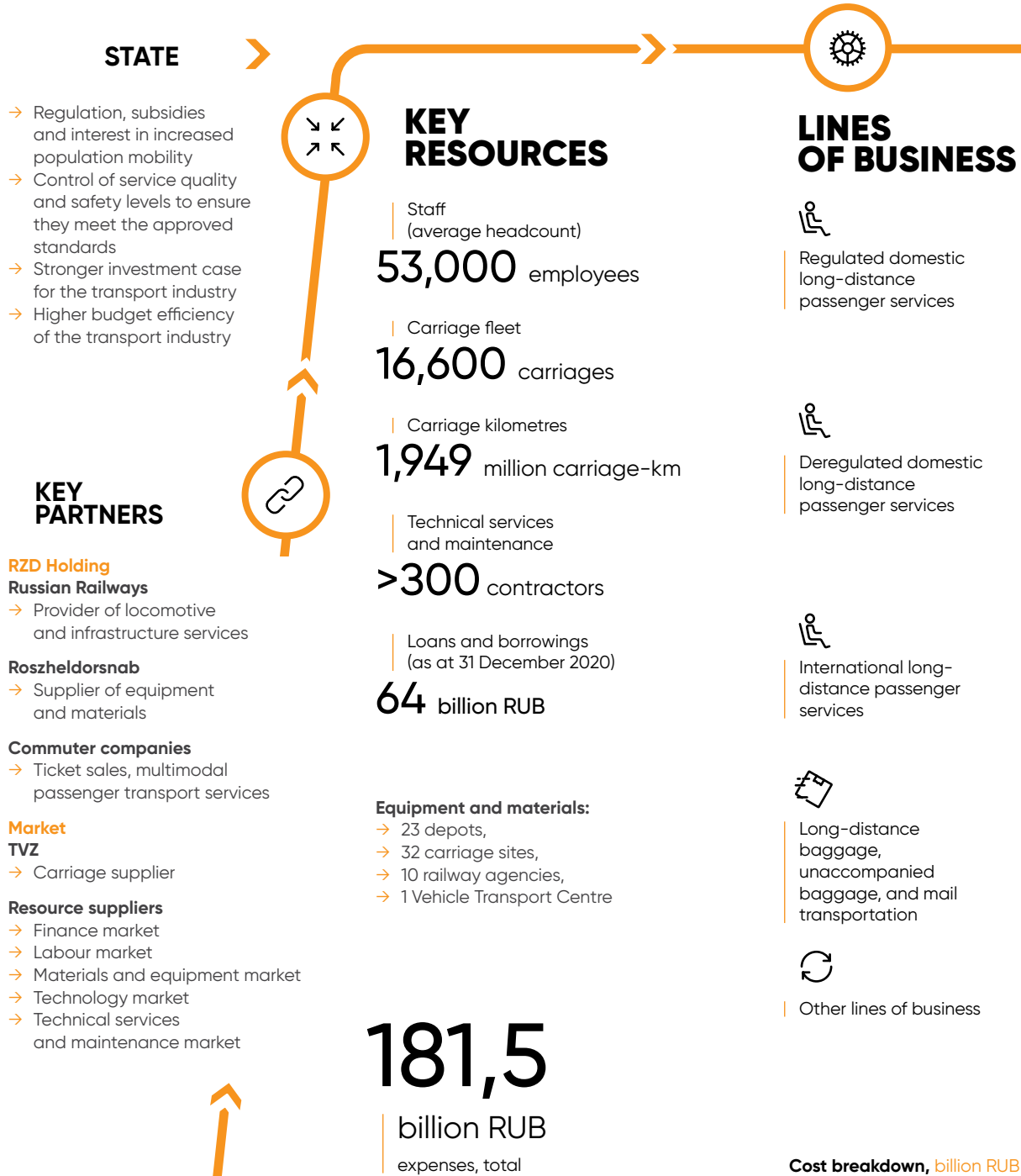


BUSINESS MODEL



STATE

- Regulation, subsidies and interest in increased population mobility
- Control of service quality and safety levels to ensure they meet the approved standards
- Stronger investment case for the transport industry
- Higher budget efficiency of the transport industry

KEY PARTNERS

RZD Holding

Russian Railways

- Provider of locomotive and infrastructure services

Roszheldorsnab

- Supplier of equipment and materials

Commuter companies

- Ticket sales, multimodal passenger transport services

Market

TVZ

- Carriage supplier

Resource suppliers

- Finance market
- Labour market
- Materials and equipment market
- Technology market
- Technical services and maintenance market

KEY RESOURCES

Staff (average headcount)

53,000 employees

Carriage fleet

16,600 carriages

Carriage kilometres

1,949 million carriage-km

Technical services and maintenance

>300 contractors

Loans and borrowings (as at 31 December 2020)

64 billion RUB

Equipment and materials:

- 23 depots,
- 32 carriage sites,
- 10 railway agencies,
- 1 Vehicle Transport Centre

181,5

billion RUB

expenses, total

LINES OF BUSINESS



Regulated domestic long-distance passenger services



Deregulated domestic long-distance passenger services



International long-distance passenger services



Long-distance baggage, unaccompanied baggage, and mail transportation



Other lines of business

Cost breakdown, billion RUB

12,5

169,0

Infrastructure payments

54,1
billion RUB

Locomotive lease

35,1
billion RUB

Investment expenses

46,3
billion RUB

- Rolling stock acquisition
- Rolling stock upgrades
- Depot upgrades and safety
- IT programme
- Other carriages



PRODUCT RANGE

Transport services



Branded trains:

- deluxe, first- and second-class sleeping carriages, third-class open sleeping carriages, motorised and seating carriages



Standard trains:

- deluxe, first- and second-class sleeping carriages, third-class open sleeping carriages, motorised and seating carriages



International service:

- deluxe, RIC and seating carriages



Tourist trains

Other

Baggage, unaccompanied baggage, and mail transportation

Repair and maintenance of rolling stock

Value-added services on trains

Other services

Revenue breakdown, billion RUB

114,6

16,3

Subsidies from the federal budget

6,6 billion RUB

Net profit (loss)

-33,6 billion RUB

Passenger services
Other activities



PROMOTION

- Recognisable RZD brand
- RZD Bonus Loyalty Programme
- Marketing promotions
- Internet presence
- Advertising campaigns
- Poputchik (Fellow Passenger) multimedia portal

SALES CHANNELS

- FPC – 30.9%
- Internet (Russian Railways, LLC IM – 62.8%)
- Agents (commuter companies, third parties) – 6.3%

130,9

billion RUB

revenue, total



KEY VALUES

For the passengers:

- Safe, affordable and comfortable travel
- Good travel experience
- Saving time

For the state:

- Driving population mobility while ensuring the effectiveness of budget expenditures

For corporate clients and other consumers:

- High quality work at a reasonable price in a reasonable time



CUSTOMERS



Passengers



Corporate clients



Other consumers



Government departments