

## The profit in first half of 2020 was significantly affected by a COVID-19 – a pre-tax loss of DKK 607 million.

- In the first half of 2020, DSB had 55.8 million journeys - a decrease of 36 percent compared to the same period last year
- By agreement with the government, the time table has been substantially maintained throughout the first half of the year
- Extraordinary cost reductions of DKK 130 million in 2020 were initiated and implemented in the light of the decreasing number of journeys
- DSB has made use of the government's aid package for furloughed employees
- In 2020, DSB expects a significant loss of at least DKK 1 billion due, among other things, to the COVID-19 restrictions
- It has been agreed that by the end of the year, the government will determine its position on the company's future financial framework
- High punctuality over the contract targets for both S-trains and Long-distance & Regional trains
- The first new electric locomotives are expected to be put into service in the fourth quarter in accordance with the original plans.

### Selected key figures

	2nd quarter 2020	2nd quarter 2019	1st half 2020	1st half 2019
Passenger turnover <sup>1)</sup>	605	1,353	1,699	2,661
Traffic contract revenues	976	1,057	1,951	2,042
Total revenues	2,090	2,901	4,606	5,738
Total expenses	2,240	2,379	4,539	4,761
Profit or loss before tax	-488	34	-607	1
Profit/loss before tax adjusted for non-recurring items	-538	25	-647	45

1) Before the effect of the Metro double factor.

### The profit/loss for the period and expectations for 2020

DSB is strongly affected by the COVID-19 pandemic. Despite the substantial reduction of the revenue base, the role of DSB as a provider of critical infrastructure means that we have to contribute to running trains to the extent that it is appropriate from a societal point of view. Against this background, in agreement with the government, DSB has to a large extent maintained the time table throughout the 1st half of the year.

As a result of recommendations and restrictions related to COVID-19, DSB has lost a significant proportion of passenger turnover, and there has been a significant decrease in earnings from our kiosks. At the same time, there has been little scope for reducing the cost of train services. In order to mitigate the economic consequences, extraordinary cost reductions of DKK 130 million have been initiated and implemented in 2020.

Against this background, DSB has realised a pre-tax loss of DKK 607 million in the first half of 2020. The result is DKK 608 million less than for the same period in 2019. The passenger turnover for the period fell by DKK 962 million compared to first half of 2019. For first half of 2020, costs were DKK 222 million less than in the same period of 2019.

DSB has chosen to make use of the government's aid package for furloughed employees. Thus, the accounts for the 1st half of the year include DKK 68 million in pay compensation for the furloughed employees. The scheme has been valuable during an extremely critical period.

Depreciation, amortization and write-downs amounted to DKK 641 million for the 1st half of the year, which is DKK 283 million less than for the same period last year. The decrease was due to lower depreciation on train equipment for Long-distance & Regional trains, which were written down by DKK 1.7 billion in 2019.

Our assessment is that the COVID-19 pandemic will also have a significant negative impact on travel and the finances for the rest of the year. Against this background, DSB expects a significant deficit of at least DKK 1 billion for the whole of 2020. The size of the deficit is subject to considerable uncertainty and will depend on the extent and pace of the customers' return.

It has been agreed with the Ministry of Transport and Housing that a basis for the government's position on DSB's long term financial framework will be established by the end of 2020 - including in the light of the impact of COVID-19.

### **To what extent are customers returning?**

In the first half of 2020, 55.8 million journeys were made with DSB against 86.6 million journeys in the same period last year. This corresponds to a decline of 36 percent.

Otherwise, DSB got off to a good start in the new year. On the customer side, we had an increased number of passengers in January and February with growth in the areas of national traffic, in S-trains and on the regional routes. In addition, DSB won market shares over the Great Belt. This was a sign that our strategy of investing in travel growth bore fruit from the beginning of the year.

After the onset of COVID-19, the travel figures fell dramatically for both S-trains and the Long-distance & Regional train services. At its worst at the end of March, revenue fell by over 80 percent compared to the same period in 2019. Furthermore, in order to avoid having too many customers on the trains, DSB chose to stop the sale of Orange and Orange Free tickets for a temporary period of two months.

After the beginning of the controlled reopening of Denmark in May and June, customers have started to return and the sale of Orange tickets has been reopened. In June, 66 percent of the customers had returned compared to the same period last year.

During the summer, DSB has offered 1 million Orange tickets for a maximum of DKK 99 for travel throughout Denmark. 244,000 Orange tickets were sold during the first 2 weeks.

In June, the government also launched a summer package, which included 50,000 travel cards at DKK 299. The travel cards could be used for free travel for 8 days across public transport throughout the country. All travel cards were sold within 4 days. To ensure that both our customers and employees can travel with confidence, DSB has launched a number of initiatives - including the development of a new web app that shows the occupancy rate of S-trains, distance markers and additional cleaning of trains and stations including en route cleaning during the journey. These initiatives should also help to make it safe to return to the train.

*"COVID-19 has created a whole new reality for the whole of the public transport sector and for us as a company. We are following developments closely and continuously initiating activities to help ensure that both our customers and employees feel safe when they are on the train."*

*Flemming Jensen, CEO*

### **High punctuality and meeting the contract targets**

The customer punctuality of both S-trains and Long-distance & Regional train services has improved compared with the same period last year and is close to 93.4 percent and 87.2 percent respectively, higher than in 2019 and above the traffic contract's targets.

The customer punctuality is positively affected by a more robust timetable, which means that the effect of incidents on the infrastructure, tracks and signals on operations is reduced. In addition, there are fewer delays from Swedish trains because the frequency of Øresund traffic has been reduced as a result of COVID-19. In addition, the rolling stock shows improved operating stability.

