

**FPC’s peers**

Indicator	JSC FPC			DB Fernverkehr (Germany)			SNCF Voyageurs <sup>1</sup> (France)		
	2022	2023	vs. 2022, %	2022	2023	vs. 2022, %	2022	2023	vs. 2022, %
Passengers carried, million people	95.9	<b>108.1</b>	113	132.0	<b>140.3</b>	106	105.4	<b>124.0</b>	118
Revenue, EUR billion	3.5	<b>3.4</b>	99	5.0	<b>5.9</b>	118	8.5	<b>9.7</b>	114



**DB Fernverkehr (Germany)**

DB Fernverkehr is a Deutsche Bahn Group business unit providing national high-speed and cross-border long-distance rail passenger services.

Rolling stock repair, maintenance, and management, as well as communications and IT services are provided by specialist companies within Deutsche Bahn Group.

**FEDERAL PASSENGER COMPANY**

**JSC FPC (Russia)**

Unlike the above companies, FPC’s activities cover the majority of important business processes: acquisition, maintenance and repair of rolling stock, sales organisation, revenue collection, as well as management and administration, IT and communications.

JSC FPC has

**10** regional branches, as well as an extensive network of depots and carriage stations and personnel to support all business processes



**SNCF Voyageurs, Business Unit — TGV-INTERCITÉS (France)**

TGV-INTERCITÉS is the business unit of SNCF Voyageurs — the passenger carriage division of SNCF Holding. It specialises in long-distance passenger servicing in France and other European countries.

Rolling stock repair, maintenance, and management, as well as communications and IT services are provided by specialist companies within SNCF Voyageurs Group.

# Strategy

The three main pillars of JSC FPC’s strategy are excellent passenger service, long-term financial growth, and social responsibility. These goals are the basis for the Company’s successful operations and its contribution to the development of Russia’s transport infrastructure.

As a key business unit of the parent company, JSC FPC is mainly focused on the achievement of financial and economic volume targets set out in the Parent Company’s Long-Term Development Programme of Russian Railways until 2025 (LDP) approved by the Russian Government.

The Company also approved the Regulations on the System of Key Performance Indicators of JSC FPC<sup>2</sup> to motivate company management to achieve FPC’s strategic goals through a system of target key performance indicators (KPIs).

In 2019, the Company put in place the Development Strategy of JSC FPC until 2030<sup>1</sup> (hereinafter – Strategy) and also established its implementation framework.

## Mission

Improving the quality of life by offering extremely safe, affordable and comfortable passenger experience.



<sup>1</sup> Data are provided for the TGV-INTERCITÉS transport company operating long-distance trains in France.

<sup>1</sup> Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 11 dated 27 December 2019).

<sup>2</sup> Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 24 dated 3 July 2023).

# Vision

JSC FPC is a leader in the passenger service market in the Russian Federation. It is a highly efficient, financially stable, customer-oriented company committed to increasing the mobility of all customer segments and regions of the Russian Federation and embracing all key and sought-after long-distance destinations.



## 2. Customer-focused company

Leader in service quality in long-distance land transport, providing high-quality value proposition and comfortable long-distance travel experience, including transit connections with other modes of transport and multi-modal transport services



## 1. Russia's leader in passenger mobility

National carrier providing traditional and high-speed long-distance rail passenger services both in Russia and abroad

Leader by passenger traffic in long-distance transport in Russia

Leader in long-distance ticket aggregation services, offering single tickets connecting rail passenger services across Russia's regions



## 3. Socially responsible company

Sustainable development of mobility across customer segments and regions of Russia



## 4. Highly efficient, financially stable company

Maximisation of the financial result and self-sustainability of operations



### Quantitative characteristics of FPC's vision in 2025<sup>1</sup>

Vision of JSC FPC	Reference parameter	Projected value
Russia's leader in passenger mobility	Passengers carried	118 billion people
Customer-focused company	Investment in new rolling stock	RUB 59 billion (cumulatively in 2024–2025)
Socially responsible company	Passenger-km travelled in regulated segment	54 billion passenger-km travelled
Highly efficient, financially stable company	Expected yield	RUB 330 billion

According to the Strategy, the Company's main focus is on boosting the average train speed, developing comprehensive combined transport operations (such as multi-modal transport services), increasing passenger traffic on the key routes in Russia, and improving the competitiveness of our existing services. The Company will also continue to act as a public carrier, which means servicing single-mode or socially important routes.

The Strategy's key targets relevant to FPC address changes in the transport market, the competitive situation, evolving customer requirements, and development trends in the passenger transport regulatory environment.

