

## Key Performance Indicators (KPI) of the Company

The net profit margin (30.4%) and return on equity (20.6%) met the targets outlined in the Company's strategy.

Key financial indicators of the Company are given in the table below.

### TransContainer's Key Financial Indicators

Item	2018	2017	Year-on-year change	
			RUB mln	Percent
Total revenue	76,959	65,567	+11,392	+17.4
Adjusted revenue <sup>1</sup>	31,288	27,782	+3,506	+12.6
Adjusted expenses <sup>2</sup>	21,215	20,653	+562	+2.7
EBITDA <sup>3</sup>	13,342	10,252	+3,090	+30.1
Adjusted EBITDA margin <sup>4</sup> (%)	42.6	36.9		+6 p. p.
Profit for the period	9,509	6,534	+2,975	+45.5
Adjusted net profit margin <sup>4</sup> (%)	30.4	23.5		+7 p. p.
Debt (including the interest)	11,306	6,412	+4,894	+76.3
Net debt <sup>5</sup>	1,779	2,241	(462)	(20.6)
LTM EBITDA <sup>6</sup>	13,342	10,252	+3,090	+30.1
Net debt / LTM EBITDA (%)	13.0	22.0		9 p. p.

<sup>1</sup> Adjusted Revenue is calculated as total revenue less cost of integrated freight forwarding and logistics services.

<sup>2</sup> Adjusted Operating Expenses are calculated as operating expenses less cost of integrated freight forwarding and logistics services.

<sup>3</sup> EBITDA is calculated as profit for the period before income tax, interest expense, depreciation and amortisation less interest income, foreign exchange gain (loss), share of result of associates and joint ventures, excess of the fair value of subsidiary net assets over its purchase cost, profit from fixed assets disposal.

<sup>4</sup> Adjusted EBITDA Margin is defined as EBITDA divided by Adjusted Revenue.

<sup>5</sup> Net Debt is calculated as long-term debt, finance lease obligations, short-term debt and current portion of the long-term debt less cash and cash equivalents and short-term investments.

<sup>6</sup> LTM EBITDA is calculated as EBITDA for the past 12 months.

Considering the on-going increase of the customer demand for the Company's services, TransContainer's Investment Plan for 2018 was increased threefold. Thereat, the reporting period results showed that the investment volume was below the budget level and totalled RUB 8.9 billion due to delayed delivery of flatcars by the manufacturers. Major investments were spent on purchasing containers and flatcars.

As of 31 December 2018, the Company's total debt was RUB 11,306 million with net debt of only RUB 1,779 million, bringing the Net debt to EBITDA ratio to 13%.

### Current Situation and Trends

In Q1 2019, the Russian rail container transportation market continues to grow at a 12% rate year-on-year. Based on the market conditions in Q1 2019, the Company currently expects the growth rate of the rail container transportation market in the reporting year to be nearly 5–10% year-on-year. TransContainer pays close attention to ongoing market trends and events.

And thus, the Company has increased the Investment Programme share in 2019 Budget to RUB 13.3 billion. The funds will be spent mainly on purchasing containers and flatcars. Considering the risk of the flatcar price growing due to higher demand of the operators and limited production capacities of Russian manufacturers, the Company is planning to further improve the existing fleet management efficiency to meet the customers' demand.

Trends of the container transportation market justify the Company's view that the Russian container transportation market has a significant potential of future long-term growth through higher containerisation level, Russia's economic advance in the medium term, as well as increase of the transit transportation volume between China and European countries. In the current situation, TransContainer is going to further implement the expanded Investment Programme, advance the business operational and management performances, improve the fleet management and enhance the client experience in order to attract new customers.