

A man and a woman are sitting at a table on a train, smiling and hugging. The woman is holding a burrito. In the background, another passenger is visible, wearing a blue DSB sign. The scene is brightly lit, suggesting daytime.

# HALF YEAR REPORT, 2023

A sustainable way forward with room for all of us

**DSB**

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*The half year report is published in a Danish and an English language version. In the event of any discrepancies the Danish language version shall take precedence.*



# Management report

## Profit before tax in the first half of the year was DKK 375 million

- In the first half of 2023, DSB had 80.4 million journeys. This is an increase of 14 percent compared to 2022<sup>1</sup> in which January was affected by COVID-19 restrictions
- In the second quarter of 2023, the number of journeys was 41.0 million which is 4 percent above the same quarter in 2022<sup>1</sup>
- Customer punctuality is high and stable for S-trains, but challenged for Long-distance & Regional Trains
- To meet increased demand, rented train coaches have been introduced in international train traffic
- Presentation of IC5 electric train sets design
- Illegal work stoppages have caused a decrease of 190,000 journeys and impacted operations negatively in June to great inconvenience for the customers
- The purchase of driverless S-trains of the Future has been tendered

## Result for the first half of the year

In the first half of the year, profit before tax was DKK 375 million against DKK 259 million in 2022. In addition to growth in revenue and increasing expenses, the result in 2023 is particularly impacted

by a compensation from a former supplier of approx. DKK 200 million received in the first quarter, and by higher energy prices of approx. DKK 100 million.

## Customers have returned

Adjusted for relinquished traffic, the number of journeys was 14 percent above the number in the first half of last year. This is primarily due to the growth in the number of journeys for S-trains and 'Sjælland'. Customers are returning despite the challenges with customer punctuality in Long-distance & Regional Trains. DSB is actively working to reduce the challenges, including having extra focus on the robustness of the timetables.

## Customer punctuality

The digital signalling system on all S-train tracks has helped to ensure a stable and high customer

punctuality for S-trains. 95.9 percent of the customers have arrived on time.

After a solid start of the year with high customer punctuality in the first 3 months, punctuality for Long-distance & Regional Trains has been challenged in the second quarter. Overall, for the first half of the year customer punctuality was 72.9 percent. The challenges are mainly due to the extensive infrastructure works carried out in the early summer and which continued throughout the summer. In addition, there have been major difficulties in the implementation of Banedanmark's new signalling system on the direct connection between Næstved, Copenhagen Central Station, and Nivå via Køge. Unfortunately, both factors have been of great inconvenience to the customers.

Customer punctuality is an expression of the percentage of customers who arrived on time at their

## Selected key figures

	Q2 2023	Q2 2022	H1 2023	H1 2022
Passenger revenue	1,356	1,417	2,651	2,445
Passenger revenue, adjusted for relinquished traffic	1,356	1,320	2,651	2,289
Contract revenue	903	861	1,804	1,879
Net revenue	2,662	2,650	5,231	5,010
Total expenses	2,416	2,312	4,807	4,541
Profit/loss before tax	187	229	375	259
Number of journeys (million)	41.0	43.4	80.4	77.3
Number of journeys, adjusted for relinquished traffic (million)	41.0	39.3	80.4	70.6
Customer punctuality for Long-distance & Regional Trains (percent)	66.4	72.7	72.9	74.9
Customer punctuality for S trains (percent)	95.9	94.1	95.9	94.4

<sup>1</sup> The number of journeys has been adjusted for relinquished traffic, as 'Øresund - over broen' and 'Kastrupbanen' were handed over to 'Skånetrafiken' in December 2022.



destination less than three minutes late. Even though the punctuality in Long-distance & Regional Trains is challenged, it should be noted that more than 7 out of 10 customers arrive at their destination less than 3 minutes late, and 9 out of 10 customers arrive less than 10 minutes late.

### **More seats for international customers**

On 15 June, The European Union Agency for Railways (ERA) approved the German IC1 train coaches for operation in Denmark. The train coaches have been rented from Deutsche Bahn and were introduced in the international train traffic between Copenhagen and Hamburg on 17 June. Unfortunately, during the start-up phase, the train coaches had a period of poor punctuality. The introduction of the IC1 train coaches has released IC3 train sets for operation between Aarhus and Hamburg. This will provide more seats to Hamburg meeting the increasing demand for sustainable international journeys. The IC1 train coaches will serve international traffic until the ordered Talgo train coaches will be introduced, expectedly in the late summer of 2024.

### **Mock-up shows IC5 electric train sets design**

Alstom, the supplier of the upcoming IC5 electric train sets, has set up a mock-up of selected areas of the train set. The mock-up consists of 3 full-sized train coaches used for testing and finalizing the very last details of the design. Several stakeholder groups - including wheelchair users, visually impaired individuals, cyclists, stroller users, and employees - have tested the conditions on the train.

### **Illegal work stoppages**

In the period between 7 and 14 June, there were illegal work stoppages amongst station attendants and craftsmen at DSB's workshops. The work stoppages meant that DSB lacked trains in running

order for the planned operation leading to fewer trains and cancellations to the great inconvenience of our customers in June.

The Labour Court concluded in favour of DSB that the work stoppages were illegal, and a fine was imposed on the striking craftsmen.

### **New S-train drivers**

The digital signalling system of the S-train tracks has led to the traditional track signals becoming obsolete. This also means changed training requirements to operate S-trains. The new training for S-train drivers can be carried out significantly quicker than the traditional locomotive driver training.

In January, the first group began the new S-train driver training. In March, the first S-train driver was able to operate S-trains independently. By the end of 2023, it is expected that DSB will have approx. 60 S-train drivers who are fully trained or undergoing training.

### **Driverless S-trains of the Future out for tender**

The political parties behind 'Infrastrukturplan 2035' have approved that DSB tenders the purchase of driverless S-trains of the Future. A train supplier is expected to be in place by early 2025.

During peak hour, the current S-train tracks have reached its maximum capacity. Projections show that the future brings even more congestion in and around the capital. Customers can look forward to metro-like operations with more trains per hour than today due to the conversion to fully automated, driverless S-trains.

The conversion will benefit growth and mobility in the metropolitan area, continue to contribute to a

climate-friendly urban environment, create space for more customers, and thus reduce congestion.

