



**Innovation**

**Partnerships**

**Independence**

**Performance**

 **Globaltrans**

Russia's leading freight rail group

**Corporate Presentation**

February 2020

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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 2019 and 2018 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 2018, 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 2019 and 2018 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.

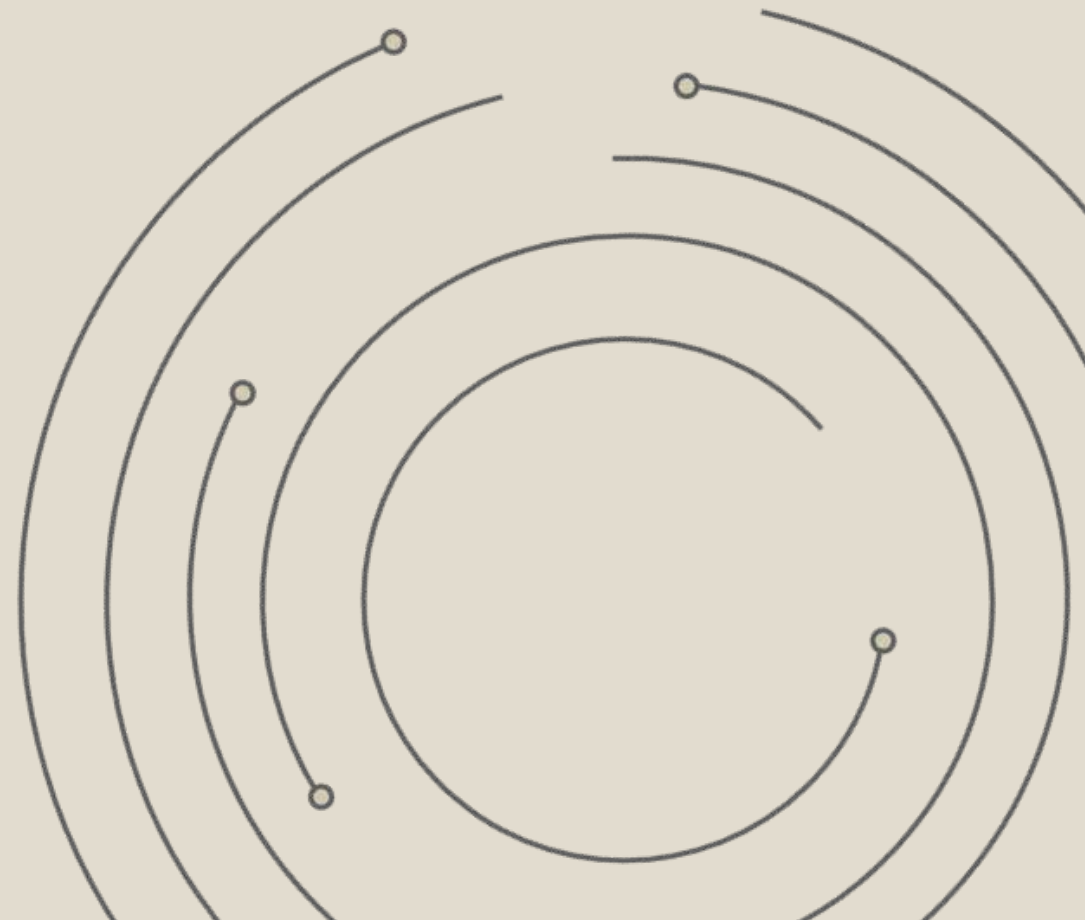
Certain financial information which is derived from management accounts is marked in this presentation with an asterisk (\*). Information (non-GAAP and operating measures) requiring additional explanation or defining is marked with initial capital letters and the explanations or definitions are provided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

- Business and market update



## Commercial and CAPEX update, dividend outlook extended to H1 2020

### Two service contracts renewed

- MMK – service contract extended until the end of September 2022 with Globaltrans continuing to transport at least 70% of MMK's rail freight
- Metalloinvest – service contract extended until the end of 2020 with Globaltrans transporting at least 70% of their rail freight, providing both parties with flexibility and aligning the contract with general market practice

### Limited CAPEX expected in 2020

- Expansion CAPEX plan for 2020 is expected to be limited and principally focused on niche projects
- Intention to purchase fewer than 1,000 units in 2020 – primarily specialised containers and related flat cars

### Dividend outlook extended to H1 2020

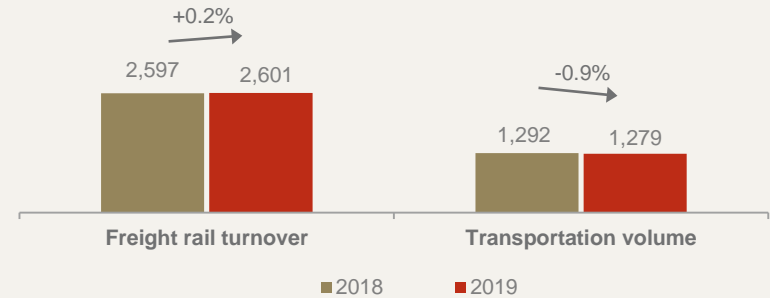
- Dividend targeted for H2 2019 re-confirmed in the amount of RUB 8.3 bn
- Dividend outlook extended to H1 2020 with about RUB 8.3 bn targeted

# Market update

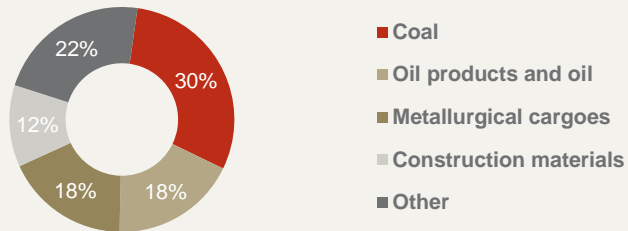
**Continued solid overall demand**

- Overall Russia’s freight rail turnover rose 0.2% y-o-y in 2019, while volumes decreased 0.9% y-o-y
  - Overall non-oil cargo volumes were relatively stable (-0.7% y-o-y)
  - Volumes in oil products and oil segment fell 1.9% y-o-y largely reflecting scheduled repair and maintenance works at some refineries in the summer months
- Average speeds on the RZD rail network remained under pressure, caused by ongoing major rail infrastructure modernisation projects

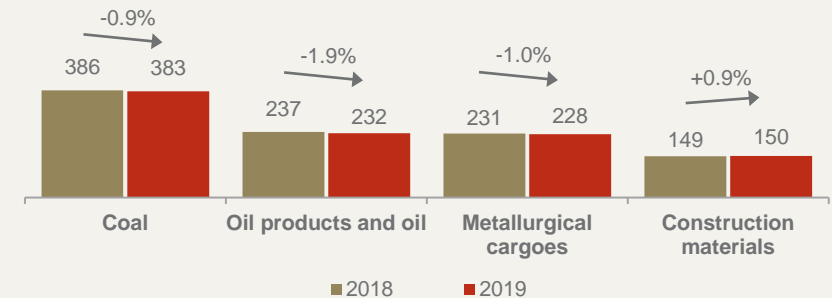
**Overall Russian freight rail turnover (bln tonnes-km) /Transportation volume (mln tonnes)**



**Overall Russian freight rail transportation volume (by type of freight in %, 2019)<sup>1</sup>**



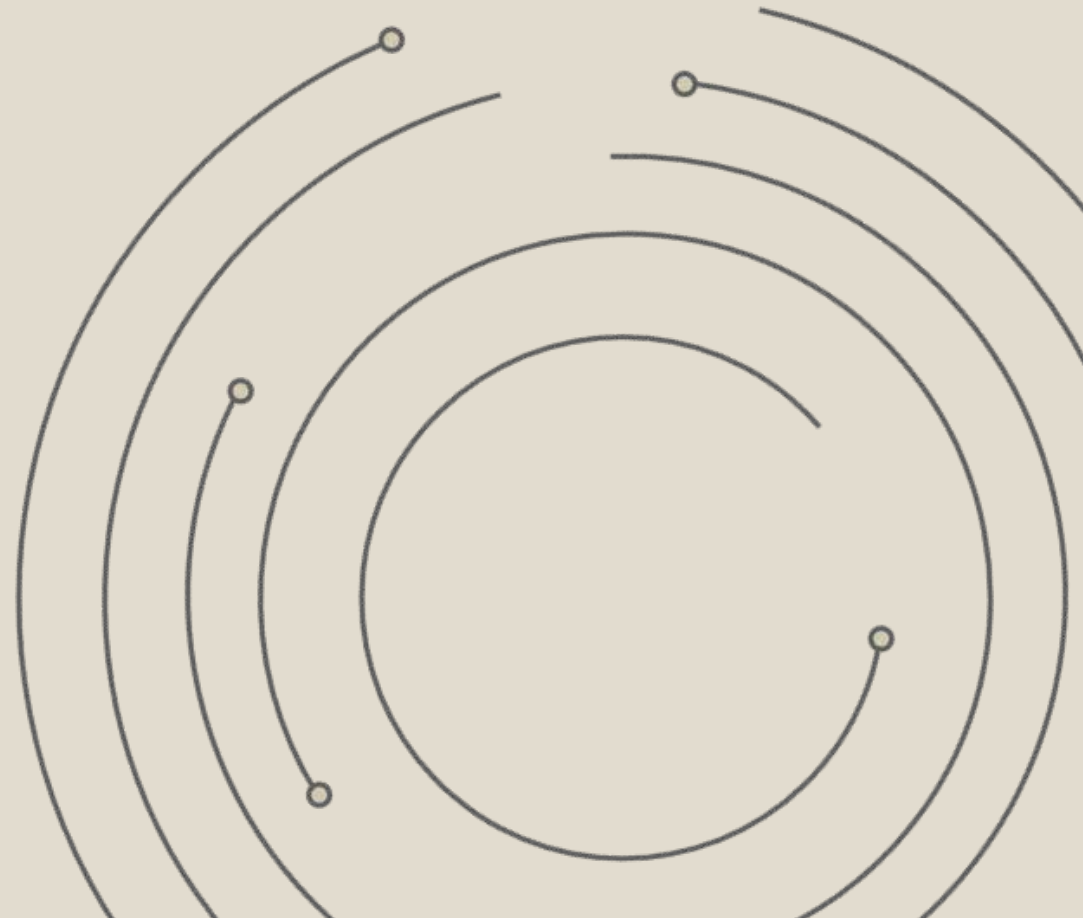
**Overall Russian freight rail transportation volume (by key freight, mln tonnes)<sup>1</sup>**



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.

- H1 2019 Highlights



## Strong financial results, attractive interim dividend delivered

### Market outperformance in Transportation Volumes, strong pricing

- All railcars fully deployed with Transportation Volumes up 3.6% y-o-y<sup>1</sup>, outperforming overall market (-1.6% y-o-y)
- Quality service offering and solid demand enabled strong pricing with Average Price per Trip up 10% y-o-y
- Powerful, sizable operating platform enabled smooth and profitable adaptation to accommodate volatility in client logistics

### Growth in key financial metrics with margin expansion

- Adjusted Revenue rose 14% y-o-y to RUB 34.4 bln
- Total Operating Cash Costs up 5% y-o-y reflecting cost inflation and higher Empty Runs
- Adjusted EBITDA Margin expanded to 59% (H1 2018: 55%)
- Adjusted EBITDA increased 22% y-o-y to RUB 20.2 bln

### Rise in cash generation, majority of annual expansion CAPEX completed

- Cash generated from operations up 18% y-o-y to RUB 19.4 bln
- Free Cash Flow remained robust at RUB 7.9 bln despite the majority of planned annual expansion CAPEX falling in H1 2019, driving Total CAPEX for the period to RUB 7.3 bln
- Leverage at low level with Net Debt to LTM Adjusted EBITDA at 0.53x

