

**Innovation**

**Partnerships**

**Independence**

**Performance**

## **Interim 2018 Results**

 **Globaltrans**  
Russia's leading freight rail group

Valery Shpakov, CEO and Alexander Shenets, CFO  
Investor Conference Call: 28 August 2018

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The financial information contained in this presentation is derived from the condensed consolidated interim financial information (unaudited) of Globaltrans Investment PLC (“the Company” or, together with its consolidated subsidiaries, “Globaltrans” or “the Group”) as at and for the six months ended 30 June 2018 and 2017 and prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the consolidated Management report and consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Cyprus Companies Law, Cap. 113.

The Group’ condensed consolidated interim financial information (unaudited), selected operational information as at and for the six months ended 30 June 2018 and 2017 along with historical financial and operational information are available at Globaltrans’ corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

The presentational currency of the Group’s financial results is Russian rouble (“RUB”), which is the functional currency of the Company as well as its Cypriot and Russian subsidiaries.

In this presentation the Group has used certain non-GAAP financial information (not recognised by EU IFRS or IFRS) as supplemental measures of the Group’s operating performance. The management believes that these non-GAAP measures provide valuable information to readers, because they enable them to focus more directly on the underlying day-to-day performance of the Group’s business. The Company also reports certain operational information to illustrate the changes in the Group’s operational and financial performance during the reporting periods.

Certain financial information which is derived from management accounts is marked in this presentation with an asterisk (\*). Information (non-GAAP and operating measures) requiring additional explanation or defining is marked with initial capital letters and the explanations or definitions are provided at the end of this presentation.

Rounding adjustments have been made in calculating some of the financial and operational information included in this presentation. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

The Group has obtained certain statistical, market and pricing information that is included in this presentation on such topics as the Russian freight rail transportation market and related subjects from the following third-party sources: Federal State Statistics Service of Russian Federation (“Rosstat”); JSC Russian Railways (“RZD”) and Federal Antimonopoly Service (“FAS”). The Group has accurately reproduced such information and, as far as it is aware and is able to ascertain from information published by such third-party sources, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Group has not independently verified this third-party information. In addition, the official data published by Russian governmental agencies may be substantially less complete or researched than that of more developed countries.

All non-GAAP financial and operational information presented in this presentation should be used only as an analytical tool, and investors should not consider such information in isolation or in any combination as a substitute for analysis of the Group’s consolidated financial statements and condensed consolidated interim financial information reported under EU IFRS, which are available at the Globaltrans’ corporate website [www.globaltrans.com](http://www.globaltrans.com).

## The team presenting today



**Valery Shpakov**  
Chief Executive Officer

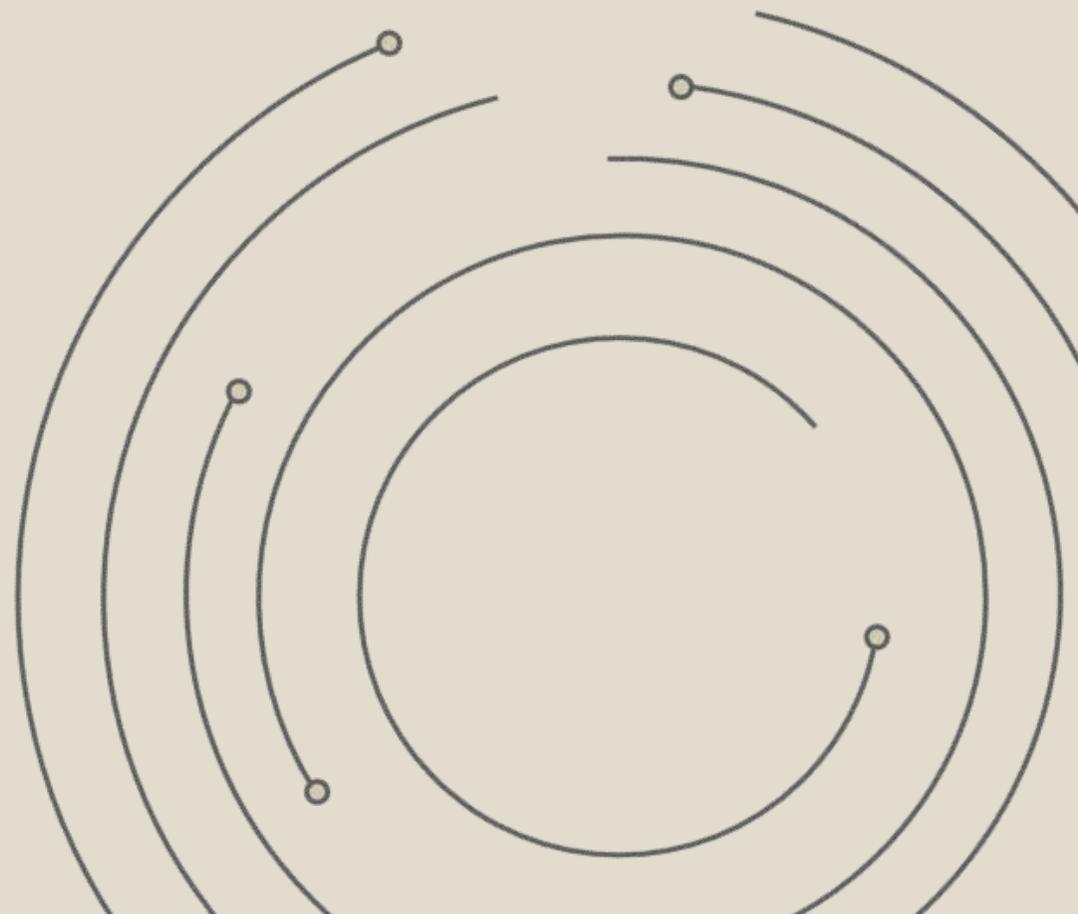
Mr Shpakov became CEO in March 2016, having joined the Group's New Forwarding Company in 2003. He has worked in the rail sector for over 30 years and received the "Honoured Railwayman of Russia" Award in recognition of his significant contributions to the industry.



**Alexander Shenets**  
Chief Financial Officer

Mr Shenets has extensive experience in senior finance positions primarily in the rail sector and has been the CFO of Globaltrans since the Group's establishment in 2004.

- Highlights



# Further growth in financials; distribution of 109% of Attributable Free Cash Flow approved

## Ongoing operational excellence, new long-term contracts signed

- Two new long-term contracts added: five-year agreements signed with TMK<sup>1</sup> and ChelPipe Group<sup>2</sup>
- Empty Run Ratio for gondola cars held steady at lowest level in five years at 37%
- Continued increase in pricing supported by strong gondola market

## Strong financials, margin expansion

- 19% y-o-y increase in Adjusted Revenue to RUB 30.1 bln
- Excellent cost discipline with Total Operating Cash Costs up only 2% y-o-y despite ongoing cost pressures
- Adjusted EBITDA Margin expansion to 55%
- 37% y-o-y rise in Adjusted EBITDA to RUB 16.5 bln

## Robust Free Cash Flow and low leverage

- Increased CAPEX in response to strong market demand with 1.8k units<sup>3</sup> acquired in H1 2018
- Free Cash Flow of RUB 8.6 bln (up 6% y-o-y) and Attributable Free Cash Flow of RUB 7.5 bln (up 5% y-o-y) driven by strong cash generation
- Leverage held at low level with Net Debt to LTM Adjusted EBITDA at 0.4x<sup>4</sup>

## Distribution of 109% of Attributable Free Cash Flow approved

- Total approved interim payment to shareholders of RUB 8.2 bln or RUB 45.9 per share/GDR<sup>5</sup>, including:
  - Interim dividend of RUB 3.8 bln total or RUB 21.1 per share/GDR; in line with dividend policy<sup>6</sup> and equal to 50% of Attributable Free Cash Flow for H1 2018
  - Special interim dividend of RUB 4.4 bln total or RUB 24.8 per share/GDR to maintain efficient capital structure

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) TMK is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating 27 production sites in the United States, Russia, Canada, Romania, Oman and Kazakhstan.

2) ChelPipe Group is a leading Russian manufacturer of pipe products and provider of integrated solutions for fuel and energy companies.

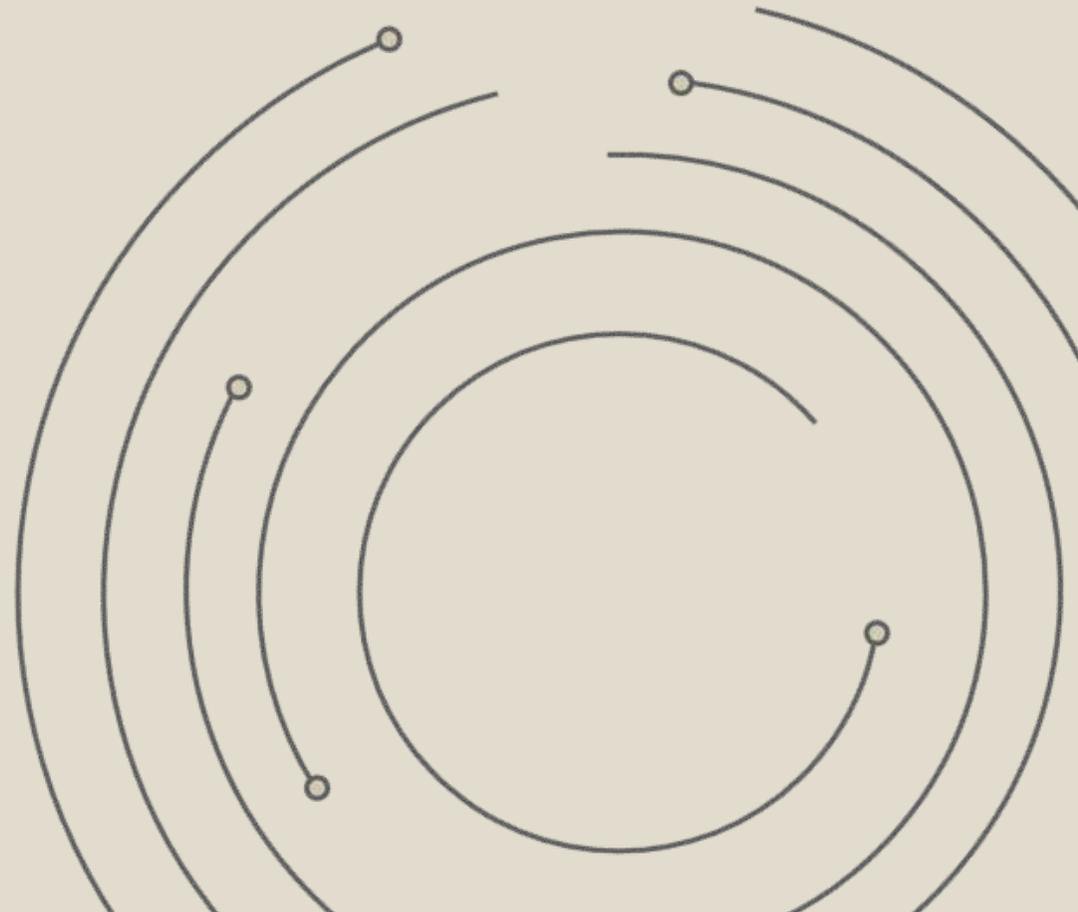
3) In H1 2018, the Group acquired 1,802 units (including 1,202 gondola cars, 300 petrochemical tank containers and 300 flat cars).

4) Net Debt to Adjusted EBITDA for the 12 months ended 30 June 2018.

5) The shareholder dividend record date is set as 4 September 2018. The GDRs will be marked as ex-dividend on 3 September 2018. Dividend will be paid in US dollars in the total amount of approximately 66.98 US cents per one ordinary share/GDR not later than 7 September 2018 with conversion executed at the Central Bank of Russia's official exchange rate for the Russian rouble as of 24 August 2018 (1 USD: 68.5259 RUB). Holders of GDRs will receive the dividend approximately three business days after the payment date.

6) As per the Group's dividend policy adopted on 31 March 2017 and amended on 24 August 2018 (available at [www.globaltrans.com](http://www.globaltrans.com)).

