There are no other events occurred after 31 March 2020, which, in the opinion of the management, have a significant impact on the assessment of this interim report.

### **Other matters**

There are no other matters.

# Endorsement

## Management statement

The Board of Directors and the Executive Board have today discussed and approved the interim report for the period 1 January – 31 March 2020 for DSB.

The interim report, which has neither been audited nor reviewed by the company's auditors, has been presented in accordance with the Danish Financial Statements Act and the Act on DSB. We consider the accounting policies to be appropriate. Accordingly, the first quarter report provides a true and fair view of the Group's assets, liabilities and financial position as of 31 March 2020 and of the results of the Group's activities and cash flows for the period from 1 January to 31 March 2020.

It is also our view that the interim report contains a well-founded assessment of the development in the group's activities and financial conditions, the result for the period and the financial position in general.

Taastrup, 19 May 2020

## Executive Board

Flemming Jensen  
CEO

Thomas Thellersen Børner  
CFO

Jan Sigurdur Christensen  
Director of Commercial

Jürgen Müller  
Director of Strategy  
& Rolling stock

Per Schrøder  
Director of Operations

## The Board of Directors

Peter Schütze  
Chairman

Annette Sadolin  
Vice-Chairman

Henrik Amsinck

Hanne Blume

Carsten Gerner

Christina Grumstrup Sørensen

Thomas Bryan-Lund

Preben Steenholdt Pedersen

Lone Riis



# Accounts

Income statement			
Group	1st quarter		The entire year
	2020	2019	2019
Amounts in DKK million			
<b>Income</b>			
Net revenue	2,111	2,337	9,546
Work performed by the entity and capitalised	136	155	480
Other operating income	269	345	1,359
<b>Total revenue</b>	<b>2,516</b>	<b>2,837</b>	<b>11,385</b>
<b>Expenses</b>			
Expenses for raw materials and consumables	485	495	1,958
Other external expenses	900	931	3,677
Staff costs	914	956	3,736
<b>Total expenses</b>	<b>2,299</b>	<b>2,382</b>	<b>9,371</b>
<b>Earnings before amortisation, depreciation and write-downs</b>	<b>217</b>	<b>455</b>	<b>2,014</b>
Amortisation, depreciation and write-downs of intangible and tangible assets	318	462	3,551
<b>Operating profit/loss</b>	<b>-101</b>	<b>-7</b>	<b>-1,537</b>
<b>Financials</b>			
Profit after tax in associated companies	0	0	0
Financial income	3	0	7
Financial expenses	21	26	111
<b>Net financials</b>	<b>-18</b>	<b>-26</b>	<b>-104</b>
<b>Profit/loss before tax</b>	<b>-119</b>	<b>-33</b>	<b>-1,641</b>
Tax on profit/loss for the period	28	7	365
<b>Net profit/loss for the period</b>	<b>-91</b>	<b>-26</b>	<b>-1,276</b>



## Balance sheet – assets

Group	31.3	31.12	
Amounts in DKK million	2020	2019	2019
<b>Intangible assets</b>			
Development projects	120	157	137
Intangible assets in progress and prepayments	41	58	33
<b>Total intangible assets</b>	<b>161</b>	<b>215</b>	<b>170</b>
<b>Tangible assets</b>			
Land and buildings	4,208	4,191	4,217
Rolling stock	4,862	7,356	4,938
Operating equipment, fixtures and fittings and other equipment	729	741	750
Tangible assets in progress and advance payments	408	400	366
<b>Total tangible assets</b>	<b>10,207</b>	<b>12,688</b>	<b>10,271</b>
<b>Investments</b>			
Equity investments in associated companies	0	0	0
Subordinated loan capital in associated companies	165	183	165
Other receivables	33	25	48
<b>Total investments</b>	<b>198</b>	<b>208</b>	<b>213</b>
<b>Total non-current assets</b>	<b>10,566</b>	<b>13,111</b>	<b>10,654</b>
<b>Inventories</b>	<b>479</b>	<b>407</b>	<b>463</b>
<b>Properties held for sale</b>	<b>15</b>	<b>16</b>	<b>15</b>
<b>Receivables</b>			
Trade receivables	473	485	466
Corporation tax	32	-	-
Other receivables	111	303	313
Prepayments	147	163	140
<b>Total receivables</b>	<b>763</b>	<b>951</b>	<b>919</b>
<b>Cash at bank and in hand</b>	<b>366</b>	<b>55</b>	<b>30</b>
<b>Total current assets</b>	<b>1,623</b>	<b>1,429</b>	<b>1,427</b>
<b>Total assets</b>	<b>12,189</b>	<b>14,540</b>	<b>12,081</b>

