



# FY2019 RESULTS

Valery Shpakov, CEO  
Alexander Shenets, CFO

Investor Conference Call  
30 March 2020



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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.

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# Team Presenting Today



**Valery Shpakov**  
Chief Executive Officer

Valery Shpakov has been CEO since 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

Alexander Shenets has been CFO of Globaltrans since the Group's establishment and has more than 15 years of experience in senior finance positions, mostly in the rail sector.

# HIGHLIGHTS



# Outstanding 2019, powerful operating model mitigating volatility

## Growth in Market Share and pricing drove outstanding financial performance

- Industry outperformance with the Group's Transportation Volumes up 3.5% y-o-y<sup>1</sup>, ahead of declining overall market (-0.9% y-o-y)
- Market Share strengthened to 7.8% (2018: 7.4%)
- Strong pricing maintained despite gondola segment volatility with Average Price per Trip up 9% y-o-y
- Adjusted EBITDA increased 20% y-o-y to RUB 39.6 bln, Adjusted EBITDA Margin expanded to 57% (2018: 54%)

## Strong Free Cash Flow and low leverage support strong dividends

- Strong Free Cash Flow of RUB 12.8 bln
- Leverage at low level with Net Debt to Adjusted EBITDA at 0.60x
- Strong final 2019 dividend proposed (incl. final and special final) of RUB 8.3 bln or RUB 46.55 per share/GDR<sup>2</sup>

## Powerful operating model mitigating current volatility

- 66% of Net Revenue from Operation of Rolling Stock contributed by large service contracts in 2019
- Globaltrans' Freight Rail Turnover increased slightly y-o-y in Jan-Feb 2020<sup>3</sup>
- Strong interim 2020 dividend outlook re-confirmed in amount of c.RUB 8.3 bln

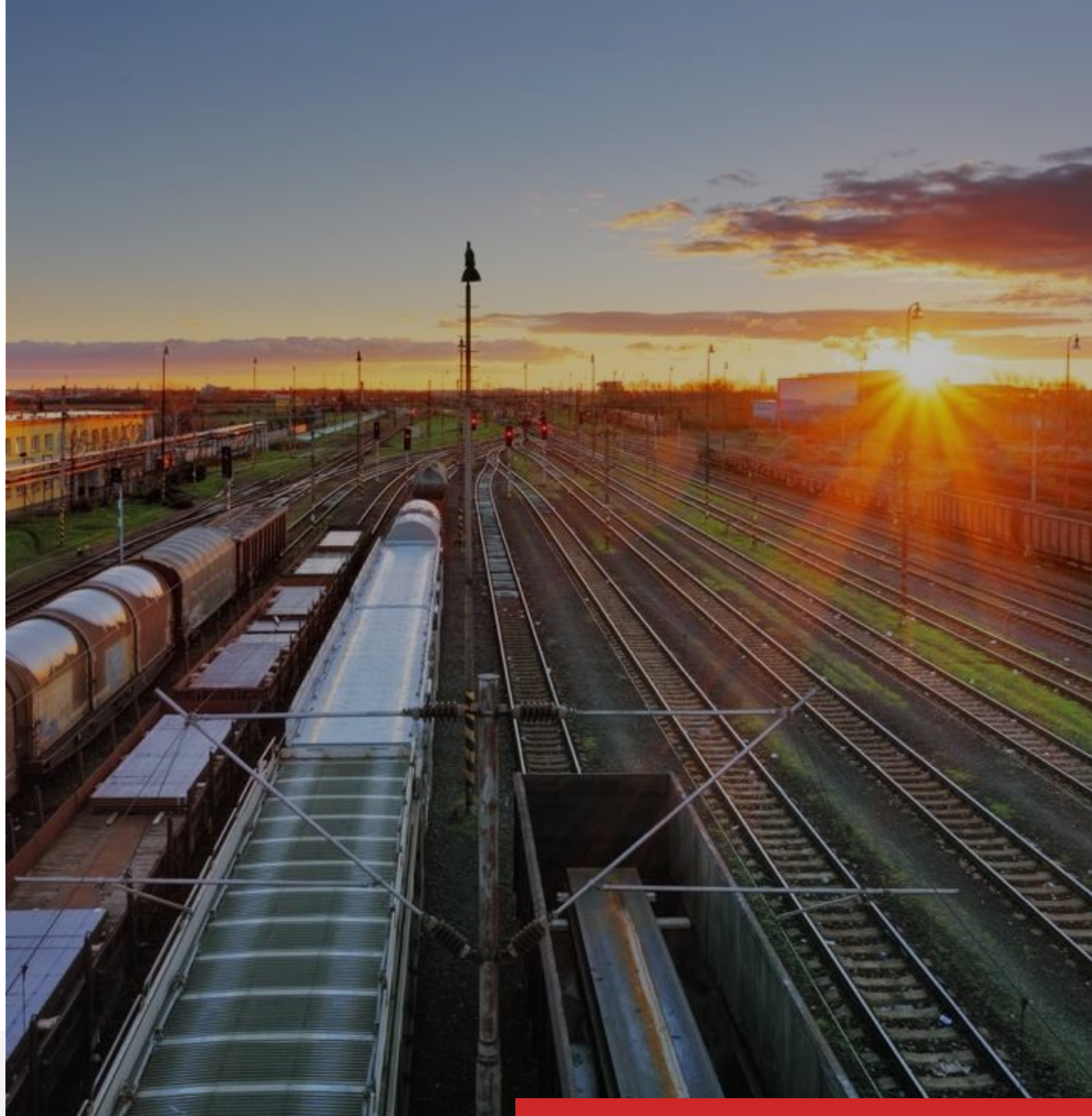
Source: Globaltrans; Rosstat. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. The Group's Freight Rail Turnover increased 0.6% y-o-y.

2. Subject to shareholders' approval at the Annual General Meeting ("AGM") called for 30 April 2020, final and special final dividends will be paid in USD with conversion from RUB to be executed at the average of the official exchange rates of the Central Bank of Russia for the eight business days in Russia from 20 to 29 April 2020 inclusive.

3. According to the management accounts.

# MARKET REVIEW



# Overall demand remained solid in 2019

## Solid overall demand with monthly volume volatility

- Overall Russia's freight rail turnover was up 0.2% y-o-y in 2019 while volumes decreased 0.9% y-o-y

## Non-oil (bulk) cargo volumes held relatively stable, down 0.7% y-o-y

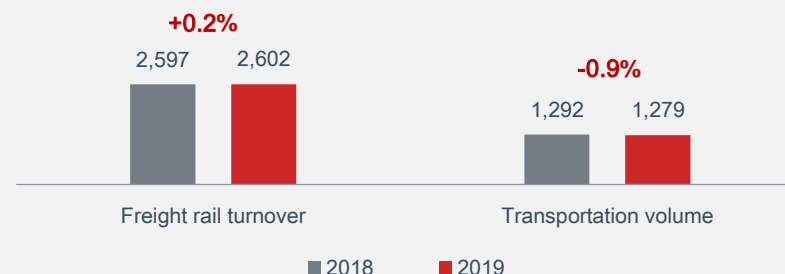
- Net increase in overall gondola capacity was c.6% (or 31.7k units)<sup>1</sup> vs. end 2018
- Overall solid pricing environment with pressure on prices building during H2 2019

## Broadly balanced supply and demand in oil products and oil

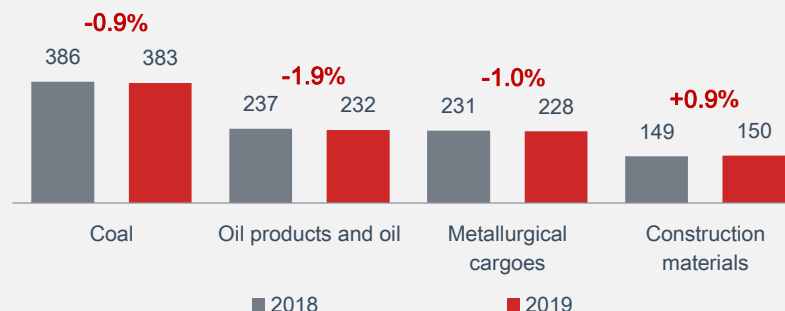
- Volumes fell 1.9% y-o-y largely reflecting scheduled repair and maintenance works at some refineries, a decrease in heavy fuel oil volumes combined with the launch of new pipelines
- Healthy pricing environment supported by balanced supply and demand (net decrease in overall tank capacity was c.2% or 3.7k units)<sup>1,2</sup>

Average speeds on the RZD rail network deteriorated due to impact of ongoing major rail infrastructure modernisation projects

Overall Russia's freight rail turnover — bln tonnes-km  
Transportation volumes — mln tonnes



Overall Russia's freight rail transportation volumes — by key freight, mln tonnes<sup>3</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. Estimated by the Company. Net change in Russia's overall fleet of respective rolling stock as of 31 December 2019 compared to the end of 2018.

2. Including only additions of new oil products and oil tank cars and excluding units reregistered in Russia from other countries.