*"It is positive that the number of journeys continues to increase, even though the punctuality of Long-distance & Regional Trains is challenged by Banedanmark's extensive work to renew signals and tracks."*  
Flemming Jensen, CEO

Taastrup, 31 August 2023

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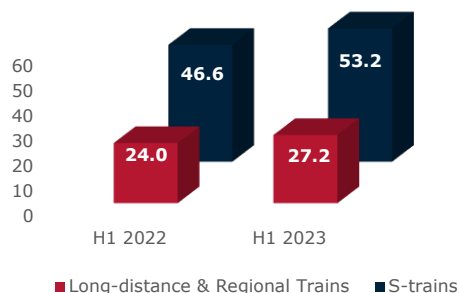
Peter Schütze  
Chairman

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Flemming Jensen  
CEO

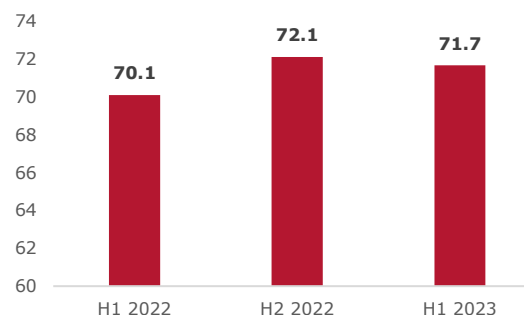
# Overview, first half of the year

**Number of journeys (million)**



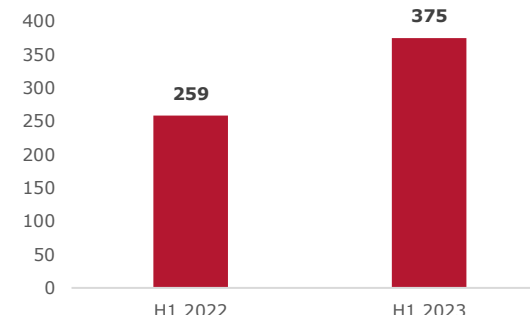
- Adjusted for relinquished traffic, the number of journeys has grown 14 percent compared to the first half of 2022

**Reputation**



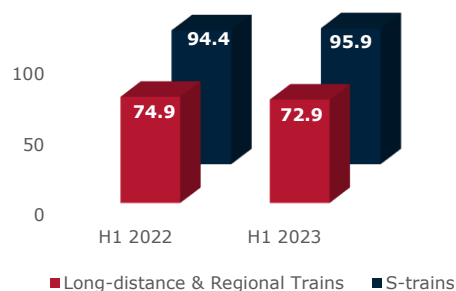
- The reduction in reputation should be seen in relation to the negative development in customer punctuality

**Profit/loss before tax (DKK million)**



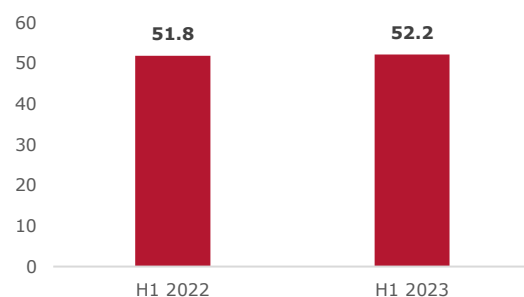
- The development in the profit for the first half of the year is positively influenced by compensation from a former supplier

**Customer punctuality (percent)**



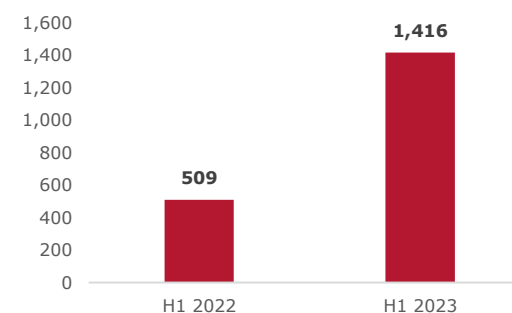
- Customer punctuality for S-trains is high but, in particular, the major infrastructure works, and work stoppages have challenged the customer punctuality for Long-distance & Regional Trains

**Electric train operations (percent)**



- The proportion of electrically operated trains is increasing. Figures are adjusted for relinquished traffic

**Investments (DKK million)**



- Investments in the first half of 2023 primarily include prepayments on new rolling stock and new workshops

# Results

## Key Financials and Operating Data

	Q2	H1		Growth		Full year
Group (DKK million)	2023	2023	2022	Abs.	Pct.	2022
Income statement						
Net revenue	2,662	5,231	5,010 <sup>1)</sup>	221	4	10,212
Profit/loss before amortization, depreciation, and write-downs	421	863	796	67	8	1,544
Amortization, depreciation, and write-downs of intangible and tangible fixed assets	226	472	507 <sup>2)</sup>	(35)	(7)	1,243
Operating profit/loss	195	391	289 <sup>2)</sup>	102	35	301
Net financials	(8)	(16)	(30)	14	47	(72)
Profit/loss before tax	187	375	259 <sup>2)</sup>	116	45	229
Profit/loss for the period	147	293	210 <sup>2)</sup>	83	40	257
Balance sheet						
Total assets	14,210	14,210	14,378	(168)	(1)	13,990
Investments in property, plant, and equipment	812	1,416	509	907	178	1,886
Total equity	5,950	5,950	5,967	(17)	0	5,688
Interest-bearing debt, net	3,479	3,479	2,564	915	36	2,729
Key figures*						
EBITDA margin	15.8	16.5	15.9	0.6	4	15.1
Profit ratio (EBIT margin)	7.3	7.5	5.8	1.7	29	2.9
Return on invested capital after tax (ROIC after tax)	6.6	6.8	5.7	1.1	19	2.6
Gearing	2.1	2.0	1.6	0.4	25	1.8
Solvency ratio	41.9	41.9	41.5	0.4	1	40.7
Average number of full-time employees	6,114	6,084	6,020	64	1	6,026

## Key Financials and Operating Data

	Q2	H1		Growth		Full year
Group (DKK million)	2023	2023	2022	Abs.	Pct.	2022
Customers						
Number of journeys (million)	41.0	80.4	77.3	3.1	4	163.7
Number of journeys, adjusted for relinquished traffic (million)	41.0	80.4	70.6	9.8	14	149.2
Reputation						
DSB	70.9	71.7	70.1	1.6	2	71.0
Customer punctuality						
Long-distance & Regional Trains (percent)	66.4	72.9	74.9	(2.0)	(3)	73.3
S-trains (percent)	95.9	95.9	94.4	1.5	2	94.2
Productivity						
Passenger revenue per seat kilometre (DKK 0.01/km)	34.1	33.1	29.3	3.8	13	31.7
Costs per seat kilometre (DKK 0.01/km)	56.7	59.2	54.5 <sup>2)</sup>	4.7	9	56.7

\* Calculated pursuant to Key figure definitions.

<sup>1)</sup> Items under Other operating income have been reclassified to Net revenue. The change concerns sales from kiosks, etc. as well as income from rental and leasing which are no longer considered of a secondary nature for DSB.

<sup>2)</sup> In 2022, the expected useful life of S-electric train sets was re-evaluated and altered from approx. 25 years to approx. 35 years. The change in depreciation period caused a positive change of the result before tax in the first half of 2022 by DKK 92 million.