### Attractive interim dividend delivered, strong final 2019 dividend outlook

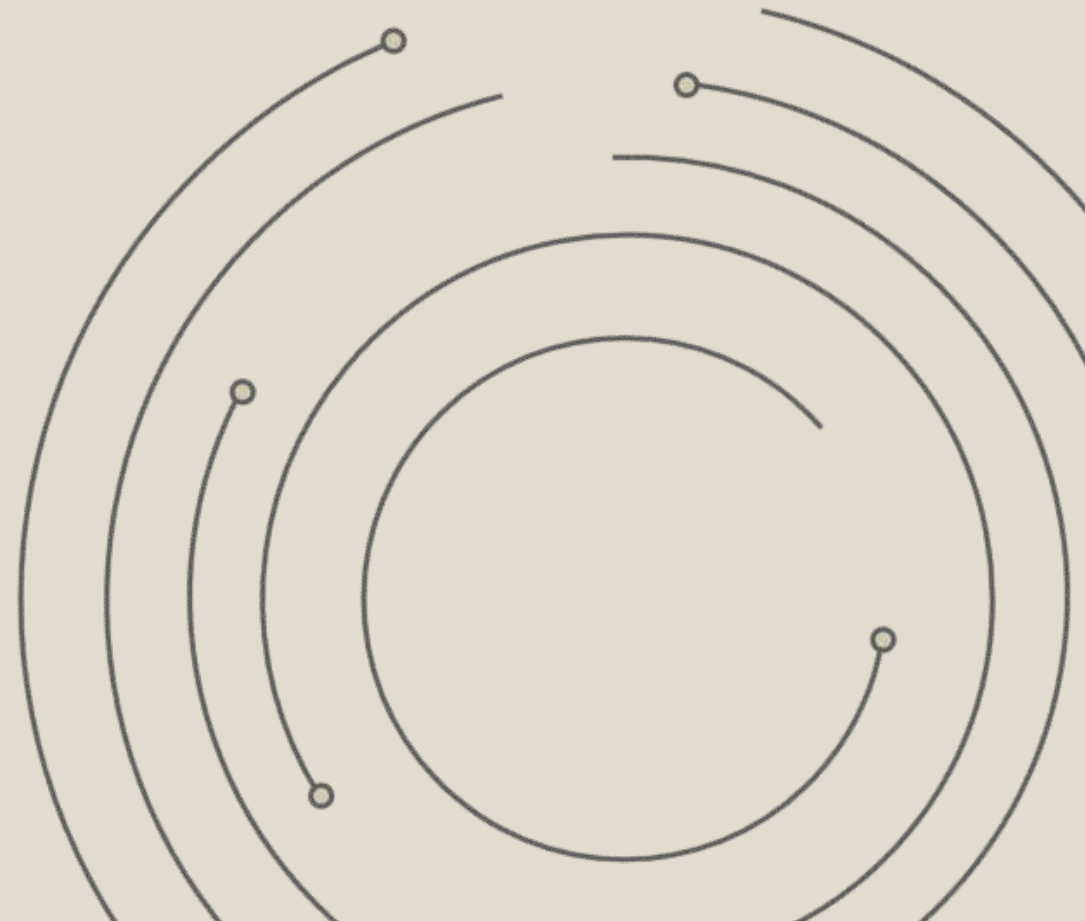
- Attractive interim and special interim dividends delivered totalling RUB 8.3 bln or RUB 46.55 per share/GDR<sup>2</sup> as targeted
- Strong final 2019 dividend (incl. final and special final) of about RUB 8.3 bln targeted
- Total dividend payments in respect of 2019 (incl. interim, final and special) would therefore exceed the level of 2018, amounting to about RUB 16.6 bln

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) Excluding Engaged Fleet.

2) The dividend was paid in US dollars in the total amount of approximately 69.74086 US cents per one ordinary share/GDR with conversion executed at the Central Bank of Russia's official exchange rate for the Russian rouble as of 30 August 2019 (1 USD: 66.7471 RUB).

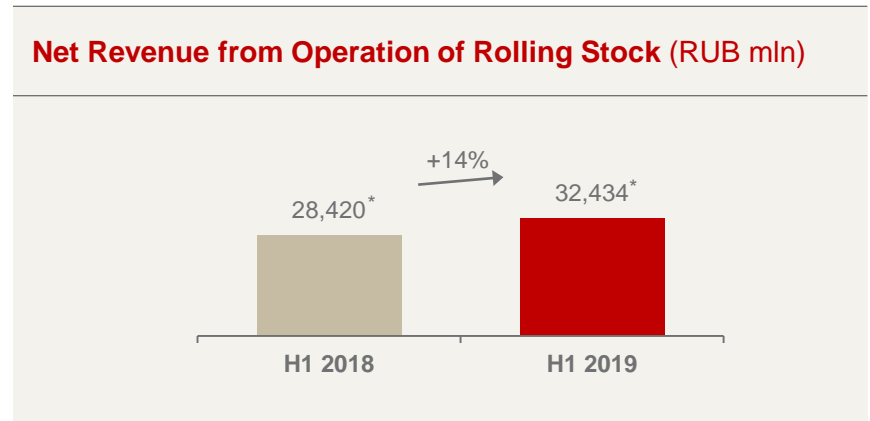
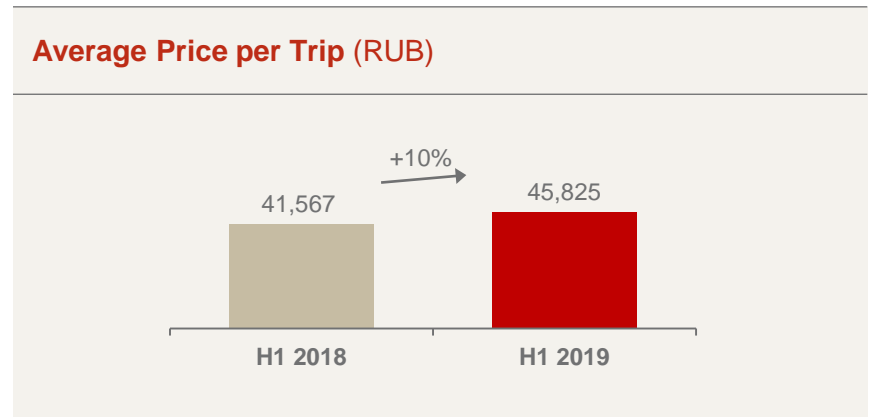
- H1 2019 Operational performance





# Strong pricing maintained, long-term contracts support business growth

- Further price increase achieved with Average Price per Trip up 10% y-o-y**
  - Favourable gondola market conditions combined with high-quality service and superior logistics capabilities
  - Relatively stable pricing in rail tank car segment reflecting solid market, strong client relationships and unique locomotive capabilities
- Net Revenue from Operation of Rolling Stock increased 14% y-o-y largely supported by successful partnerships**
  - Net Revenue from new five-year contracts, signed with TMK and ChelPipe Group in 2018, practically doubled y-o-y
  - Long-term contracts (Rosneft, Metalloinvest, MMK, TMK and ChelPipe) contributed 60% of Net Revenue from Operation of Rolling Stock compared to 55% in H1 2018
  - Solid portfolio of high-quality, long-term clients with complementary logistics

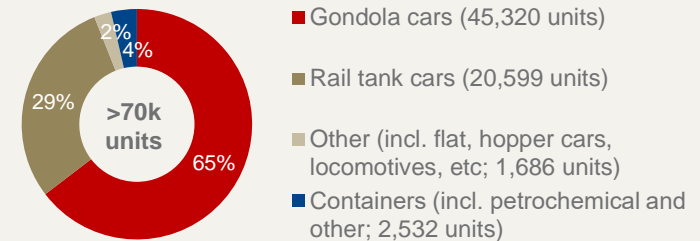


Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

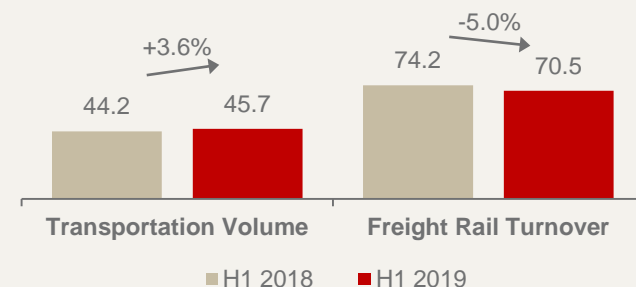
# All new railcars deployed delivering increase in Transportation Volume

- **Strong business platform with Total Fleet exceeding 70k units with all units fully deployed**
  - Sizable investments in 2018 (+4.7k units) along with moderate acquisitions in H1 2019 (+1.0k)<sup>1</sup> took Owned Fleet to 66.3k units
  - Leased-in Fleet rose 6% vs. end 2018 to 3.8k units (mostly rail tank cars)
  - Average Rolling Stock Operated was up 8% y-o-y
- **Volume growth (+3.6% y-o-y) outperformed that of overall Russian market (-1.6% y-o-y)**
  - Volumes grew in both non-oil (+3% y-o-y) and oil products and oil (+4% y-o-y) segments
  - Freight Rail Turnover decreased 5.0% y-o-y mostly reflecting 8% y-o-y decline in Average Distance of Loaded Trip on the back of changed client logistics
  - Average Number of Loaded Trips per Railcar decreased 4% y-o-y principally as a result of changed client logistics and a reduction in average speeds on the RZD rail network, caused by ongoing major rail infrastructure modernisation projects

## Large modern fleet (at 30 June 2019)



## Transportation Volume / Freight Rail Turnover (excl. Engaged Fleet)



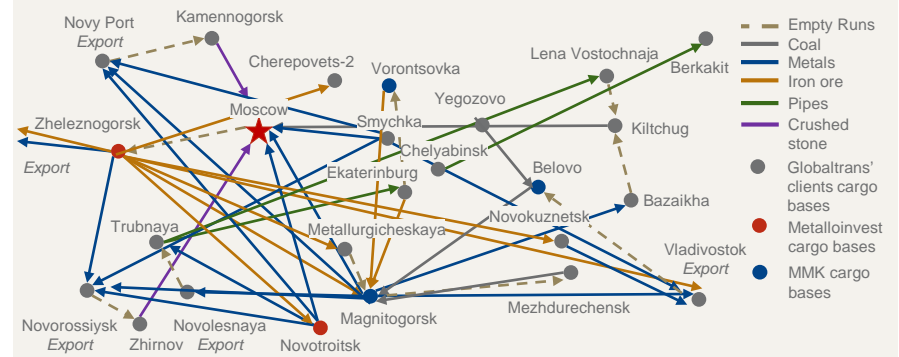
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) In the first six months of 2019 the Group took delivery of 1,034 units (including 492 specialised containers, 338 gondola cars, 200 flat cars and 4 locomotives) and disposed of 135 units.

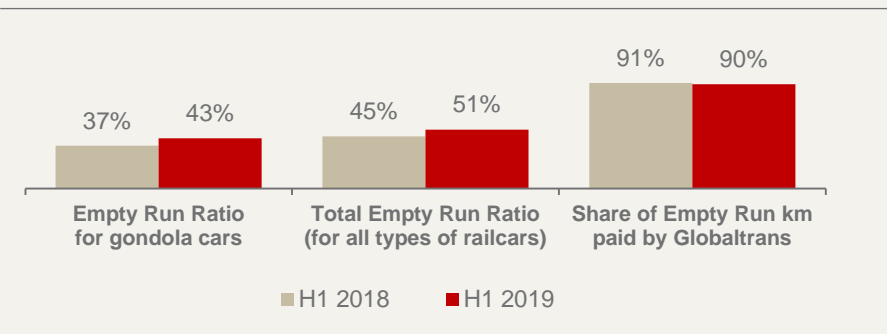
# Changed client logistics profitably accommodated, operational excellence maintained

- **Powerful and sizable operating platform enabled smooth and profitable adaptation to accommodate volatility in client logistics**
  - Substantial shift in logistics patterns of long-term clients drove anticipated increase in Empty Runs for gondola cars
  - Growth in Empty Run Costs of Globaltrans was reflected in commercial arrangements across client transportation portfolio
- **Operational excellence maintained**
  - As anticipated, Empty Run Ratio for gondola cars rose to 43% (H1 2018: 37%) yet remained one of the lowest on the Russian market
  - Total Empty Run Ratio (for all types of rolling stock) rose to 51% (H1 2018: 45%)
  - Share of Empty Run Kilometers paid by Globaltrans remained stable at 90% compared to 91% in H1 2018