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

# OPERATIONAL PERFORMANCE





# Strong volume growth, industry outperformance and market share gains

**Strong volume growth (+3.5% y-o-y) ahead of the overall Russian market (-0.9% y-o-y)**

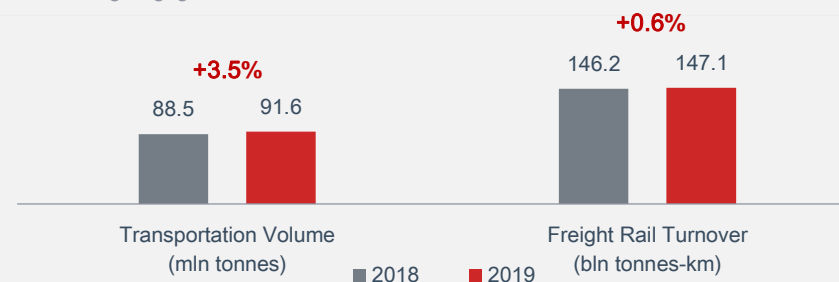
- Strong volume growth delivered in both bulk (+3% y-o-y) and oil products and oil (+6% y-o-y) segments supported by a strong client base and powerful operating model
- Market Share increased to 7.8% (2018: 7.4%)
- Freight Rail Turnover up 0.6% y-o-y mostly reflecting changed client logistics with lower Average Distance of Loaded Trip (-3% y-o-y)
- Average Number of Loaded Trips per Railcar decreased 3% y-o-y largely reflecting a reduction in average speeds on the RZD rail network caused by ongoing rail infrastructure modernisation projects

**Total Fleet increased 2% to 70.7k with all units fully deployed**

- Moderate acquisitions in 2019 (+2.5k)<sup>1</sup> took Owned Fleet to 67.7k units
- Leased-in Fleet reduced 16% to 3.1k units in 2019 vs. the end of 2018, as leased-out tank cars were converted to operation
- Average Rolling Stock Operated was up 6% y-o-y

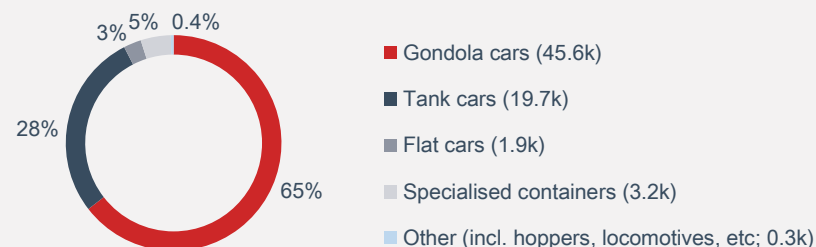
## Transportation Volume / Freight Rail Turnover<sup>2</sup>

— excluding Engaged Fleet



## Large diversified fleet

— at 31 December 2019



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 2019 the Group took delivery of 2,502 units (including 1,154 specialised containers, 700 flat cars, 638 gondola cars and 10 locomotives) and disposed of 238 units (mostly tank and flat cars).

2. The Group's Transportation Volumes and Freight Rail Turnover (including Engaged Fleet) increased 3.5% y-o-y and 1.7% y-o-y respectively.

# Strong pricing, net revenue growth achieved across all key segments

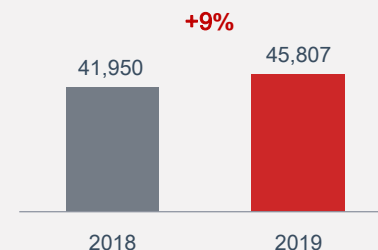
Strong overall pricing maintained with Average Price per Trip up 9% y-o-y

- Broadly stable Average Price per Trip in H2 2019, despite gondola segment headwinds and supported by healthy pricing in tank cars

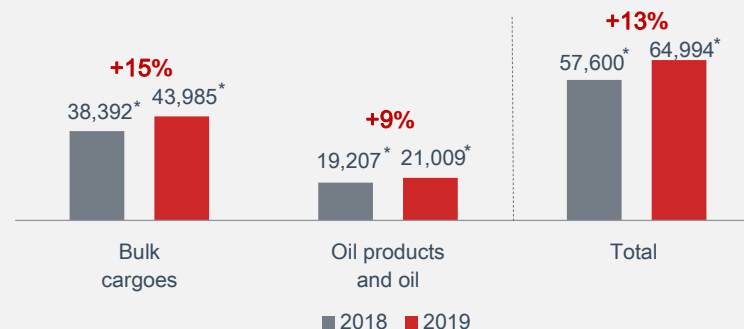
Net Revenue from Operation of Rolling Stock increased 13% y-o-y reflecting the strong performance across all key segments

- Strong pricing, an increase in business volumes and efficient deployment of new fleet enabled strong net revenue growth
  - up 15% y-o-y in bulk cargo segment
  - up 9% y-o-y in oil products and oil
- Operator's segment contributed 94% of the Group's Adjusted Revenue in 2019

Average Price per Trip — RUB



Net Revenue from Operation of Rolling Stock — RUB



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.

# New long-term contract with Gazprom Neft pushes service contracts contribution to 66%<sup>1</sup>; strong growth in specialised containers

## New long-term contract with Gazprom Neft secured

- 3-year contract signed which represented 5% of the Group's net revenue<sup>2</sup> in 2019

## Two major service contracts renewed

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

## Net revenue from service contracts with TMK and ChelPipe Group increased<sup>2</sup>

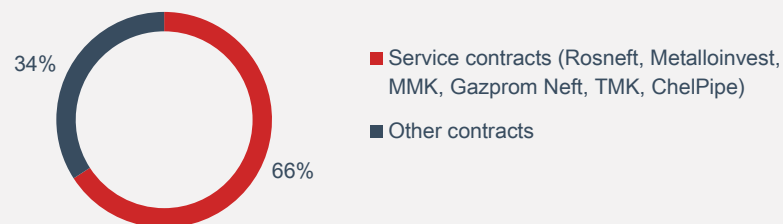
- 60% y-o-y increase in net revenue<sup>2</sup> stemming from the five-year contracts signed with TMK and ChelPipe Group in 2018
- Volumes serviced under the service contract with TMK increased to a minimum of 75%

## Net Revenue from Specialised Container Transportation up 45% y-o-y, contributing 2% of the Group's Adjusted Revenue in 2019

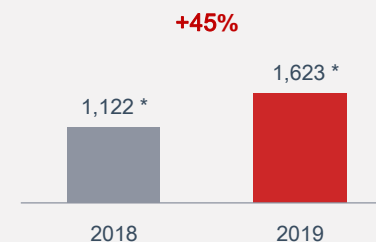
- Business line was started from scratch in 2014
- Focus on transportation of petrochemicals and high grade steel
- Utilises 3.2k specialised containers (mostly petrochemical) and 1.7k flat cars
- Key clients include EVRAZ, SayanskKhimPlast, KuibyshevAzot, Bashkir Soda Company, NLMK, etc.

## Net Revenue from Operation of Rolling Stock

— by key clients, 2019,



## Net Revenue from Specialised Container Transportation — 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. 66% of the Group's Net Revenue from Operation of Rolling Stock in 2019.

2. Net Revenue from Operation of Rolling Stock.

# Operational excellence maintained despite volatility in clients' logistics

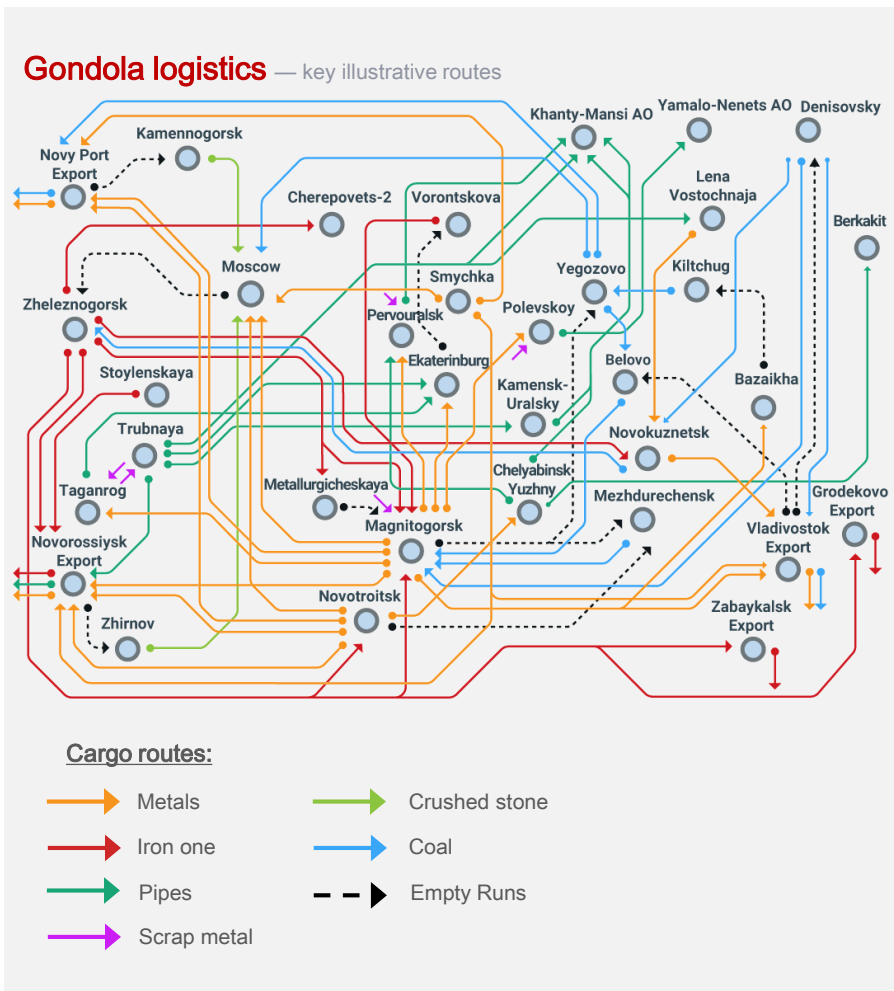
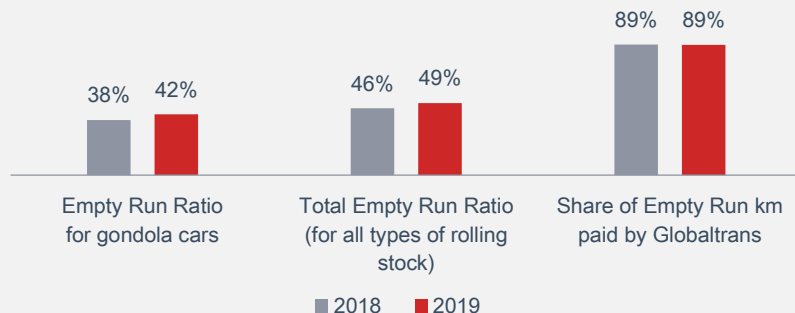
Powerful and sizable operating platform enabled efficient adaptation to volatility in client logistics

