

PKP CARGO Group financial and operational results

9M 2023



Warsaw, November 29th 2023





> Agenda

- **Results summary**
- Operational results
- Financial results
- Outlook

> PKP CARGO Group results 9M 2023

Strong financial results

Revenues from contracts with customers

4 168 m PLN

+9% y/y

Net profit

102 m PLN

+107 m PLN y/y

EBITDA

853 m PLN

+32% y/y
Profitability 20%

Freight volume

62 m tons

-18% y/y

CAPEX

1 285 mln zł

+147% y/y

OPEX

3 862 m PLN

+4% y/y

Freight turnover

16 921 mln tkm

-16% y/y



3

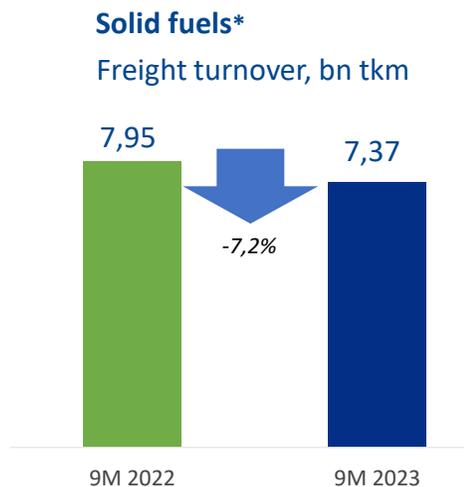
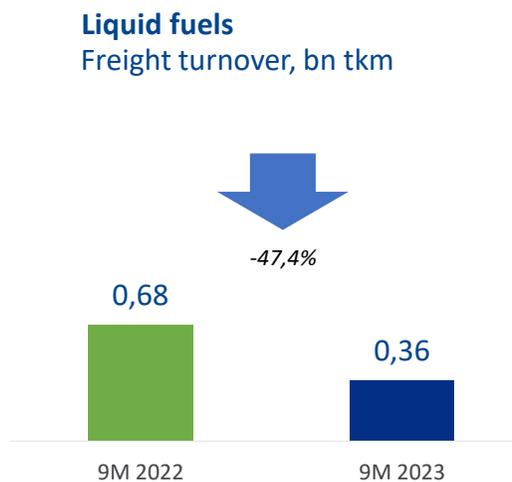
- Significant growth in revenues from contracts with customers
- Slight increase in operating costs



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> PKP CARGO Group freight turnover after 3 quarters 2023