*"Satisfactory financial results for the first half of the year including increasing passenger revenue despite challenges with customer punctuality."*

*Pernille Damm Nielsen, CFO*

## Sustainability

As part of purpose and strategy, DSB continues working with non-financial operating data. This is in line with EU's new requirements for non-financial reporting - including CSRD (Corporate Sustainability Reporting Directive), which, from 1 January 2024, requires large corporations to report in detail on ESG (Environmental, Social and Governance).

In the second quarter, DSB initiated a Double Materiality Assessment as part of the preparation for the implementation of CSRD. The analysis is intended to uncover DSB's value chain from a sustainability perspective as well as assess the associated risks and opportunities from a financial and non-financial perspective. The materiality analysis includes insights and opportunities from the previously conducted CSRD gap analysis in relation to the upcoming European Sustainability Reporting Standards (ESRS).

### Reduction targets for CO<sub>2</sub> emissions across the entire value chain (Scope 3)

It is DSB's goal to become carbon neutral by 2030 for the emissions directly influenced by DSB (Scopes 1 and 2). Furthermore, DSB is working to reduce CO<sub>2</sub> emissions across the entire DSB value chain (Scope 3). The Scope 3 goal is a reduction of at least 30 percent by 2030 compared to 2019 and net-zero by 2050.

Year-end 2022, DSB has committed to scientifically based climate reduction targets under the Science Based Targets initiative (SBTi). Starting from the fiscal year 2022, DSB therefore reports CO<sub>2</sub> emissions, including emissions from other greenhouse gases - the so-called CO<sub>2</sub>-equivalents (CO<sub>2</sub>e).

Similarly, DSB's targets in Scopes 1 to 3 are calculated including CO<sub>2</sub>e.

Following the commitment to SBTi, DSB has initiated targeted collaboration with several strategically important suppliers. The intention is to improve the basis for the CO<sub>2</sub>e calculation and to identify specific initiatives reducing the climate impact across the value chain.

It is expected that SBTi's technical experts will review and validate DSB's targets and overall documentation during the third quarter with anticipated approval by year-end 2023. DSB expects to provide further details on the outcome of the process and the achieved CO<sub>2</sub>e reductions for 2019-2022 in the 2023 annual report.

## Customers

### More initiatives in S-trains

In the first half of the year, a local initiative was undertaken in collaboration with the municipality of Køge. Customer insights into local conditions and a dialogue with the municipality have led to several initiatives, among other things, an agreement to establish more parking spaces at Køge Nord station, a locally based campaign about the benefits of taking the train instead of the car, and efforts to increase safety on S-trains. Based on the positive experiences with the municipality of Køge, DSB will expand the initiative to include more municipalities and cities in the second half of the year.

### Regional traffic affected by track works

In the first half of 2023, the number of journeys in regional traffic was 8 percent higher than in the first half of 2022. Market share was increasing, and the number of journeys was significantly higher in

the first quarter of 2023 than in the same period of last year. However, the second quarter of 2023 was affected by extensive track works between Slagelse and Odense, leading to extended travel times, reduced capacity, and frequent changes of timetables. The extensive infrastructure works have had a significant impact on customer punctuality in the second quarter, which, as expected, had a negative influence on the number of journeys and the market share in regional traffic.



### Increasing interest for travelling abroad

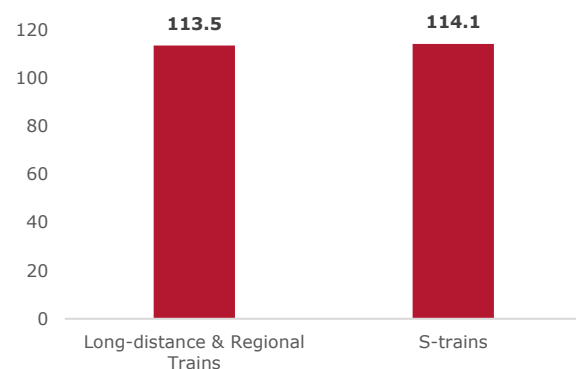
In the first half of the year, the number of journeys abroad was 5 percent higher than in the same period of 2022. To meet the increasing demand and to support the continuing growth, additional capacity has been operating from 17 June in the international train traffic between Copenhagen/Aarhus and Hamburg.

## Number of journeys in the first half of the year

In the first half of 2023, DSB had 80.4 million journeys. Adjusted for relinquished traffic, this is an increase of 14 percent compared to the first half of 2022, in which January was influenced by COVID-19 restrictions.

**Figure 1: Number of journeys, H1<sup>1)</sup>**

(Index compared to 2022)



<sup>1)</sup> The number of journeys has been adjusted for relinquished traffic, as 'Øresund - over broen' and 'Kastrupbanen' were handed over to 'Skånetrafiken' in December 2022.

Growth has been seen in all markets:

- Traffic on 'Sjælland' - including commuter traffic in and out of Copenhagen - has grown 16 percent, mainly from travelling within the capital and the long regional journeys
- 'Vest (Jylland og Fyn)' has had a growth of 12 percent, primarily driven by Orange Tickets
- 'Øst/Vest (over Storebælt)' had historically good results until the track work between Slagelse and Odense began in the second quarter. In the first

**Table 1: Number of journeys**

1,000 journeys	Q2	H1		Growth	
	2023	2023	2022	Abs.	Pct.
'Sjælland'	8,735	16,813	14,525	2,288	16
'Vest (Jylland og Fyn)'	2,696	5,293	4,742	551	12
'Øst/Vest (over Storebælt)'	1,998	4,054	3,738	316	8
Others	650	1,041	966	75	8
<b>Long-distance- &amp; Regional Trains</b>	<b>14,079</b>	<b>27,201</b>	<b>23,971</b>	<b>3,230</b>	<b>13</b>
S-trains	26,968	53,173	46,619	6,554	14
<b>Total, excluding relinquished traffic</b>	<b>41,047</b>	<b>80,374</b>	<b>70,590</b>	<b>9,784</b>	<b>14</b>
Relinquished traffic	-	-	6,692	(6,692)	(100)
<b>Total</b>	<b>41,047</b>	<b>80,374</b>	<b>77,282</b>	<b>3,092</b>	<b>4</b>

half of the year, the number of journeys was 8 percent higher than in the same period last year

- S-trains have had a growth of 14 percent compared to the first half of 2022. Particularly, this applies to leisure journeys, but weekday journeys also increased.

## Development in the number of journeys in the second quarter

In the second quarter of 2023, DSB had 41.0 million journeys. Adjusted for relinquished traffic, this corresponds to an increase of 4 percent compared to the second quarter of 2022. The increase is primarily driven by S-train journeys with an increase of 5 percent compared to the second quarter of 2022.

