

# 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 transport services

### MARKET

#### CARRIAGE SUPPLIER

- TVZ

#### RESOURCE SUPPLIERS

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

## JSC FPC

### 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

### Key resources

**58,000**  
employees  
staff (average headcount)

**17,000**  
carriages  
carriage fleet

**> 300**  
contractors  
technical services and maintenance

**3,048**  
million  
carriage km

**RUB 51**  
billion  
loans and borrowings  
(as at 31 December 2019)

### Equipment and materials

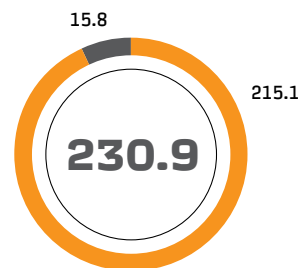
**23**  
depots

**32**  
carriage sites

**10**  
railway agencies

**1**  
vehicle transport centre

### Cost breakdown,



- Passenger services, for reference:
  - Infrastructure payments (RUB 72.7 billion)
  - Locomotive lease (RUB 46.7 billion)
- Other activities

### Investment expenses

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

**RUB 43.7**  
BILLION

Company Profile

Development Strategy

Performance Overview

Corporate Governance

Sustainable Development

Appendices

## 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

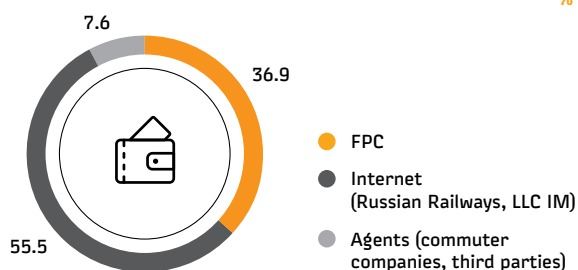


**Tourist trains**

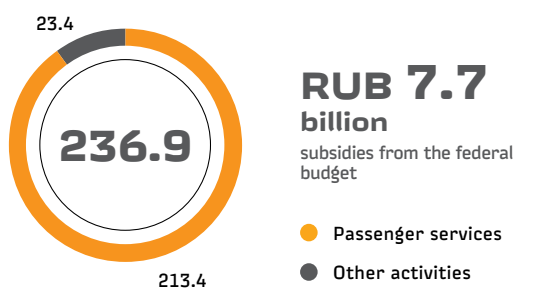
### Other carriages

- Baggage, unaccompanied baggage and mail transportation
- Repair and maintenance of non-owned rolling stock
- Value-added services on trains
- Other services

## Sales channels,



## Revenue breakdown,



## Promotion

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

## Key values

### For the passengers

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

### For the state

- Ensuring transport mobility of the population with 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

## Net profit

**RUB 6.6**  
**BILLION**