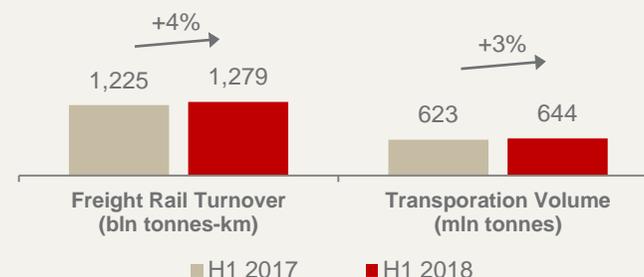
- Market update



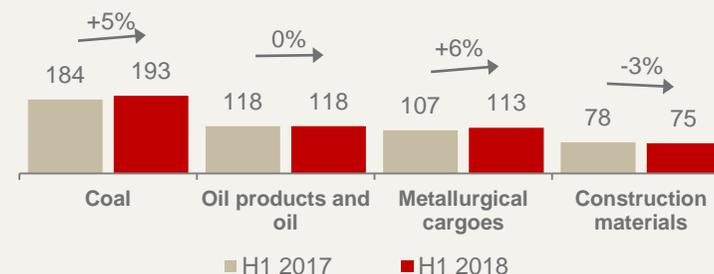
## Strong market backdrop with continued rise in demand

- **Further increase in demand**
  - Overall Russia freight rail turnover up 4% y-o-y with volumes rising 3% y-o-y in H1 2018
- **Bulk cargoes drive growth**
  - Non-oil cargo volumes up 4% y-o-y driven largely by coal (+5% y-o-y) and metallurgical cargoes (+6% y-o-y)<sup>1</sup>
  - Net increase in gondola capacity (c.12.6k units or 2.5% in H1 2018)<sup>2</sup> absorbed by rising demand
  - Continued favourable pricing with demand outstripping supply growth
  - Rise in prices for new rolling stock limits appetite for additional purchases
- **Oil products and oil segment stabilised**
  - Volumes in oil products and oil segment unchanged y-o-y
  - Pricing environment remains relatively stable
  - Ongoing scrappage of old rail tanks combined with very low new additions (net capacity decline of c.2.5k units or 1% in H1 2018)<sup>2</sup>

### Overall Russian freight rail market performance



### Overall Russia freight rail transportation volumes (by key freight, mln tonnes)<sup>1</sup>

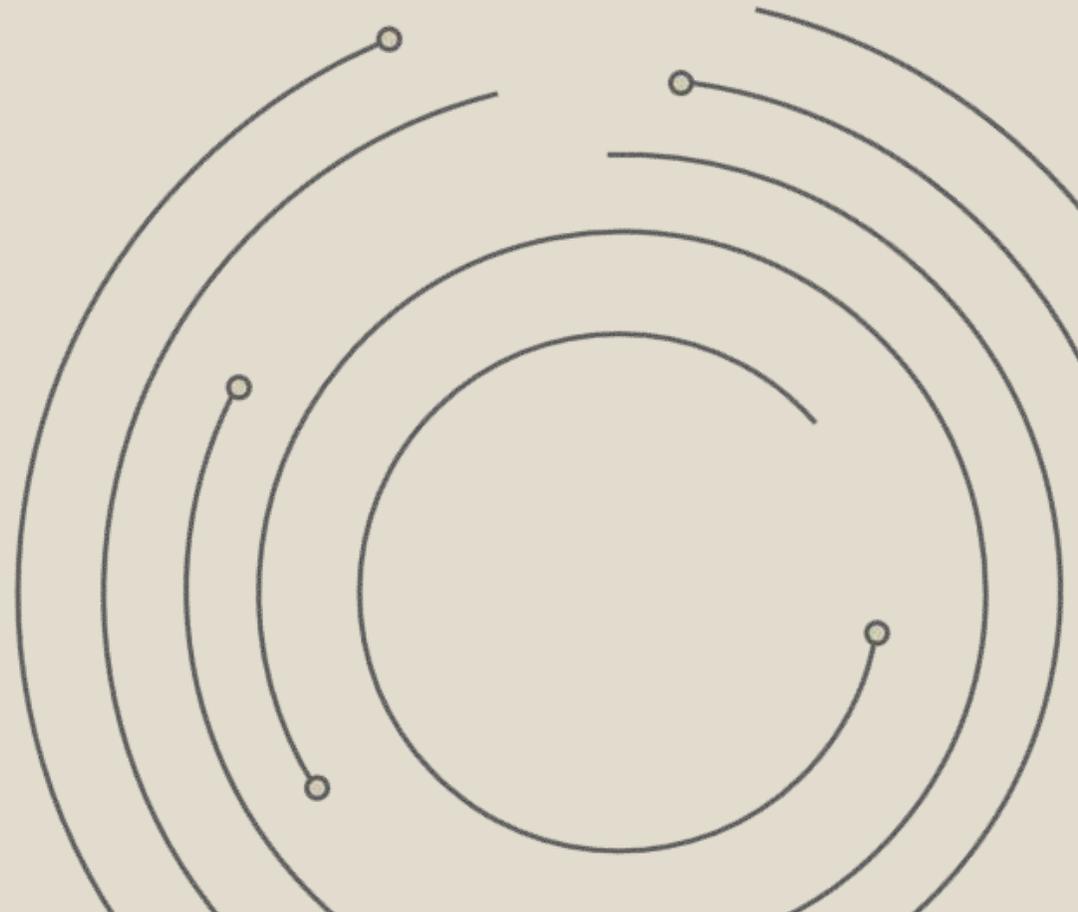


Source: Globaltrans, Rosstat, RZD. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Coal including coke; Metallurgical cargoes including ferrous metals, scrap metal and ores; Construction materials including cement.

2) Estimated by the Company.

- Operational performance



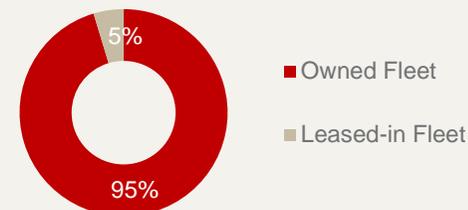
## Strong market demand drives investment in fleet expansion

- Owned Fleet expanded in response to strong demand and new long-term contracts**
  - 1,802 units acquired in H1 2018 compared to 479 units in H1 2017<sup>1</sup>
  - Investments mainly focused on gondolas with selective acquisition of petrochemical tank containers and related flat cars
  - Owned Fleet increased 3% vs the end of 2017 to 62,846 units
- Rise in leasing rates triggered continued substitution of leased-in gondolas with owned units**
  - 2,365 units of Leased-in Fleet, mostly gondolas, returned to lessors over H1 2018 (a decrease of 43% vs the end of 2017)
  - Share of Owned Fleet rose to 95% vs 92% at the end of 2017
- Average Rolling Stock Operated temporarily decreased 3% y-o-y**
  - Reduction in number of Leased-in Fleet (-2,365) has not yet been fully offset by purchases of new units (+1,802) most of which were commissioned at the end of H1 2018
  - Additional c.2.1k units (mostly gondolas) are expected to be purchased during H2 2018

### Total Fleet (units)



### Share of Owned Fleet increased to 95% (% of Total Fleet; as of 30 June 2018)



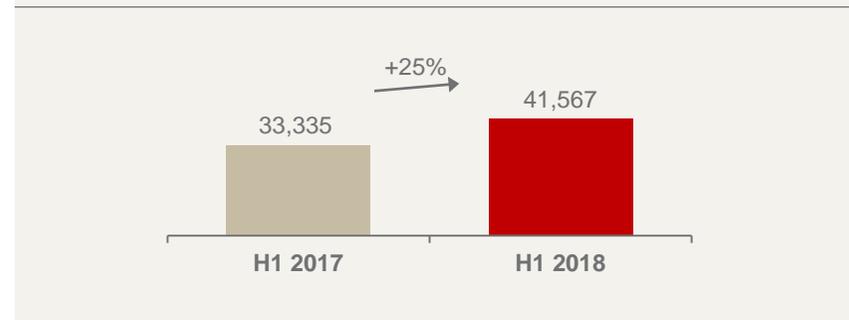
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

- In H1 2018, the Group acquired 1,802 units (including 1,202 gondola cars, 300 petrochemical tank containers and 300 flat cars) compared to 479 units (including 219 gondola cars and 260 petrochemical tank containers) in H1 2017.
- In H1 2018, the Group disposed of 206 units (including sales to third parties).

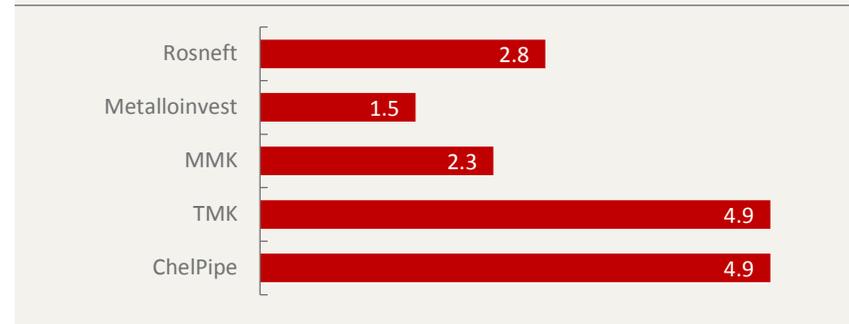
## Further improvement in average pricing, new long-term contracts added

- Average Price per Trip up 25% y-o-y**
  - Favourable pricing environment underpinned by strong market, solid operational franchise and high quality service in gondola segment
  - Slightly improved pricing in rail tank segment supported by unique locomotive expertise and relatively stable demand
- Further milestone reached as the outsourcing partner for blue-chip industrial companies**
  - New five-year contracts signed
    - TMK, a leading global manufacturer and supplier of steel pipes for the oil and gas industry
    - ChelPipe Group, a leading Russian manufacturer of pipe products
  - Volumes to significantly increase to 70% of their freight rail transportation needs in the near term
  - Both contracts perfectly complement Globaltrans' logistics patterns
- Loyal blue-chip client base as well as targeted increase in small and medium enterprises (SMEs)**
  - Long-term contracts (Rosneft, Metalloinvest, MMK, TMK and ChelPipe) contributed c.55% of Net Revenue from Operation of Rolling Stock
  - Continued diversification of client base – share of SMEs up to 28% vs 23% in H1 2017<sup>1</sup>

### Average Price per Trip (RUB)



### Period remaining for long-term contracts (years; as of 30 June 2018)



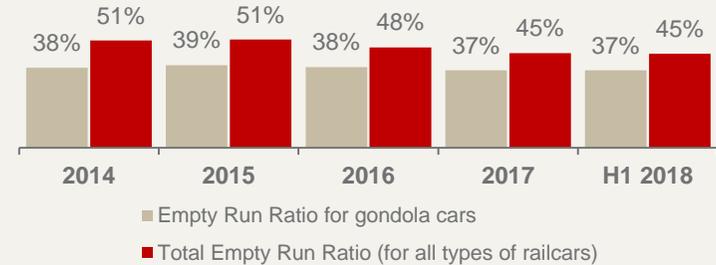
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Share of Net Revenue from Operation of Rolling Stock.

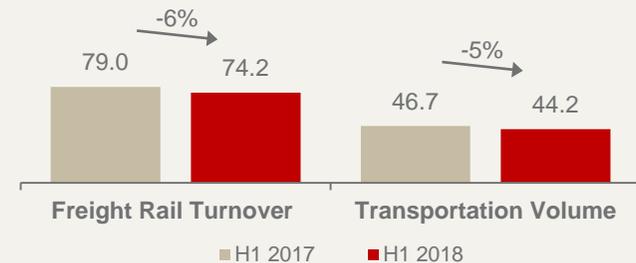
## Ongoing operational excellence

- **Empty Run Ratio for gondola cars kept at lowest level for last 5 years**
  - Empty Run Ratio for gondola cars stood at 37% (H1 2017: 38%)
  - Total Empty Run Ratio (for all types of railcars) improved to 45% (H1 2017: 47%)
  - Share of Empty Run Kilometers paid by Globaltrans up to 91% (H1 2017: 85%) due to change in logistics patterns of some clients
- **Freight Rail Turnover and Transportation Volumes temporarily under pressure reflecting ongoing fleet rebalancing**
  - Temporary decrease in Average Rolling Stock Operated with the 3% y-o-y decline largely driven by the intentional reduction in the expensive leased-in gondola fleet which will be offset by the ongoing commissioning of newly acquired units
  - Changed client logistics contributed to a 3% y-o-y decline in Average Number of Loaded Trips per Railcar
  - Average Distance of Loaded Trip remained relatively stable y-o-y