### **New modern and environmentally friendly trains will improve the efficiency of train operations**

It is DSB's goal to replace the ageing diesel-powered trains in favour of a modern, uniform electric fleet, with the subsequent benefits for customers and the environment. A climate-friendly and more sustainable DSB is an important benchmark for us.

So far, the purchase of the new fleet largely follows the original plans - but it cannot be ruled out that the COVID-19 pandemic can lead to delays. We continue to plan for being ready to install the new electric train equipment in pace with Rail Net Denmark's electrification of the railway. The first of the new Vectron electric locomotives is now ready at Siemens' factory and is expected to be put into service in the regional traffic on Zealand by the end of 2020. The new railway carriages are planned for introduction into passenger service in 2023, while the new electric train sets are expected to be available for introduction into passenger operation from 2024.

Taastrup, 27 August 2020

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Peter Schütze  
Chairman of the Board

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Flemming Jensen  
CEO

**The interim 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 2020

Key Financial and Operating Data						
DSB Group	2nd Quarter	1st half		Increase		The entire year
Amounts in DKK million	2020	2020	2019	Abs.	Pct.	2019
Passenger revenue - before the impact of the metro double factor	605	1,699	2,661	-962	-36	5,399
Metro double factor	38	85	113	-28	-25	226
Passenger revenue - after the impact of the metro double factor	567	1,614	2,548	-934	-37	5,173
Traffic contract revenues	976	1,951	2,042	-91	-4	4,025
Net revenue <sup>1)</sup>	1,623	3,734	4,773	-1,039	-22	9,546
Total revenue <sup>2)</sup>	2,090	4,606	5,738	-1,132	-20	11,385
Of which non-recurring items	66	66	28	38	-	44
Total expenses	2,240	4,539	4,761	-222	-5	9,371
Of which non-recurring items	16	26	64	-38	-59	54
Earnings before amortisation, depreciation and write downs	-150	67	977	-910	-93	2,014
Amortisation, depreciation and write-downs of assets	323	641	924	-283	-31	3,551
Of which non-recurring items	-	-	8	-8	-100	1,715
Operating profit/loss	-473	-574	53	-627	-	-1,537
Profit or loss before tax	-488	-607	1	-608	-	-1,641
Profit/loss before tax adjusted for non-recurring items	-538	-647	45	-692	-	84
Net profit or loss for the period	-371	-462	1	-463	-	-1,276
Balance sheet total	11,881	11,881	14,283	-2,402	-17	12,081
Total equity	3,770	3,770	5,598	-1,828	-33	4,345
Interest-bearing liabilities, net	3,798	3,798	3,793	5	0	3,320
Operating profit margin (EBITDA margin)*	-9.2	1.8	20.5	-18.7	-91	21.1
Profit ratio (EBIT margin)*	-29.1	-15.4	1.1	-16.5	-	-16.1
Return on invested capital after tax (ROIC after tax) p.a.*	-19.0	-11.5	0.9	-12.4	-	-13.8
Gearing p.a.*	-6.3	28.3	1.9	26.4	-	1.6
Equity ratio*	31.7	31.7	39.2	-7.5	-19	36.0
Interest cover*	-26.1	-14.6	1.0	-15.6	-	-13.8
Average number of full-time employees	6,772	6,807	6,901	-94	-1	6,866
<b>Productivity<sup>3)</sup></b>						
Passenger revenue per seat kilometre (DKK 0.01/km)	14.7	19.9	31.1	-11.2	-36	31.0
Costs per seat kilometre, adj. for non-recurring items (DKK 0.01/km)	57.8	56.0	60.7	-4.7	-8	59.7
<b>Customer punctuality<sup>4)</sup></b>						
Long Distance & Regional Trains (percent)	88.0	87.2	79.8	7.4	9	79.1
S-trains (percent)	94.2	93.4	93.0	0.4	0	93.0
<b>Operator punctuality<sup>5)</sup></b>						
Long Distance & Regional Trains (percent)	96.6	96.6	94.8	1.8	2	94.9
S-trains (percent)	98.9	98.3	98.7	-0.4	0	98.2
<b>Customers</b>						
Customers (million) <sup>6)</sup>	19.9	55.8	86.6	-30.8	-36	175.0
"Customer satisfaction with this journey" <sup>7)</sup>	-	-	8.1	-	-	8.0
<b>Reputation</b>						
DSB	61.0	58.2	53.5	4.7	9	52.7
Users of DSB	63.9	60.4	55.6	4.8	9	54.6
Non-users of DSB	51.7	50.9	46.8	4.1	9	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> Customer punctuality is passengers travelling on punctual trains in relation to the total number of passengers. Arrivals are considered punctual if they are less than three minutes delayed.

<sup>5)</sup> Operator punctuality is the total punctuality, minus any delays exceeding three minutes that are due to circumstances for which DSB is not responsible.

<sup>6)</sup> Figures for customers in Denmark in 2019 have been adjusted compared with previously published figures due to the final journey schedules, etc. and calculated as the number of trips. Number of trips are calculated excluding Øresund - crossing the bridge.

<sup>7)</sup> "Customer satisfaction with this journey" has not been measured in Q2 2020 due to COVID-19.

\* 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 the first half of 2020 amounted to a loss of DKK 607 million, which is DKK 608 million lower than for the same period in 2019. The result has been significantly impacted by the COVID-19.

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

DKK million	1st half	
	2020	2019
<b>Profit or loss before tax</b>	<b>-607</b>	<b>1</b>
Profit on real estate, net	-64	-15
Write-down, real estate	-	8
Costs for preparing the divestment of spare parts workshops	24	-
Severance costs	-	51
<b>Adjusted pre-tax profit or loss</b>	<b>-647</b>	<b>45</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 profit/loss before tax amounted to a loss of DKK 647 million in the first half of 2020, which is DKK 692 million lower than the corresponding result for the first half of 2019. This is mainly a result of lost revenues due to COVID-19. To a significant extent, DSB has maintained train operations, and this is why the costs have only been slightly reduced. Depreciation, amortisation and write-downs are significantly lower than in 2019, which can be directly attributed to the write-down of rolling stock in Long-distance & Regional Trains by a total of DKK 1,686 million at the end of 2019, of which DKK 1,535 million was a result of an impairment test.