*hard coal, coke, lignite



> PKP CARGO Group freight volume after 3 quarters 2023

Intermodal
Freight volume, m tons



Aggregates and construction materials
Freight volume, m tons



Metals and ores
Freight volume, m tons



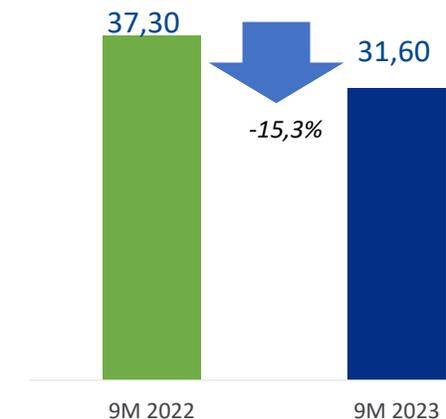
Liquid fuels
Freight volume, m tons



Chemical products
Freight volume, m tons



Solid fuels*
Freight volume, m tons



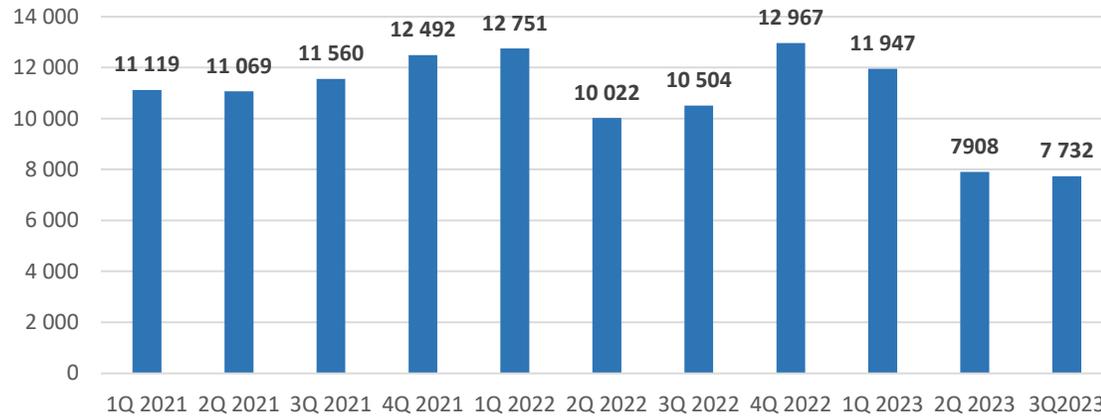
*hard coal, coke, lignite



> Hard coal transport

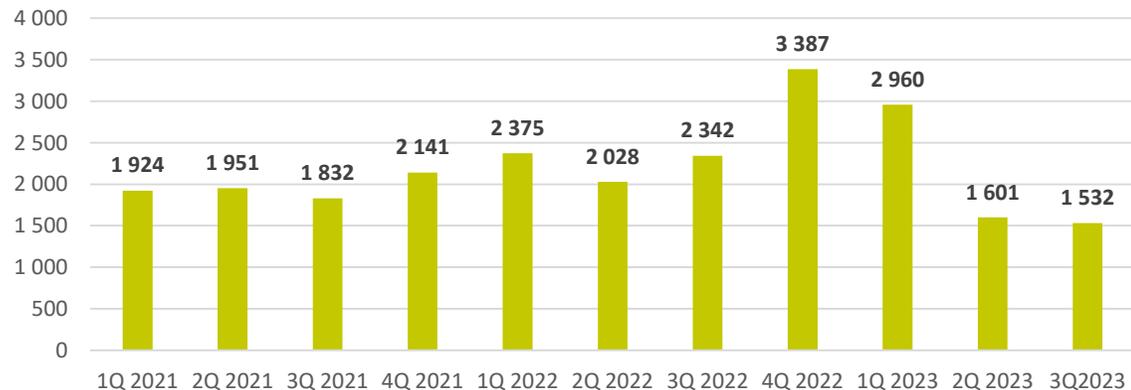
Hard coal – freight volume

(ths tons)



Hard coal transport – freight turnover

(m tkm)



- Decrease in demand from energy sector,
- Lower level of coal collection by municipalities,
- Accumulation of stocks has affected and decreased coal imports through seaports,
- Numerous infrastructure modernizations: access lines to Połaniec, heat and power plants in Łódź and Kozięłowy, on the Siekierki EC siding, resulting in an interruption in supplies; renovation works also took place in power plants, which impacted heat production,
- Failure of reloading equipment at the Łaziska Średnie station,
- Delayed start of the heating season due to weather conditions,
- Reduction in the production and consumption of electricity in Poland.

> PKP CARGO Group - CAPEX Investments in modern rolling stock

Rolling stock structure in numbers
PKP CARGO Group



Train cars

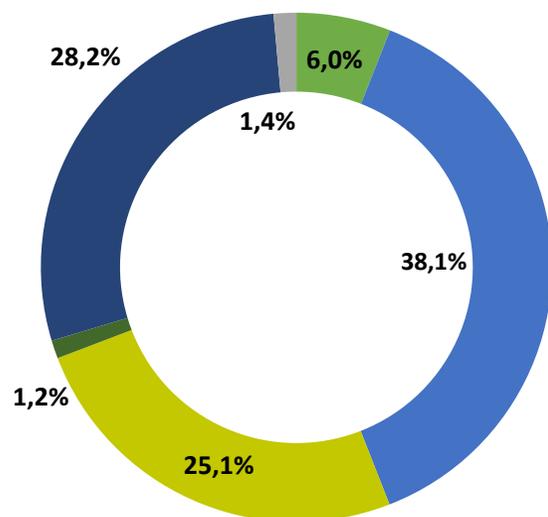
52 637



Locomotives

1 554

CAPEX structure in 9M 2023 (m PLN)



- Investment buildings
- Purchases, periodic repairs and maintenance of train cars
- Modernization and periodic repairs and maintenance of locomotives
- IT
- Rights to assets use
- Others

	9M 2022	9M 2023	y/y	% y/y
Investment buildings	15,3	76,7	61,4	+401%
Purchases, periodic repairs and maintenance of train cars	379,1	489,4	110,3	+29%
Modernization and periodic repairs and maintenance of locomotives	89,5	322,8	233,3	+261%
IT	2,6	14,8	12,2	+469%
Rights to assets use ¹⁾	23,3	362,5	339,4	+1 456%
Others ²⁾	10,0	18,4	8,4	+84%
Total	519,8	1 284,6	764,8	+147%