### Empty Run Ratio (%)



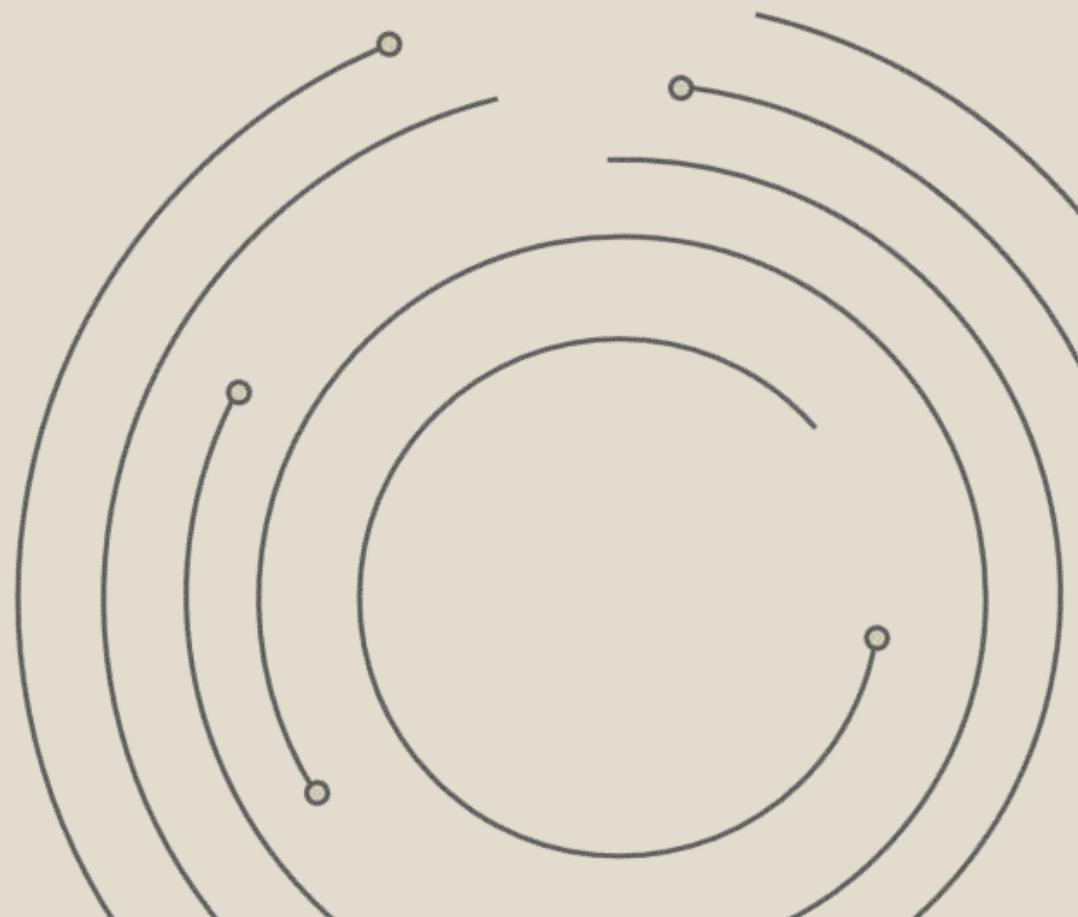
### Freight Rail Turnover / Transportation Volumes (excl. Engaged Fleet)<sup>1</sup>



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) The Group's Freight Rail Turnover (incl. Engaged Fleet) and Transportation Volumes (incl. Engaged Fleet) declined 6% and 5% y-o-y respectively.

- Financial results

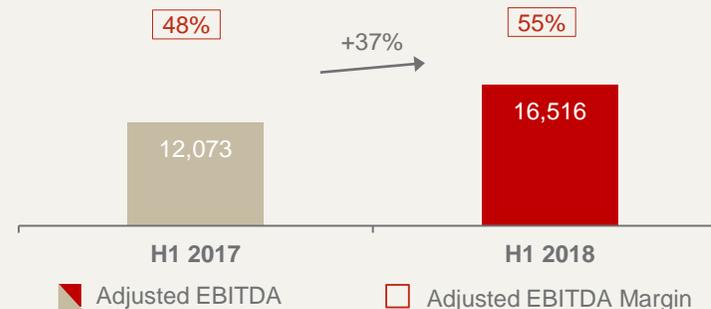


# Continued strong growth in financials delivered, excellent cost discipline drove margin expansion

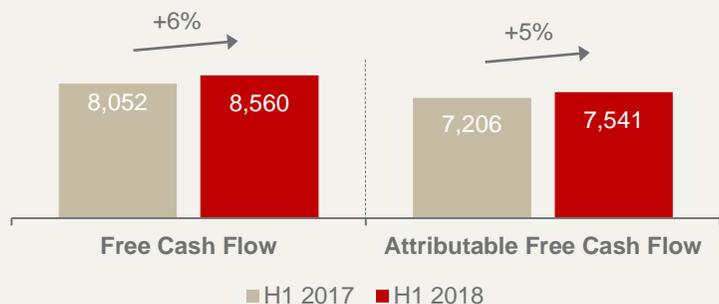
**Adjusted Revenue (RUB mln)**  
**Total Operating Cash Costs (RUB mln)**



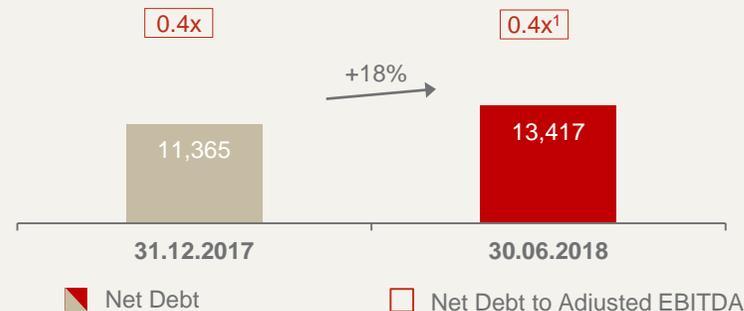
**Adjusted EBITDA (RUB mln)**  
**Adjusted EBITDA Margin (%)**



**Free Cash Flow (RUB mln)**  
**Attributable Free Cash Flow (RUB mln)**



**Net Debt (RUB mln)**  
**Net Debt to Adjusted EBITDA (x)**



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Net Debt to Adjusted EBITDA for the 12 months ended 30 June 2018.

## Adjusted Revenue increased 19% y-o-y driven largely by key freight rail transportation business

	H1 2017 (RUB mln)	H1 2018 (RUB mln)	Change y-o-y, %
<b>Adjusted Revenue</b>	<b>25,397</b>	<b>30,108</b>	<b>19%</b>
<i>Including</i>			
<b>Net Revenue from Operation of Rolling Stock</b>	<b>24,214*</b>	<b>28,420*</b>	<b>17%</b>
<b>Operating leasing of rolling stock</b>	<b>597</b>	<b>682</b>	<b>14%</b>
Net Revenue from Engaged Fleet	96*	259*	171%
Other revenue	490	747	52%

- **Net Revenue from Operation of Rolling Stock (94% of Adjusted Revenue) up 17% y-o-y**
  - Average Price per Trip rose 25% y-o-y with the Average Number of Loaded Trips per Railcar down 3% y-o-y
  - Average Rolling Stock Operated temporarily declined, down 3% y-o-y largely driven by the intentional reduction in the expensive leased-in gondola fleet which will be offset by the ongoing commissioning of newly acquired units
- **Revenue from Operating leasing of rolling stock (2% of Adjusted Revenue) rose 14% y-o-y**
  - Slight recovery in leasing rates in rail tank car segment
- **Net Revenue from Engaged Fleet (1% of Adjusted Revenue) up 171% y-o-y**
  - Mostly reflecting the increase in the number of Engaged Fleet operations in the rail tank cars segment
- **Other revenue (2% of Adjusted Revenue) up 52% y-o-y**
  - Primarily reflecting the gradual commissioning into operation of petrochemical tank containers purchased over the last 12 months and an increase in revenue from maintenance services provided to third parties

## Excellent cost discipline with Total Operating Cash Costs up only 2% y-o-y

	H1 2017 (RUB mln)	H1 2018 (RUB mln)	Change %
<b>Total Operating Cash Costs</b>	<b>13,324</b>	<b>13,571</b>	<b>2%</b>
Empty Run Costs	6,211*	6,416*	3%
Repairs and maintenance	1,949	1,871	-4%
Employee benefit expense	1,574	1,918	22%
Fuel and spare parts - locomotives	855	967	13%
Operating lease rentals - rolling stock	792	459	-42%
Infrastructure and Locomotive Tariffs - Other Tariffs	502*	454*	-9%
Engagement of locomotive crews	373	404	8%
Other Operating Cash Costs <sup>1</sup>	1,067	1,084	2%
<b>Total Operating Non-Cash Costs</b>	<b>3,149</b>	<b>3,005</b>	<b>-5%</b>
Depreciation of property, plant and equipment	2,467	2,438	-1%
Amortisation of intangible assets	370	348	-6%
Loss on derecognition arising on capital repairs <sup>2</sup>	287	195	-32%
Impairment charge for receivables	0.2	20	NM
Net loss on sale of property, plant and equipment	25	4	-84%

- Continued excellent cost control with Total Operating Cash Costs up only 2% y-o-y despite continued cost pressures
- Total Operating Non-Cash Costs were down 5% y-o-y driven primarily by a decline in the Loss on derecognition arising on capital repairs<sup>2</sup> due to the lower number of scheduled capital repairs

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

- 1) Other Operating Cash Costs (a non-GAAP financial measure) include cost items such as "Advertising and promotion", "Auditors' remuneration", "Communication costs", "Information services", "Legal, consulting and other professional fees", "Rental of tank containers", "Operating lease rentals - office", "Taxes (other than income tax and value added taxes)" and "Other expenses".
- 2) The cost of each major periodic capital repair (including the replacement of significant components) is recognised in the carrying amount of the relevant item of rolling stock repaired and separately depreciated. Simultaneously, the carrying amount of the repaired rolling stock that is attributable to the previous periodic capital repair and/or significant component replacement, if any, is derecognised and debited in "Cost of sales" in the income statement as "Loss on derecognition arising on capital repairs" for the period during which the repair was carried out.

## Major Operating Cash Cost items

### Empty Run Costs (47%)<sup>1</sup>



- 5.3% y-o-y rise in the regulated RZD tariff for traction of empty railcars and the logistically driven rise in Share of Empty Run Kilometres paid by Globaltrans to 91% (H1 2017: 85%)
- Partially offset by a further improvement in Total Empty Run Ratio (for all types of railcars) to 45% (H1 2017: 47%) and a 6% y-o-y decline in the Group's Freight Rail Turnover (excl. Engaged Fleet)

### Repairs and maintenance (14%)<sup>1</sup>



- Inflationary driven growth in the cost of maintenance and spare parts
- More than offset by a decline in the number of depot and locomotive repairs undertaken over the reporting period
- A higher number of repairs are expected to be undertaken in H2 2018 along with a rise in prices for certain spare parts reflecting their short supply

### Employee benefit expense (14%)<sup>1</sup>



- Inflation driven growth in wages and salaries
- Rise in bonuses (incl. share based payment expense) and related social insurance costs

### Operating lease rentals – rolling stock (3%)<sup>1</sup>



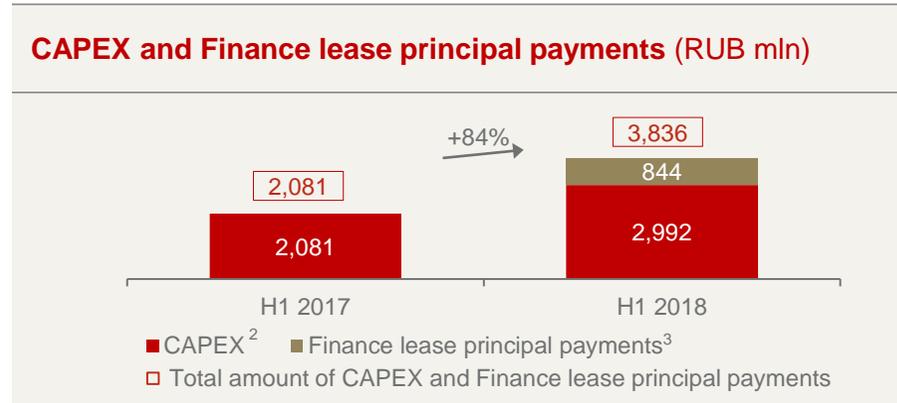
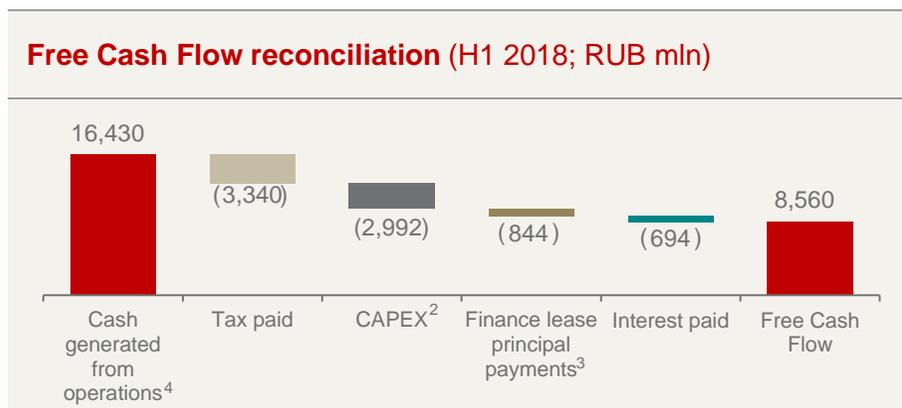
- Intentional reduction in Leased-in Fleet (mostly gondolas) over the last 12 months

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) The proportion of Total Operating Cash Costs in H1 2018.