Orange Tickets give customers attractive ticket prices to many destinations in 'Vest (Jylland og

Fyn)' and 'Sjælland'. In the second quarter, sales of Orange Tickets were 19 percent higher than sales in the same period last year.

As expected, the number of journeys in regional traffic has been negatively affected by the track work between Slagelse and Odense in the second quarter. Customers have been impacted by reduced capacity, extended travel time, and low customer punctuality. The number of journeys, which was 31 percent higher in the first quarter compared to the first quarter of 2022, was 8 percent lower in the second quarter compared to the second quarter of 2022.

International southbound journeys stay at last year's high level. The introduction of IC1 train coaches with more capacity from 17 June contributes to meeting the customer need for more sustainable international journeys.



## Train operations

### Safety package

In connection with the government's security and safety package from June 2022, DSB has implemented initiatives to increase safety. Since August 2022, there have been security guards on selected S-trains stations. The purpose of the guards is to increase safety at stations and platforms, on trains, and during the journeys in general. Additionally, a safety line has been established enabling customers to call DSB's surveillance centre in case they feel insecure at a station. An employee at the surveillance centre can access the cameras at the station and summon guards or police if deemed necessary. At a large number of stations, the surveillance is currently being upgraded, and the surveillance centre has been allocated more resources.



A security survey conducted in May shows that customers in general have welcomed the security guards. They experience increased safety and want to travel with DSB because of the guards. Customers also believe that there is a real need for guards

- especially at the stations in the evening and at night.

### Many infrastructure works

During 2023, a number of major infrastructure works will be performed. These involve a greater risk of errors impacting the affected and nearby lines, but also generally putting train traffic under pressure, which in turn increases the risk of incidents and disruptions.

The second quarter has been marked by infrastructure works related to electrification and track renewals in East Jutland, among other things. In addition, there have been track works on the Slagelse-Odense line. Both have led to timetable changes and periods of replacement buses.

The track works on the Slagelse-Odense line continue in the third quarter, culminating in week 30, with the blocking of the main Slagelse-Odense-Fredericia line. In week 30, there were no trains between Funen and Zealand/Jutland, as well as on the Roskilde-Ringsted line. Instead, there were replacement buses.

In collaboration with Banedanmark, track works and timetables have been coordinated as much as possible. However, it is not possible to completely prevent incidents in the operation. It is important for DSB to rectify the operation as quickly as possible when major disruptions occur.

In order to minimise the inconvenience to the customers in the event of major unforeseen disruptions, DSB has put extended contingency plans in place. The plans will be activated in those types of situations and focus on the customer experience.

In general, customers show great understanding for changes to their journeys during infrastructure works, and to the fact that the operation may be affected. Days with major incidents are particularly inconvenient for customers. Therefore, it is necessary for DSB's service level to be adapted to the special needs. The measures in the contingency plans include emergency deployment of DSB staff, strengthened local information, catering, and access to stations and toilets no matter where in the country the needs may arise. In addition, DSB has the possibility of deploying extra replacement buses in the event of major incidents.



### Challenged customer punctuality in Long-distance & Regional Trains

The extensive infrastructure works have had an impact on customer punctuality. For Long-distance & Regional Trains it has decreased from 80.2 percent in the first quarter to 66.4 percent in the second quarter, which is unsatisfactory. Furthermore, customer punctuality has been negatively affected by challenges following the implementation of the new digital signalling system on the Vigerslev-Ringsted line ('Ny Bane') mentioned in the next section, as

well as the illegal work stoppages in June mentioned on page 4. The many major infrastructure projects during the summer will continue to challenge customer punctuality for Long-distance & Regional Trains and inconvenience customers in the third quarter.

In the first half of the year, customer punctuality for Long-distance & Regional Trains was 72.9 percent, which is below the target of 75.0 percent in the Traffic Contract. This is driven by the result for the second quarter. It is expected that customer punctuality for Long-distance & Regional Trains will continue to be challenged in the third quarter due to even more major infrastructure works.

There are still fewer signalling system errors for S-trains after the rollout of the new signalling system in 2022. As a result, S-trains have a high and stable customer punctuality at 95.9 percent in the first half as well as in the second quarter of the year.

**Table 2: Customer punctuality<sup>1)</sup>**

Percent	H1		Growth	
	2023	2022	Abs.	Pct.
Long-distance & Regional Trains	72.9	74.9	(2.0)	(3)
S-trains	95.9	94.4	1.5	2

<sup>1)</sup> Customers who arrived on time at their destination less than three minutes late.

### Difficulties with operating new line

In April, the new direct train connection between Næstved, Copenhagen Central Station, and Nivå via Køge was inaugurated. In the first weeks, operational issues with the new digital signalling system posed challenges for customers, who experienced significant changes to their journey and, at times,

faulty traffic information. Banedanmark has improved the stability of the system, but in May and June, cases of server downtime have led to blockings of the Vigerslev-Ringsted line for several hours at a time.

### Productivity

Due to the increasing number of journeys, passenger revenue per seat kilometre has increased in line with the increasing passenger revenue. Costs per seat kilometre has increased 9 percent due to the increasing energy expenses as well as the general inflation-driven price and wage increases.

**Table 3: Productivity in Train operations**

	H1		Growth	
	2023	2022	Abs.	Pct.
Passenger revenue per seat kilometre <sup>1)</sup> (DKK 0.01/km)	33.1	29.3	3.8	13
Costs per seat kilometre <sup>1)</sup> (DKK 0.01/km)	59.2	54.5 <sup>2)</sup>	4.7	9

<sup>1)</sup> Seat kilometres are calculated as the number of seats contained in a litra unit multiplied by the number of kilometres travelled.

<sup>2)</sup> In 2022, the expected useful life of S-electric train sets was re-evaluated and altered from approx. 25 years to approx. 35 years. The change in depreciation period caused a reduction in costs per seat kilometre.

### Driven kilometres in the first half of the year

In the first half of 2023, 1 percent fewer kilometres was driven compared to the same period last year. This is primarily due to the fact that fewer kilometres were driven with the Øresund electric train sets, as DSB has handed over the Øresund traffic and at the same time rented 24 of the 34 DSB-owned Øresund electric train sets to Skånetrafiken in connection with the December 2022 timetable change. The decrease in kilometres driven as a result of the hand-over is partly offset by an increase in kilometres driven by the EB electric locomotives

and the double-decker coaches, which operate on 'Kystbanen' among other lines.