The balance sheet total amounted to DKK 11,881 million as of 30 June 2020, compared to DKK 12,081 million as of 31 December 2019.

In the first six months of 2020, DSB has invested DKK 419 million (DKK 402 million). The investments are mainly related to increased

heavy maintenance work on the train fleet. On top of this, there are advance payments for new train carriages and electrical locomotives.

Net interest-bearing debt increased by DKK 478 million compared with 31 December 2019 and stood at DKK 3,798 million as of 30 June 2020. The cash flows from operating activities have been lower than normal due to the lower passenger revenue. Furthermore DSB has ensured that it is paying all minor suppliers in advance. The liquidity reserve amounted to DKK 4.6 billion as of 30 June 2020, after growing by DKK 1.5 billion in March.

At the end of the first half of 2020, the Return on invested capital after tax (ROIC) amounted to -11.5 (0.9), Gearing amounted to 28.3 (1.9) and the Solvency ratio was 31.7 (39.2). The negative development in the result is the primary reason for the decline in ROIC and the increase in Gearing.

### Net revenue

In the first half of 2020, Net revenue amounted to DKK 3,734 million (DKK 4,773 million) which is a decrease of 22 percent.

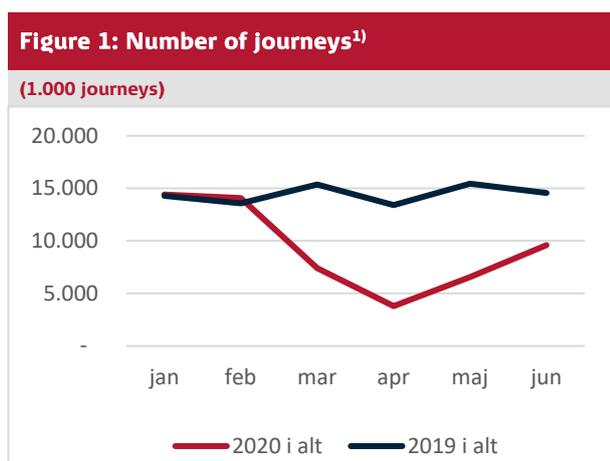
The passenger revenue before the impact of the Metro Double Factor amounted to DKK 1,699 million. This is DKK 962 million less than in the first half of 2019, which can be attributed to the large decrease in the number of journeys due to COVID-19.

The passenger revenue for Long-distance & Regional Trains in the first half of 2020 decreased by 40 percent, while the passenger revenue for S-trains decreased by 30 percent compared to the same period last year.

The passenger revenue was negatively impacted by DKK 85 million in the first half of 2020 due to the so-called Metro Double Factor, where a proportion of DSB's passenger revenue goes to Metroselskabet.

Traffic contract revenues from the state amounted to DKK 1,951 million and have decreased by DKK 91 million compared to the

first half of 2019. The decrease is mainly due to fewer revenue-covered activities in connection with the Signal Programme for Long-distance & Regional Trains as well as the impact of the signed supplementary contract 19 concerning a reduction of traffic contract payments.



<sup>1)</sup> Number of journeys are calculated excluding Øresund - crossing the bridge.

The development in the net revenue is impacted by a major loss of journeys due to COVID-19. The number of journeys increased in January-February by 0.6 million compared to the same period last year. COVID-19 has resulted in a large decrease in the number of journeys across all geographical areas. In March, the number of journeys decreased by 8.0 million and in April they decreased by 9.6 million compared to the same periods last year. In connection with the controlled reopening of Denmark, however, customers have slowly begun to return. In June, the decrease was reduced to 5.0 million journeys - a decrease of 34 percent.

Sales of repairs and maintenance of rolling stock, etc. amounted to DKK 148 million and have decreased by DKK 5 million compared to first half of 2019.

Sales and leasing of rolling stock amounted to DKK 21 million, which is DKK 9 million lower than in the first half of 2019.

Work performed by the entity and capitalised decreased by DKK 37 million and totalled DKK 242 million in the first half of 2020. The decrease is mainly a result of less completed major overhauls and supplemental works that could be capitalised.

Other operating income has decreased by DKK 56 million and amounted to DKK 630 million. The decrease is primarily a result of DSB's kiosks generating less revenue in the first half of 2020 due to COVID-19. The half-year period is positively impacted by a compensation payment of DKK 68 million from a Danish Government aid package for furloughed workers. The profits from selling properties have increased, which is mainly a result of signing a joint venture agreement with Ny Valby Udvikling A/S concerning project development of construction rights for DSB's area by Grønttorvet in Valby.

### Expenses

Expenses totalled DKK 4,539 million in the first half of 2020 (DKK 4,761 million) - a decrease of 5 percent.

Costs for raw materials and consumables amounted to DKK 890 million and decreased by DKK 98 million compared to the first half of 2019. The development is mainly a result of lower consumption of goods as a result of the lower kiosk turnover and lower costs for spare parts and energy for propulsion. The two latter aspects are, among other things, due to there having been fewer litre kilometres travelled than in 2019.

Other external costs amounted to DKK 1,768 million, a decrease of DKK 72 million compared with the same period in 2019. Among other things, the decrease is due to lower costs for substitution traffic, payroll taxes and marketing. In March, DSB temporarily halted its marketing activities as a result of the shutdown of Denmark. Conversely, there have been more costs for consultants, which is mainly related to preparing for the acquisition of future rolling stock and related projects and consultancy services in connection with the

planned divestment of the spare parts workshops.