## Solid Free Cash Flow generation – up 6% y-o-y

- **CAPEX rose in response to strong demand for services**
  - 1,802 units acquired in H1 2018, mostly gondola cars<sup>1</sup>
  - CAPEX (on a cash basis) was RUB 2,992 mln<sup>2</sup> and the initial Finance lease principal payments were RUB 844 mln<sup>3</sup>
  - Reduced maintenance CAPEX due to lower number of capital repairs
- **Free Cash Flow increased 6% y-o-y**
  - Cash generated from operations<sup>4</sup> rose 27% y-o-y and was partially offset by a 77% y-o-y increase in Tax paid due to rise in taxable profits
  - CAPEX<sup>2</sup> increased 44% y-o-y and the initial Finance lease principal payments<sup>3</sup> were booked in the reporting period
  - Interest paid declined 27% y-o-y



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

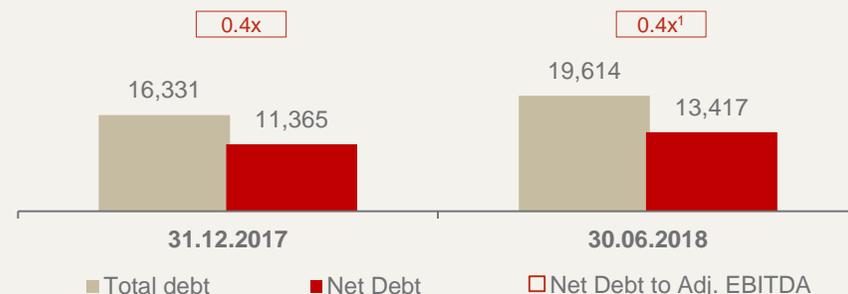
- 1) In H1 2018, the Group acquired 1,802 units (including 1,202 gondola cars, 300 petrochemical tank containers and 300 flat cars).
- 2) On a cash basis; calculated as the sum of "Purchases of property, plant and equipment" (which includes maintenance CAPEX), "Purchases of intangible assets" and "Acquisition of subsidiary undertakings – net of cash acquired".
- 3) As a part of the capital expenditures were financed with a finance lease, the initial Finance lease principal payments of RUB 844 million were booked in H1 2018. The additional related Finance lease liabilities of RUB 1,929 mln will be amortised over the next five years.
- 4) After "Changes in working capital".

# Robust financial profile with Net Debt to LTM Adjusted EBITDA at 0.4x

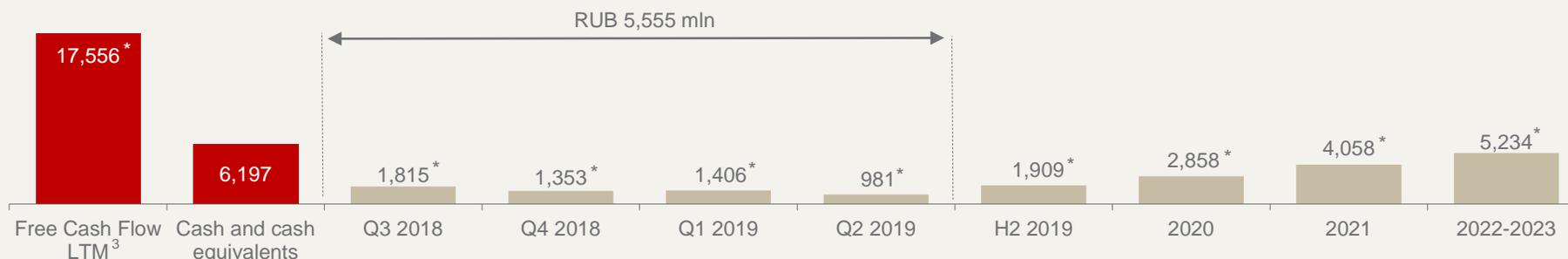
**• Robust financial profile maintained**

- Net Debt at RUB 13,417 mln (up 18% vs. the end of 2017) primarily reflecting increased CAPEX and dividend payments
- Net Debt to LTM Adjusted EBITDA ratio remained low at 0.4x<sup>1</sup>
- 100% of debt denominated in RUB reflecting the functional currency of the Company
- Further reduction in the weighted average effective interest rate to 7.9% (9.4% at the end of 2017)

**Total debt and Net Debt (RUB mln)  
Net Debt to Adjusted EBITDA (x)**



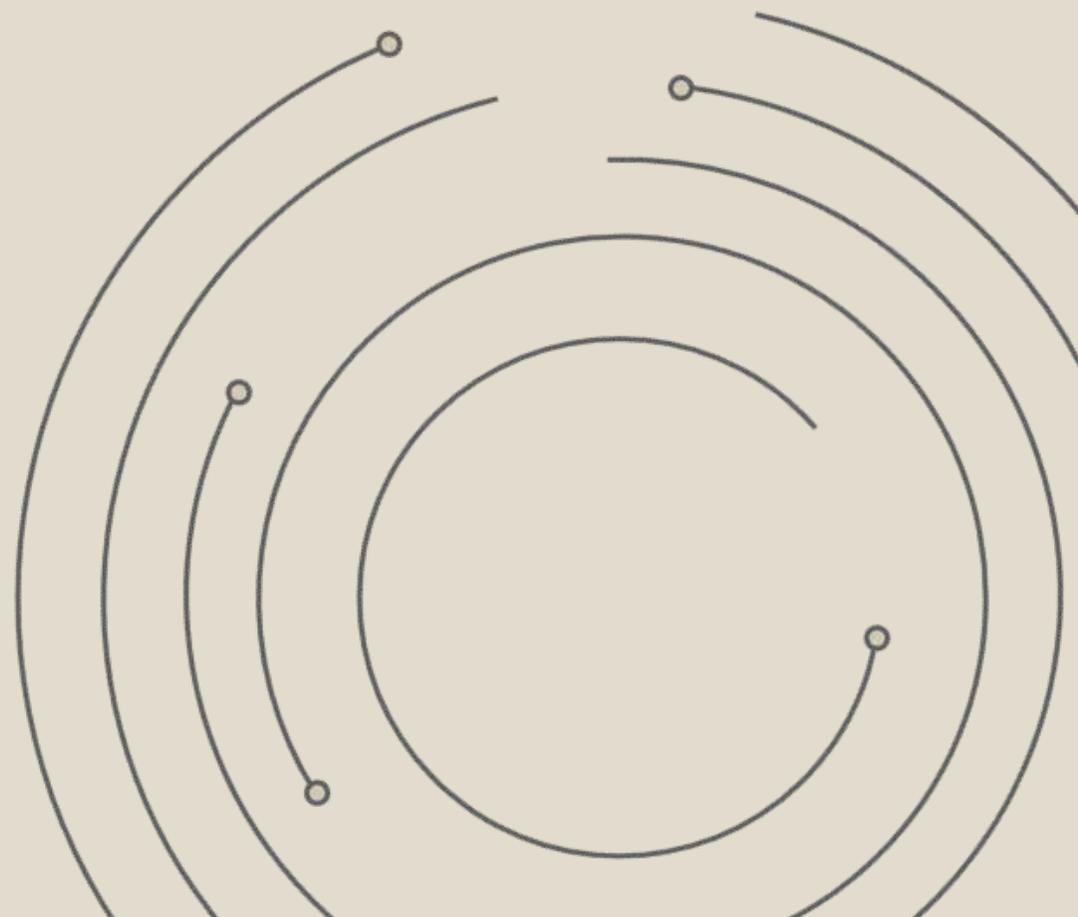
**Balanced and comfortable maturity profile  
(as of 30 June 2018, RUB mln)<sup>2</sup>**



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Net Debt to Adjusted EBITDA for the 12 months ended 30 June 2018.  
 2) Including accrued interest of RUB 171 mln\*.  
 3) Free Cash Flow for the 12 months ended 30 June 2018.

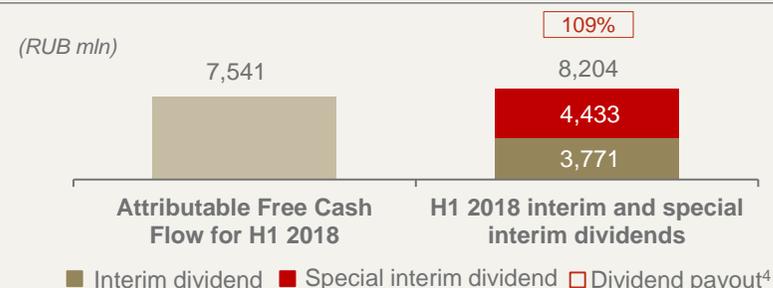
- Dividends



## Distribution of 109% of Attributable Free Cash Flow approved

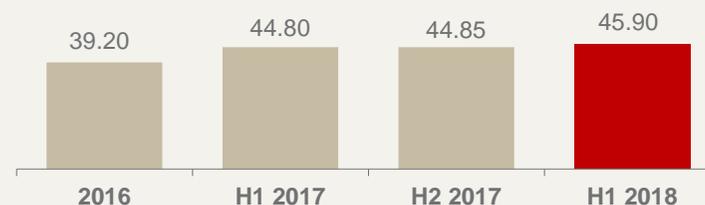
- Robust Attributable Free Cash Flow and low leverage triggers continued strong shareholder payments**
  - Attributable Free Cash Flow up 5% y-o-y to RUB 7,541 mln
  - Leverage Ratio at 0.4x at 30 June 2018<sup>1</sup>
- Interim and special interim dividends approved totaling RUB 8,204 mln or 109% of Attributable Free Cash Flow in H1 2018<sup>2</sup>**
  - Interim dividend of RUB 3,771 mln total or RUB 21.1 per share/GDR, equal to 50% of Attributable Free Cash Flow for H1 2018, in line with dividend policy<sup>3</sup>
  - Special interim dividend of RUB 4,433 mln total or RUB 24.8 per share/GDR in order to maintain efficient capital structure
  - GDR ex-dividend date – 3 September 2018
- Prudent capital allocation to continue**
  - Provided the outlook for the sector remains broadly unchanged, Globaltrans expects the total dividend in respect of 2018 (including final, interim and special dividends) to be around RUB 16 bln, similar to that paid in respect of 2017

### Interim and special interim dividends approved totaling RUB 8,204 mln



### Continuously increasing dividend payments from 2016

Dividends in respect of related period (RUB per share)



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

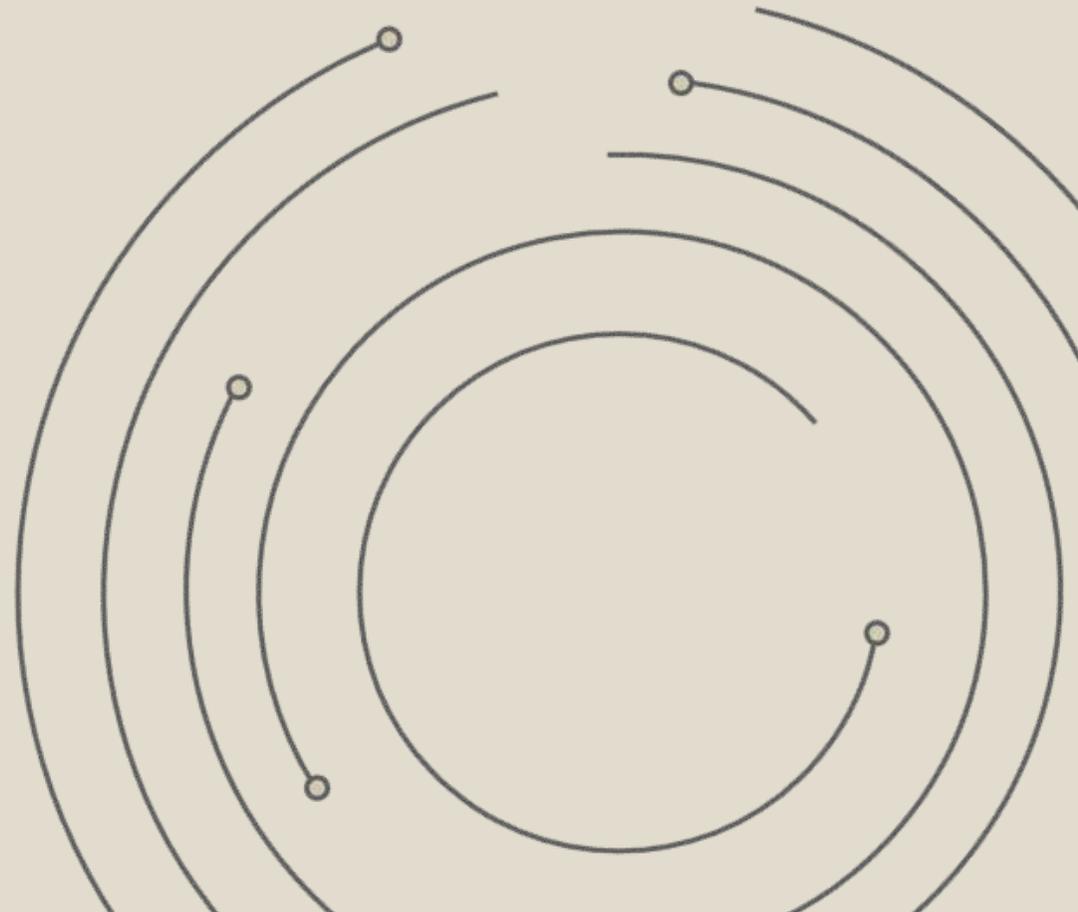
1) Net Debt to Adjusted EBITDA for 12 months ended 30 June 2018.

