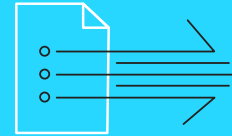




DB STATION&SERVICE AG

COMPANY AND STRATEGIC ORIENTATION

I – DB STATION&SERVICE AG – FACTS, FIGURES AND DATA

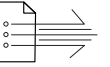


II – STRATEGIC DIRECTION – #GASTGEBER

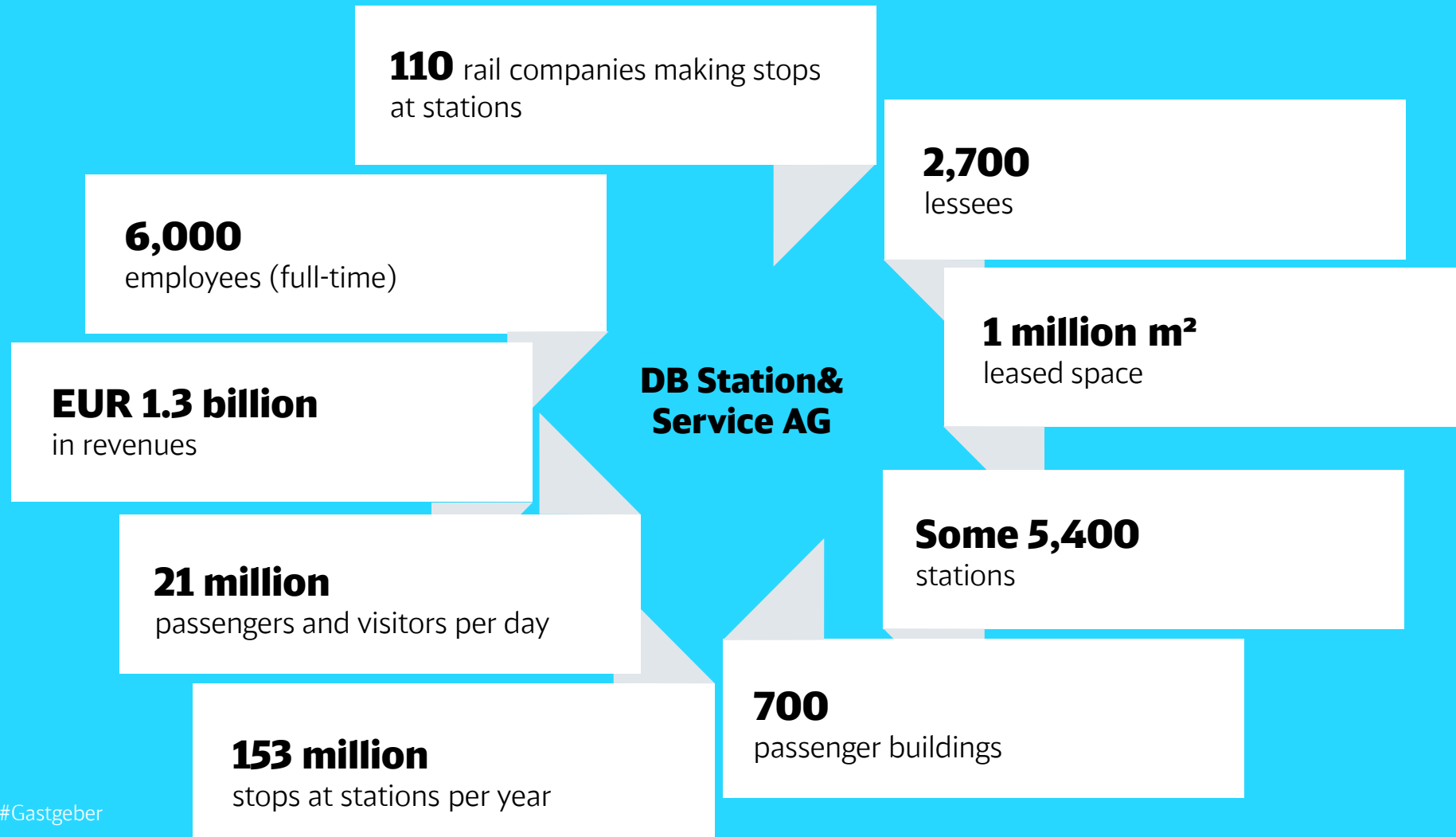


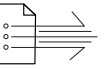
III – GROUP STRATEGY – GERMANY NEEDS A STRONG RAIL SYSTEM





DB STATION&SERVICE HAS 6,000 EMPLOYEES, GENERATING EUR 1.3 BILLION IN REVENUES





DB STATION&SERVICE AG WITHIN THE GROUP – INFRASTRUCTURE MANAGEMENT WITH AN IMPACT ON THE END CUSTOMER

PASSENGER TRANSPORT



DB Long Distance



DB Regio



DB Arriva

FREIGHT TRANSPORT AND LOGISTICS



DB Cargo



DB Schenker

INFRASTRUCTURE



DB Energy



DB Stations

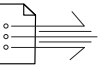


DB Track

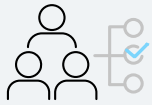
DB STATION&SERVICE AG

Stations and passenger buildings





DB STATION&SERVICE AG HAS A NATIONWIDE PRESENCE – SEVEN REGIONS AND 46 STATION MANAGEMENT AREAS



Head office ●

Strategic direction of the company



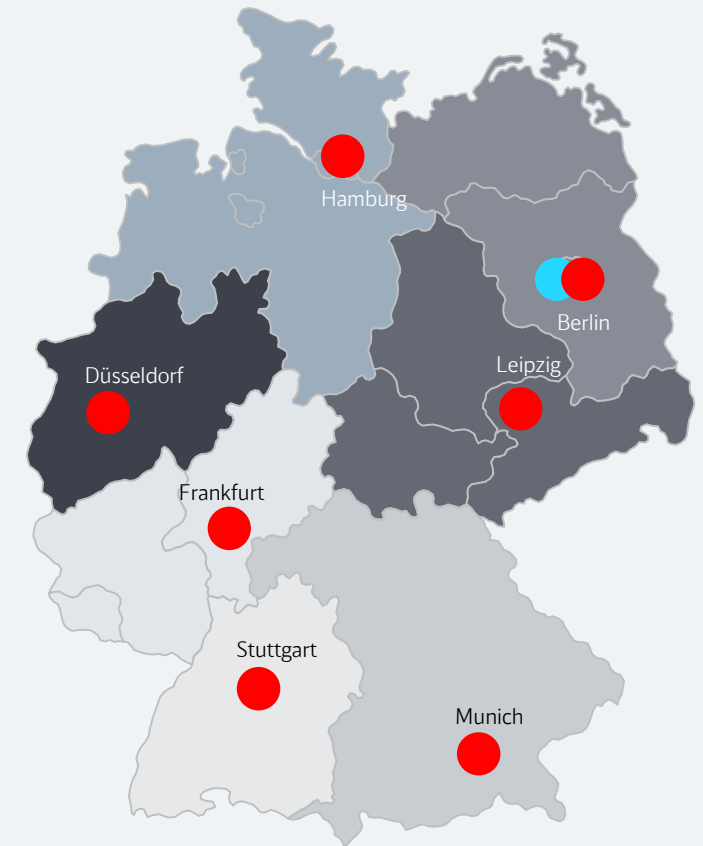
Seven regions ●

Partner management and operational management nationwide



46 station management areas

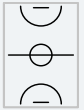
On-site caretakers for 5,400 stations



ABOUT DB STATION&SERVICE AG



With a total of **21 million** passengers and visitors, we move 30 times as many people per day as all of Germany's airports combined



We have **1 million m²** of rental space, as much as 130 soccer fields



We operate **5,400** stations, ten times the number of highway rest stops in Germany



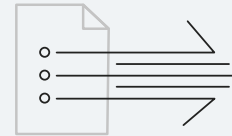
Our **6,000** employees would fill up 15 half-length ICE trains



The total length of our platforms is **1,900 km**, the distance between Berlin and Madrid