## Gondola logistics – key illustrative routes

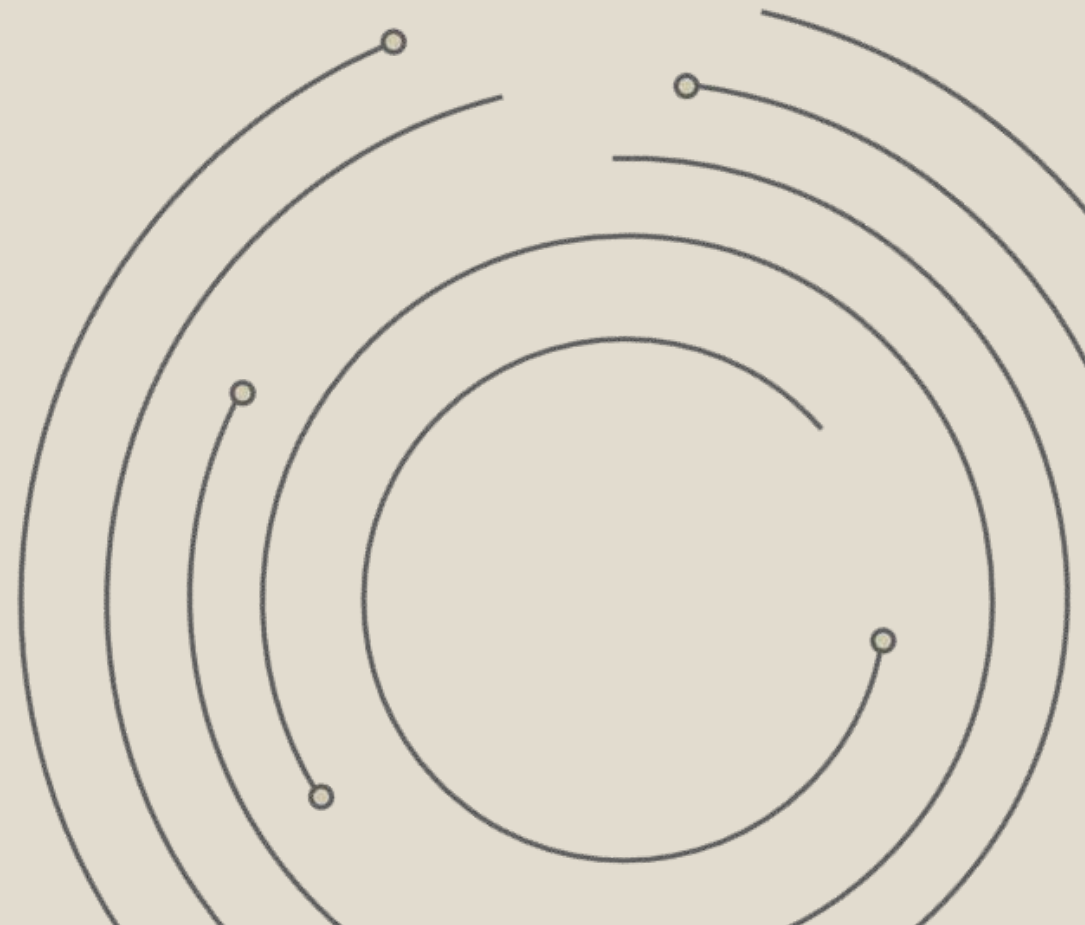


## Key Empty Run metrics

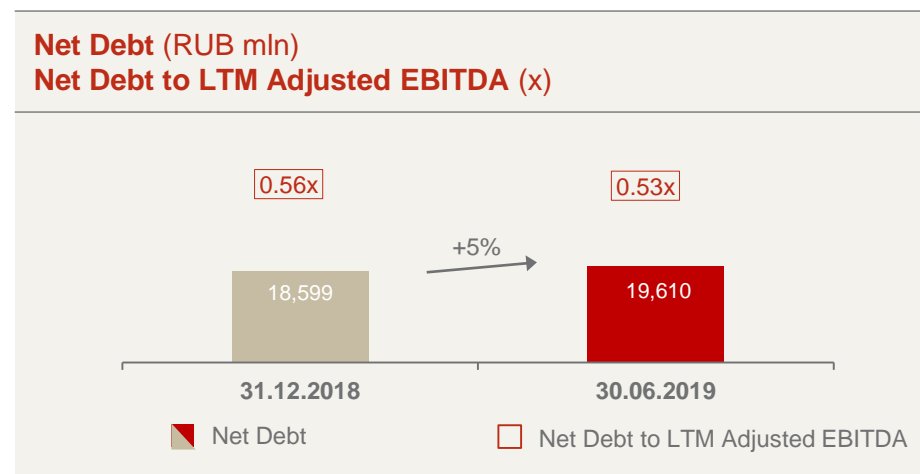
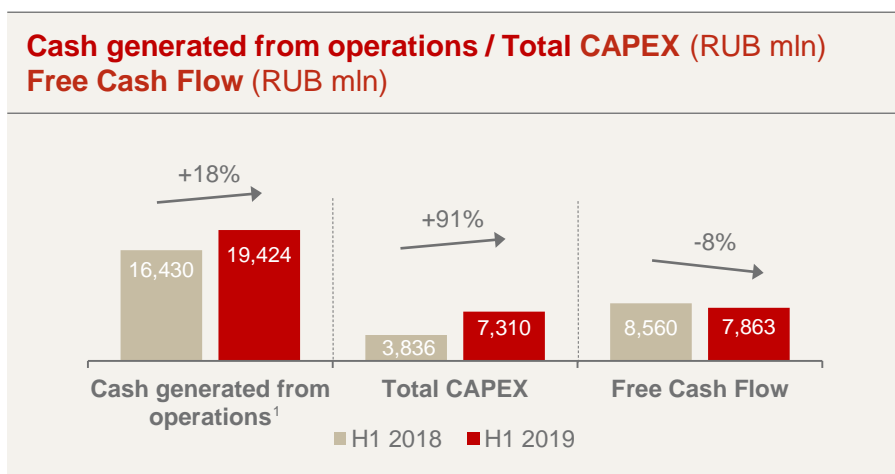
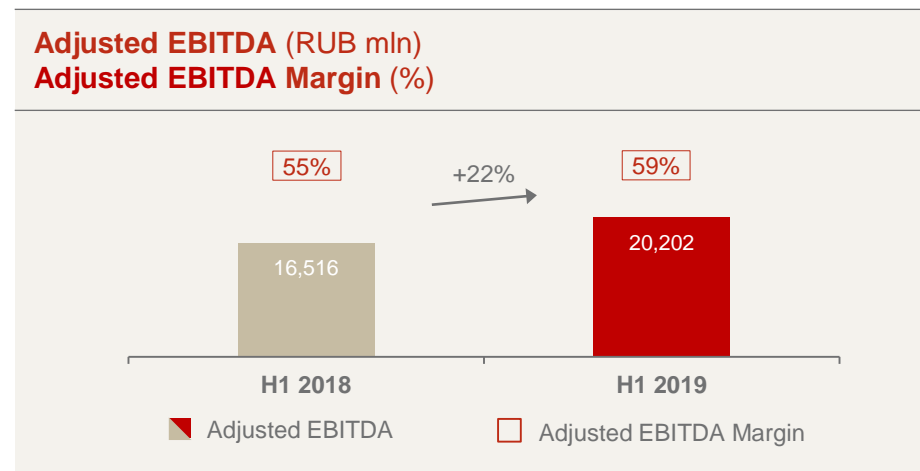
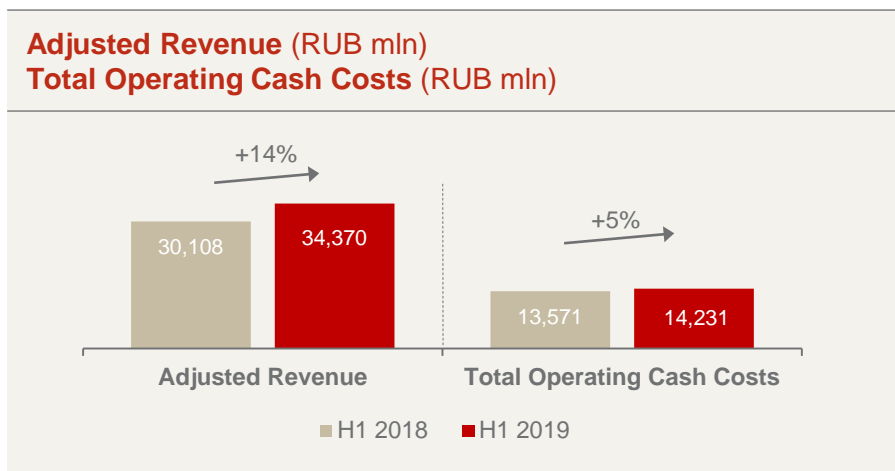


Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

- H1 2019 Financial results



# Strong financial results, margin expansion and continued low leverage



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) After "Changes in working capital".

## Adjusted Revenue increased 14% y-o-y due to solid business performance

	H1 2018 (RUB mln)	H1 2019 (RUB mln)	Change y-o-y, %
<b>Adjusted Revenue</b>	<b>30,108</b>	<b>34,370</b>	<b>14%</b>
<i>Including</i>			
<b>Net Revenue from Operation of Rolling Stock</b>	<b>28,420*</b>	<b>32,434*</b>	<b>14%</b>
Operating leasing of rolling stock	682	866	27%
Net Revenue from Engaged Fleet	259*	82*	-68%
Other revenue	747	989	32%

- **Net Revenue from Operation of Rolling Stock (94% of Adjusted Revenue) increased 14% y-o-y supported by strong performance of both gondola and rail tank car segments**
  - Average Price per Trip rose 10% y-o-y with the Average Number of Loaded Trips per Railcar down 4% y-o-y
  - Average Rolling Stock Operated was up 8% y-o-y
- **Revenue from operating leasing of rolling stock (3% of Adjusted Revenue) rose 27% y-o-y**
  - Further increase in leasing rates in rail tank car segment
- **Net Revenue from Engaged Fleet (<1% of Adjusted Revenue) decreased 68% y-o-y**
  - Mostly reflecting a decrease in the number of Engaged Fleet operations in the rail tank car segment due to substitution by owned and leased-in units
- **Other revenue (3% of Adjusted Revenue) up 32% y-o-y**
  - Increase in revenue from rail transportation of petrochemicals in tank containers on the back of fleet expansion

## Continued strict cost management supported margin expansion

	H1 2018 (RUB mln)	H1 2019 (RUB mln)	Change %
<b>Total Operating Cash Costs</b>	<b>13,571</b>	<b>14,231</b>	<b>5%</b>
Empty Run Costs	6,416*	7,194*	12%
Repairs and maintenance	1,871	2,125	14%
Employee benefit expense	1,918	2,024	6%
Fuel and spare parts - locomotives	967	897	-7%
Infrastructure and Locomotive Tariffs - Other Tariffs	454*	479*	6%
Expense relating to short-term leases - rolling stock (IFRS 16)	-	457	NM
Operating lease rentals - rolling stock	459	-	NM
Engagement of locomotive crews	404	371	-8%
Other Operating Cash Costs <sup>1</sup>	1,084	683	-37%
<b>Total Operating Non-Cash Costs</b>	<b>3,005</b>	<b>3,436</b>	<b>14%</b>
Depreciation of property, plant and equipment	2,438	2,754	13%
Amortisation of intangible assets	348	348	0%
Loss on derecognition arising on capital repairs	195	189	-3%
Depreciation of right-of-use assets (IFRS 16)	-	135	NM
Impairment charge for receivables	20	4	-81%
Net loss on sale of property, plant and equipment	4	6	54%

- Increase in Total Operating Cash Costs held to 5% y-o-y despite cost pressures largely stemming from an increase in the regulated RZD tariffs for traction of empty railcars, increased Empty Runs due to changed client logistics and a rise in repair and maintenance costs, which were partially offset by a decrease in Other Operating Cash Costs largely due to the cancellation of property tax on movable assets in Russia
- Total Operating Non-Cash Costs were up 14% y-o-y primarily reflecting an asset-expansion driven increase in the Depreciation of property, plant and equipment and the application of the IFRS 16 “Leases”

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”, “Expense relating to short-term leases - office”, “Taxes (other than income tax and value added taxes)” and “Other expenses”.

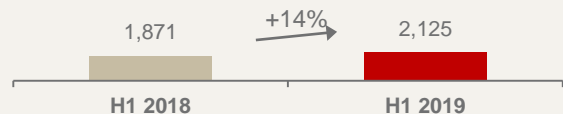
## Major Operating Cash Cost items

### Empty Run Costs (51%)<sup>1</sup>



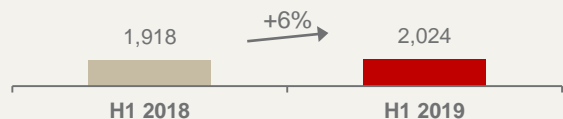
- Increase in the regulated RZD tariffs for traction of empty railcars (+9.8% for gondola cars and +3.6% for all other types of rolling stock)<sup>2</sup>
- Increase in Total Empty Run Ratio (for all types of rolling stock) to 51% (H1 2018: 45%) as anticipated due to changes in logistics of key gondola clients, reflected in respective commercial terms

### Repairs and maintenance (15%)<sup>1</sup>



- Increase in cost of certain spare parts and costs of repair works
- Rise in number of mileage-based depot repairs

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



- Inflation driven growth in wages and salaries and related social insurance costs

### Fuel and spare parts - locomotives (6%)<sup>1</sup>



- Changed clients' logistics and inflationary growth in the cost of fuel

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 2019.  
 2) From the beginning of 2019.

