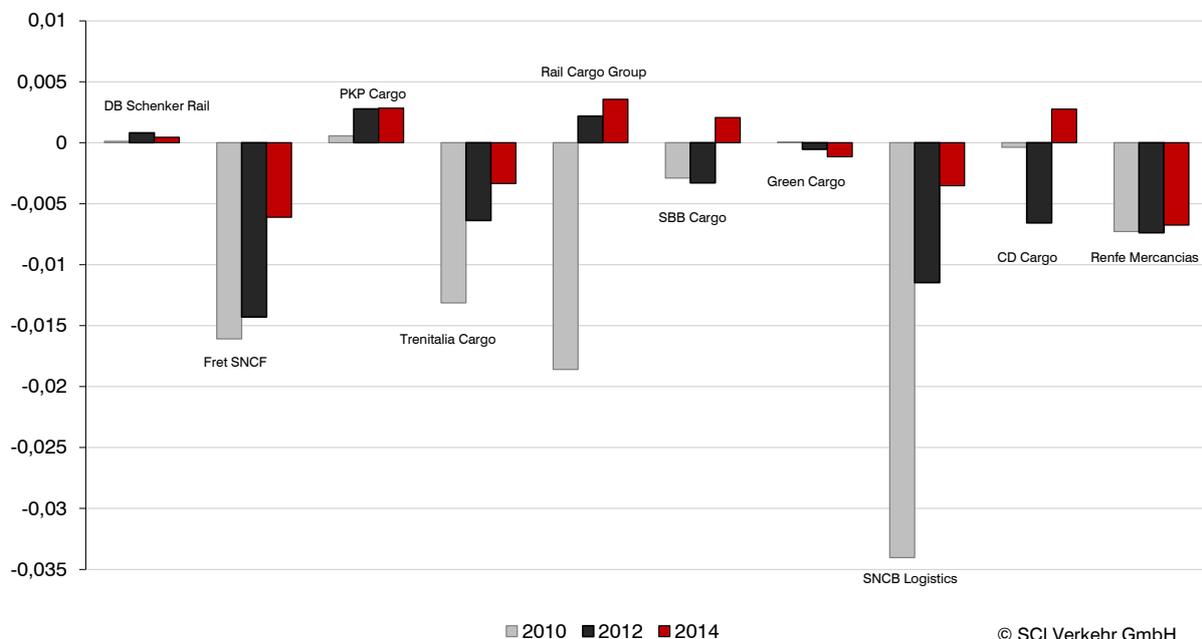


## Weak financial performance increases productivity and growth pressure on railway freight companies

[20th Mai 2016] Unsatisfactory financial performance, high volatility and instability put further pressure on the companies. At the same time also the competition by trucks is growing. Despite a moderate recovery in transport performance in the past two years, the rail freight sector cannot compete with the growth of the road transport – it is losing market shares. These are major results of the recently published SCI Verkehr “European Freight Market” study on the situation of the European freight market and its medium-term prospects.

The economic results of many companies remain unsatisfactory. The majority of railway companies have recognised the necessity for restructuring and consolidation and partly taken initial action. However, especially public shareholders oftentimes lack the willingness to implement crucial reform steps and make necessary investments. The way to positive results is an arduous one – even in a good economic environment as in 2014 the European freight railways achieved positive financial results in exceptional cases only.

### Benchmark: EBIT per transport performance [2010-2014; EUR/tkm]



In the course of consolidation processes, various mergers and company acquisitions have already taken place while further ones are in the offing. There is increasing interest in railway assets from logistics providers, shipping companies and private equity companies. The transactions aim at the realisation of necessary investments into processes, structure and assets. In part, they can help to better integrate rail freight transport into the customers’ logistical solutions.

The „European Rail Freight Transport Market” study offers a detailed description of the entire railway freight market in Europe. Moreover, there is a separate analysis of the rail freight transport in 18 countries and 30 fact sheets of the most important rail freight operators. The „European Rail Freight Transport Market” study is available in English as of now at SCI Verkehr GmbH. ([www.sci.de](http://www.sci.de))

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