

RUSSIAN RAILWAYS' FINANCIAL RESULTS BASED ON ITS CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR 2019



“ Our strong balance sheet was underpinned by the initiatives seeking to improve the efficiency of freight transportation and streamline rolling stock management despite somewhat weaker operating growth. As a result, the Group's income in 2019 grew by 3.9% y-o-y to RUB 2,508 bn vs RUB 2,413 bn in 2018. Our EBITDA rose by 9.4% to RUB 577 bn, while EBITDA margin amounted to 25.8%¹ on the back of strong operating results and cost controls.”

Vadim Mikhailov

First Deputy CEO of Russian Railways

In 2019, the Group's income grew by 3.9% y-o-y to RUB 2,508 bn vs RUB 2,413 bn in 2018.

This growth was mainly attributable to income from freight transportation and infrastructure services going up by 4.4% y-o-y to RUB 1,598 bn.

Income from passenger transportation grew by 6.3% to RUB 267 bn, while income from logistics services provided by GEFCO grew by 2.0% to EUR 4.739 bn.

In 2019, the Group's operating expenses increased to RUB 2,348 bn (up 1.3% y-o-y) vs RUB 2,318 bn in 2018 due to higher prices for consumed products and fuel and energy. Payroll and social expenses went up as a result of a phased salary indexation programme implemented during 2019.

The Group's net profit reached RUB 155.7 bn.

In 2019, EBITDA went up by 9.4% y-o-y to RUB 576.9 bn vs RUB 527.4 bn in 2018.

As at 31 December 2019, the Group's net debt / EBITDA stood at 2.49x, an evidence of our sound financial health.

Net profit

155.7

RUB bn

EBITDA

576.9

RUB bn

EBITDA margin

25.8%

¹ Here and elsewhere, the EBITDA margin factors in a revenue adjustment of RUB 268 bn, which constitutes the cost of third parties' integrated forwarding and logistics services.