**Table 4: Kilometres<sup>1)</sup>**

Kilometres (1,000)	H1		Growth	
	2023	2022	Abs.	Pct.
IC4 train sets	3,023	3,245	(222)	(7)
IC3 train sets	13,810	13,620	190	1
IR4 electric train sets	5,812	5,802	10	0
Øresund electric train sets <sup>2)</sup>	1,108	3,041	(1,933)	(64)
Double-decker coaches <sup>3)</sup>	9,914	8,689	1,225	14
IC1 train coaches <sup>4)</sup>	n/a	-	-	-
EB electric locomotives	2,325	1,883	442	23
S-electric train sets	9,118	9,376	(258)	(3)
<b>Total</b>	<b>45,110</b>	<b>45,656</b>	<b>(546)</b>	<b>(1)</b>

<sup>1)</sup> 'Kilometres' represent the total number of kilometres travelled in Denmark.

<sup>2)</sup> Kilometres for the Øresund electric train sets include travelling with both Danish and Swedish electric train sets.

<sup>3)</sup> Kilometres for double-decker coaches are calculated per coach, regardless of the fact that multiple coaches are usually connected.

<sup>4)</sup> Due to few kilometres driven, no numbers have been calculated for 2023.

## Operational stability

**Table 5: Mean Distance Between Failures<sup>1)</sup>**

Kilometres (1,000)	H1		Growth	
	2023	2022	Abs.	Pct.
IC4 train sets	6.8	10.5	(3.7)	(35)
IC3 train sets	40.0	38.0	2.0	5
IR4 electric train sets	28.6	49.2	(20.6)	(42)
Øresund electric train sets	27.7	14.7	13.0	88
Double-decker coaches	28.4	24.4	4.0	16
IC1 train coaches <sup>2)</sup>	n/a	-	-	-
EB electric locomotives	54.1	12.2	41.9	343
S-electric train sets	24.7	17.8	6.9	39

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

<sup>2)</sup> Due to few kilometres driven, no numbers have been calculated for 2023.

DSB's total train fleet had a higher Mean Distance Between Failures in the first half of 2023 compared to the first half of 2022. However, in the second quarter, operational stability has been slightly lower than in the first quarter. The decrease from the first to the second quarter is due to faults on IC3 and IC4 train sets in May and June among other things. Major inspections of the IC4 train sets have been initiated to improve operational stability. During a period, there have been challenges with the delivery of large components for the IC3 train sets. Furthermore, after the illegal work stoppages in June, there have been challenges in getting the IC3 train sets to the workshop on time.



## Financial activities

In the first half of 2023, profit before tax was DKK 375 million (DKK 259 million). The profit is affected by a compensation from a former supplier.

In the second quarter, profit before tax was DKK 187 million compared to DKK 229 million in the same period of 2022.

## Changed accounting presentation

For the first half of the year, items under Other operating income have been reclassified to Net revenue of DKK 682 million (DKK 594 million) as well as DKK 1,254 million for the full year of 2022. The change concerns sales from kiosks, etc. as well as income from rental and leasing which are no longer considered of a secondary nature for DSB.

In 2022, the expected useful life of S-electric train sets was re-evaluated and altered from approx. 25 years to approx. 35 years. The change in depreciation period caused a positive change of the result before tax in the first half of the year by DKK 92 million.

## Income

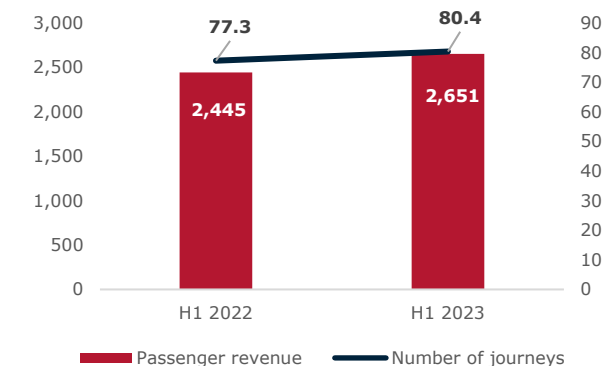
In the first half of 2023, total income amounted to DKK 5,670 million (DKK 5,337 million). Of these, net revenue amounted to DKK 5,231 million (DKK 5,010 million).

Passenger revenue increased by DKK 206 million compared to the same period last year. The development is positively affected by the growth in the number of journeys, as the first quarter of 2022 was impacted by COVID-19 restrictions. By year-end 2022, DSB handed over the traffic crossing 'Øresund' to 'Skånetrafiken'. This affected the development negatively by DKK 133 million. For Long-distance & Regional Trains, the increase in passenger revenue was DKK 81 million. For S-trains it was DKK 125 million.

For the second quarter, passenger revenue was DKK 1,356 million (DKK 1,417 million). The decrease is mainly caused by the previously mentioned hand-over of the traffic crossing 'Øresund' amounting to DKK 84 million.

**Figure 2: Passenger revenue and Number of journeys**

(Passenger revenue in DKK million and Number of journeys in million)



Contract revenue was DKK 1,804 million and has decreased by DKK 75 million compared to the same period of 2022. In the first quarter of 2022, an additional contract revenue of DKK 157 million was recognized due to COVID-19. However, in the fourth quarter of 2022, the later cancellation of Ad-dendum Contract 44 led to a reversal of the increased payment. Conversely, the regular price escalation of DSB's contract revenue has had a positive impact on the development.

Other operating income has increased by DKK 149 million compared to the first half of 2022. The increase is mainly due to the previously mentioned compensation.

### Expenses

In the first half of 2023, total expenses amounted to DKK 4,807 million (DKK 4,541 million).

The increasing expenses are due to a particularly large increase in energy expenses (DKK 105 million) based on the energy price development. In addition, there have been an increase in the consumption of goods in connection with increased sales from kiosks, etc., the expenses for repair and maintenance of properties, as well as the usual inflation-driven price and wage increases.

For the second quarter, total expenses amounted to DKK 2,416 million (DKK 2,312 million). Primarily, the development is driven by the same factors affecting the first half of the year.

### Amortization, depreciation, and write-downs

Amortization, depreciation, and write-downs amounted to DKK 472 million, a decrease of DKK 35 million compared to the same period of 2022. This is mainly due to lower depreciation based on the write-down of DSB's buildings at year-end 2022 as well as a revised accounting estimate of the useful life of the double-decker coaches.

### Development in assets and liabilities

By the end of June, total assets amounted to DKK 14,210 million compared to DKK 13,990 million on 31 December 2022.

In the first half of 2023, DSB invested DKK 1,416 million (DKK 509 million) in tangible fixed assets. Most important are the prepayments for the purchase of future rolling stock and the construction of new green workshops.

Interest bearing debt, net has increased by DKK 750 million compared to 31 December 2022 and amounted to DKK 3,479 million on 30 June.

