

# PKP CARGO GROUP Q1 2019



Unchallenged  
**LEADING POSITION**



# 01

Summary of  
results

# 02

Commercial  
results

# 03

Financial  
results

# 01

## Summary of quarterly performance



# 01



In Q1 2019, the PKP CARGO Group posted higher operating revenue, EBITDA and net result



REVENUES	EBITDA	NET RESULT
<b>1,270</b>	20.4% profitability <b>259</b>	4.2% profitability <b>53</b>
<b>PLN million</b>	<b>228*</b> <b>PLN million</b>	<b>PLN million</b>
+4% yoy	+29% yoy +14% yoy*	+49% yoy



\* ratio adjusted for the impact exerted by IFRS 16 on EBITDA



# 02

## Commercial results



# 02

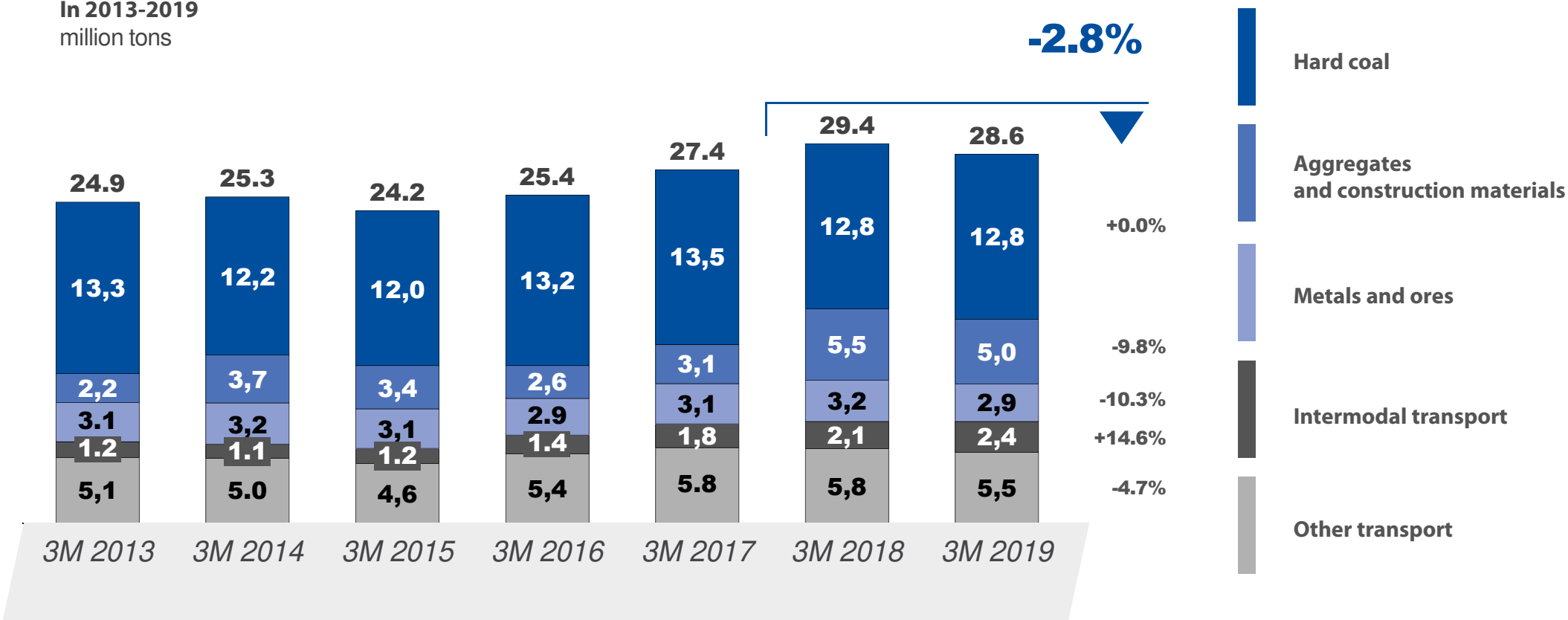


The high rate of growth of intermodal transport was sustained in Q1 2019

### FREIGHT VOLUME IN THE PKP CARGO GROUP

In 2013-2019

million tons





# 03

## Financial results

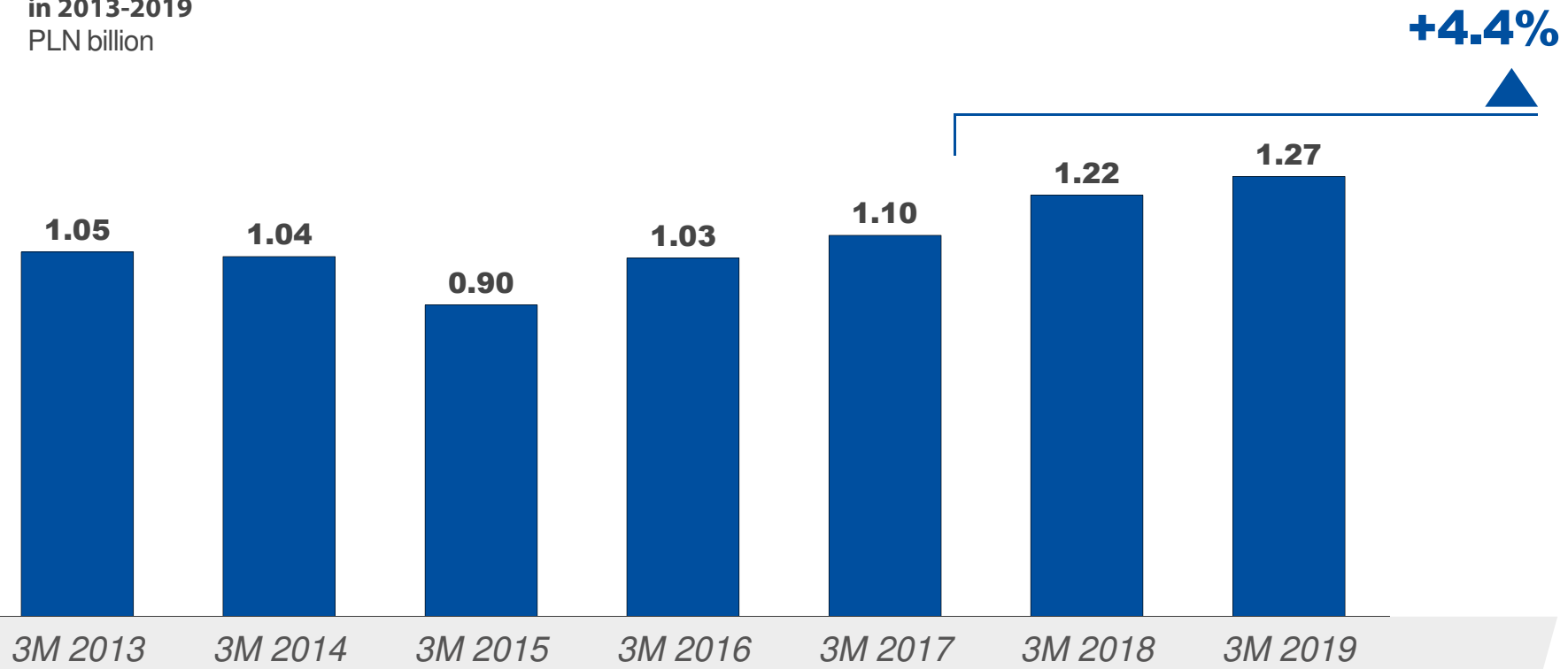


# 03



Q1 2019 was yet another quarter in which the PKP CARGO Group delivered rising operating revenue