Staff costs amounted to DKK 1,881 million in the first half of 2020 and is in the same range as for the same period of 2019 once 2019 is adjusted for non-recurring items (severance costs of DKK 51 million due to streamlining the administration). The effect of the general salary developments is offset by the number of full time employees has been reduced with 94 to 6,807 (6,901).

#### **Amortisation, depreciation and write-downs**

Amortisation, depreciation and write-downs amounted to DKK 641 million (DKK 924 million). The decrease is a result of lower depreciation of rolling stock as a direct consequence of the write-downs made in 2019.

#### **Financials**

Financials, net amounted to costs of DKK 33 million (DKK 52 million). The development is impacted by currency fluctuation gains and the continuing low interest rates.

#### **2nd quarter 2020**

The pre-tax result in the 2nd quarter of 2020 showed a loss of DKK 488 million while the pre-tax result adjusted for non-recurring items showed a loss of DKK 538 million.

The result in the 2nd quarter of 2020 has been negatively impacted by the shutdown of Denmark due to COVID-19.

The net revenue amounted to DKK 1,623 million. This is DKK 813 million less than in the 2nd quarter of 2019, representing a decrease of 33 percent due to lower passenger revenue due to COVID-19.

Passenger revenue before the impact of the Double Metro Factor amounted to DKK 605 million, which is DKK 749 million or 55 percent lower than in the 2nd quarter of 2019.

For Long-distance & Regional trains the decrease amounted to DKK 579 million (61 percent), while the decrease in S-trains was DKK 170 million (42 percent).

Traffic contract revenues amounted to DKK 976 million, which is DKK 81 million less than in the 2nd quarter of 2019. The decrease is mainly a result of less traffic contract revenues for the Signal Programme for Long-distance & Regional Trains.

Sale of repair and maintenance of rolling stock, etc. amounted to DKK 73 million, which is in line with the 2nd quarter of 2019.

Sale and leasing of rolling stock amounted to DKK 7 million.

Work performed by the enterprise and capitalised amounted to DKK 106 million, and is mainly major overhauls and activable supplemental work.

Other operating income amounted to DKK 361 million, compared to DKK 341 million in the 2nd quarter of 2019. There has been less revenue from selling kiosk products due to COVID-19. On the other hand, the quarter has been positively impacted by the Danish Government's aid packages of DKK 68 million and from income from selling property amounting to DKK 66 million.

Expenses totalled DKK 2,240 million (DKK 2,379 million) - a decrease of 6 percent.

Costs for raw materials and consumables constituted DKK 405 million, which is DKK 88 million less than in the 2nd quarter of 2019. There has been lower consumption of goods in kiosks as a result of the reduced sales due to COVID-19.

Other external costs amounted to DKK 868 million, which is DKK 41 million less than in the 2nd quarter of 2019. The quarter has been impacted by less costs for substitution traffic, marketing, compensation and payroll taxes, etc. Conversely, there have been more costs

for consultants, mainly related to preparing for future rolling stock acquisitions and related projects, including consultancy services in connection with the planned divestment of the spare parts workshops.

Staff costs amounted to DKK 967 million.

Amortisation, depreciation and write-downs amounted to DKK 323 million.

Financials, net amounted to costs of DKK 15 million

### Significant accounting estimates

Significant accounting estimates are mainly concerning the valuation of rolling stock. In 2019, a significant write-down of rolling stock for Long-distance & Regional Trains amounting to DKK 1,535 million based on an impairment test was made.

The long-term consequences of COVID-19 are as yet too uncertain to form a solid basis for completing a new impairment test for rolling stock, as the future revenues will very much depend on when and to what extent the customers return.

For this reason, there has not been carried out an impairment test in the first half of 2020. It is instead scheduled for the second half of 2020.

### Expectations for 2020

DSB expects a significantly negative pre-tax result adjusted for non-recurring items for 2020, amounting to at least DKK 1 billion due to COVID-19. The size of the expected result is associated with a great deal of uncertainty, and it will mainly depend on to what extent customers return.

It has been agreed with the Ministry of Transport and Housing that before the end of 2020 a basis for the Danish Government's decision on DSB's future economic framework

that also takes into account the impact of COVID-19 will be established.

### Productivity

**Table 2: Number of full-time employees**

	1st half		Increase	
	2020	2019	Abs.	Pct.
Number of full-time employees – end of period	6,752	6,857	-105	-2
Average number of full-time employees	6,807	6,901	-94	-1

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

**Table 3: Productivity, train activities**

	1st half		Increase	
	2020	2019	Abs.	Pct.
Passenger revenue per seat kilometre <sup>1)</sup> (DKK 0.01/km)	19.9	31.1	-11.2	-36
Costs per seat kilometre <sup>1)</sup> (DKK 0.01/km)	56.0	60.7	-4.7	-8

<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 36 percent compared to the same period last year. This decrease in passenger revenue is a result of COVID-19. The number of seat kilometres has decreased by 1 percent while the passenger revenue has decreased by 36 percent.

The costs per seat kilometre have decreased by 8 percent in the first half of 2020 compared to the first half of 2019. This is mainly a result of lower depreciation, directly related to the write-downs of rolling stock in 2019.

## Punctuality

**Table 4: Customer punctuality<sup>1)</sup>**

Percent	1st half		Increase	
	2020	2019	Abs.	Pct.
Long-distance & Regional Trains	87.2	79.8	7.4	9
S-trains	93.4	93.0	0.4	0

<sup>1)</sup> Customer punctuality is the number of passengers travelling on punctual trains in relation to the total number of passengers. Arrivals are considered punctual if they are less than three minutes delayed.

Customer punctuality for Long-distance and Regional Trains has increased from 79.8 percent in the first half of 2019 to 87.2 in the same period of 2020. The customer punctuality is positively impacted by fewer infrastructure incidents (tracks and signals) and fewer delayed trains coming in from Sweden. In addition, the operator punctuality have improved.