I – DB STATION&SERVICE AG – FACTS, FIGURES AND DATA

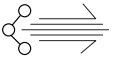


II – STRATEGIC DIRECTION – #GASTGEBER



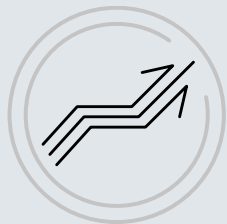
III – GROUP STRATEGY – GERMANY NEEDS A STRONG RAIL SYSTEM



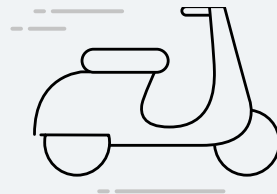


WE ARE EXPERIENCING A SEA CHANGE IN OUR MARKET ENVIRONMENT

The market is growing. Over **21 million passengers** use our stations each day. In the future, this **number will increase significantly**.



New forms of mobility are transforming travel chains. Sharing services are making **journeys more flexible** and versatile.



Climate change is creating new demands. **Successful solutions** must be **environmentally friendly**.



The new **ERegG*** imposes a cap on station charges. **New sources of revenue** are becoming increasingly important.



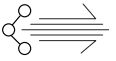


MOBILITY IS CHANGING – AND WE ARE HELPING TO SHAPE THAT CHANGE



**... thanks to smart solutions,
which are aligned with the
needs and capabilities of
our customers.**





WE ARE GERMANY'S BIGGEST HOST! – VISION: WE WILL DESIGN SPACES WHERE OUR CUSTOMERS ENJOY SPENDING TIME



We need to focus on a new vision to prepare our business for this future: **#GASTGEBER (#HOST)**

Our vision

Our strategy

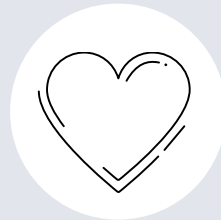
Our business unit program

Why?

What?

How?

WELCOMING



FLEXIBLE



GETTING THINGS DONE

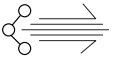


ATTENTIVE

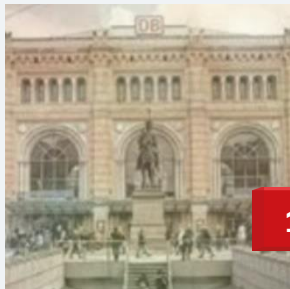


...and work together to do everything we can to make every guest feel welcome at all times, wherever they are.

... and contribute to achieving DB's overarching strategy – Germany needs Strong Rail: For the climate. For people. For the economy. For Europe.