**THE PKP CARGO GROUP'S OPERATING REVENUE**  
in 2013-2019  
PLN billion



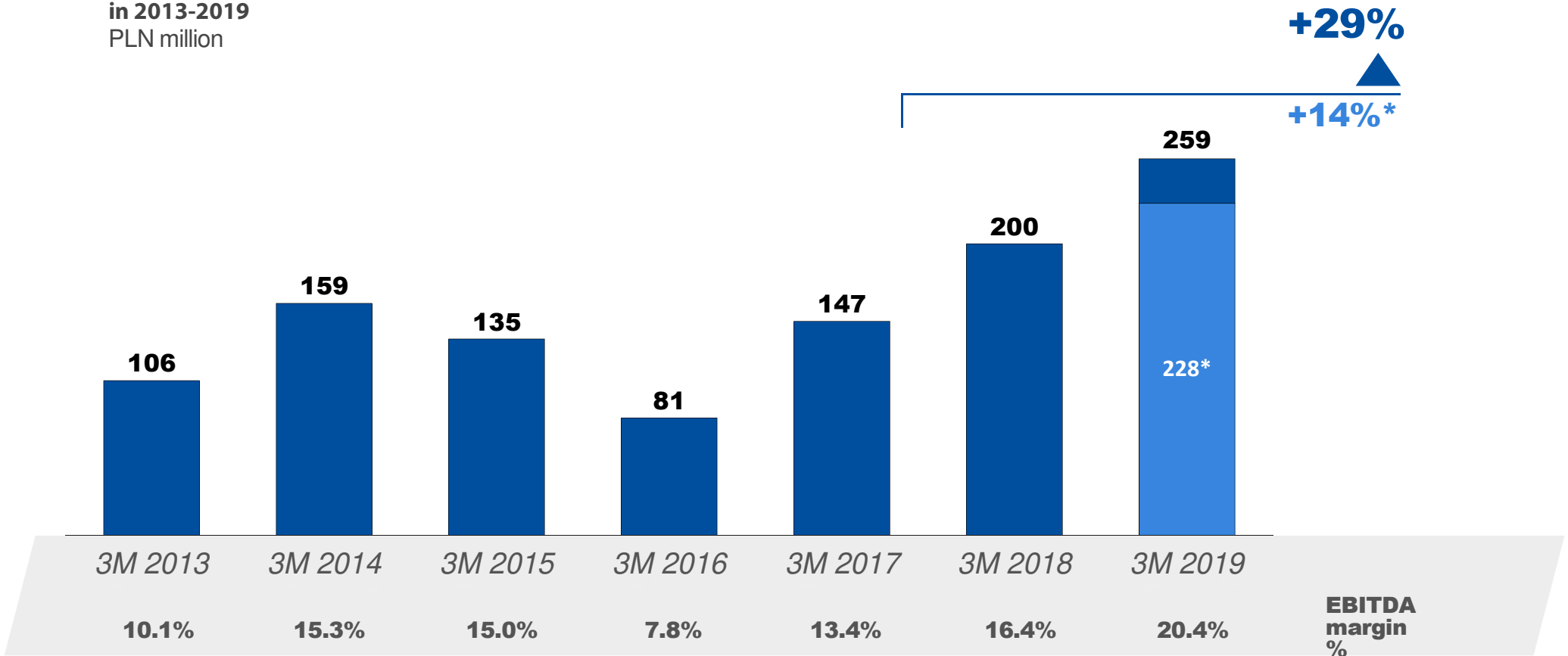


# 03



The PKP CARGO Group posted its highest Q1 EBITDA since going public