## Balance sheet – liabilities and equity

Group	31.3	31.12	
Amounts in DKK million	2020	2019	2019
<b>Equity</b>			
Contributed capital	4,760	4,760	4,760
Reserve for hedging transactions	-282	-170	-220
Retained earnings	-287	1,049	-195
Proposed dividends	0	0	0
<b>Total equity</b>	<b>4,191</b>	<b>5,639</b>	<b>4,345</b>
<b>Provisions</b>			
Other provisions	111	176	146
Deferred tax liabilities	211	713	248
<b>Total provisions</b>	<b>322</b>	<b>889</b>	<b>394</b>
<b>Non-current liabilities</b>			
Long-term loans	2,211	2,162	2,277
Other non-current liabilities	407	426	407
Other liabilities	435	245	358
<b>Total non-current liabilities</b>	<b>3,053</b>	<b>2,833</b>	<b>3,042</b>
<b>Current liabilities</b>			
Current portion of non-current liabilities	481	963	484
Short-term loans	1,075	450	497
Credit institutions	0	286	185
Trade accounts payables	1,557	1,528	1,631
Corporation tax	0	38	80
Other liabilities	848	916	719
Prepayments	662	878	704
Unpaid dividends	-	120	-
<b>Total current liabilities</b>	<b>4,623</b>	<b>5,179</b>	<b>4,300</b>
<b>Total liabilities</b>	<b>7,676</b>	<b>8,012</b>	<b>7,342</b>
<b>Total equity and liabilities</b>	<b>12,189</b>	<b>14,540</b>	<b>12,081</b>

## Statement of changes in equity

Group	Contri- buted capital	Reserve for hedging transac- tions	Retained earnings	Proposed dividends	Total equity
Amounts in DKK million					
<b>Equity at 1 January 2019</b>	<b>4,760</b>	<b>-133</b>	<b>1,075</b>	<b>120</b>	<b>5,822</b>
Declared dividend	-	-	-	-120	-120
Net profit or loss for the period	-	-	-26	-	-26
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	-37	-	-	-37
<b>Equity at 31 March 2019</b>	<b>4,760</b>	<b>-170</b>	<b>1,049</b>	<b>0</b>	<b>5,639</b>
Net profit or loss for the period	-	-	-1,250	-	-1,250
Foreign currency translation adjustments	-	-	7	-	7
Value adjustment of hedging instruments	-	-50	-	-	-50
Other changes in equity, tax	-	-	-1	-	-1
<b>Equity at 31 December 2019</b>	<b>4,760</b>	<b>-220</b>	<b>-195</b>	<b>0</b>	<b>4,345</b>
Net profit or loss for the period	-	-	-91	-	-91
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	-62	-	-	-62
Other changes in equity, tax	-	-	-1	-	-1
<b>Equity at 31 March 2020</b>	<b>4,760</b>	<b>-282</b>	<b>-287</b>	<b>0</b>	<b>4,191</b>