WE ARE RELYING ON THREE STRATEGIC DIRECTIONS TO ENSURE WE ARE READY FOR THE FUTURE



Stations in major cities

18



Junction stations

426



S-Bahn stations

921



Feeder stations

4,052



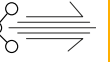
Basic quality + capacity



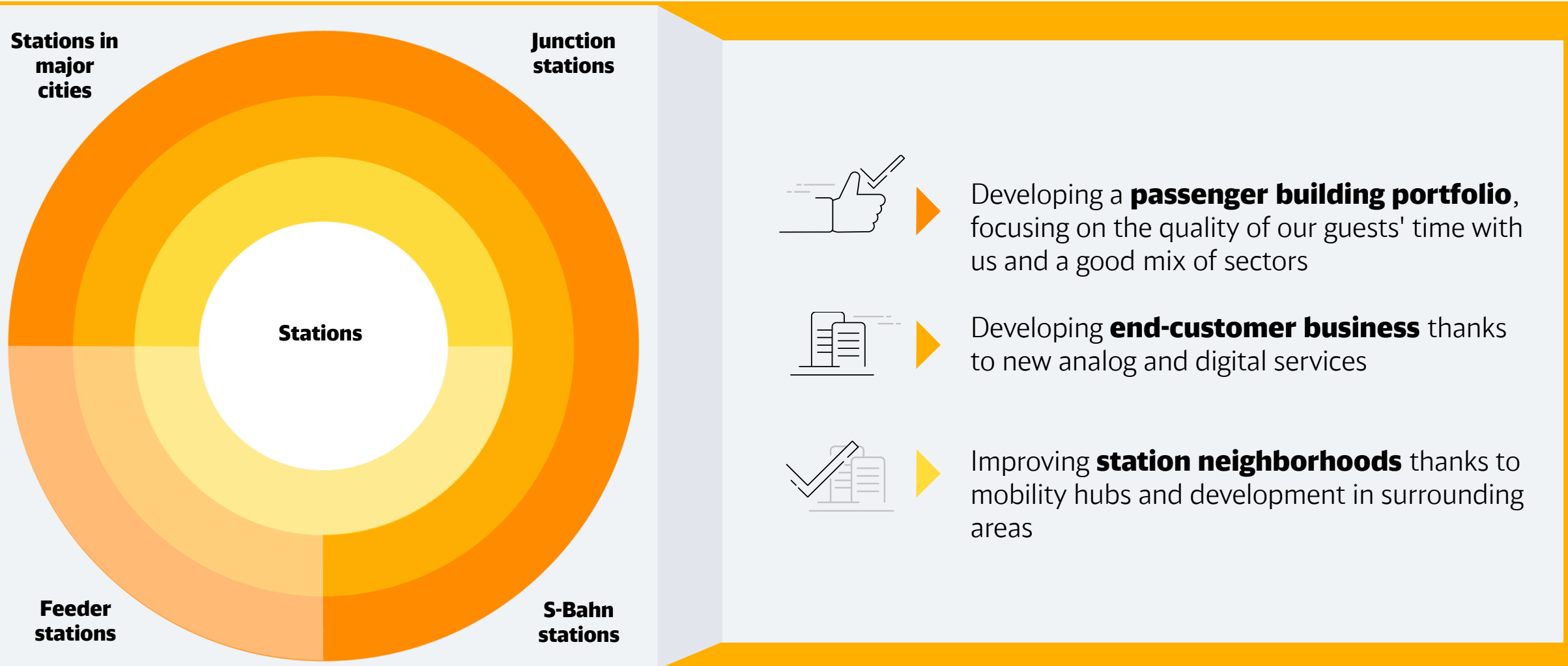
Customer experience



Development of station neighborhoods



BY IMPLEMENTING OUR STRATEGY, WE ARE CONTINUING TO DEVELOP OUR BUSINESS MODEL



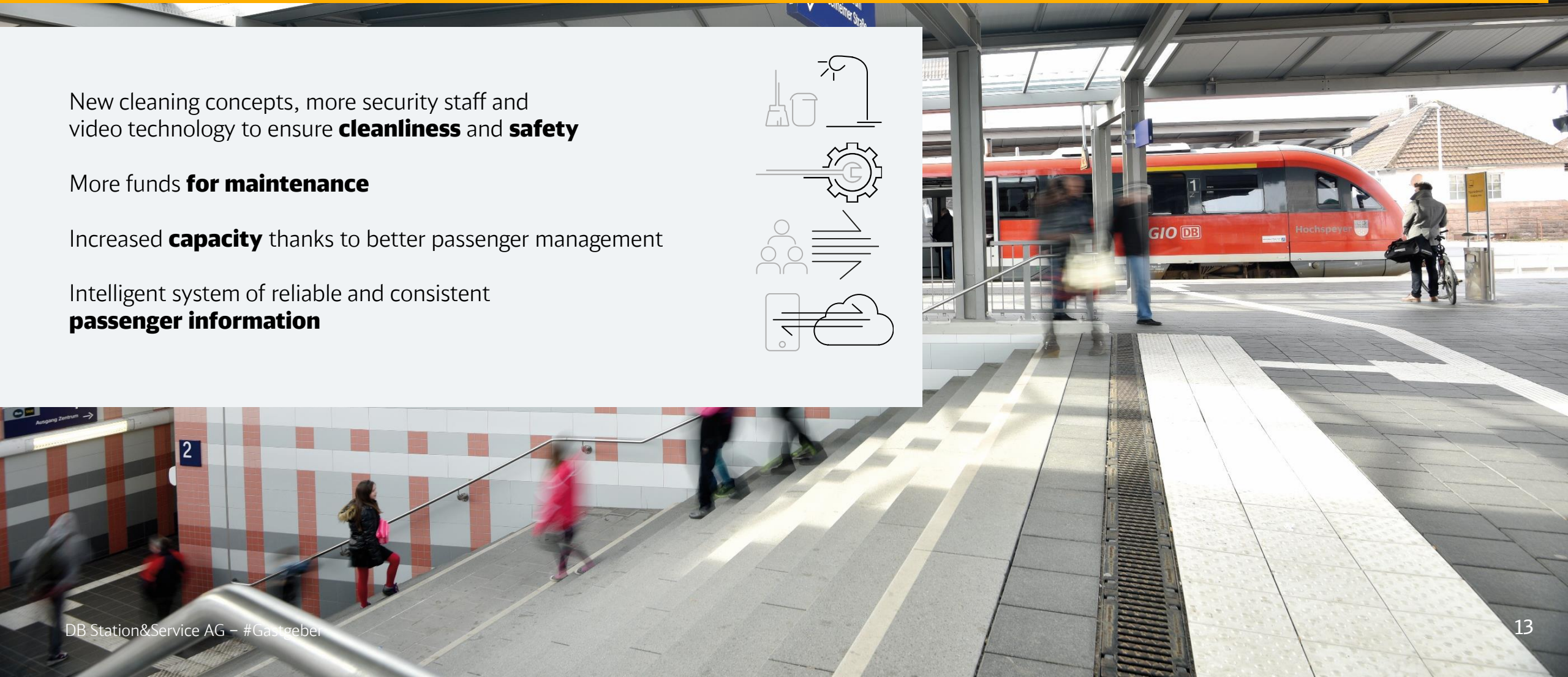
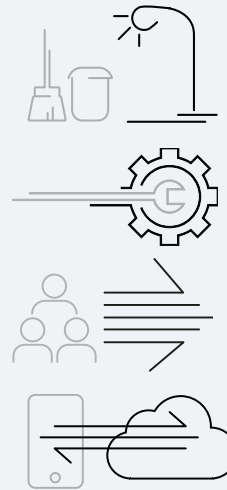
THAT MEANS: IMPROVING BASIC QUALITY AND CAPACITY TO INCREASE OUR GUESTS' WELL-BEING