The customer punctuality of 87.2 percent is above the traffic contract's target of 78.7 percent.

For the 2nd quarter of 2020, the customer punctuality was 88.0 percent.

The customer punctuality for S-trains increased from 93.0 percent to 93.4 percent. The customer punctuality for S-trains has also been positively impacted by fewer infrastructure incidents.

The customer punctuality of 93.4 percent is above the traffic contract's target of 92.3 percent.

For the 2nd quarter of 2020, the customer punctuality was 94.2 percent.

**Table 5: Operator punctuality<sup>1)</sup>**

Percent	1st half		Increase	
	2020	2019	Abs.	Pct.
Long-distance & Regional Trains	96.6	94.8	1.8	2
S-trains	98.3	98.7	-0.4	0

<sup>1)</sup> Operator punctuality is the total punctuality, minus any delays exceeding three minutes that are due to circumstances for which DSB is not responsible.

Operator punctuality in Long-distance and Regional Trains has increased from 94.8 percent to 96.6 percent. The operator punctuality is positively impacted by the new time table being off to a good start in the 1st quarter and fewer rolling stock errors.

The operator punctuality of 96.6 percent for the first half of the year is above the traffic contract's target of 94.1 percent.

For the 2nd quarter of 2020, the operator punctuality was also at 96.6 percent.

The operator punctuality for S-trains has decreased from 98.7 percent to 98.3 percent. 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 in connection with COVID-19.

The operator punctuality of 98.3 percent is above the traffic contract's target of 97.5 percent.

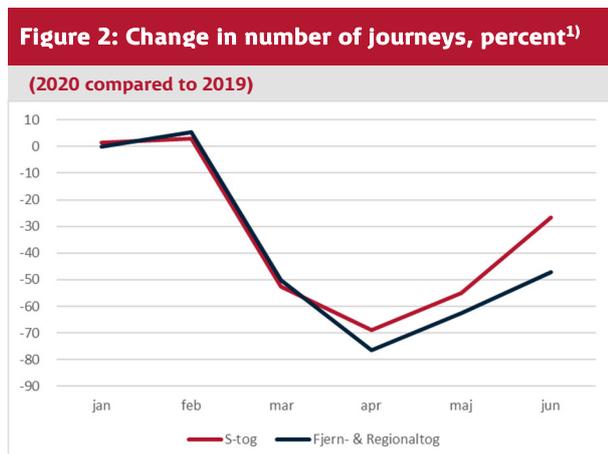
For the 2nd quarter of 2020, the operator punctuality was 98.9. As with Long-distance & Regional Trains, there have been fewer errors on the rolling stock and this has resulted in operator punctuality improving.

## Customers

In the first half of 2020, 55.8 million journeys were made with DSB in Denmark, compared with 86.6 million journeys in the same period last year. This amounts to a decrease of 36 percent.

COVID-19 has resulted in a large decrease in the number of journeys. March saw a decrease of 8.0 mill. journeys corresponding to 52 percent for the month. The number of journeys fell further in April - a decrease of 72 percent compared to April 2019. In May and June, the customers slowly began to return due to the controlled reopening of Denmark. In June, 66 percent of the customers had returned compared to the same period last year.

The decrease in the number of journeys is seen across all markets, but the biggest drop has been for journeys with Long-distance & Regional Trains. The S-train customers have returned in greater numbers than the Long-distance & Regional Train customers.



<sup>1)</sup> Number of journeys are calculated excluding Øresund - crossing the bridge.

In the first half of the year there have been carried out track works on several lines. These are not assessed as having had any significant impact on the number of journeys when considering the impact of COVID-19.

**Table 6: Number of journeys<sup>1)</sup>**

1,000 journeys	1st half		Increase	
	2020	2019 <sup>2)</sup>	Abs.	Pct.
Long-distance & Regional trains	18,638	30,756	-12,118	-39
(Zealand, including Kystbanen/the Coast Line and the Kastrup Line)	11,885	20,142	-8,257	-41
Jutland and Funen	4,260	6,586	-2,326	-35
East/West: (across the Great Belt)	2,358	3,709	-1,351	-36
Others	135	319	-184	-58
S-trains	37,188	55,873	-18,685	-33
<b>Total</b>	<b>55,826</b>	<b>86,629</b>	<b>-30,803</b>	<b>-36</b>

<sup>1)</sup> Number of journeys are calculated excluding Øresund - crossing the bridge.

<sup>2)</sup> Journeys in 2019 has been adjusted compared with previously published figures due to the final journey statements etc.

In the first half of 2020, Long-distance & Regional Trains had (excluding the number of journeys for Øresund - crossing the bridge) 18.6 million journeys compared to 30.8 million journeys in the same period of 2019. January and February showed a 3 percent growth rate overall. However, due to the shutdown of Denmark, in the first half of the year the number of journeys decreased by 39 percent in total compared to the same period last year. In June, 53 percent of the customers had returned.

The number of journeys on Zealand, including Kystbanen/The Coast Line and the Kastrup Line, increased by 2 percent in January and February compared to the same period of last year. The number of journeys decreased by 8.3 million or 41 percent in the first half of the year. By June, 50 percent of the customers had returned.

For Jutland and Funen, the number of journeys in January and February was unchanged compared to the same period of 2019. The total decrease for the first half of the year amounted to 2.3 million journeys or 35 percent. In June, 60 percent of the customers had returned.

The number of East/West journeys (crossing the Great Belt) increased by 10 percent in January and February compared to the same period last year, among other things, due to more Orange and Orange Free tickets being offered. 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 the first half of the year, COVID-19 resulted in a reduction in the number of journeys across the Great Belt of 1.4 million, which is 36 percent less. In June, 59 percent of the customers had returned.