## Cash flow statement

Group	1st quarter		The entire year
Amounts in DKK million	2020	2019	2019
<b>Operating profit/loss</b>	<b>-101</b>	<b>-7</b>	<b>-1,537</b>
<b>Adjustment for non-cash operating items</b>			
Amortisation, depreciation and write-downs of intangible and tangible assets	318	462	3,551
Change in other provisions, net	-35	25	-3
<b>Other adjustments</b>			
Gain and loss on sale and scrapping of intangible and tangible assets	3	3	-25
Net financial items, paid	1	-2	-94
Corporation tax, paid	-104	-199	-252
Change in working capital	121	-20	-185
<b>Total cash flow from operating activities</b>	<b>203</b>	<b>262</b>	<b>1,455</b>
<b>Cash flows from investment activities</b>			
Acquisition of intangible and tangible assets - excluding capitalised interest	-252	-214	-858
Sales of intangible and tangible assets	2	13	49
Subordinated debt repayments	-	16	36
<b>Total cash flows from investment activities</b>	<b>-250</b>	<b>-185</b>	<b>-773</b>
<b>Cash flows from financing activities</b>			
Proceeds from raising of long-term loans	0	-	500
Proceeds from raising of short-term loans	1,325	250	2,120
Repayment and payment of instalments on long-term loans	-7	-7	-966
Repayment and payment of instalments on short-term loans	-750	-	-1,820
Change in credit institutions	-185	-354	-455
Paid dividends	-	-	-120
<b>Total cash flow from financing activities</b>	<b>383</b>	<b>-111</b>	<b>-741</b>
<b>Total change in cash and cash equivalents</b>	<b>336</b>	<b>-34</b>	<b>-59</b>
Cash and cash equivalents as at 1 January	30	89	89
<b>Cash and cash equivalents end of period</b>	<b>366</b>	<b>55</b>	<b>30</b>

## Income statement by quarter

Group	2020	2019			
Amounts in DKK million	1st quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
Passenger revenue	1,047	1,251	1,297	1,263	1,362
Traffic contract revenues	975	985	1,057	994	989
Sale of repair and maintenance services of rolling stock etc.	75	81	72	71	74
Sale and leasing of rolling stock	14	20	10	11	9
<b>Net revenue</b>	<b>2,111</b>	<b>2,337</b>	<b>2,436</b>	<b>2,339</b>	<b>2,434</b>
Work performed by the entity and capitalised	136	155	124	74	127
Other operating income	269	345	341	317	356
<b>Total revenue</b>	<b>2,516</b>	<b>2,837</b>	<b>2,901</b>	<b>2,730</b>	<b>2,917</b>
Expenses for raw materials and consumables	485	495	493	469	501
Other external expenses	900	931	909	902	935
Staff costs	914	956	977	899	904
<b>Total expenses</b>	<b>2,299</b>	<b>2,382</b>	<b>2,379</b>	<b>2,270</b>	<b>2,340</b>
<b>Earnings before amortisation, depreciation write-downs</b>	<b>217</b>	<b>455</b>	<b>522</b>	<b>460</b>	<b>577</b>
Amortisation, depreciation and write-downs of intangible and tangible assets	318	462	462	461	2,166
<b>Operating profit/loss</b>	<b>-101</b>	<b>-7</b>	<b>60</b>	<b>-1</b>	<b>-1,589</b>
Net financials	-18	-26	-26	-31	-21
<b>Profit/loss before tax</b>	<b>-119</b>	<b>-33</b>	<b>34</b>	<b>-32</b>	<b>-1,610</b>
<b>Profit/loss before tax adjusted for non-recurring items</b>	<b>-109</b>	<b>20</b>	<b>25</b>	<b>-43</b>	<b>82</b>
<b>Net profit/loss for the period</b>	<b>-91</b>	<b>-26</b>	<b>27</b>	<b>-24</b>	<b>-1,253</b>
<b>Total equity</b>	<b>4,191</b>	<b>5,639</b>	<b>5,598</b>	<b>5,503</b>	<b>4,345</b>
EBITDA margin	10.3	19.5	21.4	19.7	23.7
Return on invested capital after tax (ROIC after tax) p.a.	-4.0	-0.2	2.0	0.0	-59.5

## Financial calendar 2020

Expected publication of annual report and interim reports:

2nd quarter 2020	27 August 2020
3rd quarter 2020	5 November 2020
Annual Report 2020	11 February 2021

## Publications

Interim report for Q1 2020 is available on [www.DSB.dk](http://www.DSB.dk)

## Company details

### Address

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Telegade 2  
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Tel. +45 70 13 14 15

[www.dsb.dk](http://www.dsb.dk)

CVR no. 25050053

### Municipality of domicile

Høje-Taastrup

### Ownership

DSB is an independent public corporation owned by the Ministry of Transport, Building and Housing

### Auditors

Ernst & Young  
Authorised Limited Company of Accountants  
CVR no. 30700228

The National Audit Office of Denmark

### Bank

Nordea Bank Danmark A/S

### Editors

Marianne Holmbjerg  
Anders Reinholt  
Niels-Otto Fisker