New cleaning concepts, more security staff and video technology to ensure **cleanliness** and **safety**

More funds **for maintenance**

Increased **capacity** thanks to better passenger management

Intelligent system of reliable and consistent **passenger information**



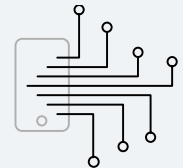


THAT MEANS: IMPROVING THE CUSTOMER EXPERIENCE AND THE QUALITY OF OUR GUESTS' TIME WITH US SO THEY WANT TO STAY LONGER

Esthetically pleasing surroundings thanks to modern design, lighting and waiting-area concepts

Diverse **consumption and service options** with sustainable and innovative products

Digital services for accessing products, and easier and faster access to information





THAT MEANS: DEVELOPING MOBILITY HUBS AND STATION NEIGHBORHOODS SO OUR GUESTS BENEFIT FROM ESTHETICALLY PLEASING SURROUNDINGS

Better interconnected mobility by bundling together **new mobility trends**, e.g., new on-demand solutions, e-mobility and modern bicycle spaces



Development of surrounding **areas and real estate** in partnership with federal states, cities and municipalities, e.g., BahnEntwicklungsGesellschaft NRW (BEG)





OUR STRATEGY CONTRIBUTES TO THE BUILDING BLOCKS OF DB'S OVERARCHING STRATEGY: GERMANY NEEDS STRONG RAIL

MORE ROBUST

Building block:
Station upgrade

BU

We will expand the capacity of busy traffic infrastructures, passenger buildings and underpasses.

MORE POWERFUL

Building block:
Stable processes

We will implement end-to-end responsibility for core processes and introduce comprehensive performance management.

MORE PIONEERING

Building block:
Smart services

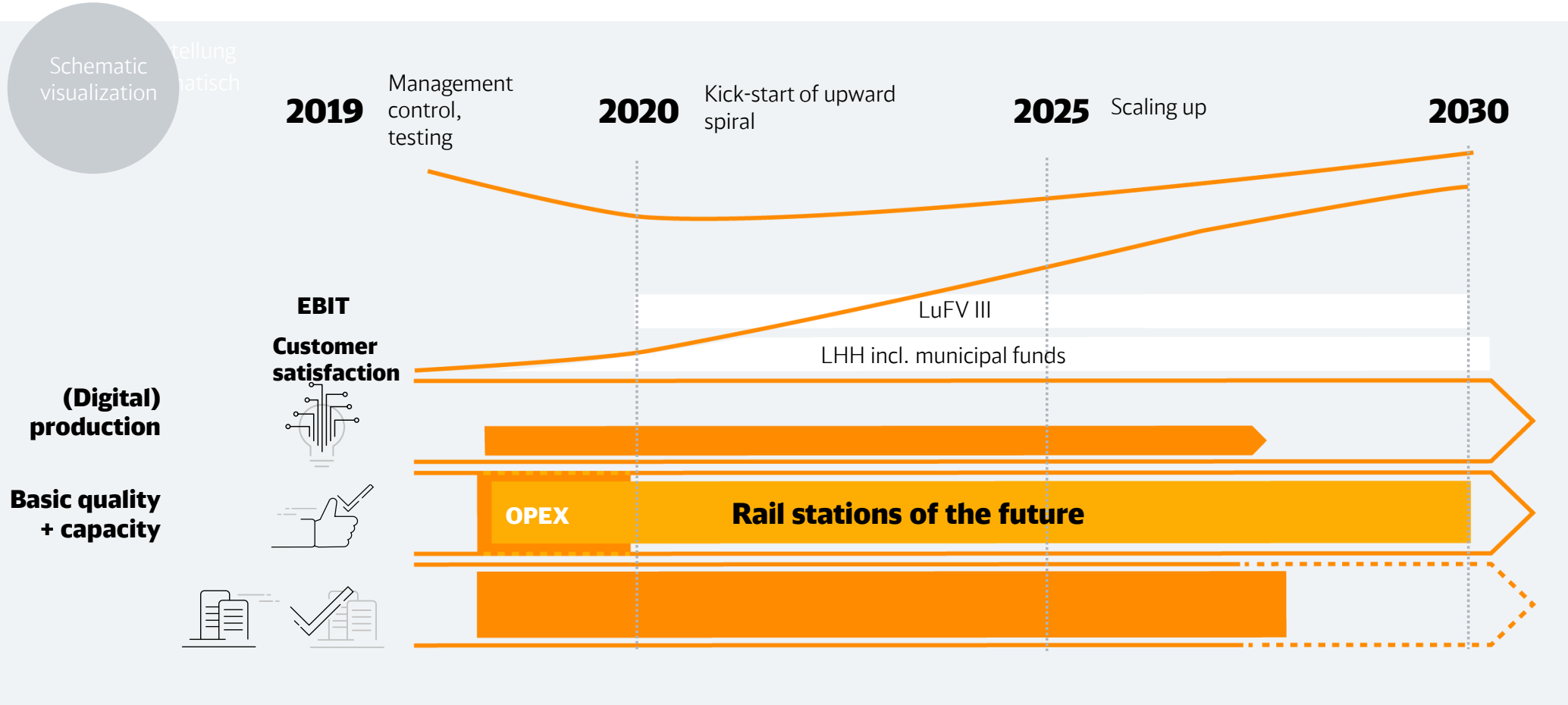
We will expand the basic quality of our stations and make them third-place-worthy.

Building block:
New forms of mobility

We will turn our stations into multimodal mobility hubs.



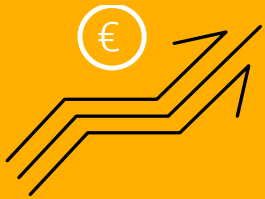
DISCUSSIONS WITH THE GROUP INCLUDED A CLEAR PROMISE. WE WILL COME BACK STRONGER.