In January and February, S-trains had 18.5 million journeys, which is an increase of 2 percent compared to the same period of 2019. The first half of the year saw a total decrease in the number of journeys of 33 percent. In June, 73 percent of the customers had returned.

During the shutdown of Denmark, DSB has been working hard to assist customers, minimise the risk of infection and be considerate on both stations and trains. Getting customers to return is an important task for DSB, and in that context, the goal is for the customers' normal routines to remain unchanged in most cases.

As a result of the shutdown on Denmark, DSB has not sold Orange and Orange Free tickets in a 2-month period. On 18 May, there was once again offered Orange and Orange Free tickets. Initially, 50,000 tickets per week were offered, amounting to around half the weekly number before Denmark shut down. DSB is monitoring the train occupancy rate and has increased the number of Orange and Orange Free tickets on offer to 120,000 per week. The reintroduction of sales of Orange and Orange Free tickets is one more step towards getting customers to return to the trains.

In June, the Danish Government launched a summer aid package which, among other things, included 50,000 travel cards for DKK 299. The travel card can be used freely to take trips for eight days using all kinds of public

transportation throughout the country. Additionally, 1 million Orange tickets were offered for up to and including DKK 99 kroner that can be used in the period from 27 June to 9 August. All travel cards were sold within three days, and during the first two weeks of the campaign, 244,000 Orange tickets were sold.

On 8 June, DSB launched a "stationsstue" in Haslev, which was opened and attended by the Minister for Transport, Faxe's mayor and DSB's CEO. The "stationsstue" is a hybrid kiosk/café, and the concept is a good fit for the stations that do not warrant a 7-Eleven store but still has enough customers for a smaller store. If the concept lives up to its expectations, an additional 8-10 "Stationsstuer" will open in the coming years. In addition, there are also the stations where local enthusiasts and other actors operate kiosks, cafés, etc.

## Rolling stock

**Table 7: Litra kilometres<sup>1)</sup>**

Kilometres (1,000)	1st half		Increase	
	2020	2019	Abs.	Pct.
IC4 train sets	3,437	3,724	-287	-8
IC3 train sets	13,358	13,928	-570	-4
IR4 train sets	5,346	4,867	479	10
Øresund train sets	3,237	3,840	-603	-16
Double-decker coaches <sup>2)</sup>	7,338	7,627	-289	-4
Desiro train sets	1,220	1,022	198	19
ME diesel locomotives	1.662	1,690	-28	-2
EA electric locomotives	72	134	-62	-46
S-train sets	9,152	8,807	345	4

<sup>1)</sup> Litra kilometres represents the total number of kilometres travelled 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 8: Number of kilometres travelled between incidents<sup>1)</sup>**

Kilometres (1,000)	1st half		Increase	
	2020	2019	Abs.	Pct.
IC4 train sets	12.5	7.8	4.7	60
IC3 train sets	38.9	33.8	5.1	15
IR4 train sets	27.4	17.5	9.9	57
Øresund train sets	36.7	21.3	15.4	72
Double-decker coaches	24.3	21.9	2.4	11
Desiro train sets	12.6	10.6	2.0	19
ME diesel locomotives	29.2	24.5	4.7	19
EA electric locomotives	6.0	4.6	1.4	30
S-train sets	19.6	16.9	2.7	16

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

In the first half of 2020, there has been travelled fewer litra kilometres than in the first half of 2019. This is generally speaking due to less traffic compared to the scheduled production as a result of COVID-19. The reduced traffic is partially offset by the fact that the trains have generally been operating with as many carriages as possible.

The positive development in the number of kilometres travelled between incidents in the first half of 2020 is, among other things, a continuation of the results from 2019 where there has been more focus on improving the maintenance of the rolling stock and efforts to better manage spare parts.

In a brief period from 23 June, the IC4 train sets were taken out of operation after the discovery of a potential technical error. DSB has worked intensely together with the supplier to resolve the issues and all 35 IC4 trains were back in operation on 21 July. The IC4 train sets have travelled significantly more kilometres between incidents in the first half of 2020 compared to the same period of 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 the first half of 2020, the IC3 production was more or less the same as in the same period last year. During this period, the IC3 train sets travelled 15 percent more kilometres between incidents than in the same period of last year. Among other things, this is due to fewer motor problems.

The IR4 production was higher in the first half of 2020 compared to the same period last year. This is due to a general prioritisation of electric rolling stock operations. In the period, the IR4 train sets have travelled 57 percent more kilometres between incidents.

The Øresund trains travelled 16 percent fewer litra kilometres in the first half of 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. Number of kilometres travelled between incidents has increased by 72 percent.

The large increase in the number of kilometres travelled between incidents for the IR4 and Øresund trains is a result of DSB having developed a new setup where data from different systems are merged and used to monitor the fleet, and this has allowed for a better management of inspections and maintenance work. For the Øresund trains, the increase is also a result of fewer errors on the ATC (Automatic Train Control) and the internal communication systems.

The double-decker coaches and ME diesel locomotives have travelled fewer kilometres in the first half of 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, as DSB will be able to start deploying new electric locomotives into operation. The double-decker coaches and ME diesel locomotives have travelled more kilometres between incidents in the first half of 2020 than in the same period of last year.

The Desiro train sets have travelled more litre kilometres in the first half of 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 number of kilometres travelled between incidents increased in the first half of 2020 compared to the same period of last year.

The S-train production and the number of kilometres travelled between incidents in the first half of 2020 were higher than in the first half of 2019.

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

DSB Ejendomsudvikling A/S carries out commercial development concerning properties and land that are no longer to be used for railway operation. In addition DSB Ejendomsudvikling A/S has rental income from the renting of existing properties.