### Efficient access to capital markets

DSB still has solid cash resources. No new funding has been raised during the first half of 2023. Future bond issues will be documented under DSB's newly established EMTN-programme (European Medium Term Note Programme). This ensures efficient access to capital markets for DSB, financing the significant future investments in new rolling stock. The EMTN-programme is based on well-established market standards and the bonds will be rated Aa1 by Moody's.

### Accounting policies

The half year report for the independent public corporation DSB has been prepared in accordance with the provisions of the Danish Financial Statements Act and the DSB Act.

The half year report follows the same accounting policies as the Annual report 2022.

### Expectations for 2023

DSB expects a profit before tax for the year of DKK 400-500 million. This is DKK 100 million more than the announced expectations in connection with the publication of 'Trading update, first quarter 2023', due to an anticipated gain from the sale of tangible fixed assets.

### Events after 30 June 2023

In the opinion of the management, no events occurred after 30 June 2023 which have a significant impact on the assessment of the half year report for 2023.



# Consolidated accounts



**Profit/loss before tax**  
(DKK million)

**375**  
(2022: 259)



**Operating profit margin**  
(EBITDA margin)

**16.5**  
(2022: 15.9)



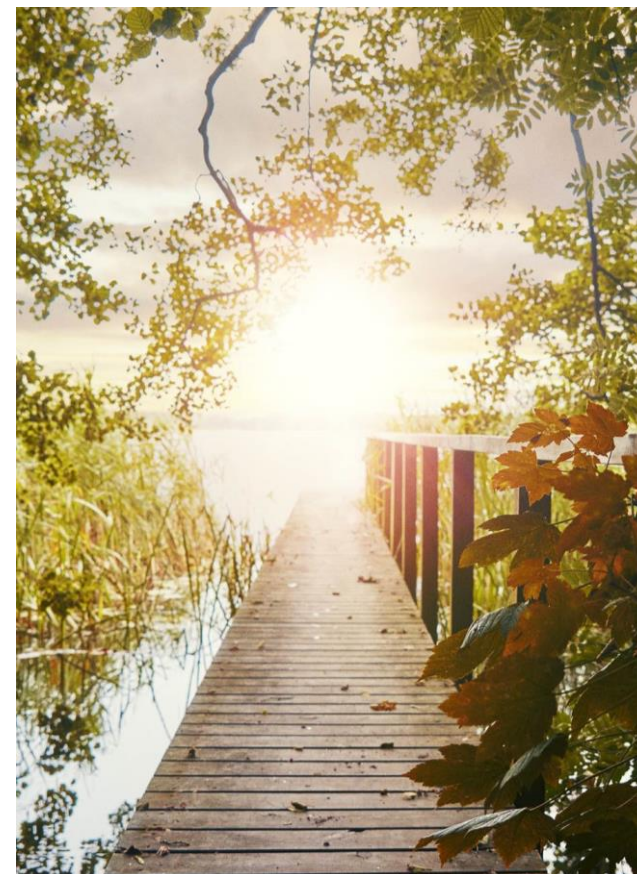
**Investments**  
(DKK million)

**1,416**  
(2022: 509)



**Solvency ratio**

**41.9**  
(2022: 41.5)



## Management's statement

The Board of Directors and the Executive Board have today discussed and approved the half year report for the period 1 January to 30 June 2023 for DSB.

The half year report, which has neither been audited nor reviewed by the corporation's auditors, has been prepared in accordance with the Danish Financial Statements Act and the DSB Act.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, and financial position of the group on 30 June 2023 and of the results of the consolidated operations and cash flows for the period 1 January to 30 June 2023.

Further, in our opinion the half year report gives a fair review of the development in the group's activities and financial conditions, the result for the period and the financial position in general.