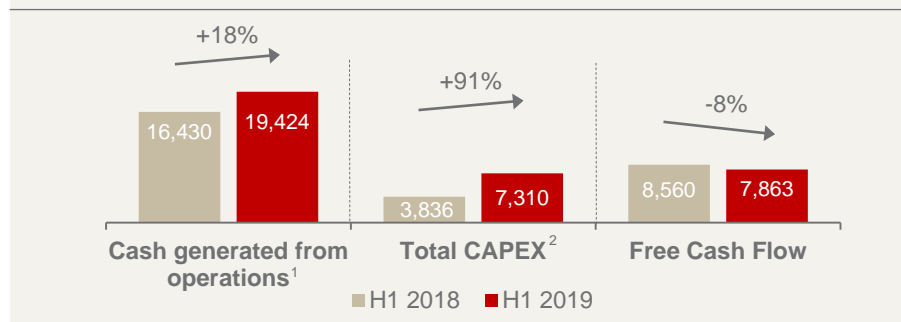


# Cash generation up 18% y-o-y, the majority of planned annual expansion CAPEX already completed

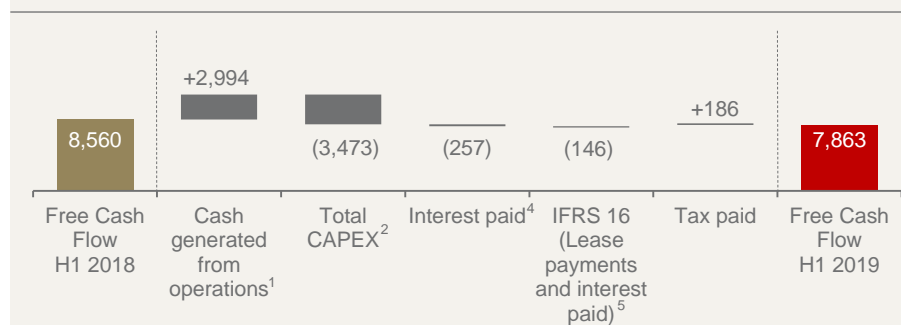
## CAPEX already completed

- Cash generated from operations<sup>1</sup> up 18% y-o-y on the back of robust business performance
- Majority of planned annual expansion CAPEX already completed pushing H1 2019 Total CAPEX<sup>2</sup> to RUB 7,310 mln
  - 1.1k units purchased (on a cash basis), including flat cars, gondola cars and specialised containers<sup>3</sup>
  - 8 modern and efficient mainline diesel locomotives purchased out of the 10 planned. No further locomotive purchases required mid-term on current business volumes
- Robust Free Cash Flow of RUB 7,863 mln, impacted by greater proportion of expansion CAPEX being completed during H1 2019
  - RUB 2,994 mln y-o-y rise in cash generated from operations was more than offset by RUB 3,473 mln y-o-y increase in Total CAPEX

**Cash generated from operations / Total CAPEX (RUB mln)**  
**Free Cash Flow (RUB mln)**



**Free Cash Flow (RUB mln)**



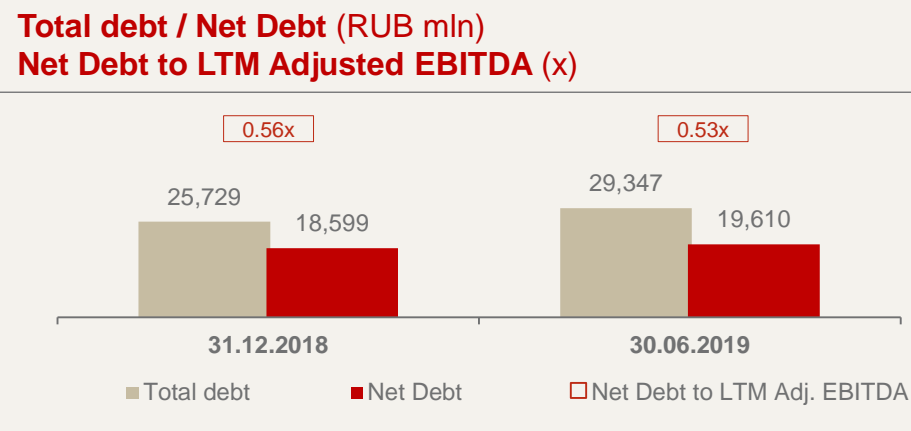
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) After "Changes in working capital".  
 2) Total CAPEX (a non-GAAP financial measure) calculated on a cash basis as the sum of "Purchases of property, plant and equipment" (which includes maintenance CAPEX), "Purchases of intangible assets", "Acquisition of subsidiary undertakings - net of cash acquired" and "Principal elements of lease payments for leases with financial institutions" (as part of the capital expenditures was financed with a finance lease).  
 3) In H1 2019, the Group purchased on a cash basis 1,098 units, including 538 specialised containers, 338 gondola cars, 214 flat cars and 8 locomotives.  
 4) Interest paid includes "Interest paid on bank borrowings and non-convertible unsecured bonds" and "Interest paid on leases with financial institutions".  
 5) A total of "Principal elements of lease payments (IFRS 16)" and "Interest paid on lease liabilities (IFRS 16)".

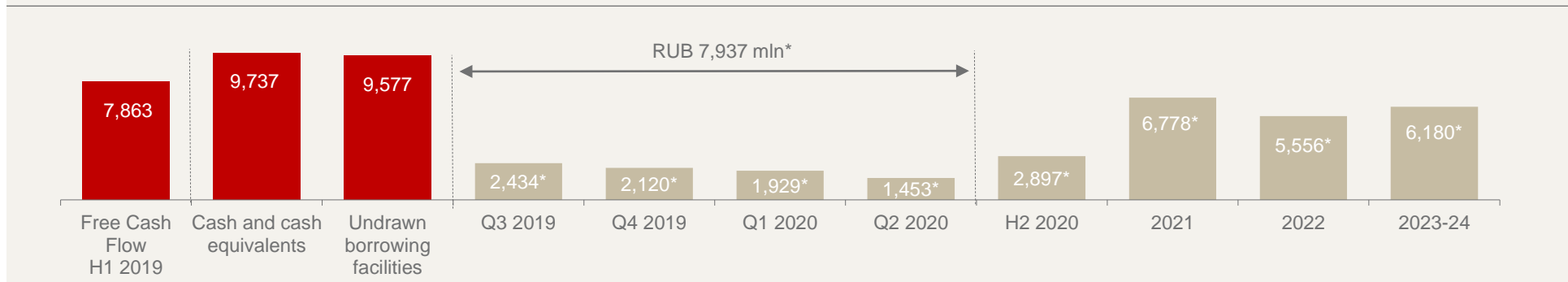
# Low leverage maintained with Net Debt to LTM Adjusted EBITDA at 0.53x

**Robust financial profile**

- Net Debt to LTM Adjusted EBITDA ratio maintained at low level of 0.53x
- Net Debt of RUB 19,610 mln (up 5% vs. the end of 2018) largely reflected y-o-y rise in CAPEX
- Nearly 100% of debt denominated in RUB (the functional currency of the Company)
- Weighted average effective interest rate increased slightly to 8.2% compared to 7.9% at the end of 2018 due to financial markets volatility
- Under IFRS 16, Lease liabilities of RUB 1,247 mln<sup>2</sup> were recognised as of 30 June 2019 which largely related to long-term leasing of offices and certain specialised rolling stock



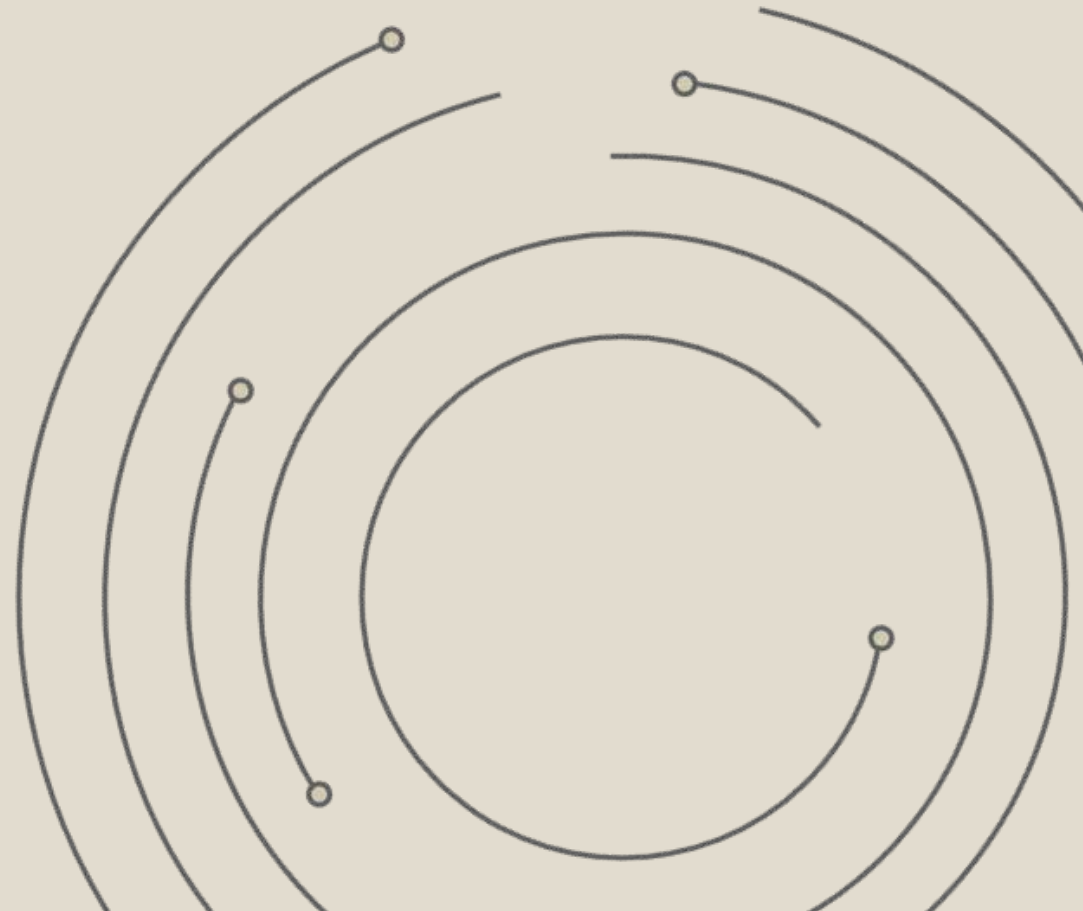
**Balanced and comfortable maturity profile**  
(as of 30 June 2019, RUB mln)<sup>1</sup>



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) Including accrued interest of RUB 377 mln\*.  
2) Not included in Total debt.