- Substantial shift in clients' logistics patterns drove anticipated increase in Empty Runs for gondola cars in H1 2019, which remained stable thereafter

## Operational excellence maintained

- As anticipated, Empty Run Ratio for gondola cars rose to 42% (2018: 38%) yet remained one of the lowest on the Russian market
- Total Empty Run Ratio (for all types of rolling stock) rose to 49% (2018: 46%)
- Share of Empty Run Kilometers paid by Globaltrans remained stable y-o-y at 89%

### 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.

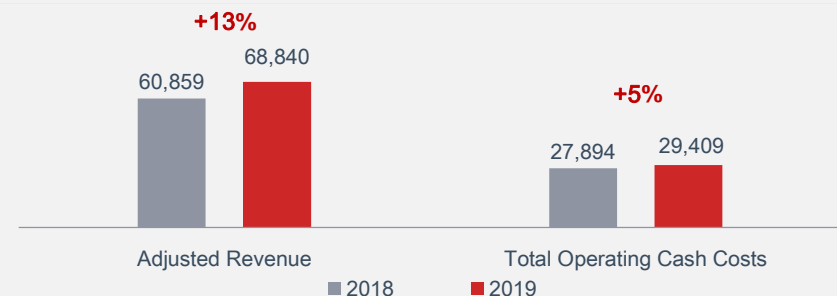
# FINANCIAL RESULTS



# Strong financial results, margin expansion and low leverage

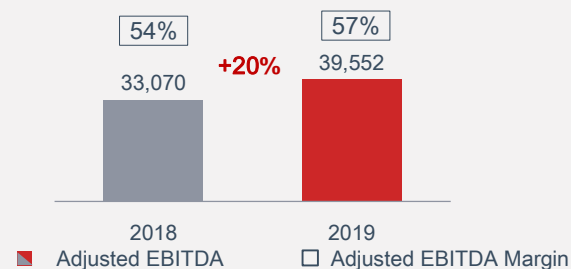
## Adjusted Revenue / Total Operating Costs

— RUB mln



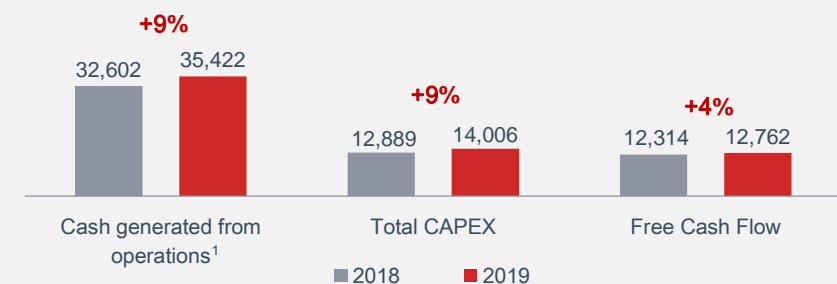
## Adjusted EBITDA — RUB mln

Adjusted EBITDA Margin — %



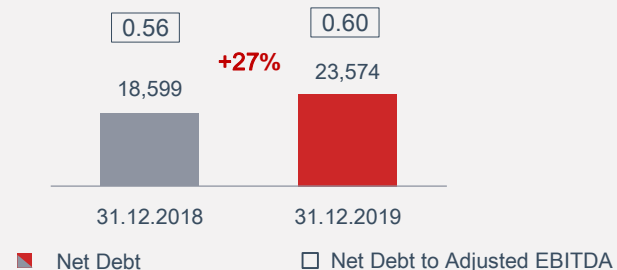
## Cash generated from operations<sup>1</sup> / Total CAPEX — RUB mln

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. After "Changes in working capital".

# Robust business performance drove 13% y-o-y growth in Adjusted Revenue

	2018 (RUB mln)	2019 (RUB mln)	Change (y-o-y)
<b>Adjusted Revenue</b>	<b>60,859</b>	<b>68,840</b>	<b>13%</b>
Including			
Net Revenue from Operation of Rolling Stock	57,600*	64,994*	13%
Net Revenue from Specialised Container Transportation	1,122*	1,623*	45%
Operating leasing of rolling stock	1,394	1,634	17%
Net Revenue from Engaged Fleet	432*	202*	-53%
Other revenue	311	386	24%

**Net Revenue from Operation of Rolling Stock (94% of Adjusted Revenue) increased 13% y-o-y reflecting robust performance across all key business segments**

- Average Price per Trip rose 9% y-o-y
- Average Rolling Stock Operated was up 6% y-o-y
- Average Number of Loaded Trips per Railcar fell 3% y-o-y

**Net Revenue from Specialised Container Transportation<sup>1</sup> (2% of Adjusted Revenue) rose 45% y-o-y**

- Increase supported by fleet expansion and launch of the transportation of high grade steel in specialised containers

**Revenue from operating leasing of rolling stock (2% of Adjusted Revenue) rose 17% y-o-y**

- Favourable pricing conditions in tank car leasing segment

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. Mainly petrochemical tank containers.

## Operating Cash Costs increase held to 5% y-o-y supporting margin expansion

	2018 (RUB mln)	2019 (RUB mln)	Change (y-o-y)
<b>Total Operating Cash Costs</b>	<b>27,894</b>	<b>29,409</b>	<b>5%</b>
Empty Run Costs	12,956*	14,752*	14%
Employee benefit expense	4,367	4,483	3%
Repairs and maintenance	3,821	4,403	15%
Fuel and spare parts - locomotives	1,935	1,914	-1%
Infrastructure and Locomotive Tariffs - Other Tariffs	892*	987*	11%
Engagement of locomotive crews	795	775	-3%
Expense relating to short-term leases (rolling stock)	-	722	NM
Operating lease rentals - rolling stock	827	-	-100%
Other Operating Cash Costs <sup>1</sup>	2,300	1,372	-40%
<b>Total Operating Non-Cash Costs</b>	<b>6,197</b>	<b>7,345</b>	<b>19%</b>
Depreciation of property, plant and equipment	5,111	5,795	13%
Amortisation of intangible assets	697	697	0%
Loss on derecognition arising on capital repairs	377	472	25%
Depreciation of right-of-use assets (IFRS 16)	-	424	NM
Net impairment losses on trade and other receivables	30	13	-57%
Net (gain)/loss on sale of property, plant and equipment	(27)	10	NM
Impairment/(reversal of impairment) of property, plant and equipment	10	(65)	NM

- Growth in Total Operating Cash Costs held to 5% y-o-y despite cost pressures from an increase in the regulated RZD tariffs for traction of empty railcars, higher Empty Runs due to changed client logistics and a rise in repairs and maintenance costs
- Total Operating Non-Cash Costs were up 19% 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”

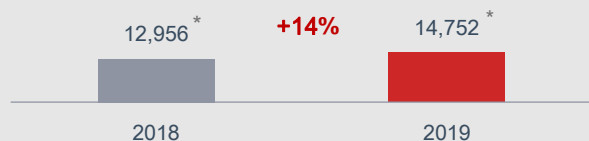
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Other Operating Cash Costs (a non-GAAP financial measure) include the following cost items: “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”.