WE NEED THE RIGHT FRAMEWORK TO ACHIEVE OUR STRATEGIC TARGETS – AT THE HEAD OFFICE, IN THE REGIONS AND IN STATION MANAGEMENT

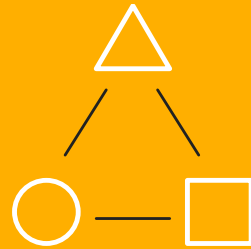


CLEAR TARGETS FOR GROWTH



We need more growth – and that's why we're developing new sources of revenues.

CLEARLY DEFINED RESPONSIBILITY



We will create clearly defined responsibilities – for faster decision-making, without silos.

CLEAR PROCESSES

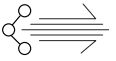


We will use our new operational processes as a guide for management control – customer-centric and end to end.

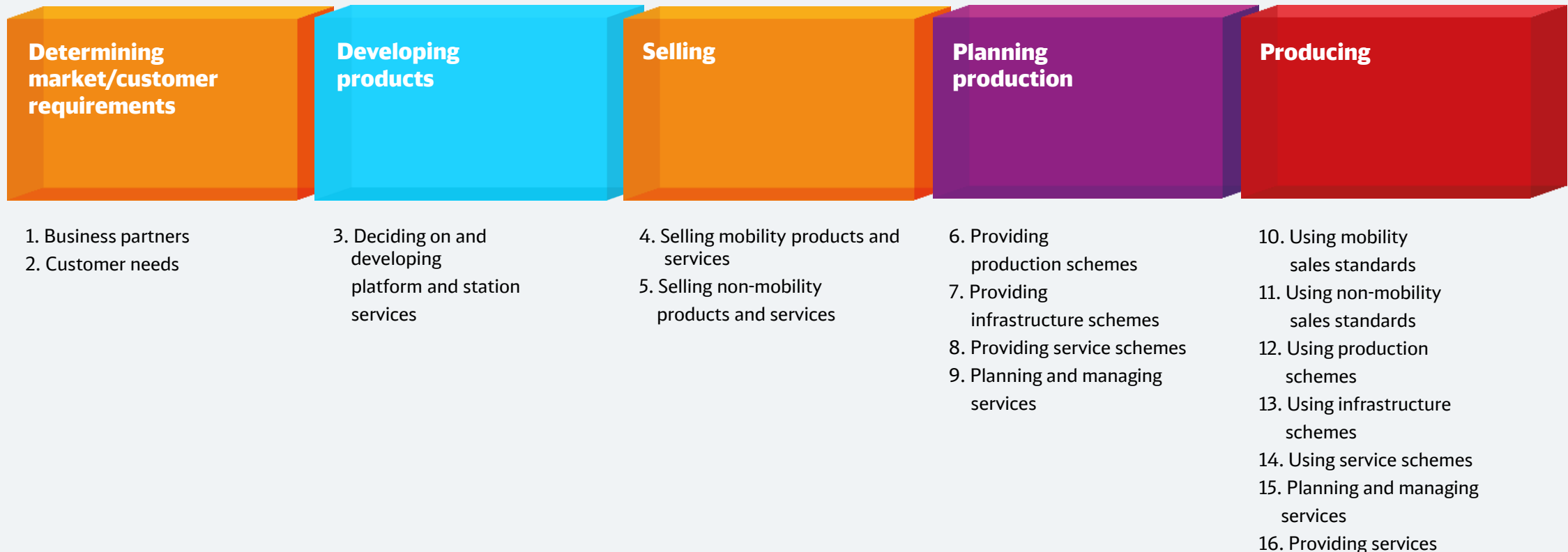
A CLEAR CUSTOMER FOCUS

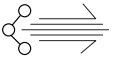


We will systematically gear our actions toward our customers – for increased quality and more growth.



IN THE FUTURE WE WILL SYSTEMATICALLY GEAR OUR ACTIONS TOWARD OUR CUSTOMERS.





WE INTRODUCED A CENTRAL PROGRAM APPROACH IN MARCH 2019 TO MANAGE DEVELOPMENTS UP TO THE RESTART

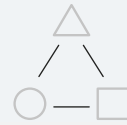


Product

Stations of the future, smart city, bike+ride, end customer business, passenger information

Product lines, range, customer satisfaction management, capacity, neighborhood

Sales management and leasing



All areas

Process excellence

Organizational development

Workforce management

Program to secure earnings

IT master plan

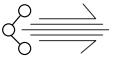


Production

Digital production

Station operations center 4.0

Capacity



WE ARE TESTING OUT 2019/2020 MEASURES FOR IMPLEMENTING OUR STRATEGY AT 16 RAIL STATIONS OF THE FUTURE

Selected in 2018 in conjunction with regional units



Stations in major cities



Junction stations

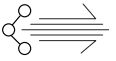


S-Bahn stations



Feeder stations

Regional Unit North		Wolfsburg Main Station	Hamburg Sternschanze	Ahrensburg
Regional Unit East	Berlin Südkreuz	Cottbus	Berlin Bornholmer Str.	
Regional Unit Southeast		Halle (Saale) Main Station		Wernigerode
Regional Unit West		Münster (Westf) Main Station		Haltern am See
Regional Unit Central			Offenbach Market place, Hofheim	
Regional Unit Southwest		Heilbronn Main Station	Renningen	
Regional Unit South		Coburg	Freising	



