

# INVESTOR PRESENTATION APRIL 2019



Strengthening  
**ITS LEADING**  
**MARKET POSITION**



## **AGENDA**

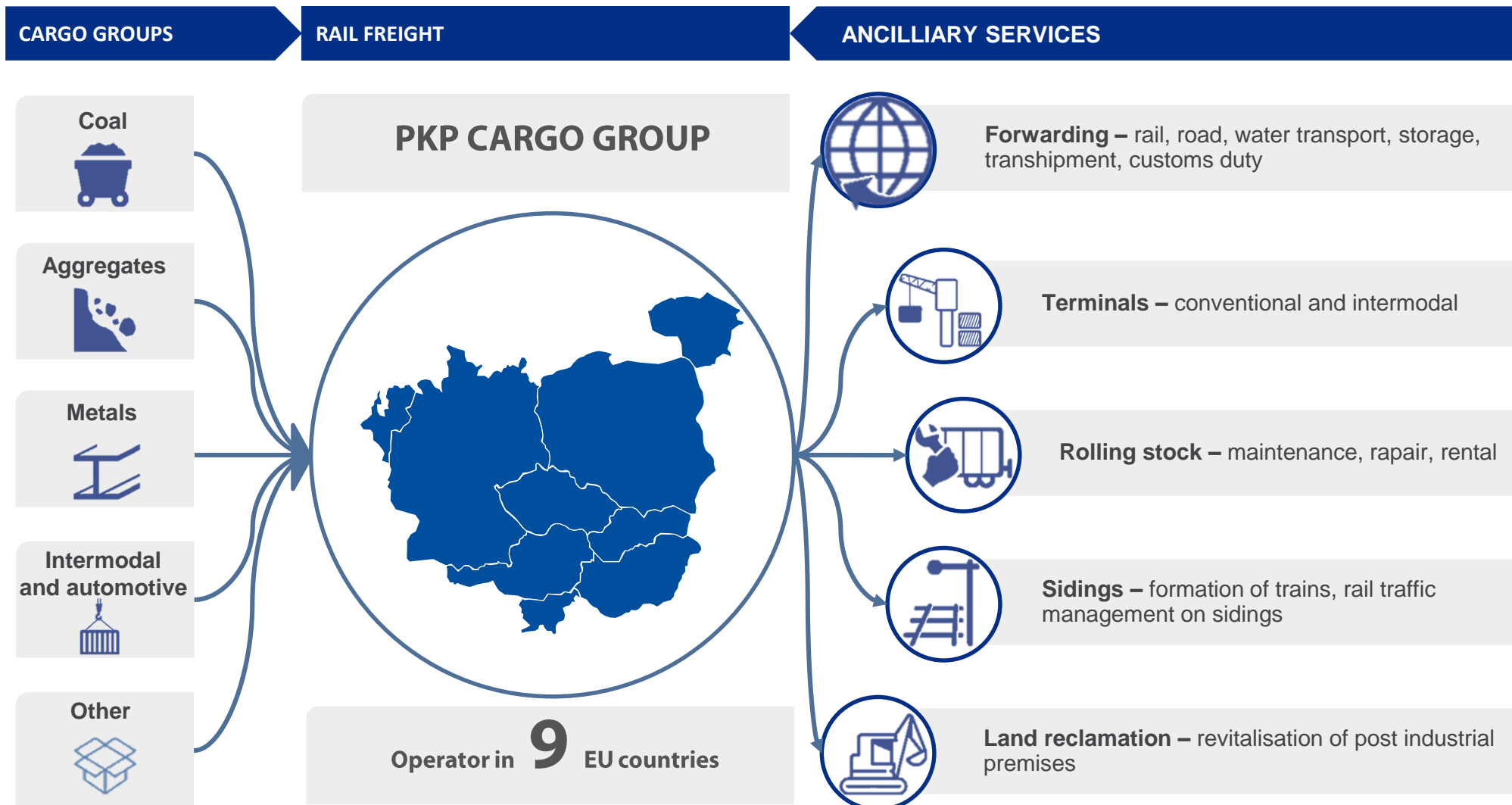
- |** *PKP CARGO at a glance*
- |** *Strategy 2019 - 2023*
- |** *PKP CARGO 2018 results recap*