- 1) Right to assets use after 9 months of 2022 do not include 14,8 m PLN for locomotive and transshipment equipment ; as for 9 months of 2023 the value does not include amount of 126,9 m PLN.
2) Other investments include i.a.: machines and workshops equipment



> Employment in PKP CARGO Group



HEADCOUNT
IN **GROUP** (IN PERSONS)
AS AT:

30/09/2023
19 847

30/06/2023
19 984

30/09/2022
20 023

BLUE-COLLAR POSITIONS
IN **GROUP** (IN PERSONS)
AS AT:

30/09/2023
15 038

30/06/2023
15 167

30/09/2022
15 267

WHITE-COLLAR POSITIONS
IN **GROUP** (IN PERSONS)
AS AT:

30/09/2023
4 809

30/06/2023
4 817

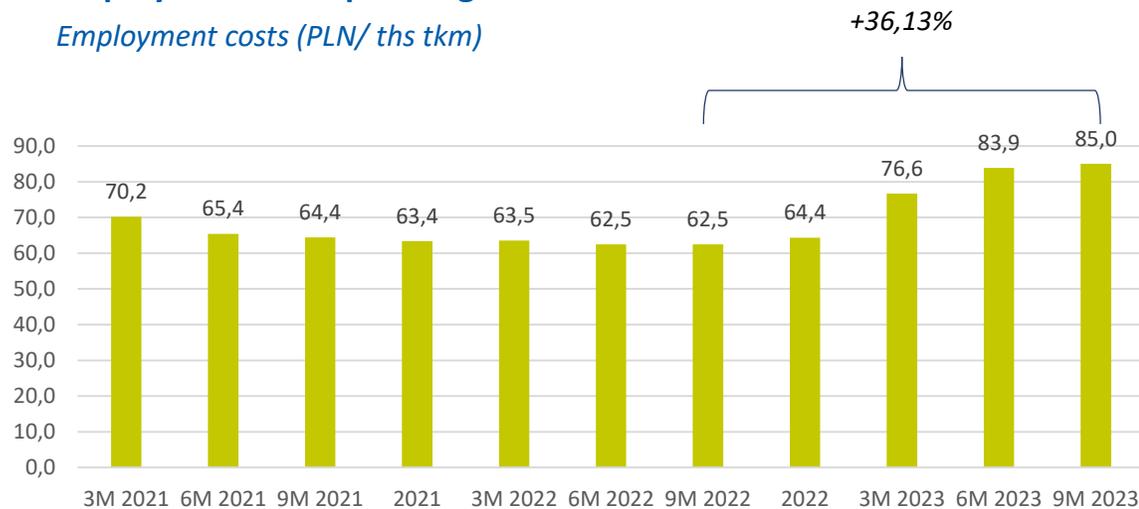
30/09/2022
4 756

Maintaining full operational efficiency by:

- monitoring the level of employee departures for retirement benefits and appropriately responding to staff shortages in a given business area,
- optimal use of human resources by introducing projects and processes that improve the implementation of goals,
- responding quickly to the dynamically changing employment market,
- organization of the training process, taking into account the time necessary for employees to acquire qualifications and professional qualifications.

Employment costs per freight turnover

Employment costs (PLN/ tks tkm)