**EBITDA OF THE PKP CARGO GROUP**  
in 2013-2019  
PLN million



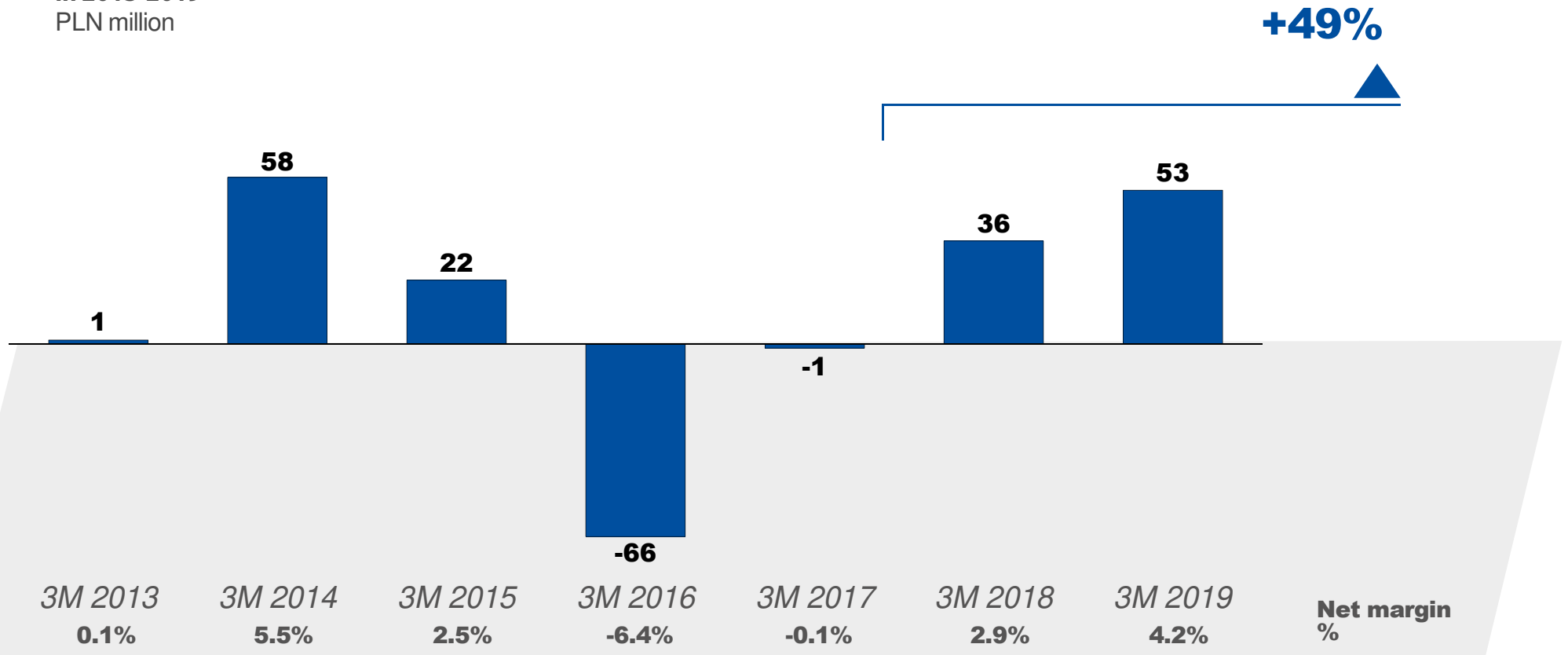
\* ratio adjusted for the impact exerted by IFRS 16 on EBITDA