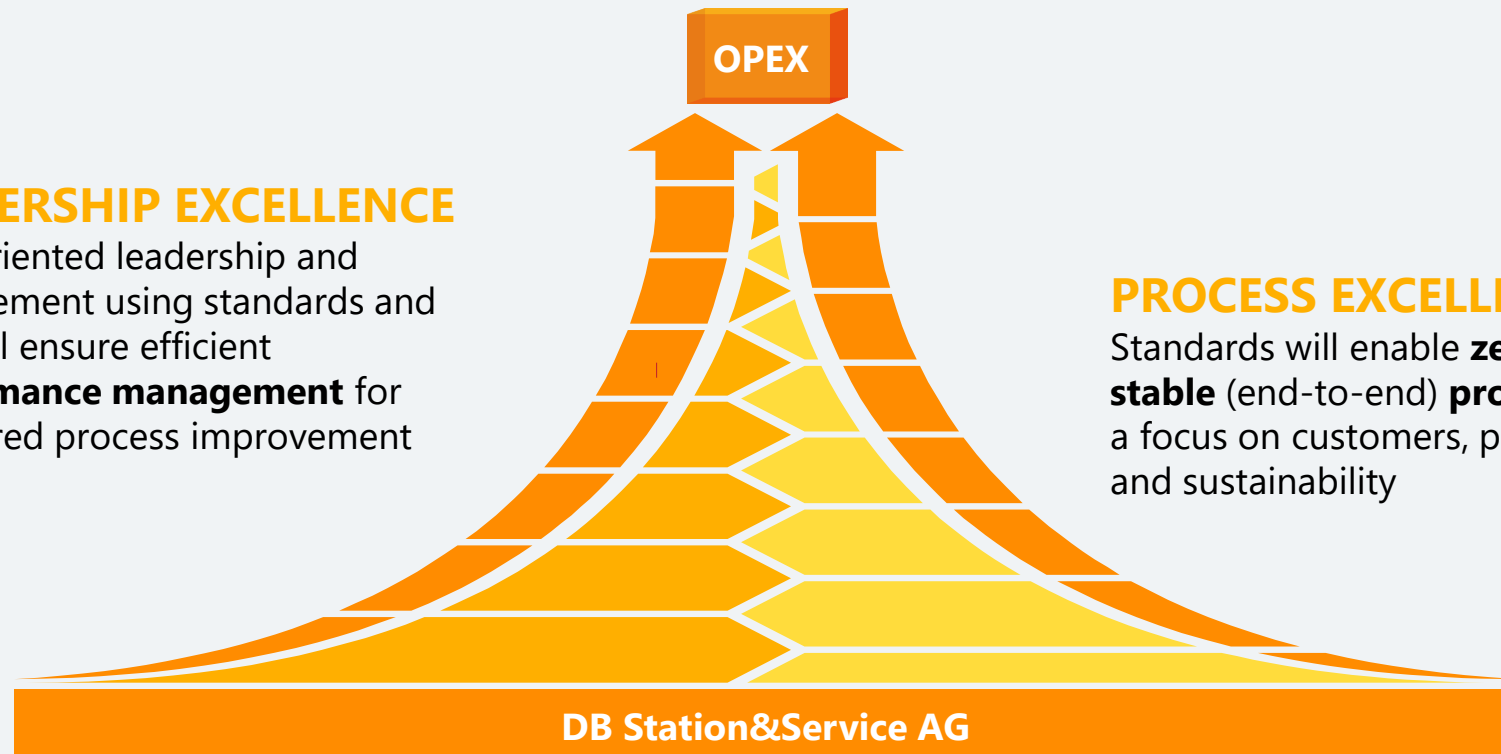
LEADERSHIP AND PROCESS EXCELLENCE WILL BE COMBINED FOR CLEARLY SPECIFIED AND STABLE PROCESSES

LEADERSHIP EXCELLENCE

Goal-oriented leadership and management using standards and KPIs will ensure efficient **performance management** for structured process improvement

PROCESS EXCELLENCE

Standards will enable **zero-waste, stable** (end-to-end) **processes** with a focus on customers, profitability and sustainability

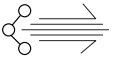


DB Station&Service AG

ORGANIZATIONAL DEVELOPMENT AND A CULTURE OF CHANGE

Systematically establishing skills and lean management methodological competency will help us implement an **excellent organization** and a sustainable **culture of change** at the business unit

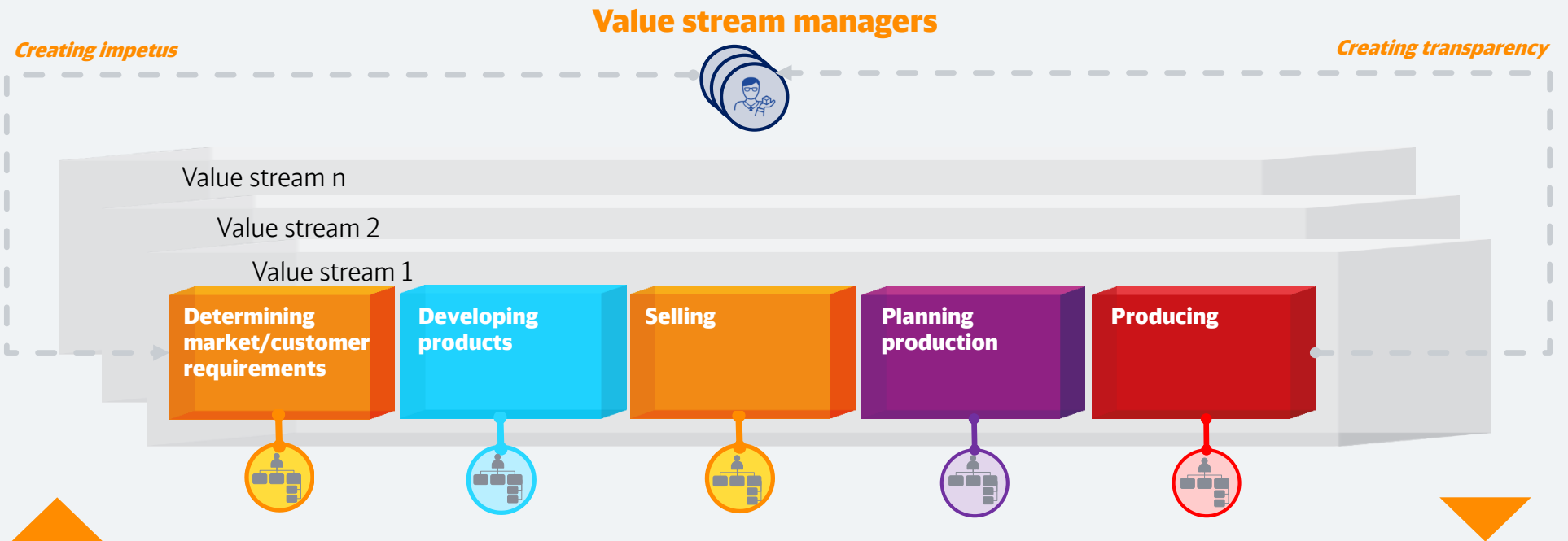
OPEX – operational excellence



CLEAR CUSTOMER FOCUS USING VALUE STREAM MANAGEMENT IN AN END-TO-END PROCESS MODEL

OPEX

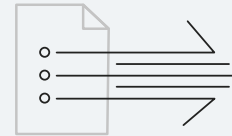
Providing lean methodology, tools and coaching for performance management



