20 years of competition in the German regional passenger market

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Transdev is a global mobility service provider

- EUR 6.7 billion revenue in 2016
- 43,000 vehicles
- 13 transport modes
- 83,000 employees
- 19 countries
- 22 tramway networks
- 5 continents
In Germany Transdev is the leading private operator – present in both segments (bus & rail)

### Facts and figures 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Approx. 5,000</td>
</tr>
<tr>
<td>Revenues (IFRS)</td>
<td>Approx. EUR 620 million</td>
</tr>
<tr>
<td>Passengers</td>
<td>Approx. 210 million</td>
</tr>
<tr>
<td>Bus kilometres</td>
<td>71 million</td>
</tr>
<tr>
<td>Train kilometres</td>
<td>Approx. 43 million</td>
</tr>
<tr>
<td>Active subsidiaries</td>
<td>43</td>
</tr>
<tr>
<td>Coaches</td>
<td>21</td>
</tr>
<tr>
<td>Locomotives</td>
<td>4</td>
</tr>
<tr>
<td>Rail cars</td>
<td>375</td>
</tr>
<tr>
<td>Buses</td>
<td>1,207</td>
</tr>
<tr>
<td>Tramway cars</td>
<td>15</td>
</tr>
</tbody>
</table>

A) EUR 923 million HGB revenues  
B) Partly estimated  
C) Including leased vehicles
20 years after market opening: Regional rail service impressive – long distance rail stagnated

Massive competition in regional rail service leads to massive growth:
Passenger-km went up by >50% from 1996 to 2016, while timetabled train-km increased by more than 30%

No tendering of long-distance rail service: market stagnated until 2014 and was only re-vitalised by intermodal competition from long distance buses since then.
Competition leads to a shift in market shares...

Non-DB operators market shares have grown rapidly over recent years:

- DB has lost 33% of its market shares since the regional passenger market was opened up in 1996.
- Competitors' market shares are growing steadily and 50/50 share between DB and non-DB is likely to be reached until 2025.
- Transdev has 20 years of bidding experience, other competitors (Abellio, Go-Ahead) are comparatively new.
...has generated massive cost savings for German taxpayers

Operating subsidy in € per Train-km

<table>
<thead>
<tr>
<th>Year</th>
<th>Subsidy in €</th>
<th>Overall market volume (train-km)</th>
<th>Total of subsidies paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>4,69 €</td>
<td>~ 615 Mio.</td>
<td>~ 2,88 Bn €</td>
</tr>
<tr>
<td>2014</td>
<td>3,28 €</td>
<td>~ 665 Mio.</td>
<td>~ 2,18 Bn €</td>
</tr>
</tbody>
</table>

SAVING ~0,70 Bn €

Saving of 700 million € p.a. through competition alone

- with increased volume & quality
- increased passenger numbers,
- stable social standards - no competition at the expense of employees!

* Figures cover operational expenses but exclude fees for use of infrastructure (tracks and stations)
…and has improved the quality of regional passenger rail service

Competition in the regional passenger rail market works – Even DB Regio admits that liberalization has created far more dynamism and innovation than anyone would have thought possible.

The offer for passengers is becoming more and better:

- More departures, longer operating times (e.g. evenings and weekends)
- More direct connections through new lines
- More seats (e.g. for commuters, but also in leisure traffic)
- Better vehicles (e.g. accessibility, air conditioning, passenger information)
- Better customer service (e.g. higher train crew attendance, easier access to tickets)
But some topics are still unsolved and await further efficiency gains

Infrastructure costs show lack of competitive effects

- Massive increase of regional infrastructure costs due to missing competition.
- Up to 1 billion € savings p.a. could be achieved through tendering for regional infrastructure

Award of concessions for long-distance rail service recommended

- Under-average development of passenger kilometers in long-distance rail
- Liberalisation through award of concessions is recommended
- Positive effect on modal split expected