# 03



In Q1 2019, the net result increased compared to Q1 2018 at the level of 49%

**THE PKP CARGO GROUP'S NET RESULT**  
in 2013-2019  
PLN million



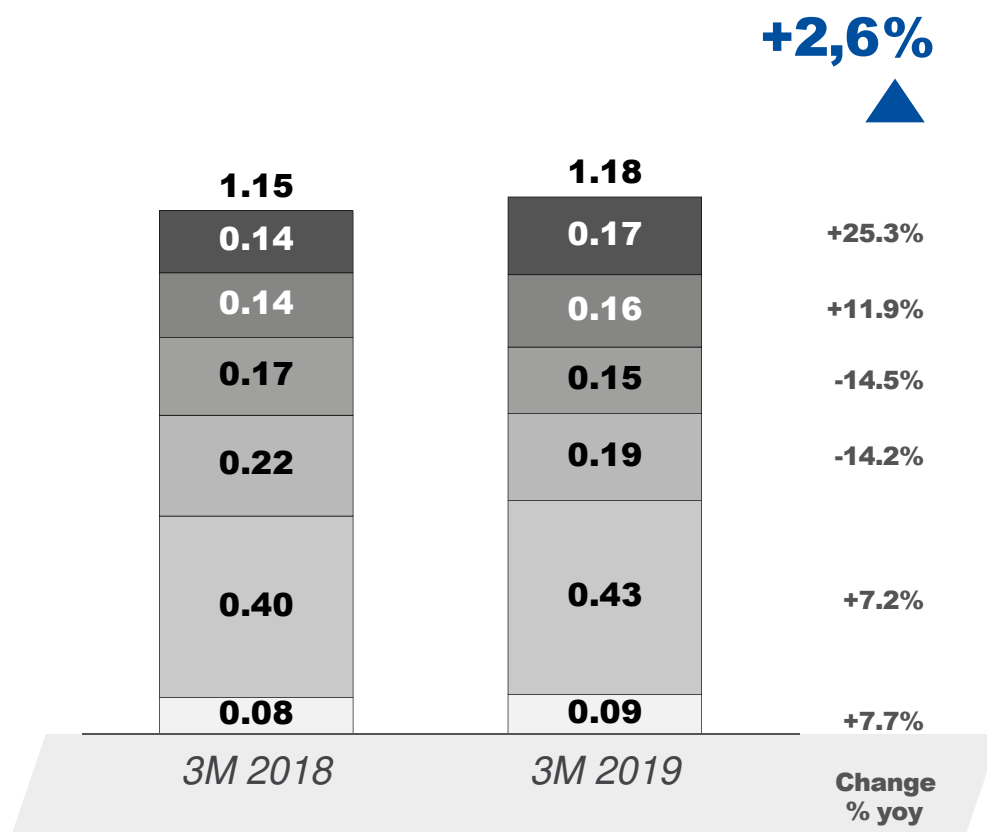
# 03



## Costs continue to be under control

### THE PKP CARGO GROUP'S OPERATING EXPENSES in 2018-2019

PLN billion



#### Depreciation and impairment losses

- Up PLN 26.5 million as a result of implementing IFRS 16
- Up PLN 8.1 million due to higher capital expenditures

#### Consumption of electricity and traction fuel

- Higher consumption of **fuel** (PLN 1.7 million) and **energy** (PLN 15.2 million)
- Costs up chiefly as a result of **climbing electricity and traction fuel prices**

#### Access to infrastructure

- Down PLN 24.8 million due to lower freight turnover and **PKP PLK reducing its price list** for the train schedule

#### Transport services and other services

- Decline in **rental fees** and charges for operating **rolling stock** by PLN 21.6 million – effect of introducing IFRS 16