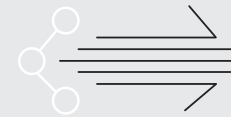
Management Board input:
Deciding on strategies, top-level targets and individual process targets

Customer output:
Services for passengers, commuters and visitors

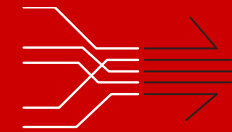
I – DB STATION&SERVICE AG – FACTS, FIGURES AND DATA



II – STRATEGIC DIRECTION – #GASTGEBER



III – GROUP STRATEGY – GERMANY NEEDS A STRONG RAIL SYSTEM

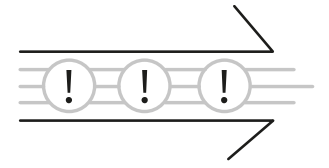


GERMANY NEEDS A STRONG RAIL SYSTEM.

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

PROGRESS IN THE RAIL SECTOR WILL BE THE FOCUS OF ALL OUR EFFORTS.

Deutsche Bahn needs a STRATEGY to be able to do its part for Strong Rail.
This strategy includes three STRATEGIC AREAS:



The first STRATEGIC AREA will ensure that sufficient resources are in place:

DB will become **MORE ROBUST**.
More routes. More trains.
More employees.

Progress in this area means that DB will focus on long-term growth and technological innovation that will generate the necessary capacity for DB to live up to its responsibility.

The second STRATEGIC AREA will set the organization in motion:

DB will become **MORE POWERFUL**.
Simple structures, clear workflows. and
dedicated teamwork.

Progress in this area means that DB will consolidate and simplify its organization as it pursues its overarching goal with courage and follow-through. It means that DB will focus more on the needs of its customers and employees.

The third STRATEGIC AREA will accelerate the pace of innovation:

DB will become **MORE PIONEERING**.
More frequent service, Greater
connectivity. Smarter service.

Progress in this area means that DB will raise service frequency and make its products more attractive by using digital technology to ensure seamless connections between modes of transport.

HOW DEUTSCHE BAHN WILL LIVE UP TO ITS RESPONSIBILITY.

THE 15 STRATEGY BUILDING BLOCKS: AN OVERVIEW



WHAT WE CAN CONTRIBUTE TO STRONG RAIL

We will expand the capacity of busy stations.

By making structural adjustments to boost capacity, improving passenger guidance and implementing measures to aid punctuality.

We will strengthen our focus on customers and process stability.

By implementing end-to-end responsibility for all core processes and systematic performance management.

We will improve basic quality at our stations.

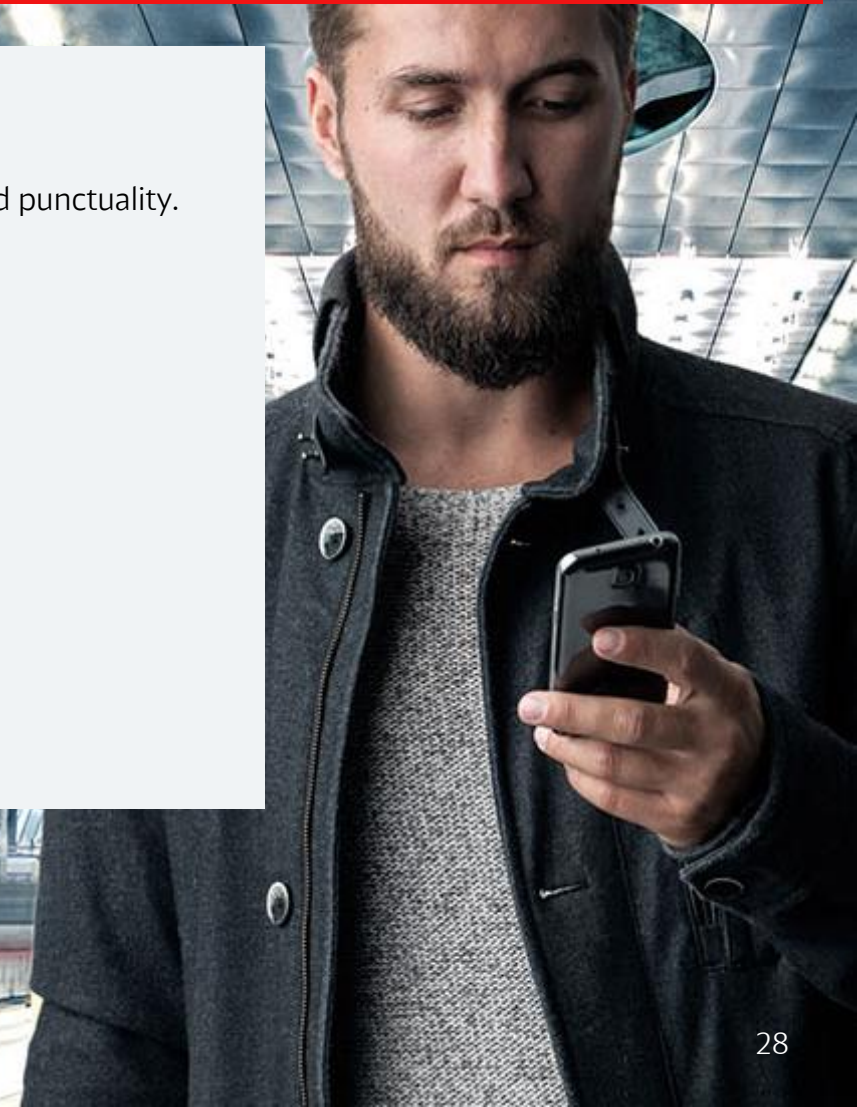
By implementing measures to improve cleanliness, safety and passenger information.

We will expand our range of services.

By turning our stations into "third places" in close consultation with end customers.