# PKP CARGO GROUP IS THE KEY PLAYER ON THE EUROPEAN RAIL FREIGHT MARKET

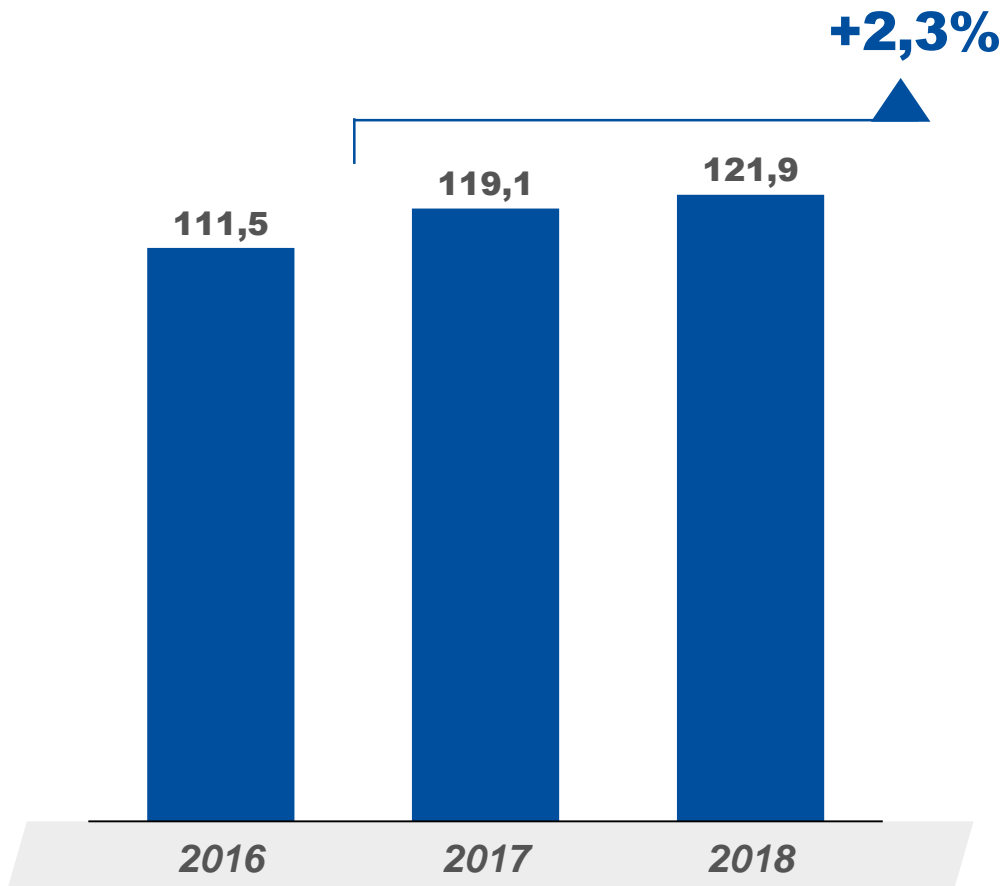


# PKP CARGO GROUP DELIVERS VARIOUS TYPES OF STOCK IN 9 EU COUNTRIES



# PKP CARGO GROUP'S GROWTH IS LEVARAGED BY BOOMING CEE ECONOMICS

Volumes transported by PKP CARGO GROUP  
m tonnes



## Main drivers of volume growth

### COAL



- Growing import of coal
- Increase in coal prices

### INTERMODAL



- Development of seaports
- Terminals expansion
- The New Silk Road development
- Increase in oil prices

### ORE AND METALS



- Good economic situation in the industry
- Growing steel production
- Infrastructural investments

### AGGREGATES AND CONSTRUCTING MATERIALS



- Modernization of rail infrastructure ~€20 bn
- Highways investment plan ~€45 bn
- 5-10% annual growth in the aggregates





# STRATEGY 2019-2023



**OUR MISSION AND VISION ARE THE CORE OF THE PKP CARGO GROUP'S STRATEGY, SET THE TONE FOR EVERYDAY WORK OF OUR PERSONNEL AND DETERMINE OUR OBJECTIVES**

**VISION AND MISSION OF THE PKP CARGO GROUP**

**VISION**

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**Become the Central European leader in rail freight transport by taking the dominant position in the area of the 'Three Seas Initiative' and on the 'New Silk Road'.**

**MISSION**

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**Offering comprehensive logistics services on the rail freight and intermodal services market in a way to make it the supplier of first choice.**



## **THE PKP CARGO GROUP'S OBJECTIVES FOR 2019-23 –**

**GAINING 65% OF THE POLISH RAIL FREIGHT MARKET AND BUILDING THE POSITION OF A LEADING RAIL OPERATOR IN THE AREA OF THE THREE SEAS INITIATIVE –**

**ARE THE GROUP'S RESPONSE TO EXISTING MARKET OPPORTUNITIES AND CHALLENGES**

### **© OBJECTIVES OF THE PKP CARGO GROUP**

#### **STRATEGIC OBJECTIVES:**

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- 1. Become number 1 in the area of the “Three Seas Initiative” and on the New Silk Road routes in the European Union measured by freight turnover and freight volume by 2023 and strengthen this position in 2023-2038**
- 2. Gain 65% of the Polish rail freight market by 2023 measured by freight turnover**

