

# Client Service and Sales

With an increasing importance of quality as the key competitive advantage in the market, TransContainer constantly improves its transportation and logistics services for clients in line with a strategy to boost operational efficiency.

In 2018, the Company actively developed integrated “turnkey” intermodal transportation services, promoted new routes passing through both Russia and foreign nations (including Mongolia and China), launched a number of transportation and logistics services, afforded new opportunities for the clients operating with the Company through the Internet portal. By December 2018, online orders had come to account for 79% of total transportations against 74% in 2017.

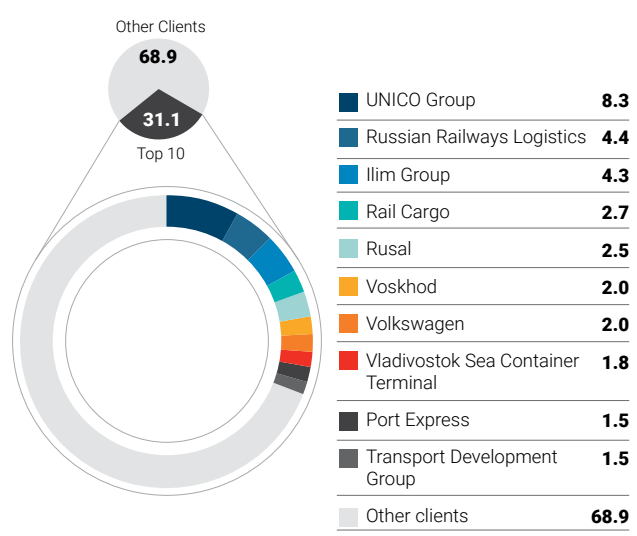
The Company is Russia’s only rail container operator with a footprint across all of the country’s major administrative centres offering services throughout the Russian network of railways. Our business model is geared towards serving a wide range of clients, varying in size, transportation geography, location, and industry.

## Client Base

TransContainer’s client base comprises tens of thousands of clients ranging from global majors to small businesses and individuals.

The Company’s top 10 clients in 2018 accounted for 31.1% of client payments, with the largest client, UNICO Group, the TransContainer’s partner in Korea and China import and transit projects (Samsung, GM, Hyundai, Ssang Young, etc.), making 8.3% of all client payments.

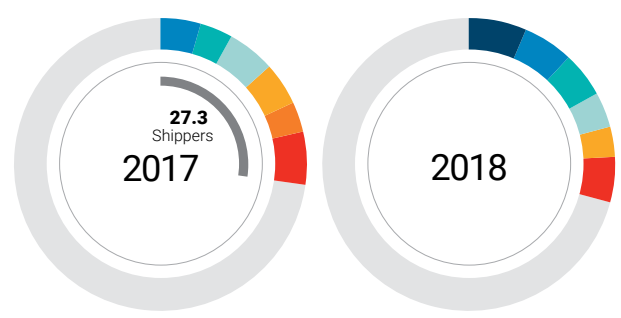
### The Company’s Top 10 Clients by Revenue in 2018, %



Source: Company data

Transport and logistics services are provided to both freight forwarding companies and directly to end customers, which account for about a third of the Company’s total revenue.

### Company’s Client Base Breakdown by Industry in 2017 and 2018, %



	2017	2018
Construction materials		6.5
Chemicals	4.7	5.6
Metalware	3.6	5.1
Timber	5.2	3.7
Paper and pulp	4.7	3.3
Nonferrous metals	3.2	
Other	5.9	5.1
Freight forwarders	72.7	70.7

Source: Company data

## Sales and Client Service

TransContainer’s sales network covers the entire territory of Russia and key transport hubs in Europe and Asia. The Company maintains its traditional footprint through sales offices, representative offices and joint ventures complemented with the e-commerce channels. TransContainer operates based on the standard freight forwarding services contract. This ensures consistent quality standards across the 1520 gauge railway network<sup>1</sup> and beyond, wherever the client and our points of sale are located.

1. 1520 gauge is a width of railway track at the territory of Russia, Finland, Mongolia, and CIS countries equal to 1,520 mm.