We will improve links between stations and other forms of mobility.

By integrating sharing services and electric charging stations in collaboration with cities and municipalities.

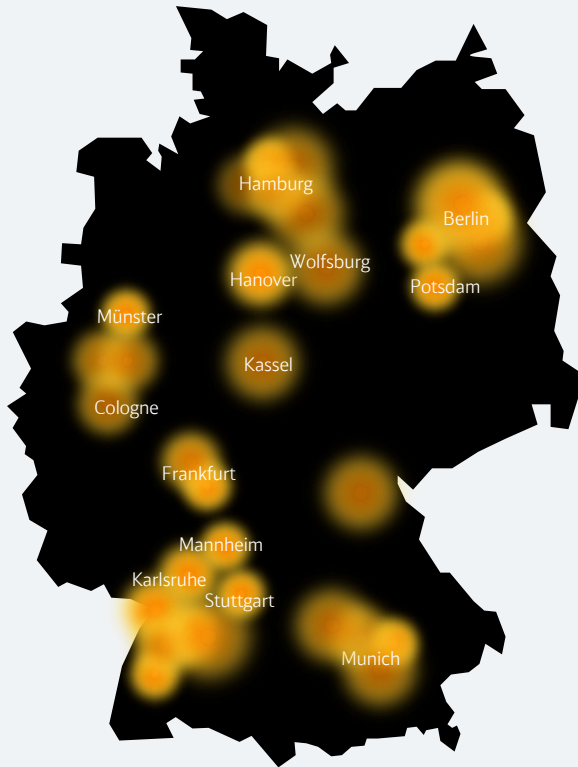


Building block:
Station upgrade

EXPANSION AND MODERNIZATION OF BUSY STATIONS.

TRAFFIC INFRASTRUCTURES, PASSENGER BUILDINGS AND UNDERPASSES.

Regions with disproportionate passenger growth.



By ensuring that our stations are prepared for growth, we can lay the foundation for shifting traffic to rail. Relevant measures:

- **More transparency regarding customer frequency** – station-specific monitoring today and in the future.
- **Planning and expansion of structural adjustments** at busy stations (e.g. platform lengths).
- **Better passenger guidance**, e.g. door opening points to indicate where to stand on the platform.
- **Promotion of measures to aid punctuality**, e.g. train dwell time counter at S-Bahn stations to allow trains to depart more punctually.

We have already created a special program encompassing these measures and have **developed a road map.**



Building block:
Stable processes

PROCESS EXCELLENCE WILL IMPROVE OUR CUSTOMER FOCUS.

END-TO-END RESPONSIBILITY AND PERFORMANCE MANAGEMENT.

We will ensure that our processes are geared toward the end customer.

- Our processes start with the customers and their requirements; to this end, we will develop and implement solutions to improve customer satisfaction from 68 to 73 satisfaction index points.
- The restructuring of our operational processes will ensure that our actions are geared toward the needs of our customers and will enable us to obtain feedback on a systematic basis.
- In product management, we will be grouping all aspects of our station services together in future. To ensure fast, efficient, high-quality processes in our operations, we will be combining maintenance, engineering works and facility management as one responsibility.

We will implement the DB Exzellenzsystem at DB Station&Service.

- We will implement systematic end-to-end responsibility for all our processes and manage them within the context of overall process responsibility – always focusing on the impact on our end customers.
- Introducing a comprehensive performance management system for all organizational units will provide transparency about relevant key figures and enable clear management in line with our customer-oriented processes.

High product quality:

Customer satisfaction

+5 points

01
02

Building block:
Smart services

BASIC QUALITY ACROSS GERMANY.

CLEAN AND SAFE STATIONS FOR MAXIMUM CUSTOMER SATISFACTION.

We have already formulated SHORT-TERM measures to improve basic quality and we have reallocated budgets accordingly.

- Increased cleaning frequency at busy stations and more staff and technology will improve cleanliness and safety. Additional budget up to 2020: EUR 7 million; additional funds for maintenance up to 2020: EUR 50 million.
- In the future, an intelligent passenger information system will communicate relevant data consistently across all output media, virtually in real time. All stations will be connected to the system and, if necessary, equipped with new passenger information displays. The project is set for completion by 2024.
Budget: EUR 110 million.

IN THE MEDIUM TO LONG TERM, HOWEVER, IT IS CLEAR that without additional funds, it will be difficult to bring about a real improvement in basic quality.

- The condition of the station buildings is a key factor in customer satisfaction. The German government and DB therefore intend to increase their commitment to building projects.

**>EUR 100
million**

**investment in passenger
information**

**>EUR 150
million**

**annual expenditure for
maintenance**

01
02

Building block:
Smart services

STATIONS AS THIRD PLACES.

WITH NEW SERVICES AND ATTRACTIVE PRODUCTS.



The services we provide at our stations must improve our customers' station experience. We will consult customers when developing new concepts to improve the visitor experience, range of services and intermodality offered at our stations. Examples:

- **Smart lockers**
- **Co-working spaces**
- **Sustainable products on sale**
- **New retail concepts such as pop-up stores**
- **Support for new mobility concepts**
- **Other location-specific ideas**

Following the idea-generating phase, we will implement a three-stage process:



Building block:
New forms of mobility

CONNECTING NEW FORMS OF MOBILITY.

TURNING OUR STATIONS INTO MULTIMODAL MOBILITY HUBS.



Rail services need to be integrated as closely as possible with other mobility services – on-demand travel, electric bikes and scooters, etc. This future vision has already been put into practice at selected stations. As well as connections to regional and local public transport and long-distance rail passenger transport, these stations also offer:

- **Stops for long distance buses**
- **Sharing stations, e.g. for bikesharing & carsharing, electric scooters**
- **Park-and-ride parking spaces**
- **Electric charging stations**

Together with cities, municipalities and other partners, we will ensure that stations meet customers' needs, e.g. by providing around 100,000 new bicycle spaces by 2022 in collaboration with the German government and the municipalities.

We will test hub concepts at selected stations.

Short term

We will develop a large-scale concept for new forms of mobility.

Medium term

We will turn Germany's largest stations into centers of mobility.

Long term