2) The shareholder dividend record date is set as 4 September 2018. The GDRs will be marked as ex-dividend on 3 September 2018. Dividend will be paid in US dollars in the total amount of approximately 66.98 US cents per one ordinary share/GDR not later than 7 September 2018 with conversion executed at the Central Bank of Russia's official exchange rate for the Russian rouble as of 24 August 2018 (1 USD: 68.5259 RUB). Holders of GDRs will receive the dividend approximately three business days after the payment date.

3) As per the Group's dividend policy adopted on 31 March 2017 and amended on 24 August 2018 (available at [www.globaltrans.com](http://www.globaltrans.com)).

4) Calculated as the amount of dividend divided by Attributable Free Cash Flow in the respective period.

- Key takeaways



## Industry outlook and management objectives for H2 2018

### Favourable market with ongoing cost pressures

- Pricing in gondola segment remains favourable subject to economic conditions
- The relatively weak conditions in the oil products and oil segment are likely to continue
- Group expects general cost pressures in H2 2018, specifically for repair and maintenance and employee benefit expense

### Focus on operational efficiency and cost discipline

- Continued focus on maintaining industry-leading logistics and operational efficiency
- Further develop long-term client relationships
- Maintain strong cost discipline in face of ongoing inflationary pressures

### Selective, demand-based investments in line with strict return criteria

- Acquisition of c.2.1k units (mostly gondolas) targeted for H2 2018 bringing the total number for 2018 up to 3.9k units
- Moderate demand-based organic growth with focus on gondola segment going forward
- Investigation of both new attractive niche projects to supplement core businesses and accretive consolidation opportunities

### Continue to return any excess capital to shareholders

- Provided the current outlook for the sector remains broadly unchanged, Globaltrans expects the total annual dividend in respect of 2018 (including interim component) to be around RUB 16 bln, similar to that paid in respect of 2017

## Key takeaways

- **Robust market backdrop**
  - Overall Russia freight rail turnover up 5% y-o-y in January - July 2018 period
- **Globaltrans continues to develop successfully and gain momentum**
  - Adjusted EBITDA up 37% y-o-y with increased Adjusted EBITDA Margin of 55%
  - Free Cash Flow increased 6% y-o-y
  - Leverage held at low level with Net Debt to LTM Adjusted EBITDA at 0.4x<sup>1</sup>
- **Operational excellence maintained; long-term contract portfolio extended**
  - Empty Run Ratio for gondola cars held steady at lowest level in five years at 37%
  - Two new long-term contracts added: five-year agreements signed with TMK and ChelPipe Group
- **Targeted CAPEX maintained**
  - Acquisition of up to 3.9k units (c.6% of Owned fleet<sup>2</sup>) planned for 2018 in response to strong demand
  - Moderate demand-based organic growth with focus on gondola segment going forward
- **Attractive shareholder returns**
  - Distribution of 109% of Attributable Free Cash Flow approved in respect of H1 2018<sup>3</sup>
  - Intention to return any excess capital to shareholders

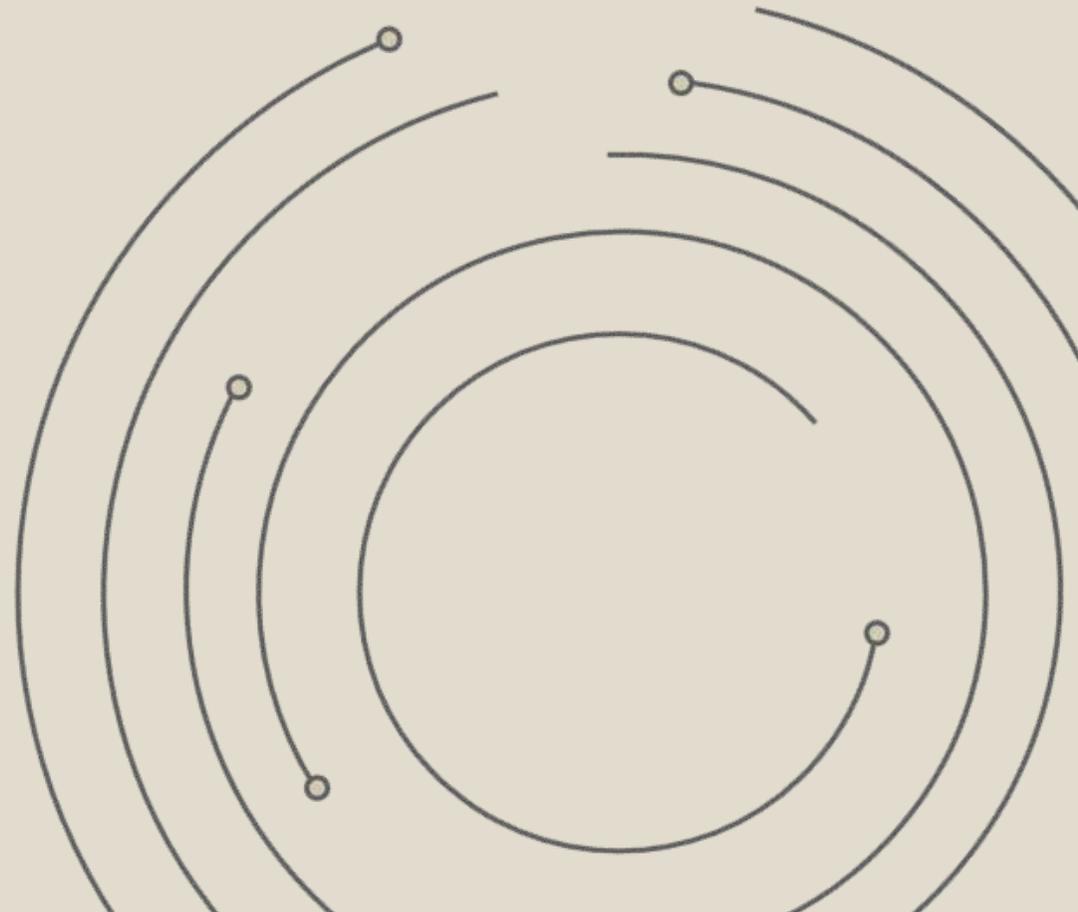
Source: Globaltrans; Rosstat; RZD. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Net Debt to Adjusted EBITDA for the 12 months ended 30 June 2018.

2) Compared to the Group's Owned Fleet as of the end of 2017.

3) Combined amount of interim and special interim dividends.

- Q&A Session



## Globaltrans: At a glance<sup>1</sup>

### A leading player servicing businesses across the world's largest country

- Focused exclusively on freight rail transportation in Russia and CIS
- Operates in key industrial segments including metals (52%), coal (22%), oil products and oil (14%) and construction materials (5%)<sup>2</sup>

### A large modern fleet and an effective operational platform

- Total Fleet of c.66k units with 95% in ownership, average age 11 years
- The core of the fleet consists of universal gondola cars (65%) and rail tank cars (30%)
- Rail tank car business enhanced by unique locomotive capabilities
- High operational efficiency and low Empty Runs

### Established blue-chip client base

- Trusted long-term partner to leading industrial groups in Russia and CIS
- 55% of Net Revenue from Operation of Rolling Stock covered by long-term service contracts<sup>3</sup>

### A publicly listed company committed to international governance standards

- Listed on the London Stock Exchange since 2008 with free-float >50%
- Experienced and well-balanced Board with 4 independent directors
- Prudent capital allocation and conservative financial policies
- Clear and transparent dividend policy linked to Attributable Free Cash Flow and Leverage

Source: Globaltrans; Rosstat. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) All information on this page is at 30 June 2018 or for H1 2018 unless otherwise stated.

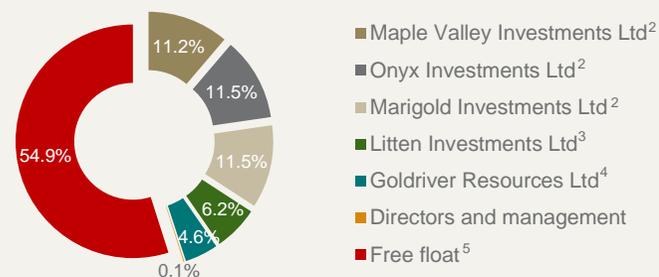
2) The share of respective segment in the Group's Freight Rail Turnover (excl. Engaged Fleet) in H1 2018. Metallurgical cargoes including ferrous metals, scrap metal and ores; coal including coke; construction materials including cement.

3) In H1 2018; Including long-term service contracts with Rosneft, Metalloinvest, MMK, TMK and ChelPipe Group.

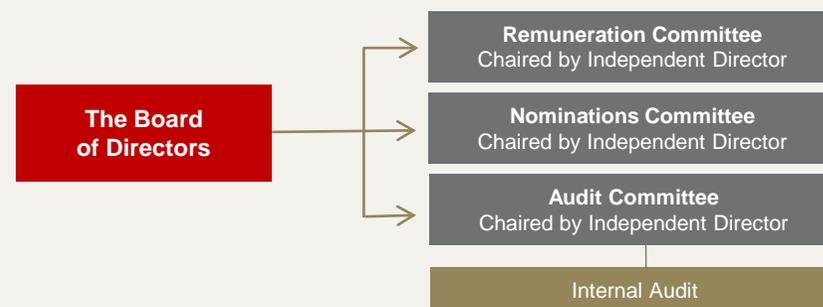
# Globaltrans: Publicly listed company committed to international governance standards

- **The first and only internationally listed freight rail transportation group with operations in Russia**
  - Listed on London Stock Exchange (“LSE”) since 2008 with free float in excess of 50%
  - Track record of several successful secondary offerings to finance business expansion
  - Transparency on par with best international peers and LSE requirements
  - Audited IFRS financial statements with all required disclosures since 2004
- **Experienced and well-balanced Board**
  - 15 members combining a wide range of experiences in transportation, finance, law, risk management and international trade
  - 4 independent directors
  - 3 committees chaired by independent directors
- **Consistent strategy, prudent capital allocation and conservative financial policies**
  - Clear strategy to drive shareholder value
  - Opportunistic return-oriented investment approach
  - Transparent dividend policy linked to Attributable Free Cash Flow and Leverage

## Shareholder structure<sup>1</sup>



## The Board and its Committees



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Based upon notifications and other information received by the Company with respect to beneficial ownership as of 30 June 2018.

2) Konstantin Nikolaev, Nikita Mishin and Andrey Filatov are co-founders of Globaltrans and are beneficiaries with regard to 11.2%, 11.5% and 11.5% respectively of Globaltrans’ ordinary share capital each through their respective SPVs (Maple Valley Investments Ltd, Onyx Investments Ltd and Marigold Investments Ltd).

3) Beneficially owned by Alexander Eliseev, Executive Director and co-founder of Globaltrans.

4) Beneficially owned by Sergey Maltsev, Chairman of the Board of Directors, Chief Strategy Officer and co-founder of Globaltrans.

5) For these purposes, the free float consists of the ordinary shares and GDRs held by investors not affiliated or associated with Globaltrans.