#### **SHORT-TERM OBJECTIVES:**

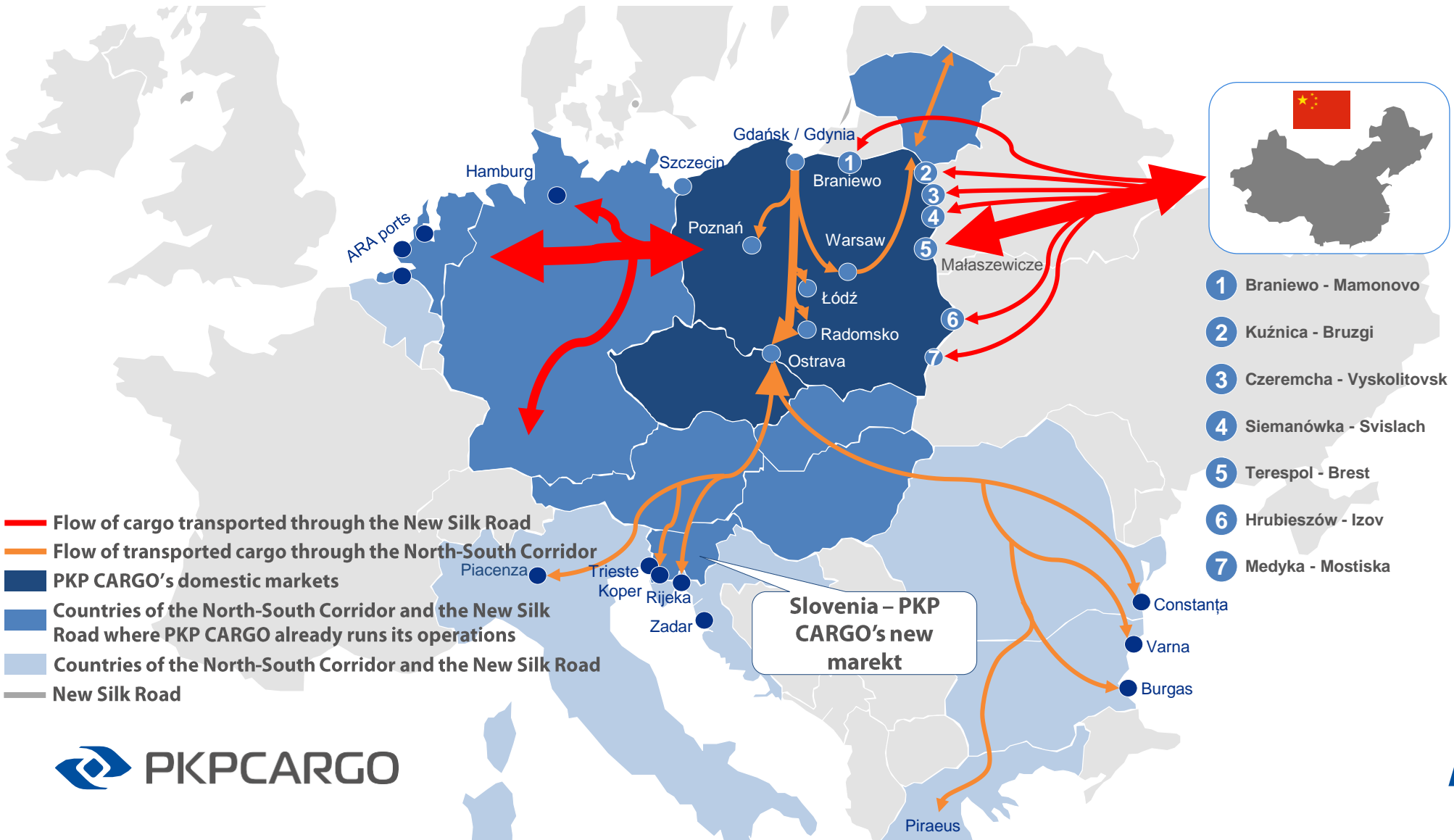
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- 1. Devise the most competitive offer for business partners on the New Silk Road in the European Union and in the area of the Three Seas Initiative**
- 2. Grow operational efficiency measured by KPIs on an annual basis**
- 3. Maintain a pace of growth in the share price that is higher than the WIG30's growth**
- 4. Generate annual net profit equal to at least 5% of revenue starting from 2019 and at least 8% of revenue starting from 2023**



# FOR PKP CARGO, THE NORTH-SOUTH CORRIDOR AND THE NEW SILK ROAD ARE OF STRATEGIC SIGNIFICANCE

## ROLLOUT OF THE PKP CARGO GROUP'S INTERMODAL TRANSPORT IN THE NORTH-SOUTH CORRIDOR AND THE NEW SILK ROAD





# **PKP CARGO 2018 RESULTS RECAP**



**REVENUE**

**PLN 5,238 m**

+ 11% yoy

**EBITDA**

17% profitability

**PLN 907 m**

+ 30% yoy

**NET RESULT**

3,5% profitability

**PLN 184 m**

+125% yoy

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