Taastrup, 31 August 2023

### Executive Board

---

Flemming Jensen  
CEO

Pernille Damm Nielsen  
CFO

Jürgen Müller  
Executive Vice President,  
Strategy & Rolling Stock

Per Schrøder  
Executive Vice President,  
Operations

Jens Visholm Uglebjerg  
Executive Vice President,  
Commercial

### The Board of Directors

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Peter Schütze  
Chairman

Anne Hedensted Steffensen  
Vice-Chairman

Henrik Amsinck

Lene Feltmann Espersen

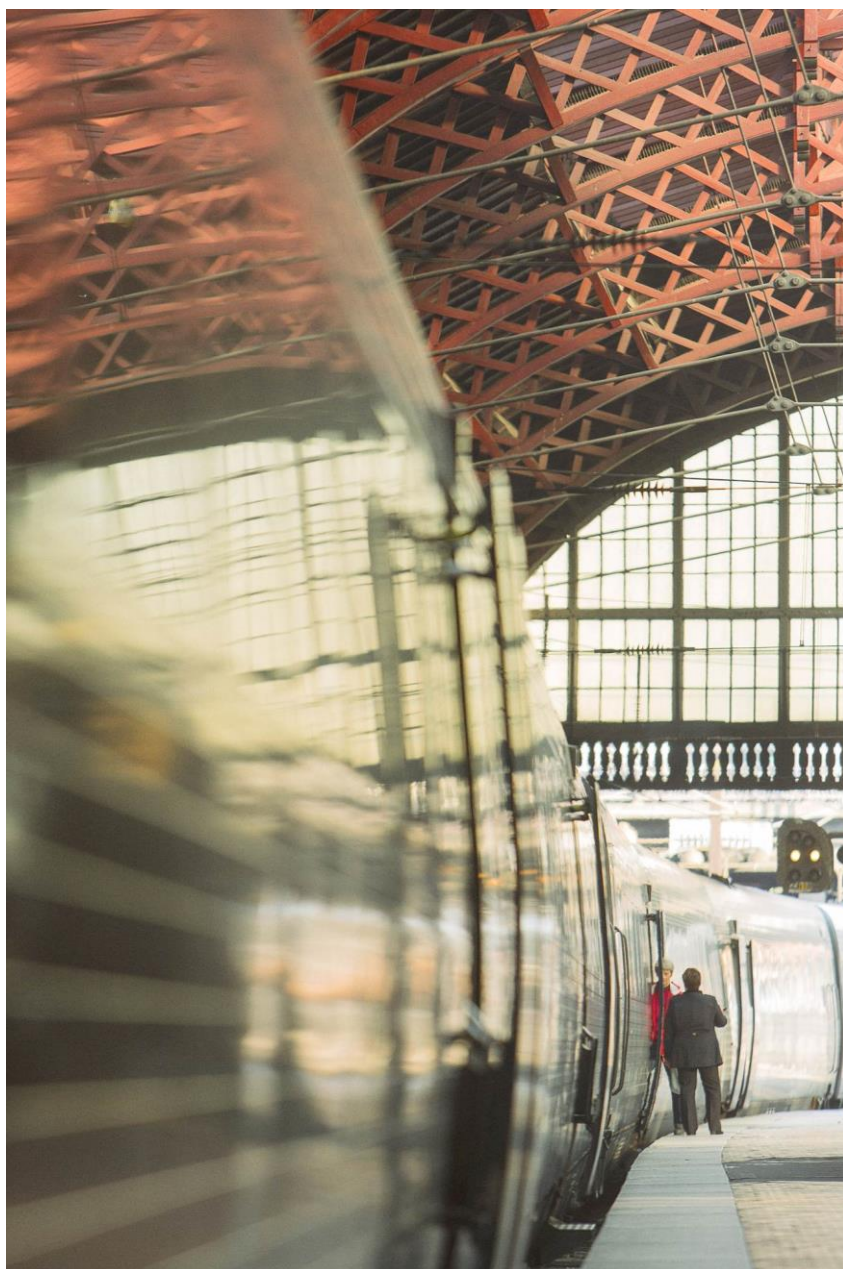
Carsten Gerner

Christina Grumstrup Sørensen

Thomas Bryan-Lund

Preben Steenholdt Pedersen

Lone Riis Stensgaard



## Income statement

Group Amounts in DKK million	H1 2023	H1 2022	Full year 2022
<b>Income</b>			
Net revenue	5,231	5,010 <sup>1)</sup>	10,212 <sup>1)</sup>
Work performed by the entity at its own expense and capitalized	193	230	425
Other operating income	246	97 <sup>1)</sup>	136 <sup>1)</sup>
<b>Total income</b>	<b>5,670</b>	<b>5,337</b>	<b>10,773</b>
<b>Expenses</b>			
Expenses for raw materials and consumables	1,175	888	1,964
Other external expenses	1,845	1,933	3,826
Staff expenses	1,787	1,720	3,439
<b>Total expenses</b>	<b>4,807</b>	<b>4,541</b>	<b>9,229</b>
<b>Profit/loss before amortization, depreciation, and write-downs</b>	<b>863</b>	<b>796</b>	<b>1,544</b>
Amortization, depreciation, and write-downs of intangible and tangible fixed assets	472	507 <sup>2)</sup>	1,243
<b>Operating profit/loss</b>	<b>391</b>	<b>289</b>	<b>301</b>
<b>Financials</b>			
Profit/loss after tax in associated corporations and joint ventures	2	22	6
Financial income	28	0	24
Financial expenses	46	52	102
<b>Net financials</b>	<b>(16)</b>	<b>(30)</b>	<b>(72)</b>
<b>Profit/loss before tax</b>	<b>375</b>	<b>259</b>	<b>229</b>
Tax on profit/loss for the period	(82)	(49)	(51)
<b>Profit/loss for the period for continued operations</b>	<b>293</b>	<b>210</b>	<b>178</b>
Profit/loss from discontinued operations	-	0	79
<b>Profit/loss for the period after discontinued operations</b>	<b>293</b>	<b>210</b>	<b>257</b>

<sup>1)</sup> Items under Other operating income have been reclassified to Net revenue. The change concerns sales from kiosks, etc. as well as income from rental and leasing which are no longer considered of a secondary nature for DSB.

<sup>2)</sup> In 2022, the expected useful life of S-electric train sets was re-evaluated and altered from approx. 25 years to approx. 35 years. The change in depreciation period caused a positive change of the result before tax in the first half of 2022 by DKK 92 million.

## Balance sheet - assets

Group Amounts in DKK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Intangible fixed assets</b>			
Development projects	31	63	49
Intangible fixed assets in progress and prepayments	177	127	151
<b>Total intangible fixed assets</b>	<b>208</b>	<b>190</b>	<b>200</b>
<b>Tangible fixed assets</b>			
Land and buildings	3,318	3,686	3,395
Rolling stock	4,432	4,535	4,532
Operating equipment, fixtures and fittings and other equipment	600	607	601
Tangible fixed assets in progress and prepayments	2,874	802	1,721
<b>Total tangible fixed assets</b>	<b>11,224</b>	<b>9,630</b>	<b>10,249</b>
<b>Financial fixed assets</b>			
Equity investments in associated corporations and joint ventures	115	112	113
Subordinated loan capital in associated corporations	92	64	49
Other receivables	222	205	241
<b>Total financial fixed assets</b>	<b>429</b>	<b>381</b>	<b>403</b>
<b>Total fixed assets</b>	<b>11,861</b>	<b>10,109</b>	<b>10,852</b>
<b>Inventories</b>	<b>207</b>	<b>171</b>	<b>182</b>
<b>Commercial properties</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Receivables</b>			
Trade receivables	382	641	433
Corporation tax	-	-	46
Other receivables	244	667	145
Accruals and prepayments	143	193	152
<b>Total receivables</b>	<b>769</b>	<b>1,501</b>	<b>776</b>
<b>Securities</b>	<b>1,116</b>	<b>1,947</b>	<b>2,157</b>
<b>Cash and cash equivalents</b>	<b>257</b>	<b>176</b>	<b>22</b>
<b>Assets held for sale</b>	<b>-</b>	<b>381</b>	<b>-</b>
<b>Total current assets</b>	<b>2,349</b>	<b>4,177</b>	<b>3,138</b>
<b>Total assets</b>	<b>14,210</b>	<b>14,378</b>	<b>13,990</b>

## Balance sheet - equity and liabilities

Group Amounts in DKK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Equity</b>			
Contributed capital	4,760	4,760	4,760
Reserve for hedging transactions	232	593	260
Retained earnings	958	614	668
Proposed dividends	0	0	0
<b>Total equity</b>	<b>5,950</b>	<b>5,967</b>	<b>5,688</b>
<b>Provisions</b>			
Other provisions	68	81	70
Deferred tax liabilities	332	350	317
<b>Total provisions</b>	<b>400</b>	<b>431</b>	<b>387</b>
<b>Non-current liabilities</b>			
Long-term loans	4,218	4,400	4,350
Other non-current liabilities	151	99	81
Other liabilities	87	124	108
<b>Total non-current liabilities</b>	<b>4,456</b>	<b>4,623</b>	<b>4,539</b>
<b>Current liabilities</b>			
Current portion of non-current liabilities	62	66	64
Bank loans	16	0	207
Credit institutions	252	-	55
Trade accounts payable	1,698	1,936	1,877
Corporation tax	11	166	-
Other liabilities	606	469	450
Accruals and prepayments	759	661	723
Liabilities held for sale	-	59	-
<b>Total current liabilities</b>	<b>3,404</b>	<b>3,357</b>	<b>3,376</b>
<b>Total liabilities</b>	<b>7,860</b>	<b>7,980</b>	<b>7,915</b>
<b>Total equity and liabilities</b>	<b>14,210</b>	<b>14,378</b>	<b>13,990</b>