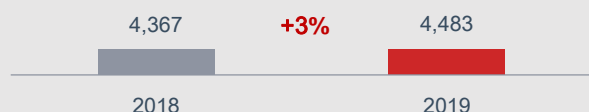
# Major Operating Cash Cost items

## Empty Run Costs — 50%<sup>1</sup>



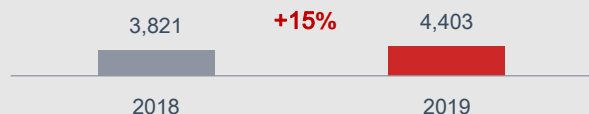
- Increase in regulated RZD tariffs for the traction of empty railcars (+9.8% for gondola cars and +3.6% for all other types of rolling stock)<sup>2</sup>
- Increase in Total Empty Run Ratio (for all types of rolling stock) to 49% (2018: 46%) as anticipated due to changes in logistics of key gondola clients

## Employee benefit expense — 15%<sup>1</sup>



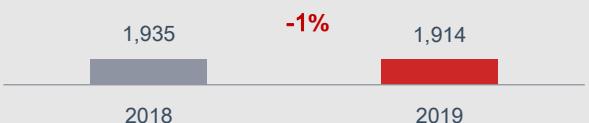
- 2% y-o-y increase in average headcount due to the move to having in-house locomotive crews
- Inflation driven growth in wages and salaries and related social insurance costs
- Partially offset by a reduction in bonuses

## Repairs and maintenance — 15%<sup>1</sup>



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

## Fuel and spare parts – locomotives — 7%<sup>1</sup>



- Inflationary growth in the cost of fuel more than offset by changed clients' logistics driving low fuel consumption

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 2019.

2. From the beginning of 2019.

# Continued strong cash generation

Operating cash flows (before working capital) up 19% y-o-y with higher working capital reducing growth in Cash generated from operations to 9%<sup>1</sup>

- RUB 4.1 bln increase in working capital of which RUB 1.9 bln\* due to one-off prepayments for railcar wheels for use in 2020

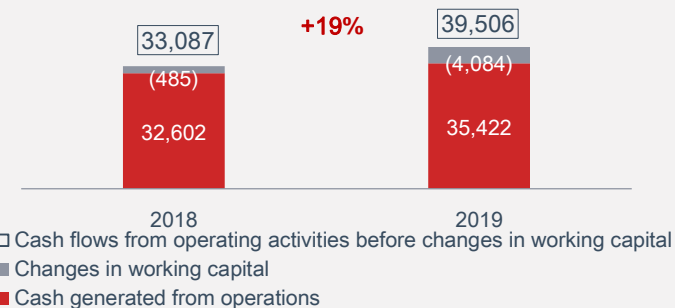
Total CAPEX<sup>2</sup> rose 9% y-o-y to RUB 14.0 bln<sup>3</sup>, largely driven by speculative increase in cost of wheel pairs

- Higher-than-expected rise in maintenance CAPEX (up RUB 3.4 bln to RUB 6.9 bln\* in 2019) largely reflecting increase in the cost of wheel pairs
- Expansion CAPEX decreased by RUB 2.3 bln to RUB 7.1 bln\* including purchase of specialised containers, flat cars, gondola cars and mainline locomotives
  - All units are fully deployed

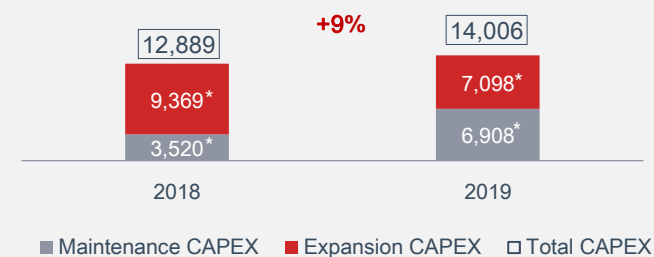
Free Cash Flow of RUB 12.8 bln, up 4% y-o-y

- RUB 2.8 bln y-o-y rise in cash generated from operations<sup>1</sup> was partially offset by RUB 1.1 bln y-o-y increase in Total CAPEX

Cash generated from operations — RUB mln



Total CAPEX — RUB mln



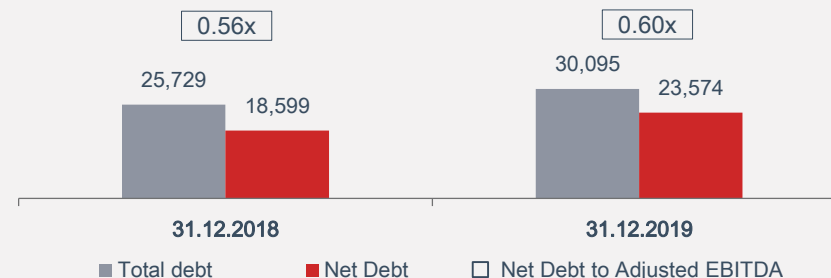
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

- After "Changes in working capital".
- 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).
- The Group's capital expenditure (including maintenance CAPEX) on an accrual basis was RUB 14,136 mln in 2019 (2018: RUB 14,527 mln). The difference between capital expenditure given on a cash basis and on an accrual basis is principally because of a time lag between prepayments for and delivery of rolling stock and due to a part of the capital expenditure being financed with a finance lease.

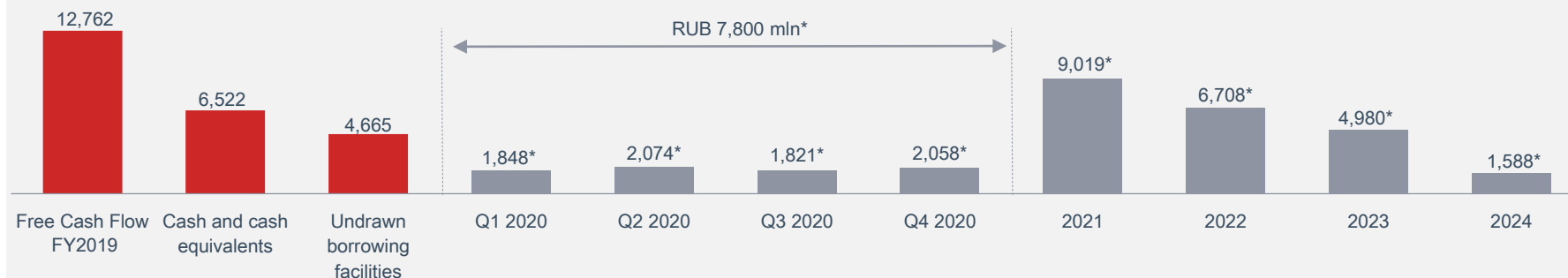
# Robust financial profile with low leverage

- Low leverage with Net Debt to Adjusted EBITDA ratio of 0.60x
- Net Debt of RUB 23,574 mln (up 27% vs. the end of 2018)
- All debt denominated in RUB (the functional currency of the Company)
- Weighted average effective interest rate of 8.1% compared to 7.9% at the end of 2018
- Under IFRS 16, Lease liabilities of RUB 1,531 mln<sup>2</sup> were recognised as of 31 December 2019 which largely related to long-term leasing of offices and certain specialised fleet

Total Debt / Net Debt — RUB mln  
Net Debt to Adjusted EBITDA — x



Balanced and comfortable maturity profile — as of 31 December 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 396 mln\*.

2. Not included in Total debt.

# DIVIDENDS



# Strong 2019 final dividend proposed, 2020 interim dividend outlook confirmed

Strong 2019 final dividend proposed reflecting solid cash generation, low leverage and intention to retain efficient capital structure by returning excess capital to shareholders

- Proposed final and special final dividends of RUB 8.3 bln combined (RUB 46.55 per share/GDR)<sup>1</sup>
- Subject to shareholder approval at AGM called for 30 April 2020
- GDR ex-dividend date – 29 April 2020

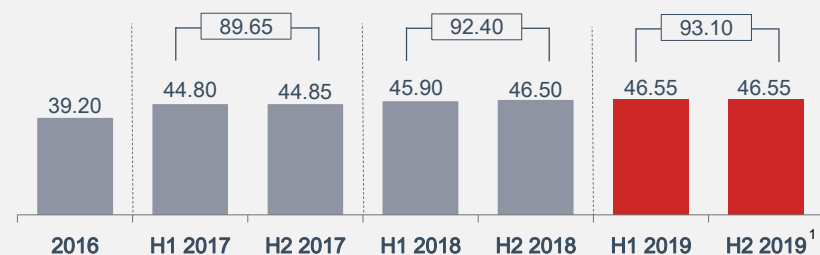
2019 total shareholder remuneration slightly above previous year

- Total shareholder payment in respect of 2019 will be RUB 16.6 bln or RUB 93.1 per share/GDR<sup>2</sup> which equates to 152% of Attributable Free Cash Flow for 2019 (RUB 10.9 bln)