#### Employee benefits

- Growth ensuing from the agreement with the trade unions signed in June 2018

#### Other expenses

- Other expenses **at a similar level** to last year

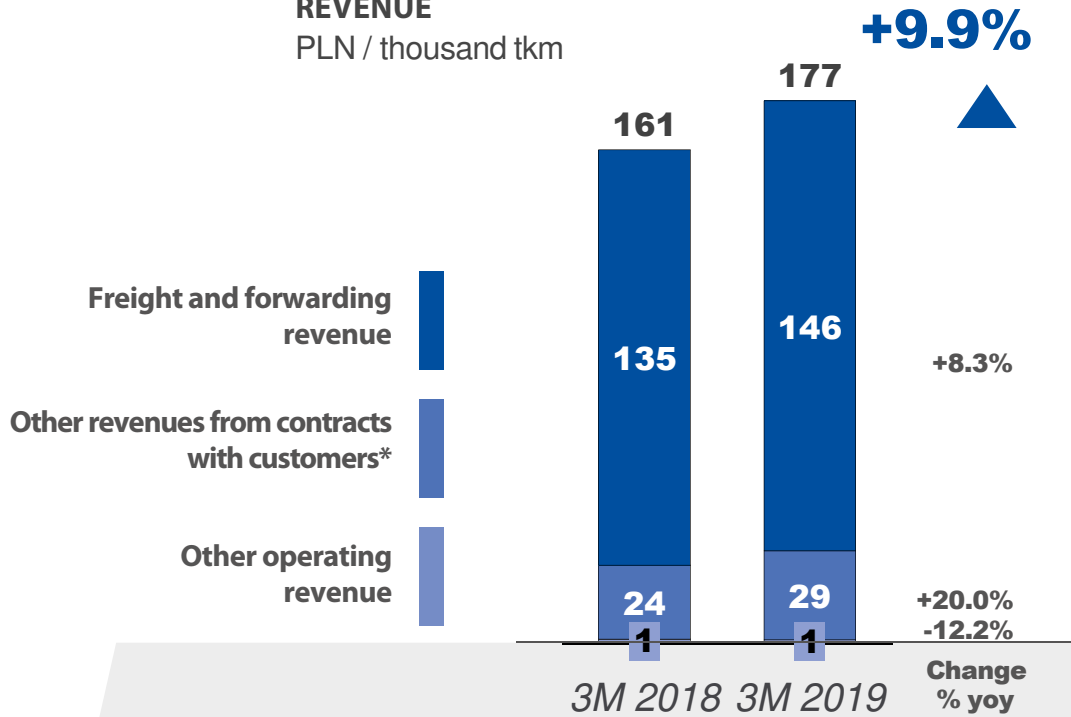


# 03

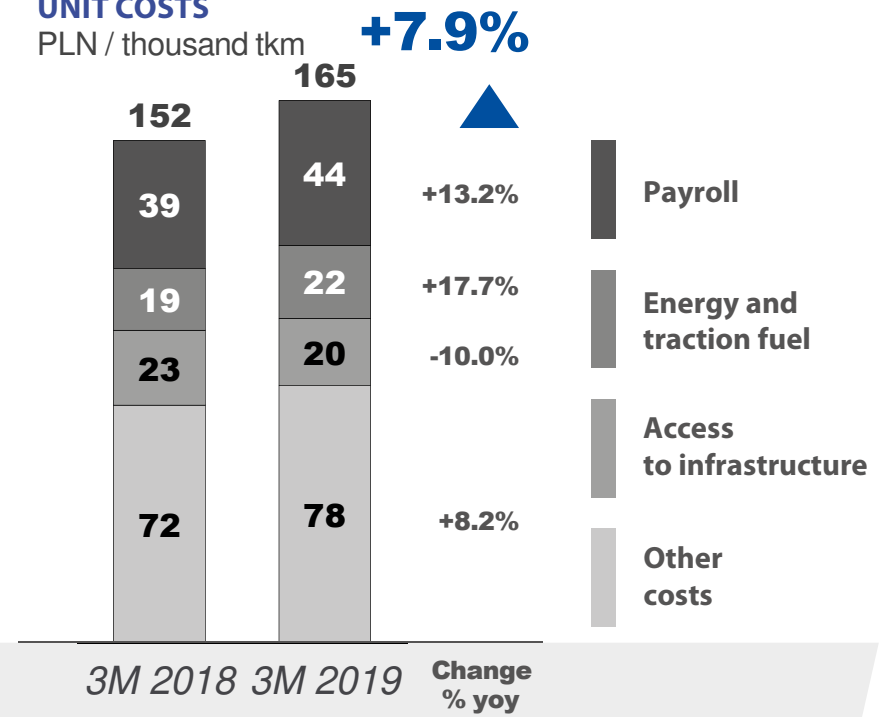


The pace of growth of revenue is faster than the pace of growth of expenses

**PKP CARGO GROUP'S UNIT REVENUE**  
PLN / thousand tkm



**THE PKP CARGO GROUP' UNIT COSTS**  
PLN / thousand tkm



\* Revenues from contracts with customers, excluding revenues on rail transportation and freight forwarding services

# 03



The ratios improved thanks to rising profitability while operational cash flows were higher than capex cash flows by PLN 80 million

<b>CASH FLOW</b>			<b>PLN +80 million</b>
PLN million	3M 2018	3M 2019	Change
On operating activity	198	163	-36
On investing activity	-238	-83	+156
On financing activity	-81	-72	+9

<b>KEY BALANCE SHEET ITEMS*</b>		
PLN million	31.12.2018	31.03.2019
Fixed capital	5,453	6,152
Non-current assets	5,187	6,051
Coverage ratio**	1.05	1.02
Total debt	1 427	2 169
<b>Total debt ratio</b>	<b>0.49</b>	<b>0.53</b>

<b>FINANCIAL RATIOS</b>		
	3M 2018	3M 2019
NET DEBT / EBITDA***	1.2	1.0
ROA	1.8%	2.7%
ROE	3.5%	5.7%
EBIT margin	5.2%	6.8%

<b>FUNDING SOURCES</b>	
PLN million	31.03.2019
Cash****	455
EIB	71
Pekao SA	100
PKO BP	1
<b>Total funding</b>	<b>627</b>

\* The increase stems chiefly from implementing IFRS 16  
 \*\* Calculated as the ratio of total equity and non-current liabilities to non-current assets



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