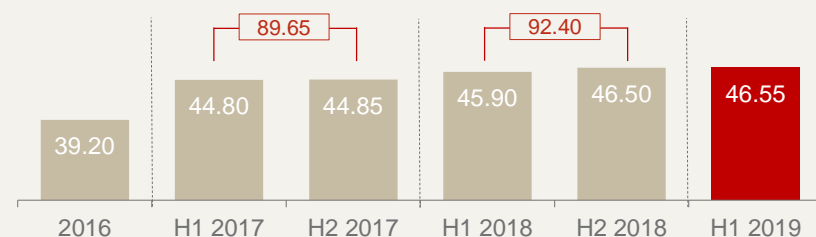
- Dividends



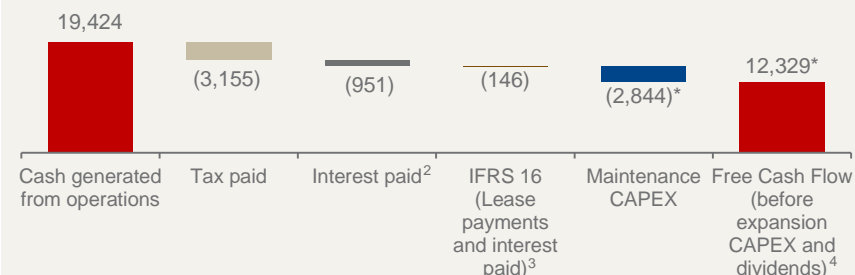
# Dividends remain a priority: attractive total interim dividend delivered, strong final 2019 dividend outlook

- **Attractive total interim 2019 dividend delivered reflecting solid cash generation, low leverage and intention to maintain efficient capital structure by returning excess capital to shareholders**
  - Interim and special interim dividends of RUB 8,320 mln combined (RUB 46.55 per share/GDR) delivered<sup>1</sup>
  - Equal to 120% of H1 2019 Attributable Free Cash Flow (RUB 6,959 mln)
- **Strong 2019 final dividend of about RUB 8.3 bln targeted**
  - The total dividend payments in respect of 2019 (incl. interim, final and special) would therefore amount to about RUB 16.6 bln, exceeding the level of 2018
- **Solid foundations to pay strong dividends**
  - Solid cash generation combined with discretionary expansion CAPEX provides cushion for Globaltrans' ability to pay strong dividends
  - Annual maintenance CAPEX needs are moderate and expected to be c.RUB 6 bln in 2019 with annual fleet scrappage of c.200 units in the same period

**Continuously increasing dividend payments since 2016**  
Dividends in respect of related period (RUB per share/GDR)



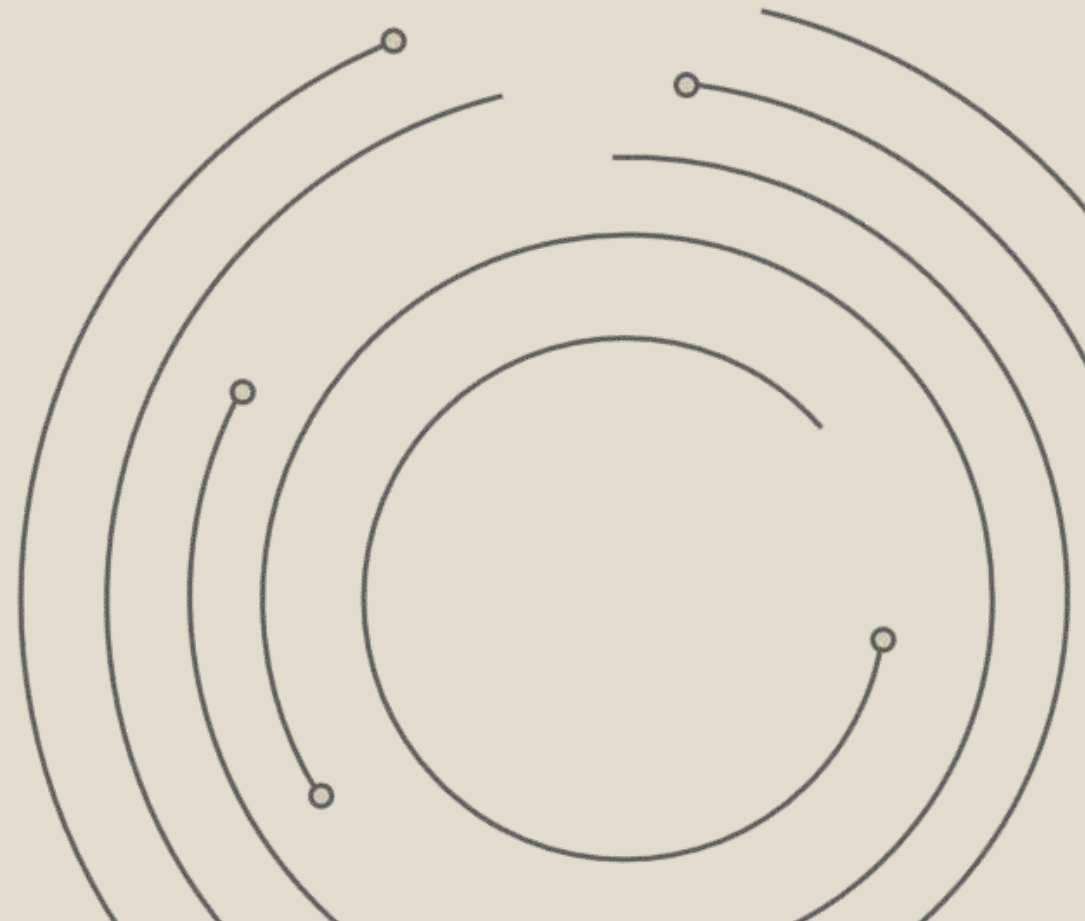
**Strong Free Cash Flow before discretionary expansion CAPEX and dividends (H1 2019, RUB mln)**



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 dividend was paid in US dollars in the total amount of approximately 69.74086 US cents per one ordinary share/GDR with conversion executed at the Central Bank of Russia's official exchange rate for the Russian rouble as of 30 August 2019 (1 USD: 66.7471 RUB).  
 2) Interest paid includes "Interest paid on bank borrowings and non-convertible unsecured bonds" and "Interest paid on leases with financial institutions".  
 3) A total of "Principal elements of lease payments (IFRS 16)" and "Interest paid on lease liabilities (IFRS 16)".  
 4) Free Cash Flow before expansion CAPEX and dividends to owners of the Company and dividends to non-controlling interests in subsidiaries.

- Management priorities and Key takeaways



# Strong business model supports pricing outlook; solid cash generation and moderate investments back strong final 2019 dividend target

## Strong business model supports pricing outlook

- Strong business model with c.70% of H1 2019 Net Revenue from Operation of Rolling Stock was generated from long-term contracts and by the rail tank car business
  - Efficient logistics and long-term contracts are expected to limit volatility in gondola pricing in H2 2019
  - A constructive H2 2019 pricing outlook in the rail tank car segment is underpinned by the Group's unique locomotive competences and a long-term contract
- Competitive landscape has matured and is now characterised by established professional players and captive operators

## Cost efficiency and fleet management in focus

- Cost efficiency remains a priority in light of ongoing cost pressures related to higher regulated RZD tariffs for the traction of empty railcars and increased costs for spare parts
- Increased volatility in client logistics and some temporary infrastructure constraints driving focus on logistics efficiency

## Majority of annual expansion CAPEX completed; moderate maintenance CAPEX needs

- The majority of the planned annual expansion investments already undertaken in H1 2019 with 1.1k units purchased (incl. 8 locomotives)<sup>1</sup>
- Maintenance CAPEX is expected to stay moderate at c.RUB 6 bln in 2019 with annual fleet scrappage of c.200 units in the same period

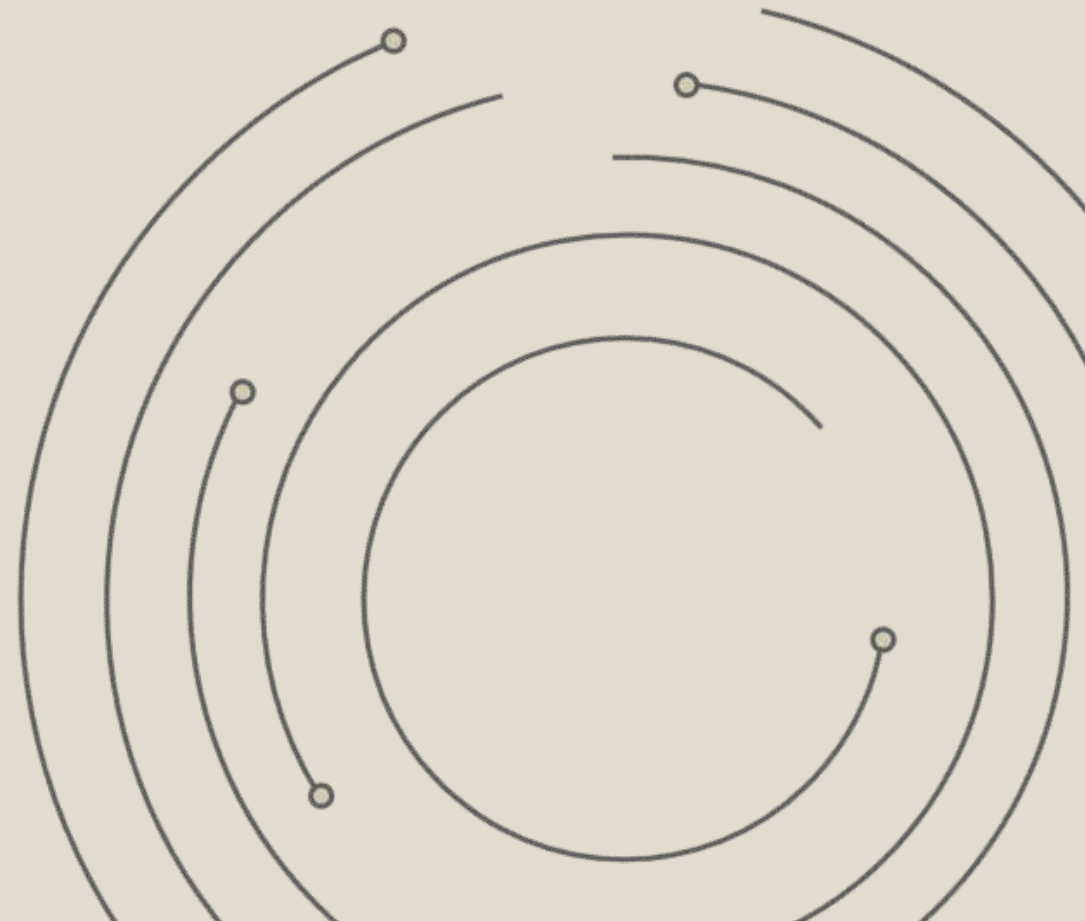
## Strong final 2019 dividend targeted, solid dividend payments remain a priority

- Strong final 2019 dividend (incl. final and special final) of about RUB 8.3 bln targeted
- Total dividend payments in respect of 2019 (incl. interim, final and special) would therefore amount to about RUB 16.6 bln, exceeding the level of 2018
- Solid cash generation, moderate maintenance CAPEX and discretionary expansion CAPEX provide support to Globaltrans' ability to pay strong dividends

## Key takeaways

- **Continued strong financial results**
  - Adjusted EBITDA up 22% y-o-y outpacing revenues with increased Adjusted EBITDA Margin of 59%
  - Cash generated from operations rose 18% y-o-y
  - Low leverage with Net Debt to LTM Adjusted EBITDA at 0.53x
- **Strong business model, superior long-term client base and operational excellence**
  - Long-term contracts with high-quality clients and rail tank business together provide c.70% of Net Revenue from Operation of Rolling Stock
  - One of the most efficient operational platforms in the industry
- **Dividends remain a priority, benefitting from solid foundations to pay strong dividends**
  - Interim dividend of RUB 8.3 bln plus targeted final dividend of about RUB 8.3 bln would make for a 2019 dividend exceeding the total dividend for 2018
  - Solid cash generation and flexibility on expansion CAPEX provide scope for paying strong dividends

- Appendices





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

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

- Total Fleet exceeding 70k units with 95% in ownership, core consisting of universal gondola cars (65%) and rail tank cars (29%)
- Operating in key industrial segments including metals (42%), oil products and oil (30%), coal (14%) and construction materials (5%)<sup>2</sup>
- High operational efficiency and low Empty Runs, rail tank car business enhanced by unique locomotive capabilities

### Established blue-chip client base

- Trusted long-term partner to leading industrial groups in Russia and CIS
- 60% of Net Revenue from Operation of Rolling Stock covered by long-term service contracts<sup>3</sup>

### Strong Free Cash Flow generation and attractive dividends

- Strong Free Cash Flow generation, prudent capital allocation and conservative financial policies
- Dividend policy linked to Attributable Free Cash Flow and Leverage Ratio aimed at distributing cash not used for expansion

### Entrepreneur led company committed to best governance standards

- Free-float of c.57% with the rest owned by founders<sup>4</sup>, directors and management
- LSE listed with more than 10-year track record of best in class governance
- Experienced and well-balanced Board with 4 independent directors

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) All information on this page is at 30 June 2019 or for H1 2019 unless otherwise stated.

2) The share of respective segment in the Group's Net Revenue from Operation of Rolling Stock in H1 2019. Metallurgical cargoes including ferrous metals, scrap metal and ores; coal including coke; construction materials including cement.

3) In H1 2019; Including long-term service contracts with Rosneft, Metalloinvest, MMK, TMK and ChelPipe Group.

4) Beneficially owned through their respective SPVs.