In June a joint venture agreement was signed with Ny Valby Udvikling A/S that has become the owner of Ejendomsselskabet Frugtmarked 11 Aps with a 50 percent stake. The activity is recognized pro rata in the consolidated accounts for DSB. The agreement concerns the project development of building rights on DSB's land at Grønttorvet in Valby.

The profit/loss before tax for DSB Ejendomsudvikling A/S amounted to DKK 76 million in the first half of 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 and on the DSB Act. The interim report follows the same accounting policies as the Annual Report 2019.

### **Events after 30 June 2020**

No events have occurred after 30 June 2020 which in the opinion of the management have a significant impact on the assessment of this half-year report.

### **Other matters**

There are no other matters.

# Endorsement

## Management's statement

The Board of Directors and the Executive Board have today discussed and approved the interim report for the period 1 January - 30 June 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 DSB Act. We consider the accounting policies to be appropriate. Accordingly, the interim report provides a true and fair view of the group's assets, liabilities and financial position as of 30 June 2020 and of the results of the group's activities and cash flows for the period from 1 January to 30 June 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 profit for the period and the financial position in general.

Taastrup, 27 August 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

<b>Income statement</b>			
<b>Group</b>	<b>1st half</b>		<b>The entire year</b>
	<b>2020</b>	<b>2019</b>	<b>2019</b>
<b>Amounts in DKK million</b>			
<b>Income</b>			
Net revenue	3,734	4,773	9,546
Work performed by the entity and capitalised	242	279	480
Other operating income	630	686	1,359
<b>Total revenue</b>	<b>4,606</b>	<b>5,738</b>	<b>11,385</b>
<b>Expenses</b>			
Expenses for raw materials and consumables	890	988	1,958
Other external expenses	1,768	1,840	3,677
Staff costs	1,881	1,933	3,736
<b>Total expenses</b>	<b>4,539</b>	<b>4,761</b>	<b>9,371</b>
<b>Earnings before amortisation, depreciation and write-downs</b>	<b>67</b>	<b>977</b>	<b>2,014</b>
Amortisation, depreciation and write-downs of intangible and tangible assets	641	924	3,551
<b>Operating profit/loss</b>	<b>-574</b>	<b>53</b>	<b>-1,537</b>
<b>Financials</b>			
Profit after tax in associated companies	0	0	0
Financial income	6	1	7
Financial expenses	39	53	111
<b>Net financials</b>	<b>-33</b>	<b>-52</b>	<b>-104</b>
<b>Profit or loss before tax</b>	<b>-607</b>	<b>1</b>	<b>-1,641</b>
Tax on result for the period	145	0	365
<b>Net profit or loss for the period</b>	<b>-462</b>	<b>1</b>	<b>-1,276</b>

## Balance sheet – assets

Group	30.6		31.12
Amounts in DKK million	2020	2019	2019
<b>Intangible assets</b>			
Development projects	103	161	137
Intangible assets in progress and prepayments	52	35	33
<b>Total intangible assets</b>	<b>155</b>	<b>196</b>	<b>170</b>
<b>Tangible assets</b>			
Land and buildings	4,183	4,149	4,217
Rolling stock	4,718	7,148	4,938
Operating equipment, fixtures and fittings and other equipment	725	741	750
Tangible assets in progress and advance payments	423	391	366
<b>Total tangible assets</b>	<b>10,049</b>	<b>12,429</b>	<b>10,271</b>
<b>Investments</b>			
Equity investments in associated companies	0	0	0
Subordinated loan capital in associated companies	153	183	165
Other receivables	25	24	48
<b>Total investments</b>	<b>178</b>	<b>207</b>	<b>213</b>
<b>Total non-current assets</b>	<b>10,382</b>	<b>12,832</b>	<b>10,654</b>
<b>Inventories</b>	<b>497</b>	<b>432</b>	<b>463</b>
<b>Properties held for sale</b>	<b>15</b>	<b>13</b>	<b>15</b>
<b>Receivables</b>			
Trade receivables	452	589	466
Other receivables	216	208	313
Prepayments	178	155	140
<b>Total receivables</b>	<b>846</b>	<b>952</b>	<b>919</b>
<b>Cash at bank and in hand</b>	<b>141</b>	<b>54</b>	<b>30</b>
<b>Total current assets</b>	<b>1,499</b>	<b>1,451</b>	<b>1,427</b>
<b>Total assets</b>	<b>11,881</b>	<b>14,283</b>	<b>12,081</b>

## Balance sheet – liabilities and equity

Group	30.6		31.12
Amounts in DKK million	2020	2019	2019
<b>Equity</b>			
Contributed capital	4,760	4,760	4,760
Reserve for hedging transactions	-333	-245	-220
Retained earnings	-657	1,083	-195
Proposed dividends	0	0	0
<b>Total equity</b>	<b>3,770</b>	<b>5,598</b>	<b>4,345</b>
<b>Provisions</b>			
Other provisions	117	117	146
Deferred tax liabilities	65	685	248
<b>Total provisions</b>	<b>182</b>	<b>802</b>	<b>394</b>
<b>Non-current liabilities</b>			
Long-term loans	2,347	2,160	2,277
Other non-current liabilities	457	507	407
Other liabilities	222	235	358
<b>Total non-current liabilities</b>	<b>3,026</b>	<b>2,902</b>	<b>3,042</b>
<b>Current liabilities</b>			
Current portion of non-current liabilities	998	469	484
Short-term loans	400	1,170	497
Credit institutions	286	75	185
Trade accounts payables	1,544	1,600	1,631
Corporation tax	17	30	80
Other liabilities	982	954	719
Prepayments	676	683	704
<b>Total current liabilities</b>	<b>4,903</b>	<b>4,981</b>	<b>4,300</b>
<b>Total liabilities</b>	<b>7,929</b>	<b>7,883</b>	<b>7,342</b>
<b>Total equity and liabilities</b>	<b>11,881</b>	<b>14,283</b>	<b>12,081</b>

