

Deutsche Bahn to cut 30,000 jobs after billion-euro first-half net loss

By Reuters



A Deutsche Bahn train stands at the Cologne Central Station in Germany, January 24, 2024.

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BERLIN, July 25 (Reuters) - German rail operator Deutsche Bahn (DBN.UL) plans to cut 30,000 jobs, or around 9% of its staff, it said on Thursday, after huge investments to repair its rail network, strikes and bad weather led to a billion-euro first-half net loss.

The cuts are to be made over the next five years and mostly affect administrative jobs, Chief Financial Officer Levin Holle said, adding this year around 1,500 jobs would have to go.

The company had earlier slightly lowered its full-year operating profit and revenue forecasts, now expecting adjusted earnings before interest and taxes (EBIT) of about 1 billion euros (\$1.08 billion) for 2024.

It previously forecast over 1 billion in March. Revenue is now seen at about last year's level of 45 billion euros, 2 billion less than previously forecast.

Deutsche Bahn reported a net loss of 1.2 billion euros for the first half of this year, [confirming an earlier exclusive report by Reuters](#). It did not provide full-year guidance for its net result.

After more than a decade of underinvestment, Deutsche Bahn has started massive repair works on its tracks, crossings and overhead lines that will take years and which are already causing hefty train delays and cancellations.

The German government's introduction of a so-called Germany ticket last year that allows travel on all regional and local trains for 49 euros a month led to a huge spike in passengers and added to the problems.

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Unprecedented bad weather worsened the already-stretched situation for passenger and freight transport in the January-June period. Workers' strikes that snarled rail traffic for several days at a time cost the firm around 300 million euros, it said.

Deutsche Bahn said it invested 4 billion euros in its rail networks and services in the first half, a 35% increase over last year.

The rail operator sits on 33 billion euros of debt, but the company expects billions in repayments from the federal government under a new state support programme for advance payments on the route renovation.

"This funding will have an impact on cash and profits in the second half of 2024," Chief Executive Richard Lutz said, without indicating how much money he expected.

While Germany's passengers' association Pro Bahn denounced "many years of neglect of the railroads by politicians", conservative federal lawmaker Ulrich Lange said Deutsche Bahn's results were a "record of failure" and called for its management to be fired.