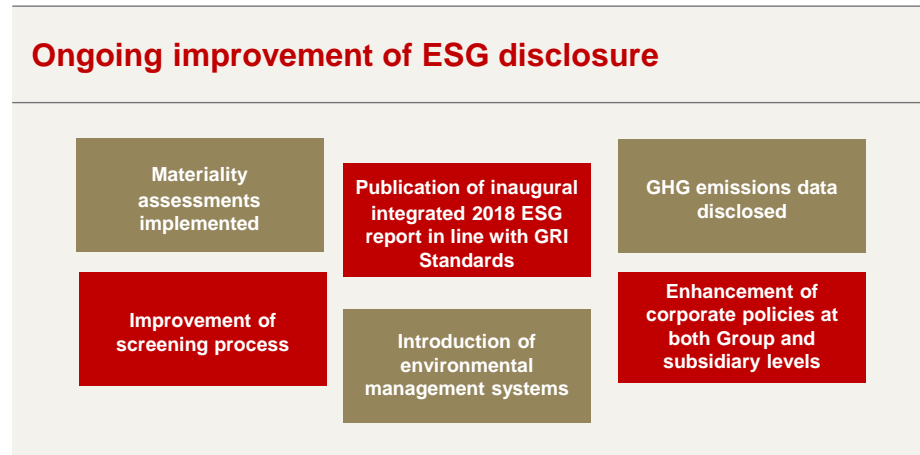
# Sustainability as a core value for the Group

- E** **Committed to reducing environmental impact**
  - Operating in one of the most eco-friendly industries with relatively low emissions
  - Continued improvement in Group logistics to reduce the number of empty trips and so reducing carbon footprint
  - Focus on developing more energy efficient practices (total electricity consumption down 4% y-o-y), water and waste management improved
  
- S** **Responsible employment and investment in the community**
  - Focus on occupational health and safety (zero workplace injury rate)
  - Comprehensive HR strategies and policies implemented promoting diversity and inclusion
  - Key areas of social initiatives are healthcare, sports, education and culture
  
- G** **Maintaining the highest international governance standards**
  - LSE listed, adherence to internationally-recognised standards of transparency, disclosure and accountability
  - Highly experienced Board: 15 members, 4 independent directors
  - 3 committees chaired by independent directors

## Sustainability highlights, 2018



## Ongoing improvement of ESG disclosure



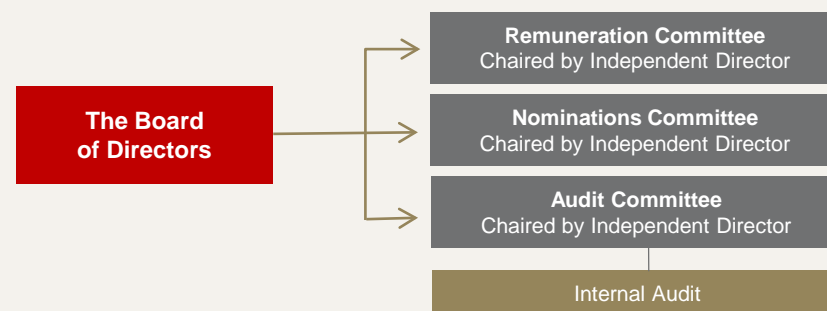
# Publicly listed company committed to international governance standards

- 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 of c.57%
  - 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 Ratio

## 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 2019.  
 2) Andrey Filatov, Nikita Mishin and Konstantin Nikolaev are co-founders of Globaltrans and are beneficiaries with regard to 11.5%, 11.5% and 10.8% respectively of Globaltrans' ordinary share capital each through their respective SPVs (Marigold Investments Ltd, Onyx Investments Ltd and Maple Valley Investments Ltd).  
 3) Beneficially owned by Alexander Eliseev, Non-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.

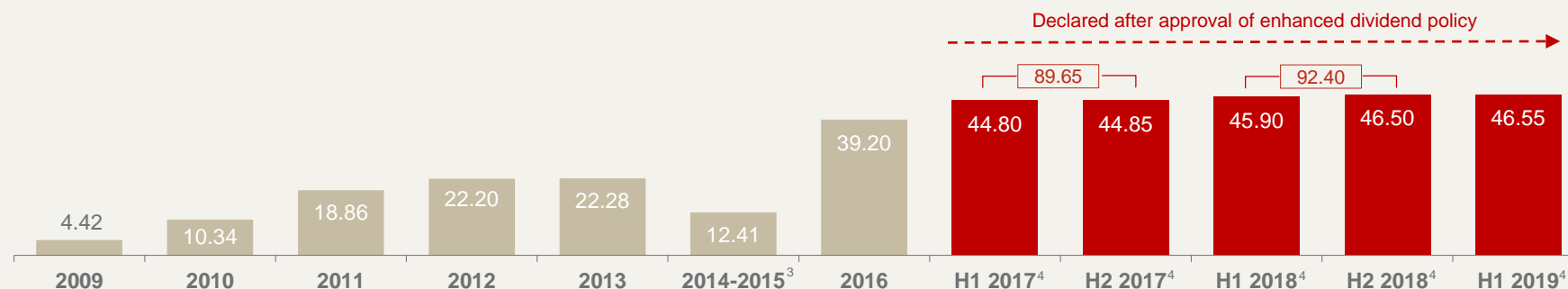
## Enhanced dividend policy approved in March 2017

- **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 sizeable 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)



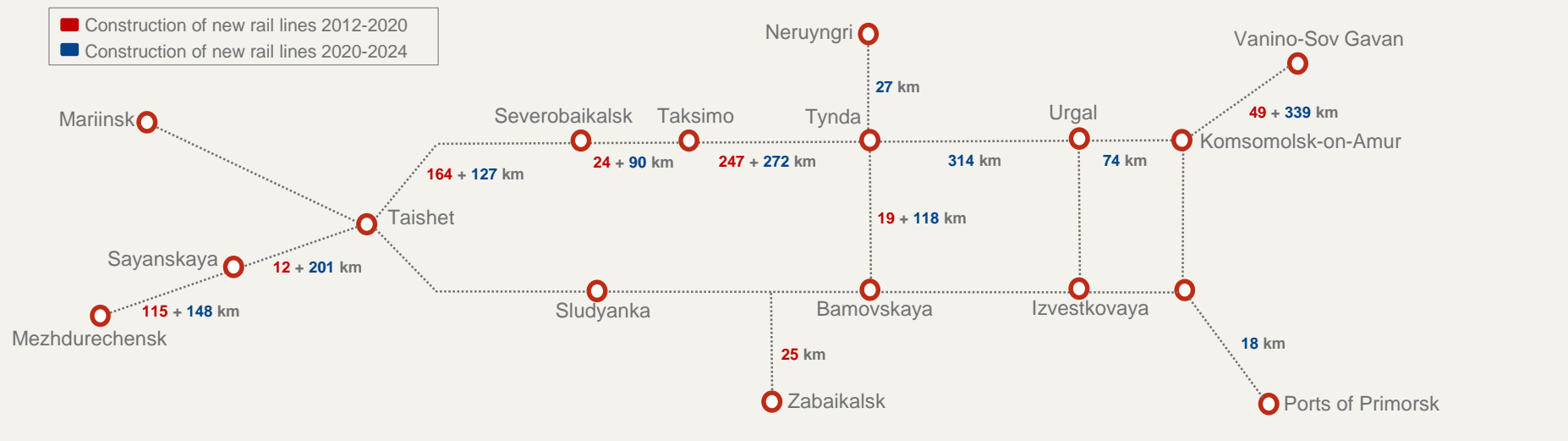
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

- 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 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 regular and special dividends.

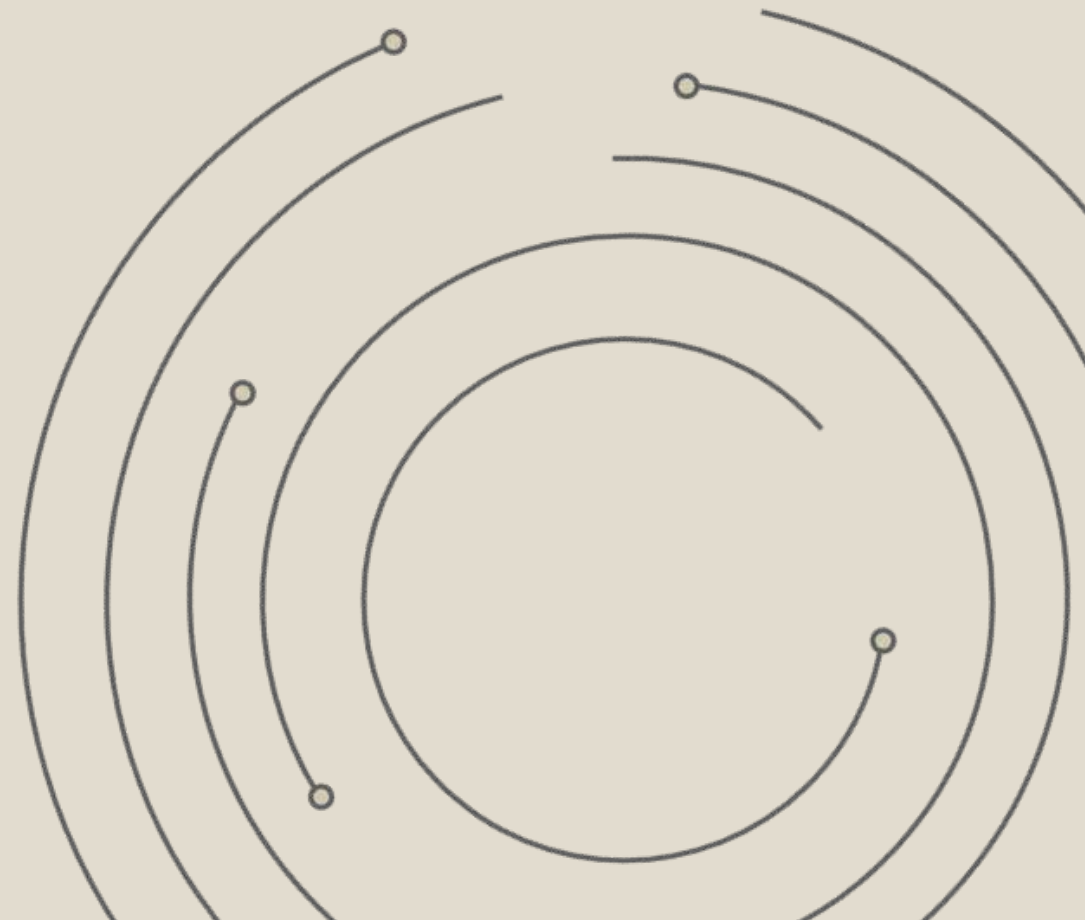
# Industry fundamentals supported by more mature gondola market and continued expansion of Far Eastern railways

- **Competitive landscape in gondola market is now characterised by established professional players and captive operators**
  - Top-10 players operate c.80% of Russia’s overall gondola fleet
  - Significant proportion of largest operators either service clients on long-term contracts or are captive
- **Continued expansion of Russian rail network throughput capacity towards the East to improve industry fundamentals supporting coal export volumes to more favorable Asian markets**
  - **First stage (2012-2020):** More than 80% completed with over 50 mln tonnes of throughput capacity added, practically doubling the capacity vs. 2012 levels. Remaining c.10 mln tonnes is expected to be added by end 2020
  - **Second stage (2020-2024):** throughput capacity is expected to increase by more than 60 mln tonnes (over 50% vs. 2020 levels)

## Key new railways under Russian Far East rail network expansion plan



- Extracts from the Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2019



## Consolidated interim income statement for the six months ended 30 June 2019

	H1 2019 RUB'000	H1 2018 RUB'000
<b>Revenue</b>	<b>47,244,631</b>	<b>43,433,427</b>
Cost of sales	(28,670,039)	(27,747,255)
<b>Gross profit</b>	<b>18,574,592</b>	<b>15,686,172</b>
Selling and marketing costs	(101,238)	(110,368)
Administrative expenses	(1,770,778)	(2,044,488)
Other income	66,986	-
Other (losses)/gains – net	(48,820)	23,888
<b>Operating profit</b>	<b>16,720,742</b>	<b>13,555,204</b>
Finance income	328,994	200,338
Finance costs	(1,216,940)	(782,684)
Net foreign exchange transaction losses on financing activities	(276,465)	(25,128)
Finance costs – net	(1,164,411)	(607,474)
Profit before income tax	15,556,331	12,947,730
Income tax expense	(3,562,944)	(3,117,033)
<b>Profit for the period</b>	<b>11,993,387</b>	<b>9,830,697</b>
<b>Profit attributable to:</b>		
<i>Owners of the Company</i>	11,089,220	8,811,897
<i>Non-controlling interests</i>	904,167	1,018,800
	<b>11,993,387</b>	<b>9,830,697</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>62.04</b>	<b>49.30</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 2019 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