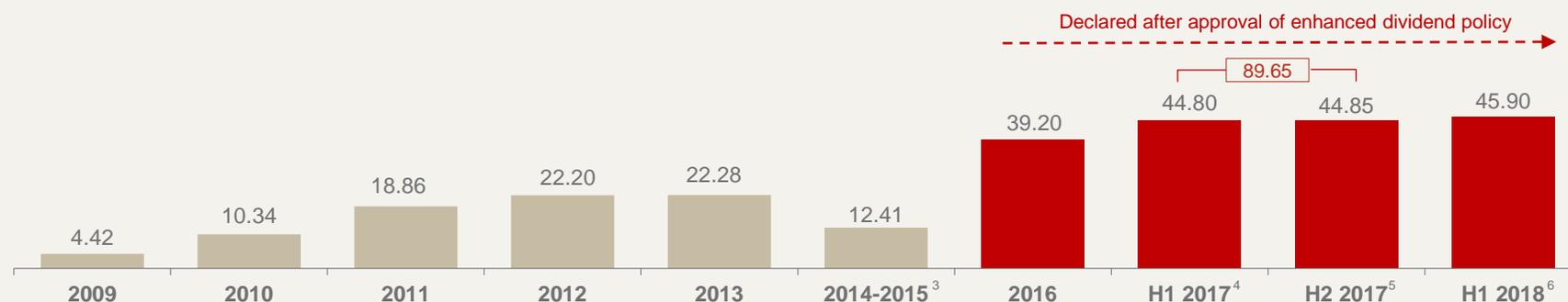
## Enhanced dividend policy approved in March 2017

- **Enhanced dividend policy strikes a balance between investing in business expansion and delivering returns to shareholders**
  - Focusing on maximising shareholder value, policy boosts payouts during low investment cycle and limits them in periods when sizable acquisitions meeting Globaltrans' strict return criteria are identified
  - Clear formula<sup>1</sup> linking dividends to Attributable Free Cash Flow and Leverage Ratio provides flexibility and transparency in capital allocation

Leverage Ratio	Dividends, % of Attributable Free Cash Flow
Less than 1.0x	Not less than 50%
From 1.0x to 2.0x	Not less than 30%
2.0x or higher	0% or more

### Dividend history

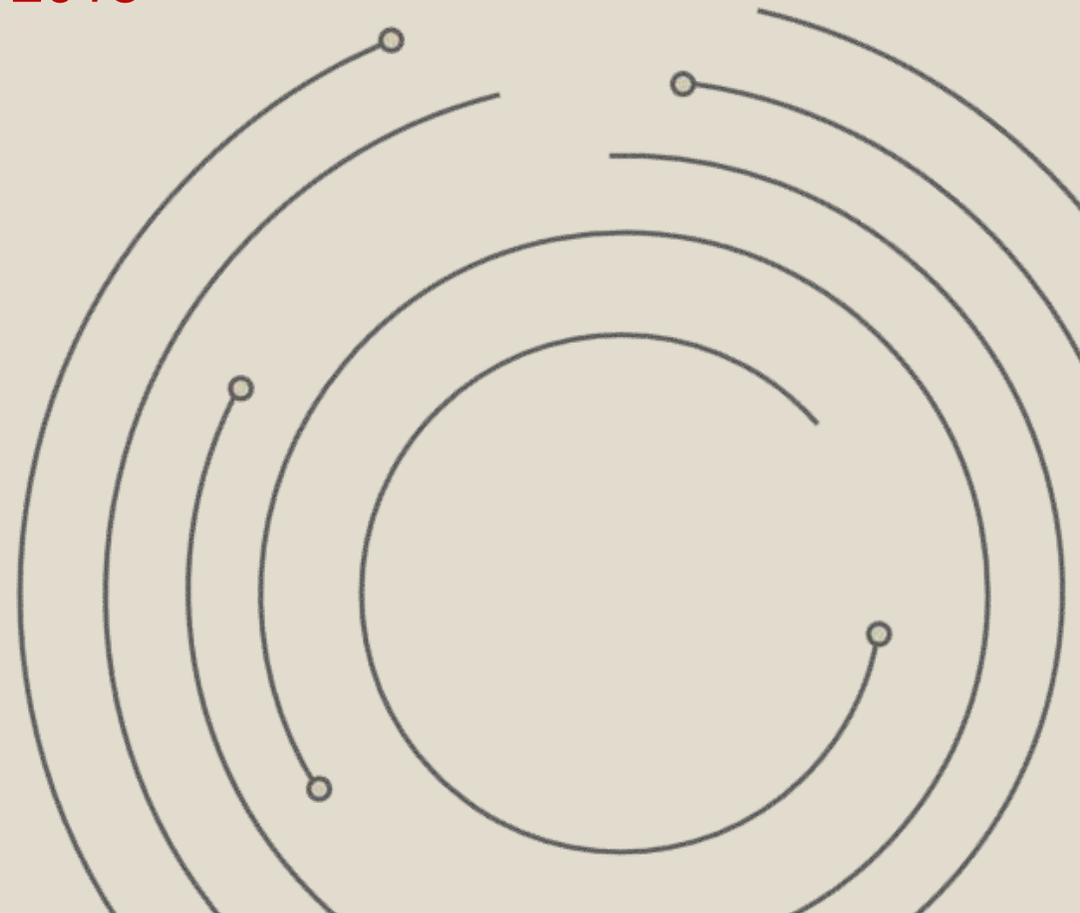
(RUB per share/GDR<sup>2</sup>, in respect of related financial year/period)



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

- 1) The Board of Directors of Globaltrans reserves the right to recommend to the general meeting the dividend in the amount calculated on a reasonable basis other than described in this presentation in its sole discretion. For more details please see the Dividend policy as adopted by the Board on 31 March 2017 and amended on 24 August 2018 which is available at [www.globaltrans.com](http://www.globaltrans.com).
- 2) Prior to 2016 dividends on Globaltrans shares/GDRs were declared and paid in US Dollars, thus the amounts in Russian Roubles are presented for informational purposes only and calculated at the Central Bank of Russia's official exchange rate for the Russian rouble as of the date of Annual General Meeting that approved the respective dividend. From 2016 dividends on Globaltrans shares/GDRs are declared in Russian Roubles and paid in US Dollars.
- 3) The dividend declared in 2016 related to both the 2014 and 2015 financial years.
- 4) Including interim and special interim dividends.
- 5) Including final and special final dividends.
- 6) Including interim and special interim dividends.

- Extracts from the condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2018



## Consolidated interim income statement for the six months ended 30 June 2018

	<b>H1 2018</b>	<b>H1 2017</b>
	<b>RUB'000</b>	<b>RUB'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Revenue	43,433,427	38,207,574
Cost of sales	(27,747,255)	(27,398,970)
<b>Gross profit</b>	<b>15,686,172</b>	<b>10,808,604</b>
Selling and marketing costs	(110,368)	(86,122)
Administrative expenses	(2,044,488)	(1,798,359)
Reversal of impairment of intangible assets	-	630,223
Other gains – net	23,888	17,127
<b>Operating profit</b>	<b>13,555,204</b>	<b>9,571,473</b>
Finance income	200,338	233,350
Finance costs	(782,684)	(953,561)
Net foreign exchange transaction losses on financing activities	(25,128)	(141,995)
<b>Finance costs – net</b>	<b>(607,474)</b>	<b>(862,206)</b>
<b>Profit before income tax</b>	<b>12,947,730</b>	<b>8,709,267</b>
Income tax expense	(3,117,033)	(2,015,484)
<b>Profit for the period</b>	<b>9,830,697</b>	<b>6,693,783</b>
<b>Profit attributable to:</b>		
Owners of the Company	8,811,897	5,848,446
Non-controlling interests	1,018,800	845,337
	<b>9,830,697</b>	<b>6,693,783</b>
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in RUB per share)</b>	<b>49.30</b>	<b>32.72</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

The Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2018 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

## Consolidated interim balance sheet at 30 June 2018

	30 Jun 2018 RUB'000 Unaudited	31 Dec 2017 RUB'000 Audited
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	68,182,214	64,770,907
Intangible assets	1,105,448	1,453,801
Other assets	858,947	436,855
Trade receivables	221,519	183,516
Loans and other receivables	14,776	16,857
<b>Total non-current assets</b>	<b>70,382,904</b>	<b>66,861,936</b>
<i>Current assets</i>		
Inventories	742,399	776,341
Other assets	2,303,401	2,569,514
Loans and other receivables	47,150	49,367
Trade receivables	2,082,637	2,179,954
Current income tax assets	58,554	18,273
Cash and cash equivalents	6,196,861	4,966,171
<b>Total current assets</b>	<b>11,431,002</b>	<b>10,559,620</b>
<b>TOTAL ASSETS</b>	<b>81,813,906</b>	<b>77,421,556</b>

	30 Jun 2018 RUB'000 Unaudited	31 Dec 2017 RUB'000 Audited
<b>EQUITY AND LIABILITIES</b>		
<i>Equity attributable to the owners of the Company</i>		
Share capital	516,957	516,957
Share premium	27,929,478	27,929,478
Common control transaction reserve	(10,429,876)	(10,429,876)
Translation reserve	3,586,187	3,035,126
Capital contribution	2,694,851	2,694,851
Retained earnings	21,941,562	21,146,195
<b>Total equity attributable to the owners of the Company</b>	<b>46,239,159</b>	<b>44,892,731</b>
<b>Non-controlling interests</b>	<b>6,067,305</b>	<b>5,724,899</b>
<b>TOTAL EQUITY</b>	<b>52,306,464</b>	<b>50,617,630</b>
<i>Non-current liabilities</i>		
Borrowings	14,058,775	9,050,768
Trade and other payables	55,221	-
Deferred tax liabilities	5,858,567	5,908,319
<b>Total non-current liabilities</b>	<b>19,972,563</b>	<b>14,959,087</b>
<i>Current liabilities</i>		
Borrowings	5,554,905	7,280,588
Trade and other payables	1,733,305	4,413,656
Contract liabilities	2,241,700	-
Current tax liabilities	4,969	150,595
<b>Total current liabilities</b>	<b>9,534,879</b>	<b>11,844,839</b>
<b>TOTAL LIABILITIES</b>	<b>29,507,442</b>	<b>26,803,926</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>81,813,906</b>	<b>77,421,556</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

The Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2018 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

## Consolidated interim cash flow statement for the six months ended 30 June 2018

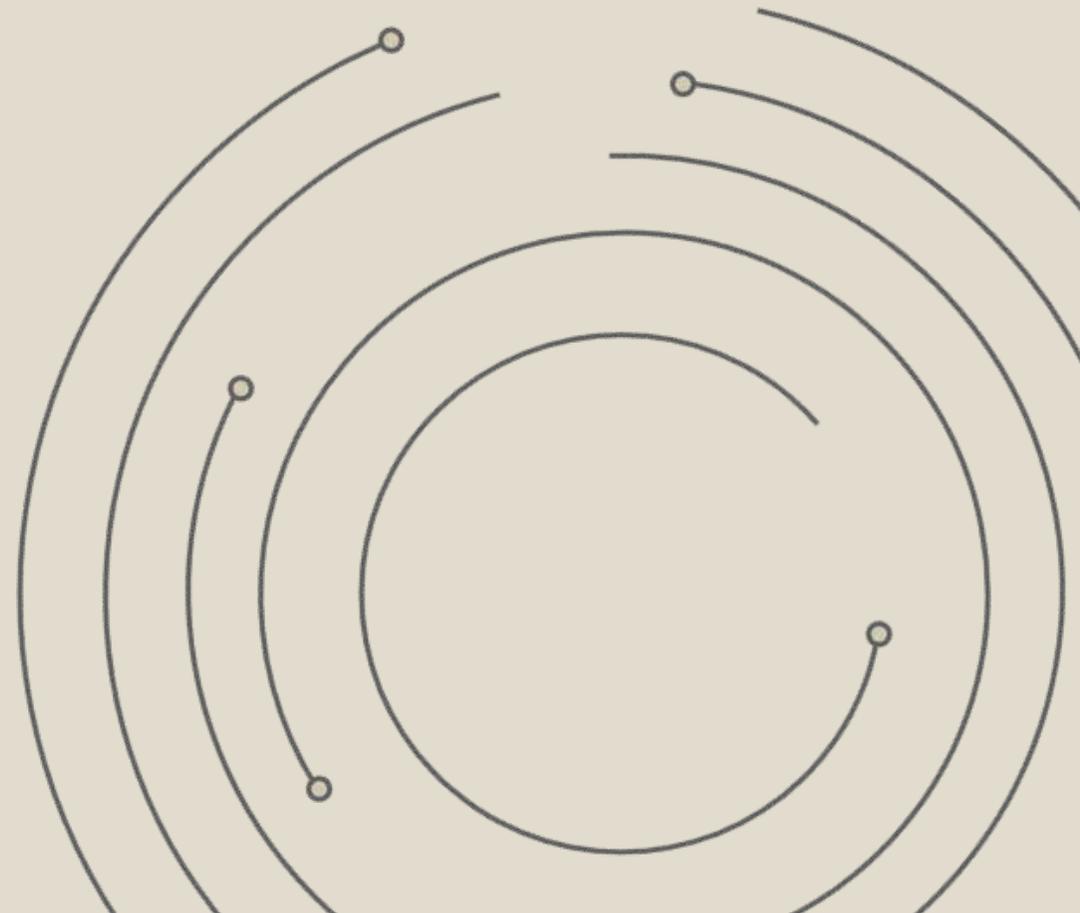
	<b>H1 2018</b>	<b>H1 2017</b>
	<b>RUB'000</b>	<b>RUB'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flows from operating activities</b>		
Profit before tax	12,947,730	8,709,267
Adjustments for:		
Depreciation of property, plant and equipment	2,437,947	2,467,250
Amortisation of intangible assets	348,353	369,633
Net loss on sale of property, plant and equipment	4,070	24,980
Loss on derecognition arising on capital repairs	194,692	286,852
Reversal of impairment charge on intangible assets	-	(630,223)
Interest income	(200,338)	(233,350)
Interest expense and other finance costs	782,684	953,561
Foreign exchange losses on financing activities	25,128	141,995
Other gains	(183)	-
	<b>16,540,083</b>	<b>12,089,965</b>
Changes in working capital:		
Inventories	187,490	19,514
Trade receivables	83,492	291,175
Other assets	292,654	964,389
Other receivables	(31,990)	(70,463)
Trade and other payables	(639,810)	(321,377)
Contract liabilities	(1,467)	-
<b>Cash generated from operations</b>	<b>16,430,452</b>	<b>12,973,203</b>
Tax paid	(3,340,295)	(1,888,846)
<b>Net cash from operating activities</b>	<b>13,090,157</b>	<b>11,084,357</b>