## Statement of changes in equity

Group Amounts in DKK million	Contrib- uted capital	Reserve for hedging trans- actions	Retained earnings	Proposed divi- dends	Total equity
<b>Equity on 1 January 2022</b>	<b>4,760</b>	<b>(35)</b>	<b>368</b>	<b>0</b>	<b>5,093</b>
Declared dividend	-	-	-	0	0
Profit/loss for the period	-	-	210	-	210
Value adjustment of hedging instruments	-	628	-	-	628
Other changes in equity	-	-	36	-	36
<b>Equity on 30 June 2022</b>	<b>4,760</b>	<b>593</b>	<b>614</b>	<b>0</b>	<b>5,967</b>
Profit/loss for the period	-	-	47	-	47
Value adjustment of hedging instruments	-	(333)	-	-	(333)
Other changes in equity	-	-	7	-	7
<b>Equity on 31 December 2022</b>	<b>4,760</b>	<b>260</b>	<b>668</b>	<b>0</b>	<b>5,688</b>
Declared dividend	-	-	-	0	0
Profit/loss for the period	-	-	293	-	293
Value adjustment of hedging instruments	-	(28)	-	-	(28)
Other changes in equity	-	-	(3)	-	(3)
<b>Equity on 30 June 2023</b>	<b>4,760</b>	<b>232</b>	<b>958</b>	<b>0</b>	<b>5,950</b>

## Cash flow statement

Group Amounts in DKK million	H1 2023	H1 2022	Full year 2022
<b>Operating profit/loss</b>	<b>391</b>	<b>289</b>	<b>301</b>
<b>Adjustment for non-cash operating items</b>			
Amortization, depreciation, and write-downs of intangible and tangible fixed assets	472	507	1,243
Change in other provisions, net	(2)	1	(10)
<b>Other adjustments</b>			
Gains and losses upon sale and scrapping of intangible and tangible fixed assets	(11)	(83)	(105)
Net financials, paid	(21)	(54)	(93)
Corporation tax, paid	-	(118)	(296)
Change in working capital	(148)	236	129
Total cash flow from operating activities from discontinued operations	-	18	48
<b>Total cash flow from operating activities</b>	<b>681</b>	<b>796</b>	<b>1,217</b>
<b>Cash flows from investment activities</b>			
Acquisition of intangible and tangible fixed assets - excluding capitalised interest	(1,448)	(848)	(1,939)
Sales of intangible and tangible fixed assets	12	68	173
Changes to subordinated loan capital	(43)	15	30
Dividend received from joint venture	-	164	164
Changes to securities	850	(447)	(450)
Total cash flow from investment activities from discontinued operations	-	(6)	393
<b>Total cash flows from investment activities</b>	<b>(629)</b>	<b>(1,054)</b>	<b>(1,629)</b>
<b>Cash flows from financing activities</b>			
Proceeds from raising of long-term loans	-	498	498
Proceeds from raising of short-term loans	-	130	430
Repayment and payment of instalments on long-term loans	(14)	(610)	(665)
Repayment and payment of instalments on short-term loans	-	(130)	(430)
Change in credit institutions	197	-	55
Dividends paid	-	-	-
Total cash flow from financing activities in discontinued operations	-	-	-
<b>Total cash flow from financing activities</b>	<b>(183)</b>	<b>(112)</b>	<b>(112)</b>
<b>Total changes to cash and cash equivalents</b>	<b>235</b>	<b>(370)</b>	<b>(524)</b>
Cash and cash equivalents on 1 January	22	546	546
<b>Cash and cash equivalents at period-end</b>	<b>257</b>	<b>176</b>	<b>22</b>

## Income statement by quarter

Group Amounts in DKK million	Q1 2023	Q2 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Passenger revenue	1,295	1,356	1,028	1,417	1,461	1,412
Contract revenue	901	903	1,018	861	704	867
Sales from kiosks, etc.	226	267	188	250	237	241
Sale and repair of maintenance services, etc.	35	16	23	30	31	37
Sale and leasing of rolling stock	22	21	25	14	16	14
Rental and leasing	70	69	62	59	63	56
Other revenue	20	30	16	19	26	37
<b>Net revenue</b>	<b>2,569</b>	<b>2,662</b>	<b>2,360</b>	<b>2,650</b>	<b>2,538</b>	<b>2,664</b>
Work performed by the entity at its own expense and capitalised	45	148	129	101	79	116
Other operating income	219	27	42	55	68	(29)
<b>Total income</b>	<b>2,833</b>	<b>2,837</b>	<b>2,531</b>	<b>2,806</b>	<b>2,685</b>	<b>2,751</b>
Expenses for raw materials and consumables	624	551	431	457	458	618
Other external expenses	882	963	953	980	976	917
Staff expenses	885	902	845	875	875	844
<b>Total expenses</b>	<b>2,391</b>	<b>2,416</b>	<b>2,229</b>	<b>2,312</b>	<b>2,309</b>	<b>2,379</b>
<b>Profit/loss before amortization, depreciation, and write-downs</b>	<b>442</b>	<b>421</b>	<b>302</b>	<b>494</b>	<b>376</b>	<b>372</b>
Amortization, depreciation, and write-downs of intangible and tangible fixed assets	246	226	251	256	264	472
<b>Operating profit/loss</b>	<b>196</b>	<b>195</b>	<b>51</b>	<b>238</b>	<b>112</b>	<b>(100)</b>
Net financials	(8)	(8)	(21)	(9)	(28)	(14)
<b>Profit/loss before tax</b>	<b>188</b>	<b>187</b>	<b>30</b>	<b>229</b>	<b>84</b>	<b>(114)</b>
<b>Profit/loss for the period</b>	<b>146</b>	<b>147</b>	<b>24</b>	<b>186</b>	<b>59</b>	<b>(12)</b>
<b>Total equity</b>	<b>5,770</b>	<b>5,950</b>	<b>5,451</b>	<b>5,967</b>	<b>6,269</b>	<b>5,688</b>
Operating profit margin (EBITDA margin)	17.2	15.8	12.8	18.6	14.8	14.0
Return on invested capital after tax (ROIC after tax) p.a.	7.0	6.6	2.0	9.2	4.3	(5.3)

# Other corporate information

## Financial calendar 2023

Expected publication of trading update and annual report:

Third quarter 2023	16 November 2023
Annual report 2023	8 February 2024

## Publications

Half year report, 2023 is available at [www.dsb.dk](http://www.dsb.dk)

## Corporation details

### Address

DSB  
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 Ministry of Transport

### Auditors

EY

Authorised Limited Company of Accountants  
CVR no. 30700228

The National Audit Office of Denmark

### Bank

Nordea Danmark, Filial af Nordea Bank Abp, Finland

### Editors

Anne Rømer  
Charlotte R Petersen