# Consolidated interim balance sheet at 30 June 2019

	30 June 2019 RUB'000	31 Dec 2018 RUB'000		30 June 2019 RUB'000	31 Dec 2018 RUB'000
<b>Assets</b>			<b>Equity and liabilities</b>		
<b>Non-current assets</b>			<b>Equity attributable to the owners of the Company</b>		
Property, plant and equipment	77,251,626	74,764,903	Share capital	516,957	516,957
Right-of-use assets	1,172,072	-	Share premium	27,929,478	27,929,478
Intangible assets	408,856	757,209	Common control transaction reserve	(10,429,876)	(10,429,876)
Other assets	1,271,784	1,019,572	Translation reserve	3,583,594	4,317,675
Trade receivables	195,073	221,805	Capital contribution	2,694,851	2,694,851
Loans and other receivables	5,340	11,904	Retained earnings	25,376,708	22,598,941
<b>Total non-current assets</b>	<b>80,304,751</b>	<b>76,775,393</b>	<b>Total equity attributable to the owners of the Company</b>	<b>49,671,712</b>	<b>47,628,026</b>
<b>Current assets</b>			<b>Non-controlling interest</b>	<b>5,752,722</b>	<b>5,897,408</b>
Inventories	1,003,657	904,375	<b>Total equity</b>	<b>55,424,434</b>	<b>53,525,434</b>
Other assets	3,413,928	3,587,790	<b>Non-current liabilities</b>		
Loans and other receivables	64,595	262,846	Borrowings	21,410,208	17,269,321
Trade receivables	2,576,643	2,365,723	Lease liabilities (IFRS 16)	980,966	-
Current income tax assets	191,846	191,277	Trade and other payables	239,113	404,357
Cash and cash equivalents	9,737,275	7,129,918	Contract liabilities	11,107	-
<b>Total current assets</b>	<b>16,987,944</b>	<b>14,441,929</b>	Deferred tax liabilities	6,726,294	6,284,868
<b>Total assets</b>	<b>97,292,695</b>	<b>91,217,322</b>	<b>Total non-current liabilities</b>	<b>29,367,688</b>	<b>23,958,546</b>
			<b>Current liabilities</b>		
			Borrowings	7,936,686	8,459,590
			Lease liabilities (IFRS 16)	266,062	-
			Trade and other payables	2,223,357	2,549,337
			Contract liabilities	2,055,245	2,673,467
			Current tax liabilities	19,223	50,948
			<b>Total current liabilities</b>	<b>12,500,573</b>	<b>13,733,342</b>
			<b>Total liabilities</b>	<b>41,868,261</b>	<b>37,691,888</b>
			<b>Total equity and liabilities</b>	<b>97,292,695</b>	<b>91,217,322</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 2019 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).



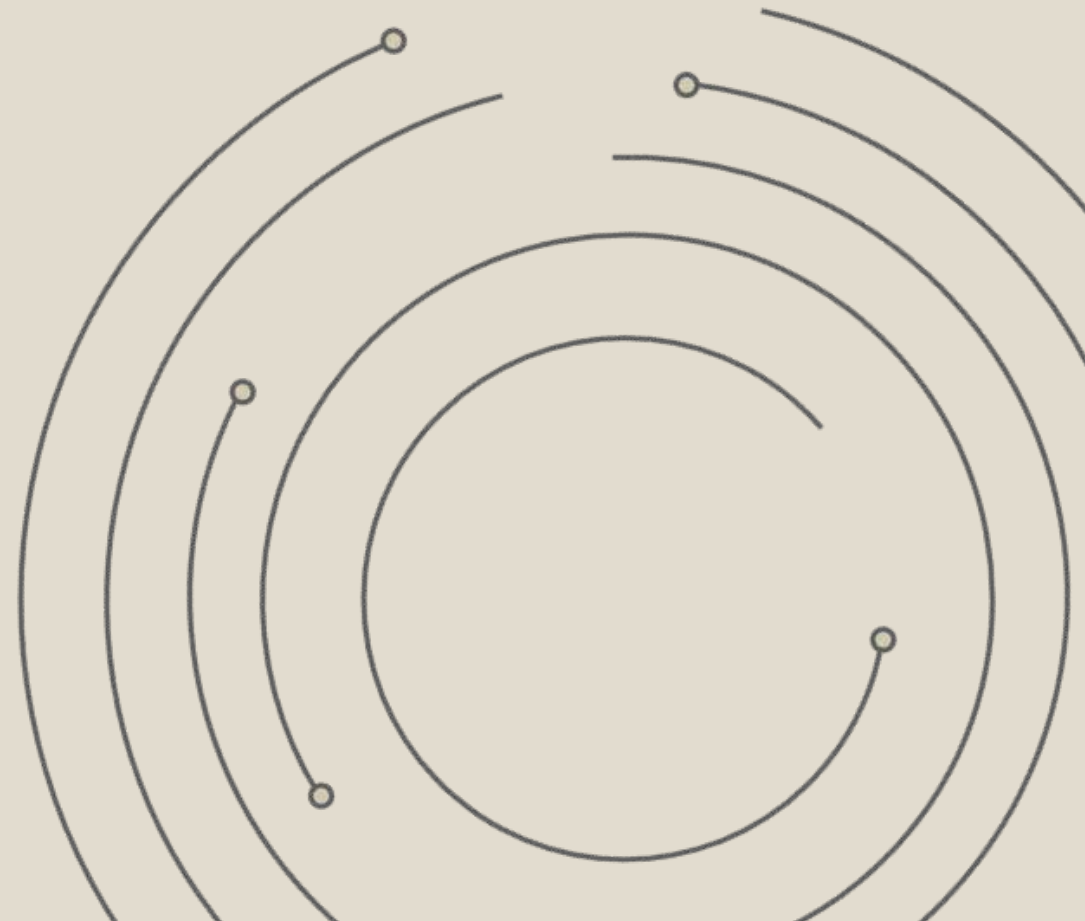
# Consolidated interim cash flow statement for the six months ended 30 June 2019

	H1 2019 RUB'000	H1 2018 RUB'000		H1 2019 RUB'000	H1 2018 RUB'000
<b>Cash flows from operating activities</b>			<b>Cash flows from financing activities</b>		
Profit before tax	15,556,331	12,947,730	Proceeds from bank borrowings	4,426,000	5,010,500
<i>Adjustments for:</i>			Proceeds from issue of non-convertible unsecured bonds	5,000,000	5,000,000
Depreciation of property, plant and equipment	2,753,911	2,437,947	Repayments of borrowings	(5,728,459)	(8,734,912)
Depreciation of right-of-use assets	134,938	-	Principal elements of finance lease payments for leases with financial institutions (2018: Finance lease principal payments)	(244,245)	(844,280)
Amortisation of intangible assets	348,353	348,353	Principal elements of lease payments (IFRS 16)	(101,597)	-
Net loss on sale of property, plant and equipment	6,287	4,070	Interest paid on bank borrowings and non-convertible unsecured bonds	(862,910)	(689,072)
Loss on derecognition arising on capital repairs	189,135	194,692	Interest paid on leases with financial institutions (2018: Interest paid on finance leases)	(88,444)	(5,048)
Interest income	(328,994)	(200,338)	Interest paid on lease liabilities (IFRS 16)	(44,397)	-
Interest expense and other finance costs	1,216,940	782,684	Dividends paid to non-controlling interests in subsidiaries	(680,000)	(920,578)
Foreign exchange transaction losses on financing activities	276,465	25,128	Dividends paid to owners of the Company	(8,311,453)	(8,016,530)
Other losses/(gains)	6,728	(183)	Payments from non-controlling interests for share capital increase of subsidiary	200,060	-
	<b>20,160,094</b>	<b>16,540,083</b>	Payments to non-controlling interest	(305,473)	-
<i>Changes in working capital:</i>			<b>Net cash used in financing activities</b>	<b>(6,740,918)</b>	<b>(9,199,920)</b>
Inventories	55,122	187,490	<b>Net increase in cash and cash equivalents</b>	<b>2,866,060</b>	<b>1,154,326</b>
Trade receivables	(174,401)	83,492	Effect of exchange rate changes on cash and cash equivalents	(258,703)	76,364
Other assets	309,348	292,654	Cash and cash equivalents at beginning of period	7,129,918	4,966,171
Other receivables	(20,243)	(31,990)	<b>Cash and cash equivalents at end of period</b>	<b>9,737,275</b>	<b>6,196,861</b>
Trade and other payables	(298,532)	(639,810)			
Contract liabilities	(607,115)	(1,467)			
<b>Cash generated from operations</b>	<b>19,424,273</b>	<b>16,430,452</b>			
Tax paid	(3,154,581)	(3,340,295)			
<b>Net cash from operating activities</b>	<b>16,269,692</b>	<b>13,090,157</b>			
<b>Cash flows from investing activities</b>					
Purchases of property, plant and equipment	(7,065,346)	(2,992,119)			
Proceeds from disposal of property, plant and equipment	26,903	38,302			
Loans repayments received from third parties	2,776	2,926			
Interest received	322,072	199,827			
Receipts from finance lease receivable	50,881	15,153			
<b>Net cash used in investing activities</b>	<b>(6,662,714)</b>	<b>(2,735,911)</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 2019 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 2019



## Fleet (including rolling stock and containers)

	30.06.2019	30.06.2018	Change	Change, %	31.12.2018		30.06.2019	30.06.2018	Change	Change, %	31.12.2018
<b>Owned Fleet</b>						<b>Total Fleet by type, %</b>					
Gondola cars	45,216	42,466	2,750	6%	44,878	Gondola cars	65%	65%	-	-	65%
Rail tank cars	17,834	18,031	-197	-1%	17,938	Rail tank cars	29%	30%	-	-	30%
Locomotives	73	69	4	6%	69	Locomotives	0%	0%	-	-	0%
Other railcars (incl. flat, hopper cars, etc)	1,029	724	305	42%	860	Other railcars (incl. flat, hopper cars, etc)	2%	2%	-	-	2%
Containers (incl. petrochemical and other)	2,152	1,556	596	38%	1,660	Containers (incl. petrochemical and other)	4%	3%	-	-	3%
<b>Total</b>	<b>66,304</b>	<b>62,846</b>	<b>3,458</b>	<b>6%</b>	<b>65,405</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>95%</i>	<i>-</i>	<i>-</i>	<i>95%</i>						
<b>Leased-in Fleet</b>						<b>Average age of Owned Fleet</b>					
Gondola cars	104	104	0	0%	104	Gondola cars	10.4	10.1	-	-	10.0
Rail tank cars	2,765	1,878	887	47%	2,488	Rail tank cars	14.4	14.0	-	-	14.5
Locomotives	0	0	0	NM	0	Locomotives	15.1	14.2	-	-	14.7
Other railcars	584	715	-131	-18%	646	Other railcars	8.5	14.3	-	-	10.9
Containers (incl. petrochemical and other)	380	380	0	0%	380	Containers (incl. petrochemical and other)	1.8	1.4	-	-	1.8
<b>Total</b>	<b>3,833</b>	<b>3,077</b>	<b>756</b>	<b>25%</b>	<b>3,618</b>	<b>Total</b>	<b>11.2</b>	<b>11.0</b>	<b>-</b>	<b>-</b>	<b>11.0</b>
<i>Leased-in Fleet as % of Total Fleet</i>	<i>5%</i>	<i>5%</i>	<i>-</i>	<i>-</i>	<i>5%</i>						
<b>Total Fleet (Owned Fleet and Leased-in Fleet)</b>											
Gondola cars	45,320	42,570	2,750	6%	44,982						
Rail tank cars	20,599	19,909	690	3%	20,426						
Locomotives	73	69	4	6%	69						
Other railcars (incl. flat, hopper cars, etc)	1,613	1,439	174	12%	1,506						
Containers (incl. petrochemical and other)	2,532	1,936	596	31%	2,040						
<b>Total</b>	<b>70,137</b>	<b>65,923</b>	<b>4,214</b>	<b>6%</b>	<b>69,023</b>						