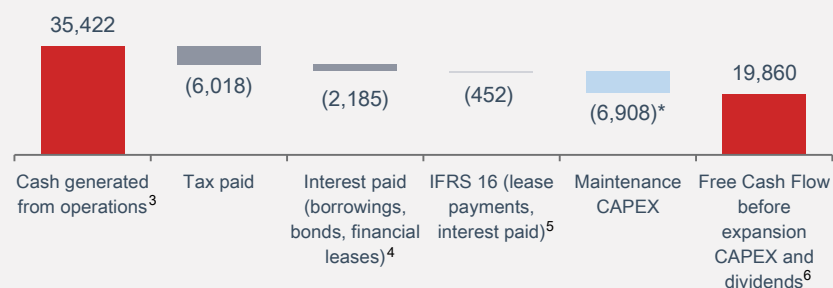
Solid foundations to pay strong dividends, c.RUB 8.3 bln of dividends targeted in respect of H1 2020

- Free Cash Flow before expansion CAPEX and dividends of RUB 19.9 bln<sup>6</sup>, impacted by c.RUB 1.9 bln\* one-off build-up of working capital in 2019
- Total CAPEX (on cash basis; incl. maintenance) expected to decrease by c.40% to c.RUB 9 bln in 2020
- Net Debt to Adjusted EBITDA of 0.6x as of end 2019

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



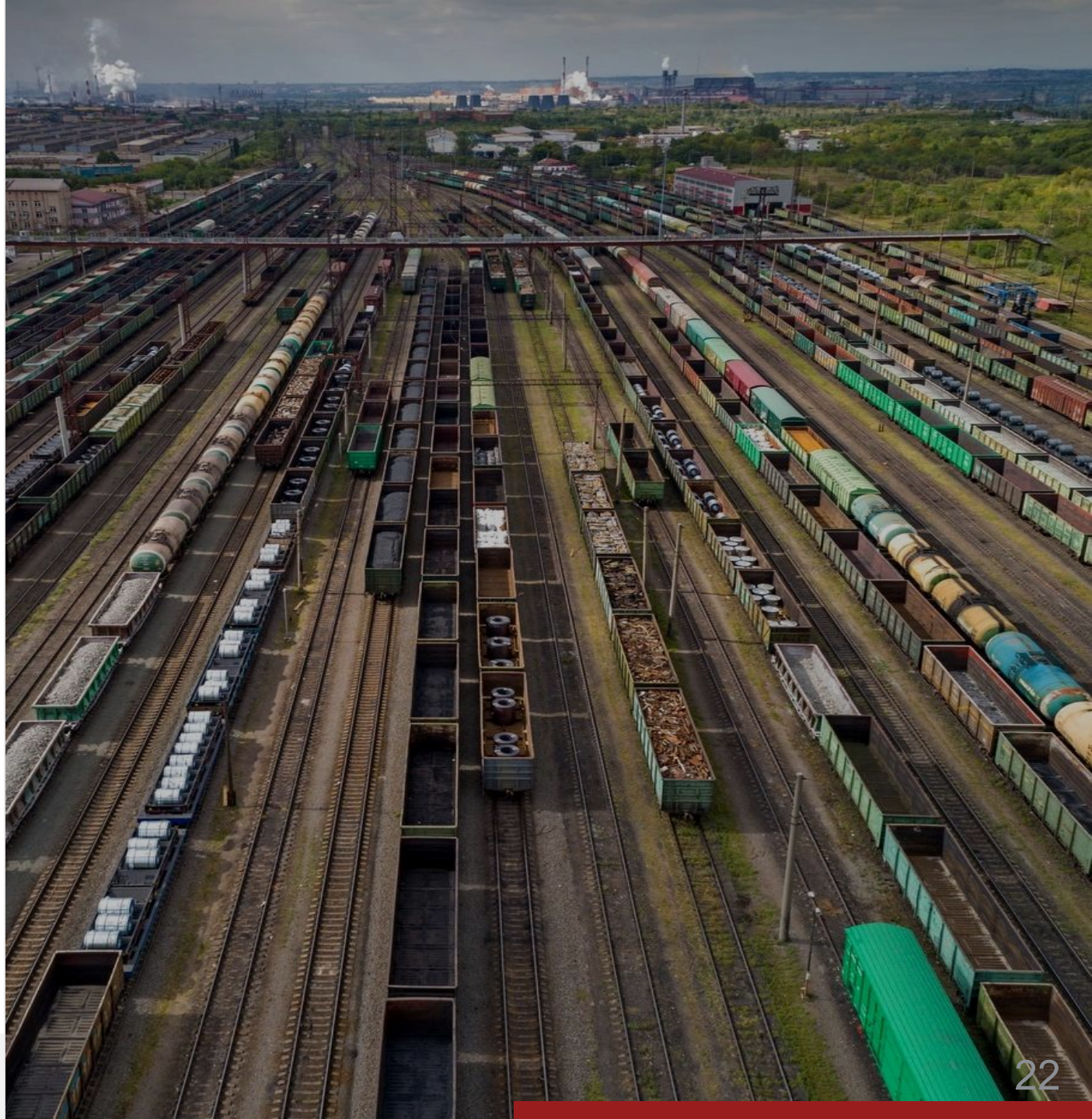
Strong Free Cash Flow before discretionary expansion CAPEX and dividends — 2019, RUB mln



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.

- Subject to shareholders' approval, final and special final dividends will be paid in USD with conversion from RUB to be executed at the average of the official exchange rates of the Central Bank of Russia for the eight business days in Russia from 20 to 29 April 2020 inclusive. Holders of GDRs will receive the dividend approximately three business days after the payment date, which will be not later than 30 business days after the approval of the dividends by the Annual General Meeting.
- Including already paid interim and special interim dividends and proposed final and special final dividends.
- After "Changes in working capital".
- Interest paid includes "Interest paid on bank borrowings and non-convertible unsecured bonds" and "Interest paid on leases with financial institutions".
- A total of "Principal elements of lease payments (IFRS 16)" and "Interest paid on lease liabilities (IFRS 16)".
- Free Cash Flow before expansion CAPEX and dividends to owners of the Company and dividends to non-controlling interests in subsidiaries.

- RECENT DEVELOPMENTS
- MARKET UPDATE
- KEY TAKEAWAYS



# Market update: mixed start to 2020

## Mixed start to 2020

- RZD regulated infrastructure and locomotive tariffs increased 3.5% y-o-y in 2020
- Overall Russia's freight rail turnover in Jan-Feb 2020 was down 3% mainly affected by weak coal and oil products and oil volumes due to abnormal weather conditions and weak export markets
- Pricing pressure in the gondola segment is expected to increase in 2Q 2020
- Continued healthy pricing conditions in the tank car segment
- Average network speeds deteriorated due to temporary infrastructure constraints reflecting the ongoing expansion of the rail network in Russia's Far East and volume volatility

## Solid industry fundamentals despite current market weakness

- Recent RUB depreciation is expected to stimulate commodity exports
- Ongoing expansion of Russian rail network throughput capacity and optimisation measures towards Russia's Far East to drive export volumes to Asian markets
- Large "national" infrastructure projects are expected to support demand for rail transportation in 2020 and onwards
- More established competitive landscape in both gondola and tank car segments with major players either servicing clients on outsourcing contracts or are captive entities

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

# Globaltrans is well-positioned to navigate current market volatility; strong interim 2020 dividend re-affirmed

**Powerful operating model, solid blue-chip client base and large service contracts**

- Continued solid operational performance with a slight y-o-y increase in the Group's Freight Rail Turnover in Jan-Feb 2020<sup>1</sup> in a declining market overall
- Net Revenue from Operation of Rolling Stock declined c.10% y-o-y in Jan-Feb 2020<sup>1</sup> with the healthy tank car segment partially mitigating the impact of weaker gondola segment

**40% decrease in Total CAPEX expected in 2020**

- Total CAPEX (on cash basis; incl. maintenance) expected to decrease c.40% y-o-y to c.RUB 9 bln in 2020 driven by fully discretionary expansion CAPEX
  - Maintenance CAPEX level will depend largely on price of wheel pairs

**Strong interim 2020 dividend outlook re-affirmed**

- Solid cash generation, low leverage and discretionary expansion CAPEX support Globaltrans' ability to pay robust dividends
- Strong interim 2020 dividend outlook re-affirmed in amount of c.RUB 8.3 bln payable in September 2020

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.

<sup>1</sup>. According to the management accounts.



# Key takeaways

## Market outperformance and excellent results underscore strength of operating model

- Strong 2019 volume growth of 3.5% y-o-y vs. an overall market down 0.9% y-o-y
- Adjusted EBITDA up 20% y-o-y with Adjusted EBITDA Margin expansion to 57%
- Key service contracts with blue-chip customers renewed, underpinning high operational efficiency; service contracts contributed 66% of Net Revenue from Operation of Rolling Stock
- 45% y-o-y net revenue growth of the specialised container business

## Focus on delivering strong shareholder returns - dividends remain a priority

- Total pay-out for 2019 slightly ahead of previous year
- Re-affirmed aim of delivering another strong interim dividend for 2020
- Robust cash generation, low leverage and decrease in Total CAPEX in 2020 support the ability to pay strong dividends

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.