	<b>H1 2018</b>	<b>H1 2017</b>
	<b>RUB'000</b>	<b>RUB'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(2,992,119)	(2,081,390)
Proceeds from disposal of property, plant and equipment	38,302	243,320
Loan repayments received from third parties	2,926	5,888
Interest received	199,827	232,337
Receipts from finance lease receivable	15,153	9,587
<b>Net cash used in investing activities</b>	<b>(2,735,911)</b>	<b>(1,590,258)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	5,010,500	9,750,000
Proceeds from issue of non-convertible unsecured bonds	5,000,000	-
Repayments of borrowings	(8,734,912)	(5,554,614)
Finance lease principal payments	(844,280)	-
Interest paid	(694,120)	(951,280)
Dividends paid to non-controlling interests in subsidiaries	(920,578)	(1,600,000)
Dividends paid to owners of the Company	(8,016,530)	(7,006,644)
<b>Net cash used in financing activities</b>	<b>(9,199,920)</b>	<b>(5,362,538)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,154,326</b>	<b>4,131,561</b>
Effect of exchange rate changes on cash and cash equivalents	76,364	(132,391)
Cash and cash equivalents at beginning of period	4,966,171	4,773,414
<b>Cash and cash equivalents at end of period</b>	<b>6,196,861</b>	<b>8,772,584</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

The Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2018 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

- Selected operational information for the six months ended 30 June 2018



## Fleet (including rolling stock and tank containers)

	30/06/2018	30/06/2017	Change	Change, %	31/12/2017		30/06/2018	30/06/2017	Change	Change, %	31/12/2017
<b>Owned Fleet</b>						<b>Total Fleet by type, %</b>					
Gondola cars	42,466	40,880	1,586	4%	41,282	Gondola cars	65%	66%	-	-	65%
Rail tank cars	18,031	18,300	-269	-1%	18,133	Rail tank cars	30%	31%	-	-	30%
Locomotives	69	69	0	0%	69	Locomotives	0%	0%	-	-	0%
Other railcars (incl. flat, hopper cars, etc)	724	490	234	48%	510	Other railcars (incl. flat, hopper cars, etc)	2%	2%	-	-	2%
Petrochemical tank containers	1,556	900	656	73%	1,256	Petrochemical tank containers	3%	2%	-	-	2%
<b>Total</b>	<b>62,846</b>	<b>60,639</b>	<b>2,207</b>	<b>4%</b>	<b>61,250</b>	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<i>Owned Fleet as % of Total Fleet</i>	<i>95%</i>	<i>91%</i>	<i>-</i>	<i>-</i>	<i>92%</i>	<b>Average age of Owned Fleet</b>					
<b>Leased-in Fleet</b>						Gondola cars	10.1	9.4	-	-	9.9
Gondola cars	104	2,823	-2,719	-96%	2,321	Rail tank cars	14.0	13.8	-	-	14.3
Rail tank cars	1,878	2,033	-155	-8%	1,989	Locomotives	14.2	13.2	-	-	13.7
Locomotives	0	0	0	-	0	Other railcars	14.3	28.5	-	-	24.1
Other railcars	715	694	21	3%	752	Petrochemical tank containers	1.4	1.0	-	-	1.2
Petrochemical tank containers	380	380	0	0%	380	<b>Total</b>	<b>11.0</b>	<b>10.8</b>	<b>-</b>	<b>-</b>	<b>11.1</b>
<b>Total</b>	<b>3,077</b>	<b>5,930</b>	<b>-2,853</b>	<b>-48%</b>	<b>5,442</b>	<b>Total Fleet (Owned Fleet and Leased-in Fleet)</b>					
<i>Leased-in Fleet as % of Total Fleet</i>	<i>5%</i>	<i>9%</i>	<i>-</i>	<i>-</i>	<i>8%</i>	Gondola cars	42,570	43,703	-1,133	-3%	43,603
<b>Total Fleet (Owned Fleet and Leased-in Fleet)</b>						Rail tank cars	19,909	20,333	-424	-2%	20,122
Gondola cars	42,570	43,703	-1,133	-3%	43,603	Locomotives	69	69	0	0%	69
Rail tank cars	19,909	20,333	-424	-2%	20,122	Other railcars (incl. flat, hopper cars, etc)	1,439	1,184	255	22%	1,262
Locomotives	69	69	0	0%	69	Petrochemical tank containers	1,936	1,280	656	51%	1,636
Other railcars (incl. flat, hopper cars, etc)	1,439	1,184	255	22%	1,262	<b>Total</b>	<b>65,923</b>	<b>66,569</b>	<b>-646</b>	<b>-1%</b>	<b>66,692</b>
Petrochemical tank containers	1,936	1,280	656	51%	1,636						
<b>Total</b>	<b>65,923</b>	<b>66,569</b>	<b>-646</b>	<b>-1%</b>	<b>66,692</b>						

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation. Selected operational information for the six months ended 30 June 2018 and prior periods are available in xls format at the corporate website ([www.globaltrans.com](http://www.globaltrans.com))

## Operation of rolling stock (excluding Engaged Fleet)<sup>1</sup>

	H1 2018	H1 2017	Change	Change, %	2017
<b>Freight Rail Turnover, billion tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>38.3</b>	<b>43.6</b>	<b>-5.4</b>	<b>-12%</b>	<b>87.8</b>
Ferrous metals	16.8	16.7	0.1	1%	33.4
Scrap metal	1.3	1.7	-0.4	-25%	4.1
Iron ore	20.1	25.2	-5.1	-20%	50.2
<b>Oil products and oil</b>	<b>10.4</b>	<b>11.2</b>	<b>-0.8</b>	<b>-7%</b>	<b>20.5</b>
<b>Coal (incl. coke)</b>	<b>16.7</b>	<b>14.8</b>	<b>1.8</b>	<b>12%</b>	<b>34.3</b>
<b>Construction materials</b>	<b>3.4</b>	<b>4.6</b>	<b>-1.1</b>	<b>-25%</b>	<b>8.0</b>
Crushed stone	2.8	3.8	-1.0	-26%	6.6
Cement	0.1	0.2	0.0	-18%	0.3
Other construction materials	0.5	0.6	-0.1	-18%	1.1
<b>Other</b>	<b>5.5</b>	<b>4.8</b>	<b>0.6</b>	<b>13%</b>	<b>9.4</b>
<b>Total</b>	<b>74.2</b>	<b>79.0</b>	<b>-4.8</b>	<b>-6%</b>	<b>160.1</b>
<b>Freight Rail Turnover by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	52%	55%	-	-	55%
Oil products and oil	14%	14%	-	-	13%
Coal (incl. coke)	22%	19%	-	-	21%
Construction materials (incl. cement)	5%	6%	-	-	5%
Other	7%	6%	-	-	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Transportation Volume, million tones</b>					
<b>Metallurgical cargoes</b>	<b>21.3</b>	<b>22.6</b>	<b>-1.3</b>	<b>-6%</b>	<b>45.5</b>
Ferrous metals	8.0	7.9	0.1	1%	16.1
Scrap metal	1.2	1.6	-0.5	-28%	3.5
Iron ore	12.2	13.2	-1.0	-7%	25.9
<b>Oil products and oil</b>	<b>10.1</b>	<b>10.6</b>	<b>-0.5</b>	<b>-5%</b>	<b>20.2</b>
<b>Coal (incl. coke)</b>	<b>5.2</b>	<b>4.8</b>	<b>0.5</b>	<b>10%</b>	<b>10.4</b>
<b>Construction materials</b>	<b>3.9</b>	<b>5.2</b>	<b>-1.3</b>	<b>-24%</b>	<b>9.1</b>
Crushed stone	3.5	4.7	-1.2	-26%	8.2
Cement	0.1	0.1	0.0	27%	0.2
Other construction materials	0.3	0.4	-0.1	-22%	0.7
<b>Other</b>	<b>3.6</b>	<b>3.5</b>	<b>0.1</b>	<b>3%</b>	<b>6.6</b>
<b>Total</b>	<b>44.2</b>	<b>46.7</b>	<b>-2.6</b>	<b>-5%</b>	<b>91.9</b>

	H1 2018	H1 2017	Change	Change, %	2017
<b>Average Rolling Stock Operated, units</b>					
Gondola cars	40,624	42,084	-1,460	-3%	42,052
Rail tank cars	11,372	11,325	48	0%	10,961
Locomotives	47	50	-2	-5%	48
Other railcars	447	539	-92	-17%	523
<b>Total</b>	<b>52,490</b>	<b>53,997</b>	<b>-1,507</b>	<b>-3%</b>	<b>53,584</b>
<b>Average Number of Loaded Trips per Railcar</b>					
Gondola cars	12.3	12.6	-0.2	-2%	25.1
Rail tank cars	14.6	15.7	-1.1	-7%	30.9
Other railcars	34.6	33.8	0.8	2%	69.0
<b>Total</b>	<b>13.0</b>	<b>13.5</b>	<b>-0.4</b>	<b>-3%</b>	<b>26.7</b>
<b>Average Distance of Loaded Trip, km</b>					
Gondola cars	1,915	1,921	-6	0%	1,985
Rail tank cars	1,022	1,032	-10	-1%	997
Other railcars	816	847	-31	-4%	808
<b>Total</b>	<b>1,672</b>	<b>1,675</b>	<b>-3</b>	<b>0%</b>	<b>1,720</b>
<b>Average Price per Trip, RUB</b>	<b>41,567</b>	<b>33,335</b>	<b>8,232</b>	<b>25%</b>	<b>34,790</b>
<b>Net Revenue from Operation of Rolling Stock by cargo type, Rub million</b>					
<b>Metallurgical cargoes</b>	<b>10,720*</b>	<b>8,723*</b>	<b>1,997</b>	<b>23%</b>	<b>18,753*</b>
Ferrous metals	5,523*	4,013*	1,510	38%	8,789*
Scrap metal	657*	590*	67	11%	1,503*
Iron ore	4,540*	4,120*	420	10%	8,460*
<b>Oil products and oil</b>	<b>9,544*</b>	<b>9,337*</b>	<b>208</b>	<b>2%</b>	<b>17,124*</b>
<b>Coal (incl. coke)</b>	<b>4,510*</b>	<b>2,905*</b>	<b>1,605</b>	<b>55%</b>	<b>7,551*</b>
<b>Construction materials (incl. cement)</b>	<b>1,612*</b>	<b>1,693*</b>	<b>-81</b>	<b>-5%</b>	<b>3,176*</b>
<b>Other</b>	<b>2,033*</b>	<b>1,556*</b>	<b>477</b>	<b>31%</b>	<b>3,105*</b>
<b>Total</b>	<b>28,420*</b>	<b>24,214*</b>	<b>4,206</b>	<b>17%</b>	<b>49,709*</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

Selected operational information for the six months ended 30 June 2018 and prior periods are available in xls format at the corporate website ([www.globaltrans.com](http://www.globaltrans.com))

1) Excluding operational and financial information of petrochemical tank container business segment. The revenue from this segment is included in "Other" revenue in EU IFRS statements.

## Operation of rolling stock (excluding Engaged Fleet)<sup>1</sup>

	H1 2018	H1 2017	Change	Change, %	2017
<b>Net Revenue from Operation of Rolling Stock by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	38%	36%	-	-	38%
Oil products and oil	34%	39%	-	-	34%
Coal (incl. coke)	16%	12%	-	-	15%
Construction materials (incl. cement)	6%	7%	-	-	6%
Other	7%	6%	-	-	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	-	-	<b>100%</b>
<b>Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers), %</b>					
Rosneft	23%	30%	-	-	25%
Metalloinvest	15%	15%	-	-	15%
MMK	13%	14%	-	-	15%
Gazpromneft	6%	7%	-	-	7%
Evraz	5%	4%	-	-	5%
TMK	2%	2%	-	-	2%
UGMK-Trans	2%	2%	-	-	2%
Severstal	2%	1%	-	-	1%
SDS-Ugol	3%	1%	-	-	2%
ChelPipe	1%	1%	-	-	1%
Other (incl. small and medium enterprises)	28%	23%	-	-	26%

	H1 2018	H1 2017	Change	Change, %	2017
<b>Empty Run Ratio, %</b>					
Gondola cars	37%	38%	-	-	37%
Rail tank cars and other railcars	89%	96%	-	-	95%
<b>Total Empty Run Ratio, %</b>	<b>45%</b>	<b>47%</b>	-	-	<b>45%</b>
<b>Empty Run Costs, Rub million</b>	<b>6,416*</b>	<b>6,211*</b>	<b>205</b>	<b>3%</b>	<b>12,154*</b>
<b>Share of Empty Run Kilometres Paid by Globaltrans, %</b>	<b>91%</b>	<b>85%</b>	-	-	<b>86%</b>

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1) Excluding operational and financial information of petrochemical tank container business segment. The revenue from this segment is included in "Other" revenue in EU IFRS statements.