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

	H1 2019	H1 2018	Change	Change, %	2018
<b>Freight Rail Turnover, bln tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>34.4</b>	<b>38.3</b>	<b>-3.9</b>	<b>-10%</b>	<b>79.0</b>
Ferrous metals	14.3	16.8	-2.5	-15%	35.5
Scrap metal	1.6	1.3	0.3	26%	3.7
Iron ore	18.4	20.1	-1.7	-8%	39.8
<b>Oil products and oil</b>	<b>10.8</b>	<b>10.4</b>	<b>0.4</b>	<b>4%</b>	<b>21.2</b>
<b>Coal (incl. coke)</b>	<b>16.0</b>	<b>16.7</b>	<b>-0.7</b>	<b>-4%</b>	<b>29.5</b>
<b>Construction materials</b>	<b>3.4</b>	<b>3.4</b>	<b>-0.1</b>	<b>-2%</b>	<b>5.8</b>
Crushed stone	2.8	2.8	-0.1	-2%	4.7
Cement	0.1	0.1	-0.1	-40%	0.3
Other construction materials	0.5	0.5	0.1	13%	0.8
<b>Other</b>	<b>6.0</b>	<b>5.5</b>	<b>0.5</b>	<b>10%</b>	<b>10.7</b>
<b>Total</b>	<b>70.5</b>	<b>74.2</b>	<b>-3.7</b>	<b>-5%</b>	<b>146.2</b>
<b>Freight Rail Turnover by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	49%	52%	-	-	54%
Oil products and oil	15%	14%	-	-	14%
Coal (incl. coke)	23%	22%	-	-	20%
Construction materials (incl. cement)	5%	5%	-	-	4%
Other	8%	7%	-	-	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Transportation Volume, mln tonnes</b>					
<b>Metallurgical cargoes</b>	<b>22.1</b>	<b>21.3</b>	<b>0.8</b>	<b>4%</b>	<b>45.0</b>
Ferrous metals	7.9	8.0	-0.1	-1%	16.8
Scrap metal	1.4	1.2	0.3	22%	3.1
Iron ore	12.8	12.2	0.6	5%	25.0
<b>Oil products and oil</b>	<b>10.5</b>	<b>10.1</b>	<b>0.4</b>	<b>4%</b>	<b>20.7</b>
<b>Coal (incl. coke)</b>	<b>5.5</b>	<b>5.2</b>	<b>0.3</b>	<b>6%</b>	<b>9.6</b>
<b>Construction materials</b>	<b>3.8</b>	<b>3.9</b>	<b>-0.1</b>	<b>-4%</b>	<b>6.4</b>
Crushed stone	3.3	3.5	-0.1	-4%	5.6
Cement	0.1	0.1	-0.1	-56%	0.3
Other construction materials	0.4	0.3	0.1	24%	0.5
<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>45.7</b>	<b>44.2</b>	<b>1.6</b>	<b>4%</b>	<b>88.5</b>

	H1 2019	H1 2018	Change	Change, %	2018
<b>Average Rolling Stock Operated, units</b>					
Gondola cars	43,198	40,624	2,574	6%	41,268
Rail tank cars	13,160	11,372	1,788	16%	11,832
Locomotives	48	47	0	0%	47
Other railcars	374	447	-73	-16%	415
<b>Total</b>	<b>56,780</b>	<b>52,490</b>	<b>4,290</b>	<b>8%</b>	<b>53,562</b>
<b>Average Number of Loaded Trips per Railcar</b>					
Gondola cars	12.0	12.3	-0.3	-3%	24.3
Rail tank cars	13.2	14.6	-1.5	-10%	28.9
Other railcars	41.3	34.6	6.7	19%	66.4
<b>Total</b>	<b>12.5</b>	<b>13.0</b>	<b>-0.6</b>	<b>-4%</b>	<b>25.6</b>
<b>Average Distance of Loaded Trip, km</b>					
Gondola cars	1,736	1,915	-179	-9%	1,885
Rail tank cars	1,009	1,022	-12	-1%	1,010
Other railcars	528	816	-288	-35%	766
<b>Total</b>	<b>1,531</b>	<b>1,672</b>	<b>-141</b>	<b>-8%</b>	<b>1,644</b>
<b>Average Price per Trip, RUB</b>	<b>45,825</b>	<b>41,567</b>	<b>4,258</b>	<b>10%</b>	<b>41,859</b>
<b>Net Revenue from Operation of Rolling Stock by cargo type, RUB mln</b>					
<b>Metallurgical cargoes</b>	<b>13,587*</b>	<b>10,720*</b>	<b>2,866</b>	<b>27%</b>	<b>23,346*</b>
Ferrous metals	5,803*	5,523*	280	5%	11,772*
Scrap metal	919*	657*	262	40%	1,816*
Iron ore	6,865*	4,540*	2,325	51%	9,758*
<b>Oil products and oil</b>	<b>9,856*</b>	<b>9,544*</b>	<b>311</b>	<b>3%</b>	<b>19,207*</b>
<b>Coal (incl. coke)</b>	<b>4,622*</b>	<b>4,510*</b>	<b>112</b>	<b>2%</b>	<b>8,115*</b>
<b>Construction materials (incl. cement)</b>	<b>1,776*</b>	<b>1,612*</b>	<b>164</b>	<b>10%</b>	<b>2,761*</b>
<b>Other</b>	<b>2,593*</b>	<b>2,033*</b>	<b>560</b>	<b>28%</b>	<b>4,045*</b>
<b>Total</b>	<b>32,434*</b>	<b>28,420*</b>	<b>4,013</b>	<b>14%</b>	<b>57,474*</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 H1 2019 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 the container business segment (petrochemical and other). 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 2019	H1 2018	Change	Change, %	2018
<b>Net Revenue from Operation of Rolling Stock by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	42%	38%	-	-	41%
Oil products and oil	30%	34%	-	-	33%
Coal (incl. coke)	14%	16%	-	-	14%
Construction materials (incl. cement)	5%	6%	-	-	5%
Other	8%	7%	-	-	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	-	-	<b>100%</b>

	H1 2019	H1 2018	Change	Change, %	2018
<b>Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers), %</b>					
Rosneft	21%	23%	-	-	23%
Metalloinvest	21%	15%	-	-	17%
MMK	13%	13%	-	-	16%
Gazprom Neft	4%	6%	-	-	5%
TAIF	4%	3%	-	-	3%
TMK	3%	2%	-	-	2%
UGMK-Trans	2%	2%	-	-	2%
Severstal	2%	2%	-	-	1%
Evraz	2%	5%	-	-	4%
ChelPipe	1%	1%	-	-	1%
Other (incl. small and medium enterprises)	26%	28%	-	-	26%

	H1 2019	H1 2018	Change	Change, %	2018
<b>Empty Run Ratio, %</b>					
Gondola cars	43%	37%	-	-	38%
Rail tank cars and other railcars	88%	89%	-	-	90%
<b>Total Empty Run Ratio, %</b>	<b>51%</b>	<b>45%</b>	-	-	<b>46%</b>
<b>Empty Run Costs, RUB mln</b>	<b>7,194*</b>	<b>6,416*</b>	<b>779</b>	<b>12%</b>	<b>12,956*</b>
<b>Share of Empty Run Kilometres Paid by Globaltrans, %</b>	<b>90%</b>	<b>91%</b>	-	-	<b>89%</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 H1 2019 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 the container business segment (petrochemical and other). 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 2019	H1 2018	Change	Change, %	2018
<b>Freight Rail Turnover, bln tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>39.4</b>	<b>45.4</b>	<b>-6.0</b>	<b>-13%</b>	<b>89.6</b>
Ferrous metals	15.0	18.5	-3.5	-19%	37.8
Scrap metal	1.6	1.3	0.3	25%	3.7
Iron ore	22.7	25.6	-2.9	-11%	48.1
<b>Oil products and oil</b>	<b>10.8</b>	<b>10.9</b>	<b>0.0</b>	<b>0%</b>	<b>22.2</b>
<b>Coal (incl. coke)</b>	<b>16.5</b>	<b>17.4</b>	<b>-0.9</b>	<b>-5%</b>	<b>30.4</b>
<b>Construction materials</b>	<b>3.4</b>	<b>3.4</b>	<b>-0.1</b>	<b>-2%</b>	<b>5.8</b>
Crushed stone	2.8	2.8	-0.1	-3%	4.7
Cement	0.1	0.1	-0.1	-41%	0.3
Other construction materials	0.5	0.5	0.1	13%	0.8
<b>Other</b>	<b>6.0</b>	<b>5.6</b>	<b>0.4</b>	<b>8%</b>	<b>10.9</b>
<b>Total</b>	<b>76.1</b>	<b>82.7</b>	<b>-6.6</b>	<b>-8%</b>	<b>158.9</b>

	H1 2019	H1 2018	Change	Change, %	2018
<b>Transportation Volume, mln tonnes</b>					
<b>Metallurgical cargoes</b>	<b>24.8</b>	<b>24.9</b>	<b>-0.1</b>	<b>0%</b>	<b>50.4</b>
Ferrous metals	8.3	8.8	-0.5	-5%	18.0
Scrap metal	1.4	1.2	0.2	21%	3.2
Iron ore	15.1	14.9	0.1	1%	29.3
<b>Oil products and oil</b>	<b>10.5</b>	<b>10.6</b>	<b>-0.1</b>	<b>-1%</b>	<b>22.0</b>
<b>Coal (incl. coke)</b>	<b>5.7</b>	<b>5.6</b>	<b>0.1</b>	<b>2%</b>	<b>10.0</b>
<b>Construction materials</b>	<b>3.8</b>	<b>3.9</b>	<b>-0.2</b>	<b>-4%</b>	<b>6.4</b>
Crushed stone	3.4	3.5	-0.2	-5%	5.7
Cement	0.1	0.1	-0.1	-57%	0.3
Other construction materials	0.4	0.3	0.1	24%	0.5
<b>Other</b>	<b>4.0</b>	<b>3.8</b>	<b>0.1</b>	<b>3%</b>	<b>7.1</b>
<b>Total</b>	<b>48.7</b>	<b>48.8</b>	<b>-0.1</b>	<b>0%</b>	<b>96.0</b>

## Engaged Fleet

	H1 2019	H1 2018	Change	Change, %	2018
<b>Net Revenue from Engaged Fleet, RUB mln</b>	<b>82*</b>	<b>259*</b>	<b>-177</b>	<b>-68%</b>	<b>432*</b>

## Operating leasing of rolling stock

	30.06.2019	30.06.2018	Change	Change, %	31.12.2018
<b>Leased-out Fleet</b>					
Gondola cars	168	512	-344	-67%	462
Rail tank cars	7,098	7,385	-287	-4%	7,098
Locomotives	0	0	0	0%	0
Other railcars (incl. flat, hopper cars, etc)	94	96	-2	-2%	67
<b>Total</b>	<b>7,360</b>	<b>7,993</b>	<b>-633</b>	<b>-8%</b>	<b>7,627</b>
<i>Leased-out Fleet as % of Total Fleet</i>	<i>10%</i>	<i>12%</i>	<i>-</i>	<i>-</i>	<i>11%</i>

## Employees

	30.06.2019	30.06.2018	Change	Change, %	31.12.2018
<b>Total</b>	<b>1,597</b>	<b>1,569</b>	<b>28</b>	<b>2%</b>	<b>1,549</b>

## 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 losses/(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 containers used in container business segment).

**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”, “Amortisation of intangible assets” and “Depreciation of right-of-use assets”.

**Empty Run** or **Empty Runs** means the 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 containers used in the container business segment.

**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 containers used in the container business segment).

**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”, “Principal elements of lease payments for leases with financial institutions”, “Principal elements of lease payments (IFRS 16)”, “Interest paid on lease liabilities (IFRS 16)” and “Interest paid on bank borrowings and non-convertible unsecured bonds” and “Interest paid on leases with financial institutions”.

**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 (unless otherwise stated) and performance of the container business segment.

**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 container business segment.

## Definitions (in alphabetical order, continued)

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

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

**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 CAPEX** (a non-GAAP financial measure) calculated on a cash basis as the sum of “Purchases of property, plant and equipment” (which includes maintenance CAPEX), “Purchases of intangible assets”, “Acquisition of subsidiary undertakings - net of cash acquired” and “Principal elements of lease payments for leases with financial institutions” (as part of the capital expenditures was financed with a finance lease).

**Total Operating Non-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”, “Depreciation of right-of-use 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”, “Expense relating to short-term leases – 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 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 containers used in the container business segment 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 containers used in the container business segment) 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 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 (unless otherwise stated) and performance of the container business segment.



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