# APPENDICES



# Globaltrans at a glance<sup>1</sup>

## A large modern fleet and an effective operational platform

- Total Fleet of 70.7k units, 96% in ownership, core consisting of universal gondola cars (65%) and tank cars (28%)
- Operating in key industrial segments including metals (41%), oil products and oil (32%), coal (14%) and construction materials (5%)<sup>2</sup>
- Leading operational performance with low Empty Runs, 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
- 66% of Net Revenue from Operation of Rolling Stock covered by large 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 business 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 31 December 2019 or for 2019 unless otherwise stated.

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

3. In 2019; Including service contracts with Rosneft, Metalloinvest, MMK, Gazprom Neft, TMK and ChelPipe Group.

4. Beneficially owned through their respective SPVs.

# 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 experience in transportation, finance, law, risk management and international trade
- 4 independent directors
- 3 committees chaired by independent directors

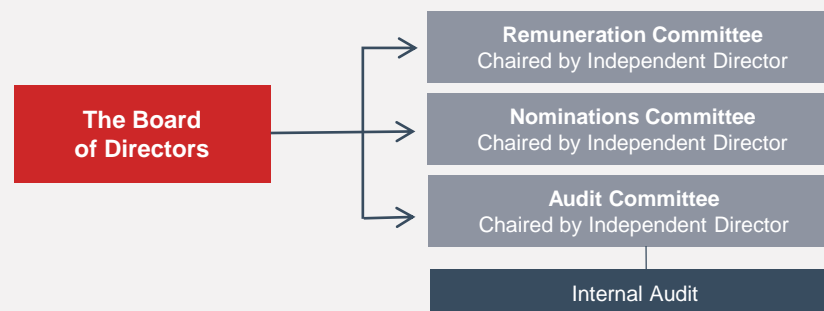
## Consistent strategy, prudent capital allocation and conservative financial policies

- 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.

- Based upon notifications and other information received by the Company with respect to beneficial ownership as of 31 December 2019.
- 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).
- Beneficially owned by Alexander Eliseev, Non-executive Director and co-founder of Globaltrans.
- Beneficially owned by Sergey Maltsev, Chairman of the Board of Directors, Chief Strategy Officer and co-founder of Globaltrans.
- For these purposes, the free float consists of the ordinary shares and GDRs held by investors not affiliated or associated with Globaltrans.

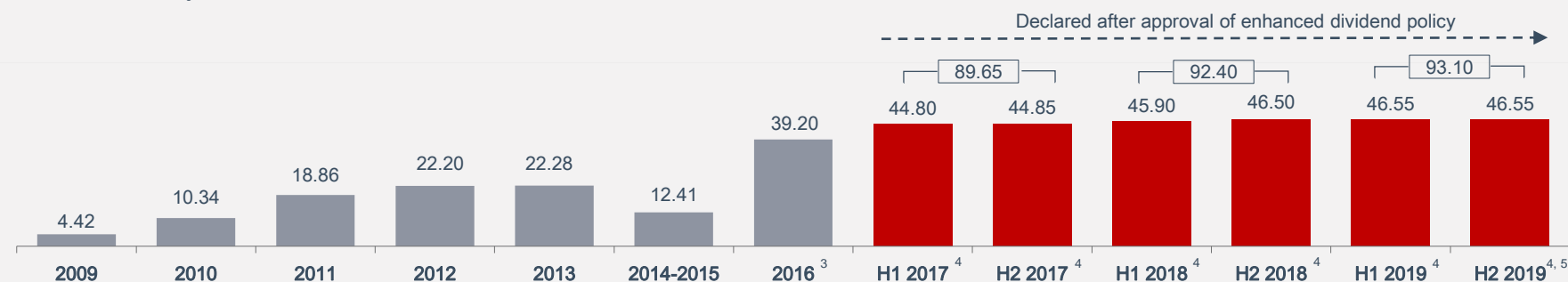
# Enhanced dividend policy approved in March 2017

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 USD, thus the amounts in RUB are presented for informational purposes only and calculated at the Central Bank of Russia's official exchange rate for RUB as of the date of general meeting that approved the respective dividend. From 2016 dividends on Globaltrans shares/GDRs are declared in RUB and paid in USD.
3. The dividend declared in 2016 related to both the 2014 and 2015 financial years.
4. Including regular and special dividends.
5. Subject to shareholder's approval at the Annual General Meeting called for 30 April 2020.



EXTRACTS FROM THE GROUP'S CONSOLIDATED  
MANAGEMENT REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2019



# Consolidated income statement for the year ended 31 December 2019

	2019	2018
	RUB'000	RUB'000
Revenue	94,993,874	86,772,742
Cost of sales	(58,833,383)	(55,154,376)
<b>Gross profit</b>	<b>36,160,491</b>	<b>31,618,366</b>
Selling and marketing costs	(216,298)	(220,542)
Administrative expenses	(3,858,549)	(4,629,044)
Other income	133,508	133,754
Other losses – net	(99,322)	(1,479)
<b>Operating profit</b>	<b>32,119,830</b>	<b>26,901,055</b>
Finance income	533,857	377,445
Finance costs	(2,529,098)	(1,778,460)
Net foreign exchange transaction losses on financing activities	(379,824)	(40,219)
Finance costs – net	(2,375,065)	(1,441,234)
<b>Profit before income tax</b>	<b>29,744,765</b>	<b>25,459,821</b>
Income tax expense	(7,091,433)	(5,876,386)
<b>Profit for the year</b>	<b>22,653,332</b>	<b>19,583,435</b>
<i>Profit attributable to:</i>		
Owners of the Company	20,807,651	17,671,968
Non-controlling interests	1,845,681	1,911,467
	22,653,332	19,583,435
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in RUB per share)</b>	<b>116.41</b>	<b>98.87</b>

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# Consolidated balance sheet at 31 December 2019

	31 Dec 2019 RUB'000	31 Dec 2018 RUB'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	80,532,645	74,764,903
Right-of-use assets	1,410,448	-
Intangible assets	61,316	757,209
Other assets	336,416	1,019,572
Trade receivables	197,284	221,805
Loans and other receivables	10,374	11,904
<b>Total non-current assets</b>	<b>82,548,483</b>	<b>76,775,393</b>
<b>Current assets</b>		
Inventories	1,722,781	904,375
Other assets	5,190,504	3,587,790
Loans and other receivables	37,645	262,846
Trade receivables	3,012,282	2,365,723
Current income tax assets	501,087	191,277
Cash and cash equivalents	6,521,543	7,129,918
	<b>16,985,842</b>	<b>14,441,929</b>
<b>Assets classified as held for sale</b>	<b>40,224</b>	<b>-</b>
<b>Total current assets</b>	<b>17,026,066</b>	<b>14,441,929</b>
<b>Total assets</b>	<b>99,574,549</b>	<b>91,217,322</b>

	31 Dec 2019 RUB'000	31 Dec 2018 RUB'000
<b>Equity and liabilities</b>		
<b>Equity attributable to the owners of the Company</b>		
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	3,392,675	4,317,675
Capital contribution	2,694,851	2,694,851
Retained earnings	26,774,750	22,598,941
<b>Total equity attributable to the owners of the Company</b>	<b>50,878,835</b>	<b>47,628,026</b>
Non-controlling interest	5,647,230	5,897,408
<b>Total equity</b>	<b>56,526,065</b>	<b>53,525,434</b>
<b>Non-current liabilities</b>		
Borrowings	22,294,914	17,269,321
Lease liabilities (IFRS 16)	881,706	-
Trade and other payables	90,742	404,357
Contract liabilities	11,191	-
Deferred tax liabilities	7,592,182	6,284,868
<b>Total non-current liabilities</b>	<b>30,870,735</b>	<b>23,958,546</b>
<b>Current liabilities</b>		
Borrowings	7,800,304	8,459,590
Lease liabilities (IFRS 16)	649,177	-
Trade and other payables	2,355,872	2,549,337
Contract liabilities	1,244,702	2,673,467
Current tax liabilities	127,694	50,948
<b>Total current liabilities</b>	<b>12,177,749</b>	<b>13,733,342</b>
<b>Total liabilities</b>	<b>43,048,484</b>	<b>37,691,888</b>
<b>Total equity and liabilities</b>	<b>99,574,549</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 consolidated management report and consolidated financial statements for the year ended 31 December 2019 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).