### FPC's strategic goals

Indicator	2025	2030
Passengers carried, million passengers	118	122
Revenues, RUB billion	330	431
EBITDA, RUB billion	53	82
Net debt / EBITDA, ratio	Not more than 2	
Carriage purchase volume	>2,600 carriages (cumulatively in the period from 2024 to 2030)	

## Results of the Strategy in 2023

In 2023, in light of the new circumstances, the Company kept up its efforts to maintain and enhance transport accessibility amid airport closures in southern Russia, as well as to increase passenger traffic, stimulate demand for passenger transportation, and optimise costs. About 108 million passengers were carried during 2023.

The tourist train network is constantly being expanded to provide our citizens with a comfortable and secure tourism environment. The trains are made up of modern and comfortable carriages.

To ensure the guaranteed quality of transportation, JSC FPC continued to improve its services, develop new routes and renew its rolling stock.

<sup>1</sup> In accordance with the approved Strategy.

## Strategic areas of development

### Network

In 2023, the route network of double-decker trains was expanded.

- A new train No. 357/358 Ufa/Samara – Imeretinsky Resort
- In order to meet demand in the summer period, scheduled service was added the following trains: No. 571/571 Samara – Anapa, No. 151/151 Moscow – St. Petersburg, No. 549/550 Adler – Togliatti

### Fleet

In 2023, carriages were purchased under the long-term agreement with suppliers until 2025. According to the agreement, four batches of rolling stock are to be supplied:

- Carriages of existing model range
- New models of single-decker carriages
- New models of double-decker carriages
- Innovative single-deckers and double-deckers

Improved carriages are among the rolling stock to be purchased:

- Quiet, private space for personal relaxation
- Spacious interior with room to walk around
- Low floors and barrier-free environment
- Dedicated luggage areas
- Advanced technology intensiveness

In 2023

**531** new carriages

(427 single-deckers and 104 double-deckers) were purchased

### Product offering

The Company is planning a transition to a new unified, high-quality product offering. A consumer focus is at the heart of the strategic initiative. An intuitive value proposition is being developed for passengers, based around the unification of technical equipment of carriages and standardisation of value-added services. As of the end of 2023, the transition to the new product line has not yet been completed.

### Multi-modality

In 2023, the Company offered multi-modal service (train + bus) for six routes: Kostroma – Yaroslavl, Boksity – Serov, Belgorod – Rossosh, Vologda – Yaroslavl, Arzamas – Diveevo, Ussuriysk – Andreevka in summer time.

In 2023, multi-modal service covered around 45,300 passengers

FPC is planning to further expand its multi-modal services and improve the performance of the existing routes.

### Other business lines and adjacent businesses

To improve market stability, JSC FPC seeks to diversify its operations and develop businesses that increase the profitability of transportation:

- On-train passenger services
- Development of rail tourism
- Services involving all modes of transport
- Logistics services (cargo, mail, etc.)

Developments in this area in 2023:

- The number of FPC trains with access to the Poputchik infotainment system was increased to 102
- The faster payments system (FPS) was implemented at FPC's ticket offices
- Map of tourist routes was significantly expanded (up to 36). In 2023, 27 tourist trains, including regional projects, were offered to passengers. Over 100,000 people used the service last year.

## Key performance indicators

The KPI system is used to evaluate the Company's performance and contribution to the implementation of the parent company's strategic goals. The Regulations on the System of Key Performance Indicators of FPC JSC<sup>1</sup> (hereinafter – the Regulations) establish the set of KPIs and the process for determining the extent to which they are met. FPC's corporate KPIs reflect the Company's performance in the reporting period (during the year) and are based on the strategic goals and objectives set for the Company.

The list of FPC's annual corporate KPIs for 2023 includes:

- Passenger satisfaction index (long-distance trains)
- Traffic safety level
- Passenger departures
- Revenue from regular activities
- EBITDA margin
- Net debt/EBITDA



Targets were set for each indicator. The target values for all of JSC FPC's corporate KPIs were achieved by the end of 2023.

## FPC's key objectives for 2024

- Consolidating the Company's position in the passenger service market through route network expansion, new level of customer service, rolling stock replacement, and operational infrastructure upgrade and modernisation
- Implementing initiatives envisaged in the FPC Development Strategy until 2030, including expanding the geography of double-decker trains, launching new trains, improving the competitiveness of the existing product line and renewing rolling stock
- Ensuring guaranteed quality of carriage
- Designing and implementing integrated marketing projects to develop new offerings
- Bringing the long-distance passenger satisfaction index to at least 87.9 points
- Improving the level of traffic safety
- Taking measures to reduce the negative environmental impact
- Developing human capital
- Building digital capabilities and actively deploying digital technologies to enhance the efficiency of internal processes and improve services
- Ensuring transport mobility of the population due to increased passenger traffic to southern destinations

<sup>1</sup> Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 24 dated 3 July 2023).