

Business model of Russian Railways

GRI 2-6



Business lines and assets

FREIGHT TRANSPORTATION

Russian Railways and Group companies

7,299 locomotives
85,500 km of tracks
156,000 freight cars

LOGISTICS SERVICES

Multimodal transportation Transit transportation Container solutions

PASSENGER TRANSPORTATION

Long-haul transportation Suburban passenger transportation

Russian Railways Group

1,425 locomotives **17,900** passenger cars **394** pairs of express, high-speed and ultra high-speed trains

Suburban passenger companies

OTHER BUSINESSES

Railcar repairs Telecommunications Construction and infrastructure

Services

1,232.2 mt of freight handled
3,274.8 bn tkm total freight turnover¹

7.4 m TEU of transported containers
51,200 freight trains under the Scheduled Freight Traffic service, including 31,500 container trains

1,199.6 million transported passengers
136.3 bn pkm in passenger turnover

5,000 km of tracks repaired
123.5 km of tracks constructed
127.3 km of tracks electrified



Income and pricing

RUB 2,242.5² bn freight transportation, infrastructure

Regulated tariffs in freight transportation
Market-based pricing

- Use of tariff corridor in freight transportation
- Income of railcar operators

RUB 356.1² bn passenger transportation

Regulated tariffs (transportation in open sleeping and sitting cars on long-haul routes and all transportation on suburban routes)
Deregulated segment on long-haul routes (transportation in second-class, first-class and luxury compartments and in high-speed and ultra high-speed trains)

RUB 418.9² bn other revenue and other operating income

2023 financials

RUB 164.3 bn contribution to the charter capital of Russian Railways

2.4x net debt / EBITDA of the Group

RUB 3,017.5² bn income of the Group

RUB 2,615.0² bn operating expenses of the Group

RUB 814.6 bn EBITDA of the Group

RUB 170.1² bn net profit of the Group

RUB 11.0 bn Russian Railways dividend payouts

¹ Including freight luggage transportation and empty runs of third-party railcars

² The revenue data are reported as per the IFRS statements for 2022.

STAKEHOLDER VALUES



Shippers and passengers

The Company's priorities are continuous improvement of customer experience, development of new products and services, digitalisation, and creation of a comfortable transport environment for all categories of shippers and passengers.

- The Q4 2023 customer satisfaction index stood at **90.5** and **88.5 points** in the long-haul and suburban passenger transportation segments, respectively.
- The share of freight car shipments delivered within the required period – **97.6%**.

Government

The Company plays a major role in the development of the country's economy, ensuring transport accessibility of the regions and providing socially important transportation services. It is also one of the largest taxpayers.

- **RUB 391.4 bn** of taxes and insurance fees paid in 2023.

Business partners

The Company is the primary consumer of railway engineering products and ensures high utilisation rates for domestic manufacturers.

- **RUB 1,881.8 bn** – total procurement in 2023.
- **RUB 320.5 bn** – total procurement from SMEs in 2023.
- **97.9%** – share of goods procured by the Company from Russian manufacturers.

Employees

The Russian Railways Group is Russia's largest employer. The Company strives to improve working and leisure conditions for employees, while also focusing on effective training and professional development.

- The Group's headcount is **807,800 people**.
- For the fifth year running, the Company leads the charge in the people's rating of Russia's best employers compiled by VCIOM (Russian Public Opinion Research Centre).

Society

Commitment to sustainability is one of the Company's top priorities. We adhere to the UN Global Compact, the largest international initiative in social responsibility.

- **RUB 4.5 bn** – environmental expenses
- **RUB 6 bn** – charity expenses