# Consolidated cash flow statement for the year ended 31 December 2019

	2019 RUB'000	2018 RUB'000
<b>Cash flows from operating activities</b>		
Profit before tax	29,744,765	25,459,821
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	5,794,912	5,110,715
Depreciation of right-of-use assets	424,220	-
Amortisation of intangible assets	696,725	696,702
Net loss/(gain) on sale of property, plant and equipment	10,047	(27,347)
Loss on derecognition arising on capital repairs	471,746	377,284
(Reversal of impairment)/impairment of property, plant and equipment	(64,889)	10,073
Net impairment losses on trade and other receivables	12,699	29,713
Interest income	(533,857)	(377,445)
Interest expense and other finance costs	2,529,098	1,778,460
Net foreign exchange transaction losses on financing activities	379,824	40,219
Other losses/(gains)	41,197	(10,940)
	39,506,487	33,087,255
<i>Changes in working capital:</i>		
Inventories	(394,213)	169,562
Trade receivables	(712,934)	(316,527)
Other assets	(1,299,140)	(1,042,367)
Other receivables	9,816	(66,210)
Trade and other payables	(270,224)	262,742
Contract liabilities	(1,417,574)	507,939
<b>Cash generated from operations</b>	<b>35,422,218</b>	<b>32,602,394</b>
Tax paid	(6,018,371)	(5,765,818)
<b>Net cash from operating activities</b>	<b>29,403,847</b>	<b>26,836,576</b>

	2019 RUB'000	2018 RUB'000
<b>Cash flows from investing activities</b>		
Loans repayments received from third parties	2,728	5,984
Purchases of property, plant and equipment	(13,515,985)	(11,567,554)
Purchases of intangible assets	(832)	(110)
Proceeds from sale of property, plant and equipment	91,649	409,794
Interest received	533,857	377,445
Receipts from finance lease receivable	123,598	129,251
<b>Net cash used in investing activities</b>	<b>(12,764,985)</b>	<b>(10,645,190)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	10,408,000	15,197,467
Proceeds from issue of non-convertible unsecured bonds	5,000,000	5,000,000
Repayments of borrowings	(10,736,723)	(13,127,743)
Principal elements of lease payments for leases with financial institutions (2018: Finance lease principal payments)	(488,723)	(1,321,234)
Principal elements of lease payments (IFRS 16)	(339,597)	-
Interest paid on bank borrowings and non-convertible unsecured bonds	(2,017,915)	(1,533,268)
Interest paid on leases with financial institutions (2018: Interest paid on finance leases)	(167,048)	(100,064)
Interest paid on lease liabilities (IFRS 16)	(111,911)	-
Dividends paid to owners of the Company	(16,631,842)	(16,220,738)
Dividends paid to non-controlling interests in subsidiaries	(1,602,237)	(1,723,005)
Payments from non-controlling interest for share capital increase of subsidiary	200,060	-
Acquisition of non-controlling interests	-	(5,980)
Payments to non-controlling interest	(450,934)	(168,604)
<b>Net cash used in financing activities</b>	<b>(16,938,870)</b>	<b>(14,003,169)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(300,008)</b>	<b>2,188,217</b>
Exchange losses on cash and cash equivalents	(308,367)	(24,470)
<b>Cash and cash equivalents at beginning of year</b>	<b>7,129,918</b>	<b>4,966,171</b>
<b>Cash, cash equivalents at end of year</b>	<b>6,521,543</b>	<b>7,129,918</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 consolidated management report and consolidated financial statements for the year ended 31 December 2019 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).



THE GROUP'S SELECTED OPERATION  
INFORMATION FOR THE YEAR  
ENDED 31 DECEMBER 2019



# Fleet (including rolling stock and specialised containers)

	31 Dec 2019	31 Dec 2018	Change	Change, %
<b>Owned Fleet</b>				
Gondola cars	45,516	44,878	638	1%
Rail tank cars	17,767	17,938	(171)	-1%
Locomotives	75	69	6	9%
Flat cars	1,407	770	637	83%
Other railcars (incl. hopper cars, etc)	90	90	0	0%
Containers (incl. petrochemical and other)	2,814	1,660	1,154	70%
<b>Total</b>	<b>67,669</b>	<b>65,405</b>	<b>2,264</b>	<b>3%</b>
<i>Owned Fleet as % of Total Fleet</i>	<i>96%</i>	<i>95%</i>	<i>-</i>	<i>-</i>

<b>Leased-in Fleet</b>				
Gondola cars	104	104	0	0%
Rail tank cars	1,969	2,488	(519)	-21%
Flat cars	466	523	(57)	-11%
Other railcars (incl. hopper cars, etc)	132	123	9	7%
Containers (incl. petrochemical and other)	380	380	0	0%
<b>Total</b>	<b>3,051</b>	<b>3,618</b>	<b>(567)</b>	<b>-16%</b>
<i>Leased-in Fleet as % of Total Fleet</i>	<i>4%</i>	<i>5%</i>	<i>-</i>	<i>-</i>

<b>Total Fleet (Owned and Leased-in Fleet)</b>				
Gondola cars	45,620	44,982	638	1%
Rail tank cars	19,736	20,426	(690)	-3%
Locomotives	75	69	6	9%
Flat cars	1,873	1,293	580	45%
Other railcars (incl. hopper cars, etc)	222	213	9	4%
Containers (incl. petrochemical and other)	3,194	2,040	1,154	57%
<b>Total</b>	<b>70,720</b>	<b>69,023</b>	<b>1,697</b>	<b>2%</b>

	31 Dec 2019	31 Dec 2018	Change	Change, %
<b>Total Fleet by type, %</b>				
Gondola cars	65%	65%	-	-
Rail tank cars	28%	30%	-	-
Locomotives	0.1%	0.1%	-	-
Flat cars	3%	2%	-	-
Other railcars (incl. hopper cars, etc)	0.3%	0.3%	-	-
Containers (incl. petrochemical and other)	5%	3%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

<b>Average age of Owned Fleet</b>				
Gondola cars	10.9	10.0	-	-
Rail tank cars	14.9	14.5	-	-
Locomotives	12.2	14.7	-	-
Flat cars	5.1	10.8	-	-
Other railcars (incl. hopper cars, etc)	12.4	11.4	-	-
Containers (incl. petrochemical and other)	1.9	1.8	-	-
<b>Total</b>	<b>11.5</b>	<b>11.0</b>	<b>-</b>	<b>-</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 selected operational information for the year ended 31 December 2019 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>

	2019	2018	Change	Change, %
<b>Freight Rail Turnover, bln tonnes-km</b>				
<b>Metallurgical cargoes</b>	<b>73.1</b>	<b>79.0</b>	<b>(5.9)</b>	<b>-7%</b>
Ferrous metals	28.0	35.5	(7.5)	-21%
Scrap metal	3.3	3.7	(0.3)	-9%
Iron ore	41.8	39.8	2.0	5%
<b>Oil products and oil</b>	<b>22.0</b>	<b>21.2</b>	<b>0.8</b>	<b>4%</b>
<b>Coal (incl. coke)</b>	<b>33.8</b>	<b>29.5</b>	<b>4.3</b>	<b>14%</b>
<b>Construction materials</b>	<b>6.3</b>	<b>5.8</b>	<b>0.6</b>	<b>10%</b>
Crushed stone	5.3	4.7	0.6	12%
Cement	0.2	0.3	(0.1)	-29%
Other construction materials	0.9	0.8	0.1	9%
<b>Other</b>	<b>11.8</b>	<b>10.7</b>	<b>1.1</b>	<b>11%</b>
<b>Total</b>	<b>147.1</b>	<b>146.2</b>	<b>0.9</b>	<b>1%</b>

<b>Freight Rail Turnover by cargo type, %</b>				
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	50%	54%	-	-
Oil products and oil	15%	14%	-	-
Coal (incl. coke)	23%	20%	-	-
Construction materials (incl. cement)	4%	4%	-	-
Other	8%	7%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

<b>Transportation Volume, mln tones</b>				
<b>Metallurgical cargoes</b>	<b>43.9</b>	<b>45.0</b>	<b>(1.2)</b>	<b>-3%</b>
Ferrous metals	14.9	16.8	(1.9)	-11%
Scrap metal	2.9	3.1	(0.2)	-6%
Iron ore	26.0	25.0	0.9	4%
<b>Oil products and oil</b>	<b>21.9</b>	<b>20.7</b>	<b>1.2</b>	<b>6%</b>
<b>Coal (incl. coke)</b>	<b>11.4</b>	<b>9.6</b>	<b>1.8</b>	<b>19%</b>
<b>Construction materials</b>	<b>7.1</b>	<b>6.4</b>	<b>0.7</b>	<b>11%</b>
Crushed stone	6.3	5.6	0.7	12%
Cement	0.1	0.3	(0.1)	-51%
Other construction materials	0.6	0.5	0.1	27%
<b>Other</b>	<b>7.3</b>	<b>6.8</b>	<b>0.6</b>	<b>8%</b>
<b>Total</b>	<b>91.6</b>	<b>88.5</b>	<b>3.1</b>	<b>4%</b>

	2019	2018	Change	Change, %
<b>Average Rolling Stock Operated, units</b>				
Gondola cars	43,486	41,268	2,218	5%
Rail tank cars	12,968	11,832	1,136	10%
Locomotives	51	47	4	10%
Other railcars	340	415	(76)	-18%
<b>Total</b>	<b>56,845</b>	<b>53,562</b>	<b>3,283</b>	<b>6%</b>

<b>Average Number of Loaded Trips per Railcar</b>				
Gondola cars	23.6	24.3	(0.7)	-3%
Rail tank cars	27.8	28.9	(1.1)	-4%
Other railcars	87.0	66.4	20.6	31%
<b>Total</b>	<b>25.0</b>	<b>25.6</b>	<b>(0.7)</b>	<b>-3%</b>

<b>Average Distance of Loaded Trip, km</b>				
Gondola cars	1,834	1,885	(52)	-3%
Rail tank cars	993	1,010	(17)	-2%
Other railcars	502	766	(264)	-34%
<b>Total</b>	<b>1,591</b>	<b>1,644</b>	<b>(53)</b>	<b>-3%</b>

<b>Average Price per Trip, RUB</b>	2019	2018	Change	Change, %
	<b>45,807</b>	<b>41,950</b>	<b>3,857</b>	<b>9%</b>

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1. Excluding operational and financial information of the specialised container business.