## Statement of changes in equity

Group	Contributed capital	Reserve for hedging transactions	Retained earnings	Proposed dividends	Total equity
<b>Amounts in DKK million</b>					
<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	-	-	1	-	1
Foreign currency translation adjustments	-	-	7	-	7
Value adjustment of hedging instruments	-	-112	-	-	-112
<b>Equity at 30 June 2019</b>	<b>4,760</b>	<b>-245</b>	<b>1,083</b>	<b>0</b>	<b>5,598</b>
Net profit or loss for the period	-	-	-1,277	-	-1,277
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	25	-	-	25
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	-	-	-462	-	-462
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	-113	-	-	-113
<b>Equity at 30 June 2020</b>	<b>4,760</b>	<b>-333</b>	<b>-657</b>	<b>0</b>	<b>3,770</b>

## Cash flow statement

Group	1st half		The entire year
	2020	2019	2019
<b>Amounts in DKK million</b>			
<b>Operating profit/loss</b>	<b>-574</b>	<b>53</b>	<b>-1,537</b>
<b>Adjustment for non-cash operating items</b>			
Amortisation, depreciation and write-downs of intangible and tangible assets	641	924	3,551
Change in other provisions, net	-29	-32	-3
<b>Other adjustments</b>			
Gain and loss on sale and scrapping of intangible and tangible assets	-61	-13	-25
Net financial items, paid	-31	-47	-94
Corporation tax, paid	-68	-222	-252
Change in working capital	-14	-121	-185
<b>Total cash flow from operating activities</b>	<b>-136</b>	<b>542</b>	<b>1,455</b>
<b>Cash flows from investment activities</b>			
Acquisition of intangible and tangible assets - excluding capitalised interest	-419	-402	-858
Sales of intangible and tangible assets	70	32	49
Subordinated debt repayments	13	17	36
<b>Total cash flows from investment activities</b>	<b>-336</b>	<b>-353</b>	<b>-773</b>
<b>Cash flows from financing activities</b>			
Proceeds from raising of long-term loans	596	-	500
Proceeds from raising of short-term loans	1,675	1,170	2,120
Repayment and payment of instalments on long-term loans	-14	-509	-966
Repayment of, and payment of instalments on short-term loans	-1,775	-200	-1,820
Change in credit institutions	101	-565	-455
Paid dividends	0	-120	-120
<b>Total cash flow from financing activities</b>	<b>583</b>	<b>-224</b>	<b>-741</b>
<b>Total change in cash and cash equivalents</b>	<b>111</b>	<b>-35</b>	<b>-59</b>
Cash and cash equivalents as at 1 January	30	89	89
<b>Cash and cash equivalents at end of period</b>	<b>141</b>	<b>54</b>	<b>30</b>

## Income statement by quarter

Group	2020		2019			
	1st quarter	2nd quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
<b>Amounts in DKK million</b>						
Passenger revenue - before the impact of the metro double factor	1,094	605	1,307	1,353	1,318	1,421
Metro double factor	47	38	56	56	55	59
Passenger revenue - after the impact of the metro double factor	1,047	567	1,251	1,297	1,263	1,362
Traffic contract revenues	975	976	985	1,057	994	989
Sale of repair and maintenance services of rolling stock etc.	75	73	81	72	71	74
Sale and leasing of rolling stock	14	7	20	10	11	9
<b>Net revenue</b>	<b>2,111</b>	<b>1,623</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	106	155	124	74	127
Other operating income	269	361	345	341	317	356
<b>Total revenue</b>	<b>2,516</b>	<b>2,090</b>	<b>2,837</b>	<b>2,901</b>	<b>2,730</b>	<b>2,917</b>
Expenses for raw materials and consumables	485	405	495	493	469	501
Other external expenses	900	868	931	909	902	935
Staff costs	914	967	956	977	899	904
<b>Total expenses</b>	<b>2,299</b>	<b>2,240</b>	<b>2,382</b>	<b>2,379</b>	<b>2,270</b>	<b>2,340</b>
<b>Earnings before amortisation, depreciation and write-downs</b>	<b>217</b>	<b>-150</b>	<b>455</b>	<b>522</b>	<b>460</b>	<b>577</b>
Amortisation, depreciation and write-downs of intangible and tangible assets	318	323	462	462	461	2,166
<b>Operating profit/loss</b>	<b>-101</b>	<b>-473</b>	<b>-7</b>	<b>60</b>	<b>-1</b>	<b>-1,589</b>
Net financials	-18	-15	-26	-26	-31	-21
<b>Profit or loss before tax</b>	<b>-119</b>	<b>-488</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>-538</b>	<b>20</b>	<b>25</b>	<b>-43</b>	<b>82</b>
<b>Net profit or loss for the period</b>	<b>-91</b>	<b>-371</b>	<b>-26</b>	<b>27</b>	<b>-24</b>	<b>-1,253</b>
<b>Total equity</b>	<b>4,191</b>	<b>3,770</b>	<b>5,639</b>	<b>5,598</b>	<b>5,503</b>	<b>4,345</b>
EBITDA margin	10.3	-9.2	19.5	21.4	19.7	23.7
Return on invested capital after tax (ROIC after tax) p.a.	-4.0	-19.0	-0.2	2.0	0.0	-59.5

## Financial calendar

Expected publication of interim and annual reports, etc.:

3rd quarter 2020	5 November 2020
Annual Report 2020	11 February 2021
Corporate meeting	15 March 2021

## Publications

Interim report 2020 is available at [www.dsb.dk](http://www.dsb.dk).

## Company details

### Address

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Telegade 2  
DK-2630 Taastrup  
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

Gert Mikkelsen  
Anders Reinholt  
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