## Other operational metrics<sup>1</sup>

### Operation of rolling stock (incl. Engaged Fleet)

	H1 2018	H1 2017	Change	Change, %	2017
<b>Freight Rail Turnover, billion tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>45.4</b>	<b>51.1</b>	<b>-5.7</b>	<b>-11%</b>	<b>103.6</b>
Ferrous metals	18.5	18.5	-0.1	0%	36.8
Scrap metal	1.3	1.7	-0.4	-25%	4.1
Iron ore	25.6	30.8	-5.2	-17%	62.7
<b>Oil products and oil</b>	<b>10.9</b>	<b>11.3</b>	<b>-0.4</b>	<b>-4%</b>	<b>20.7</b>
<b>Coal (incl. coke)</b>	<b>17.4</b>	<b>15.9</b>	<b>1.5</b>	<b>9%</b>	<b>36.4</b>
<b>Construction materials</b>	<b>3.4</b>	<b>4.6</b>	<b>-1.1</b>	<b>-25%</b>	<b>8.0</b>
Crushed stone	2.8	3.8	-1.0	-26%	6.6
Cement	0.1	0.2	0.0	-16%	0.3
Other construction materials	0.5	0.6	-0.1	-18%	1.1
<b>Other</b>	<b>5.6</b>	<b>4.9</b>	<b>0.7</b>	<b>14%</b>	<b>9.5</b>
<b>Total</b>	<b>82.7</b>	<b>87.7</b>	<b>-5.1</b>	<b>-6%</b>	<b>178.2</b>

### Transportation Volume, million tones

	H1 2018	H1 2017	Change	Change, %	2017
<b>Metallurgical cargoes</b>	<b>24.9</b>	<b>26.3</b>	<b>-1.4</b>	<b>-5%</b>	<b>53.2</b>
Ferrous metals	8.8	8.9	-0.1	-1%	17.9
Scrap metal	1.2	1.6	-0.5	-28%	3.5
Iron ore	14.9	15.9	-0.9	-6%	31.8
<b>Oil products and oil</b>	<b>10.6</b>	<b>10.8</b>	<b>-0.2</b>	<b>-1%</b>	<b>20.5</b>
<b>Coal (incl. coke)</b>	<b>5.6</b>	<b>5.3</b>	<b>0.3</b>	<b>5%</b>	<b>11.4</b>
<b>Construction materials</b>	<b>3.9</b>	<b>5.2</b>	<b>-1.3</b>	<b>-24%</b>	<b>9.2</b>
Crushed stone	3.5	4.7	-1.2	-26%	8.3
Cement	0.1	0.1	0.0	28%	0.2
Other construction materials	0.3	0.4	-0.1	-22%	0.7
<b>Other</b>	<b>3.8</b>	<b>3.6</b>	<b>0.2</b>	<b>6%</b>	<b>6.8</b>
<b>Total</b>	<b>48.8</b>	<b>51.2</b>	<b>-2.4</b>	<b>-5%</b>	<b>101.1</b>

### Engaged Fleet

	H1 2018	H1 2017	Change	Change, %	2017
<b>Net Revenue from Engaged Fleet, Rub million</b>	<b>259*</b>	<b>96*</b>	<b>163</b>	<b>171%</b>	<b>173*</b>

### Operating leasing of rolling stock

	30/06/2018	30/06/2017	Change	Change, %	31/12/2017
<b>Leased-out Fleet</b>					
Gondola cars	512	517	-5	-1%	353
Rail tank cars	7,385	8,686	-1,301	-15%	8,631
Locomotives	0	2	-2	-100%	0
Other railcars (incl. flat, hopper cars, etc)	96	96	0	0%	96
<b>Total</b>	<b>7,993</b>	<b>9,301</b>	<b>-1,308</b>	<b>-14%</b>	<b>9,080</b>
<i>Leased-out Fleet as % of Total Fleet</i>	<i>12%</i>	<i>14%</i>	<i>-</i>	<i>-</i>	<i>14%</i>

### Employees

	30/06/2018	30/06/2017	Change	Change, %	31/12/2017
<b>Total</b>	<b>1,569</b>	<b>1,596</b>	<b>-27</b>	<b>-2%</b>	<b>1,594</b>

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1) Excluding operational and financial information of petrochemical tank container business segment. The revenue from this segment is included in "Other" revenue in EU IFRS statements.

## Definitions (in alphabetical order)

**Adjusted EBITDA** (a non-GAAP financial measure) represents EBITDA excluding “Net foreign exchange transaction (gains)/losses on financing activities”, “Share of profit/(loss) of associate”, “Other gains - net”, “Net (gain)/loss on sale of property, plant and equipment”, “Impairment of property, plant and equipment”, “Impairment of intangible assets”, “Loss on derecognition arising on capital repairs” and “Reversal of impairment of intangible assets”.

**Adjusted EBITDA Margin** (a non-GAAP financial measure) is calculated as Adjusted EBITDA divided by Adjusted Revenue.

**Adjusted Profit Attributable to Non-controlling Interests** (a non-GAAP financial measure) is calculated as “Profit attributable to non-controlling interests” less share of “Impairment of property, plant and equipment” and “Impairment of intangible assets” attributable to non-controlling interests.

**Adjusted Revenue** (a non-GAAP financial measure) is calculated as “Total revenue” less the following “pass through” items “Infrastructure and locomotive tariffs: loaded trips” and “Services provided by other transportation organisations”.

**Attributable Free Cash Flow** (a non-GAAP financial measure) means Free Cash Flow less Adjusted Profit Attributable to Non-controlling Interests.

**Average Distance of Loaded Trip** is calculated as the sum of the distances of all loaded trips for a period divided by the number of loaded trips for the same period.

**Average Number of Loaded Trips per Railcar** is calculated as total number of loaded trips in the relevant period divided by Average Rolling Stock Operated.

**Average Price per Trip** is calculated as Net Revenue from Operation of Rolling Stock divided by total number of loaded trips during the relevant period in the respective currency.

**Average Rolling Stock Operated** is calculated as the average weighted (by days) number of rolling stock available for operator services (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased out, Engaged Fleet, flat cars and tank containers used in petrochemical business).

**EBITDA** (a non-GAAP financial measure) represents “Profit for the period” before “Income tax expense”, “Finance costs - net” (excluding “Net foreign exchange transaction (gains)/losses on financing activities”), “Depreciation of property, plant and equipment” and “Amortisation of intangible assets”.

**Empty Run or Empty Runs** means movement of railcars without cargo for the whole or a substantial part of the journey.

**Empty Run Costs** (a non-GAAP financial measure meaning costs payable to RZD for forwarding empty railcars) is derived from management accounts and presented as part of the “Infrastructure and locomotive tariffs: empty run trips and other tariffs” component of “Cost of sales” reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased in or leased out, Engaged Fleet, flat cars and tank containers used in petrochemical business.

**Empty Run Ratio** is calculated as the total of empty trips in kilometres by respective rolling stock type divided by total loaded trips in kilometres of such rolling stock type. Empty trips are only applicable to rolling stock operated (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased out, Engaged Fleet, flat cars and tank containers used in petrochemical business).

**Engaged Fleet** is defined as rolling stock subcontracted or otherwise engaged from a third-party rail operator for a loaded trip from the point of origination to the cargo’s destination, at which point the railcar is then released to such third-party.

**Free Cash Flow** (a non-GAAP financial measure) is calculated as “Cash generated from operations” (after “Changes in working capital”) less “Tax paid”, “Purchases of property, plant and equipment” (which includes maintenance CAPEX), “Purchases of intangible assets”, “Acquisition of subsidiary undertakings - net of cash acquired”, “Finance lease principal payments” and “Interest paid”.

**Freight Rail Turnover** is a measure of freight carriage activity over a particular period calculated as the sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km. It excludes volumes transported by Engaged Fleet and performance of petrochemical tank container segment, unless otherwise stated.

## Definitions (in alphabetical order, continued)

**Infrastructure and Locomotive Tariffs - Other Tariffs** (a non-GAAP financial measure, derived from management accounts) is presented as part of the “Infrastructure and locomotive tariffs: empty run trips and other tariffs” component of “Cost of sales” reported under EU IFRS. This cost item includes the costs of relocation of rolling stock to and from maintenance, transition of purchased rolling stock to its first place of commercial utilisation, and relocation of rolling stock in and from lease operations as well as other expenses including the empty run costs attributable to the petrochemical tank container business.

**Leased-in Fleet** is defined as fleet leased in under operating leases, including railcars, locomotives and petrochemical tank containers.

**Leased-out Fleet** is defined as fleet leased out to third parties under operating leases (excluding flat cars and tank containers used in petrochemical business).

**Leverage Ratio or Net Debt to Adjusted EBITDA** (a non-GAAP financial measure) is the ratio of Net Debt on the last day of a particular financial period to Adjusted EBITDA in respect of the twelve months to the end of that same period.

**Net Debt** (a non-GAAP financial measure) is defined as the sum of total borrowings (including interest accrued) less “Cash and cash equivalents”.

**Net Revenue from Engaged Fleet** (a non-GAAP financial measure, derived from management accounts) represents the net sum of the price charged for transportation to clients by the Group utilising Engaged Fleet less the loaded railway tariff charged by RZD (included in the EU IFRS line item “Infrastructure and locomotive tariffs: loaded trips”) less the cost of attracting fleet from third-party operators (included in the EU IFRS line item “Services provided by other transportation organisations”).

**Net Revenue from Operation of Rolling Stock** (a non-GAAP financial measure, derived from management accounts) is defined as the sum of “Revenue from railway transportation - operators services (tariff borne by the Group)” and “Revenue from railway transportation - operators services (tariff borne by the client)” less “Infrastructure and locomotive tariffs: loaded trips”, “Services provided by other transportation organisation” and Net Revenue from Engaged Fleet.

**Total Operating Cash Costs** (a non-GAAP financial measure) represent operating cost items payable in cash and calculated as “Total cost of sales, selling and marketing costs and administrative expenses” less the “pass through” items: “Infrastructure and locomotive tariffs: loaded trips” and “Services provided by other transportation organisations” and non-cash items: “Depreciation of property, plant and equipment”, “Amortisation of intangible assets”, “Impairment charge for receivables”, “Impairment of property, plant and equipment”, “Net (gain)/loss on sale of property, plant and equipment” and “Loss on derecognition arising on capital repairs”.

**Total Operating Non-Cash Costs** (a non-GAAP financial measure) include cost items such as “Depreciation of property, plant and equipment”, “Amortisation of intangible assets”, “Loss on derecognition arising on capital repairs”, “Impairment charge for receivables”, “Impairment of property, plant and equipment” and “Net (gain)/loss on sale of property, plant and equipment”.

**Other Operating Cash Costs** (a non-GAAP financial measure) include cost items such as “Advertising and promotion”, “Auditors’ remuneration”, “Communication costs”, “Information services”, “Legal, consulting and other professional fees”, “Rental of tank containers”, “Operating lease rentals - office”, “Taxes (other than income tax and value added taxes)” and “Other expenses”.

**Owned Fleet** is defined as the fleet owned and leased in under finance lease as at the end of the reporting period. It includes railcars, locomotives and petrochemical tank containers unless otherwise stated and excludes Engaged Fleet.

**Share of Empty Run Kilometres paid by Globaltrans** is defined as the percentage of empty run kilometres paid by Globaltrans divided by the total amount of empty run kilometres incurred by the fleet operated by Globaltrans (not including relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation, and rolling stock leased out, Engaged Fleet, flat cars and tank containers used in petrochemical business in the relevant period).

**Total Empty Run Ratio** is calculated as total kilometres travelled empty divided by the total kilometres travelled loaded by the rolling stock fleet operated by Globaltrans (not including the relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation, or rolling stock leased out, Engaged Fleet, flat cars and tank containers used in petrochemical business) in the relevant period.

**Total Fleet** is defined as the fleet owned and leased in under finance and operating leases as at the end of reporting period. It includes railcars, locomotives and petrochemical tank containers unless otherwise stated and excludes Engaged Fleet.

**Transportation Volume** is a measure of freight carriage activity over a particular period measuring weight of cargo carried in million tonnes. It excludes volumes transported by Engaged Fleet and performance of petrochemical tank container segment, unless otherwise stated.

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