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

	2019	2018	Change	Change, %
<b>Net Revenue from Operation of Rolling Stock by cargo type, RUB mln</b>				
<b>Metallurgical cargoes</b>	<b>26,467*</b>	<b>23,346*</b>	<b>3,121</b>	<b>13%</b>
Ferrous metals	11,141*	11,772*	(631)	-5%
Scrap metal	1,901*	1,816*	84	5%
Iron ore	13,425*	9,758*	3,667	38%
<b>Oil products and oil</b>	<b>21,009*</b>	<b>19,207*</b>	<b>1,801</b>	<b>9%</b>
<b>Coal (incl. coke)</b>	<b>9,380*</b>	<b>8,115*</b>	<b>1,265</b>	<b>16%</b>
<b>Construction materials (incl. cement)</b>	<b>3,105*</b>	<b>2,761*</b>	<b>344</b>	<b>12%</b>
<b>Other</b>	<b>5,034*</b>	<b>4,170*</b>	<b>863</b>	<b>21%</b>
<b>Total</b>	<b>64,994*</b>	<b>57,600*</b>	<b>7,394</b>	<b>13%</b>

	2019	2018	Change	Change, %
<b>Net Revenue from Operation of Rolling Stock by cargo type, %</b>				
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	41%	41%	-	-
Oil products and oil	32%	33%	-	-
Coal (incl. coke)	14%	14%	-	-
Construction materials (incl. cement)	5%	5%	-	-
Other	8%	7%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

	2019	2018	Change	Change, %
<b>Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers), %</b>				
Rosneft	23%	23%	-	-
Metalloinvest	21%	17%	-	-
MMK	12%	16%	-	-
Gazprom Neft	5%	5%	-	-
TAIF	3%	3%	-	-
TMK	3%	2%	-	-
UGMK-Trans	2%	2%	-	-
Severstal	1%	1%	-	-
Evraz	2%	4%	-	-
ChelPipe	1%	1%	-	-
Other (incl. small and medium enterprises)	26%	26%	-	-

	2019	2018	Change	Change, %
<b>Empty Run Ratio, %</b>				
Gondola cars	42%	38%	-	-
Tank cars and other railcars	90%	90%	-	-
<b>Total Empty Run Ratio, %</b>	<b>49%</b>	<b>46%</b>	<b>-</b>	<b>-</b>

<b>Empty Run Costs, RUB mln</b>	<b>14,752*</b>	<b>12,956*</b>	<b>1,796</b>	<b>14%</b>
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<b>Share of Empty Run Kilometres Paid by Globaltrans, %</b>	<b>89%</b>	<b>89%</b>	<b>-</b>	<b>-</b>
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1. Excluding operational and financial information of the specialised container business.

# Other operational metrics

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

	2019	2018	Change	Change, %
<b>Freight Rail Turnover, bln tonnes-km</b>				
<b>Metallurgical cargoes</b>	<b>85.2</b>	<b>89.6</b>	<b>(4.4)</b>	<b>-5%</b>
Ferrous metals	30.7	37.8	(7.1)	-19%
Scrap metal	3.4	3.7	(0.3)	-8%
Iron ore	51.2	48.1	3.0	6%
<b>Oil products and oil</b>	<b>22.2</b>	<b>22.2</b>	<b>0.0</b>	<b>0%</b>
<b>Coal (incl. coke)</b>	<b>35.9</b>	<b>30.4</b>	<b>5.4</b>	<b>18%</b>
<b>Construction materials</b>	<b>6.4</b>	<b>5.8</b>	<b>0.6</b>	<b>10%</b>
Crushed stone	5.3	4.7	0.6	12%
Cement	0.2	0.3	(0.1)	-30%
Other construction materials	0.9	0.8	0.1	9%
<b>Other</b>	<b>11.9</b>	<b>10.9</b>	<b>1.1</b>	<b>10%</b>
<b>Total</b>	<b>161.5</b>	<b>158.9</b>	<b>2.6</b>	<b>2%</b>

## Transportation Volume, mln tones

	2019	2018	Change	Change, %
<b>Metallurgical cargoes</b>	<b>50.3</b>	<b>50.4</b>	<b>(0.1)</b>	<b>0%</b>
Ferrous metals	16.5	18.0	(1.5)	-8%
Scrap metal	3.0	3.2	(0.2)	-6%
Iron ore	30.8	29.3	1.5	5%
<b>Oil products and oil</b>	<b>22.1</b>	<b>22.0</b>	<b>0.1</b>	<b>0%</b>
<b>Coal (incl. coke)</b>	<b>12.3</b>	<b>10.0</b>	<b>2.3</b>	<b>23%</b>
<b>Construction materials</b>	<b>7.1</b>	<b>6.4</b>	<b>0.7</b>	<b>11%</b>
Crushed stone	6.4	5.7	0.7	12%
Cement	0.1	0.3	(0.1)	-51%
Other construction materials	0.6	0.5	0.1	27%
<b>Other</b>	<b>7.5</b>	<b>7.1</b>	<b>0.4</b>	<b>6%</b>
<b>Total</b>	<b>99.4</b>	<b>96.0</b>	<b>3.4</b>	<b>4%</b>

## Specialised container transportation

	2019	2018	Change	Change, %
<b>Net Revenue from Specialised Container Transportation, RUB mln</b>	<b>1,623*</b>	<b>1,122*</b>	<b>501</b>	<b>45%</b>

## Engaged Fleet

	2019	2018	Change	Change, %
<b>Net Revenue from Engaged Fleet, RUB mln</b>	<b>202*</b>	<b>432*</b>	<b>(230)</b>	<b>-53%</b>

## Operating leasing of rolling stock<sup>1</sup>

	31 Dec 2019	31 Dec 2018	Change	Change, %
<b>Leased-out Fleet</b>				
Gondola cars	152	462	(310)	-67%
Rail tank cars	6,568	7,098	(530)	-7%
Other railcars (incl. flat, hopper cars, etc)	122	67	55	82%
<b>Total</b>	<b>6,842</b>	<b>7,627</b>	<b>(785)</b>	<b>-10%</b>
<i>Leased-out Fleet as % of Total Fleet</i>	<i>10%</i>	<i>11%</i>	<i>-</i>	<i>-</i>

## Employees

	31 Dec 2019	31 Dec 2018	Change	Change, %
<b>Total</b>	<b>1,640</b>	<b>1,549</b>	<b>91</b>	<b>6%</b>

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1. Excluding operational and financial information of the specialised container business.

# 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/(reversal of 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 the 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 specialised container transportation).

**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 specialised container transportation.

**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 specialised container transportation).

**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)”, “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 the performance of the specialised container transportation business.

**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 specialised container transportation business.

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

# Definitions (in alphabetical order, continues)

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

**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.

**Market Share** is calculated using the Group's own information as the numerator and information published by the Federal State Statistics Service of Russia (Rosstat) as the denominator. It is defined as a percentage of the overall Russian freight rail transportation volume and includes volumes transported by Engaged Fleet, unless otherwise stated.

**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 tariffs 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** is a non-GAAP financial measure, derived from management accounts, describing the net revenue generated from freight rail transportation services which is adjusted for respective "pass through" loaded railway tariffs charged by RZD (included in the EU IFRS line item "Infrastructure and locomotive tariffs: loaded trips").

**Net Revenue from Specialised Container Transportation** is a non-GAAP financial measure, derived from management accounts, that represents the revenue generated from the specialised container operations (included in the EU IFRS line item: "Revenue from specialised container transportation") less the respective "pass through" loaded railway tariffs charged by RZD (included in the EU IFRS line item "Infrastructure and locomotive tariffs: loaded trips").

**Other Operating Cash Costs** (a non-GAAP financial measure) include the following cost items: "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 specialised 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 specialised container transportation) in the relevant period.

**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 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", "Net impairment losses on trade and other receivables", "Impairment/(reversal of impairment) of property, plant and equipment" and "Net (gain)/loss on sale of property, plant and equipment".

**Total Operating Non-Cash Costs** (a non-GAAP financial measure) include the following cost items: "Depreciation of property, plant and equipment", "Amortisation of intangible assets", "Depreciation of right-of-use assets", "Loss on derecognition arising on capital repairs", "Net impairment losses on trade and other receivables", "Impairment/(reversal of impairment) of property, plant and equipment" and "Net (gain)/loss on sale of property, plant and equipment".

**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 specialised container transportation) 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 specialised 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 the performance of the specialised container transportation business.



# Contacts

For more information please go visit:

[www.globaltrans.com](http://www.globaltrans.com)

You can find other useful information at our corporate website including latest news and presentations, events calendar, selection of historical financial and operational information, share price data and other information on Globaltrans and its performance.

We are committed to providing our shareholders with the most up-to-date information and increasing understanding of our business and industry.

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