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> Key financial results

Revenues from contracts with customers

m PLN



OPEX

m PLN



EBITDA

m PLN



Net profit

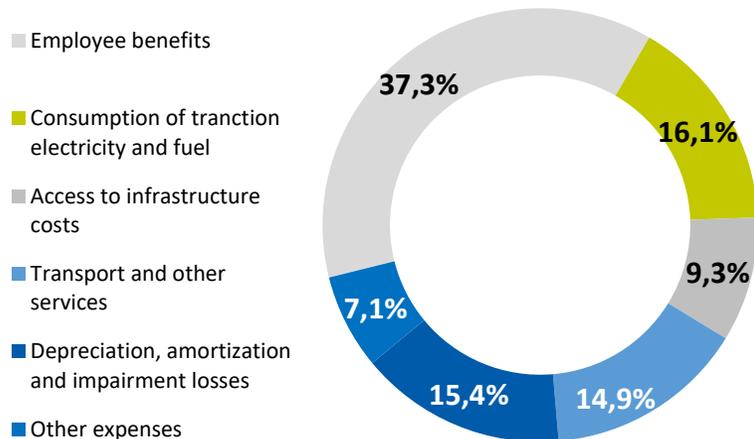
m PLN



> Operating costs in challenging market environment

Operating costs - structure and change in 9M 2023

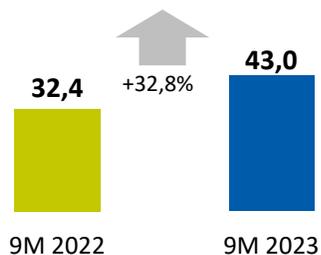
m PLN



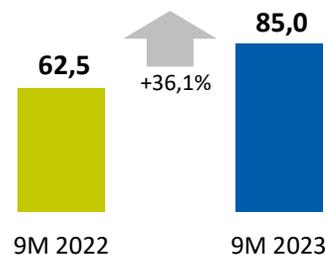
	9M 2022	9M 2023	y/y	% y/y
Employee benefits	1 256,4	1 438,7	182,3	14,51%
Consumption of traction electricity and traction fuel	572,2	620,8	48,6	8,49%
Access to infrastructure costs	418,8	359,6	-59,2	-14,14%
Transport and other services*	657,0	575,3	-81,7	-12,44%
Depreciation, amortization and impairment losses	550,2	594,4	44,2	8,03%
Other expenses**	258,5	273,3	14,8	5,73%
Total	3 713,1	3 862,1	149,0	4,01%

Unit costs per freight turnover

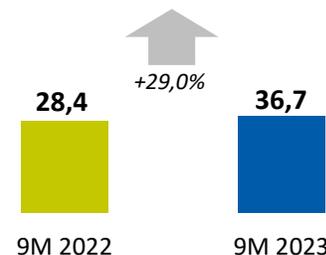
EBITDA per employee (ths PLN/employee)



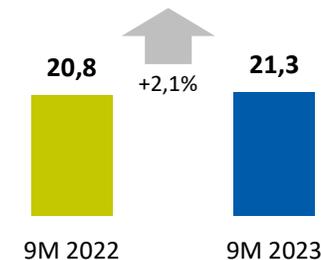
Employee benefits (PLN/ths tkm)



Traction electricity and fuel (PLN/ths tkm)



Access to infrastructure (PLN/ths tkm)

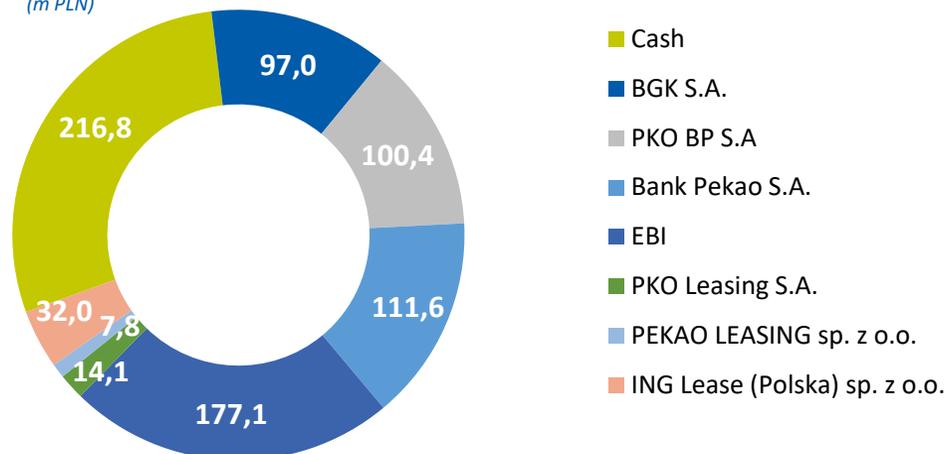


> Cash flows, liabilities and funding sources

Improvement of financial structure

Available funding sources as of 30.09.2023

(m PLN)



Ratio	9M 2022	9M 2023
EBITDA margin	16,8%	20,3%
ROA	-1,0%	3,1%
ROE	-2,5%	7,7%
ROS	-0,1%	2,4%

Liabilities structure

(m PLN)

Liabilities	31.12.2022	30.09.2023
Long-term	2 344,6	2 576,2
Short-term	2 082,7	2 427,6
Total	4 427,3	5 003,8

Cash flow

(m PLN)

Cash flow	9M 2022	9M 2023	change
Operational	572,2	1 089,6	517,4
Investment	-593,5	-726,2	-132,7
Financial	-110,2	-327,6	-217,4



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➤ Outlook and goals for incoming quarters

- Concentration on profitability of cargo freight and striking a balance between pricing and freight volumes
- Impact of seasonality on the reduction of transport parameters
- Launching operations in terminal in **Zduńska-Wola Karsznice**

Business and ESG strategy publication

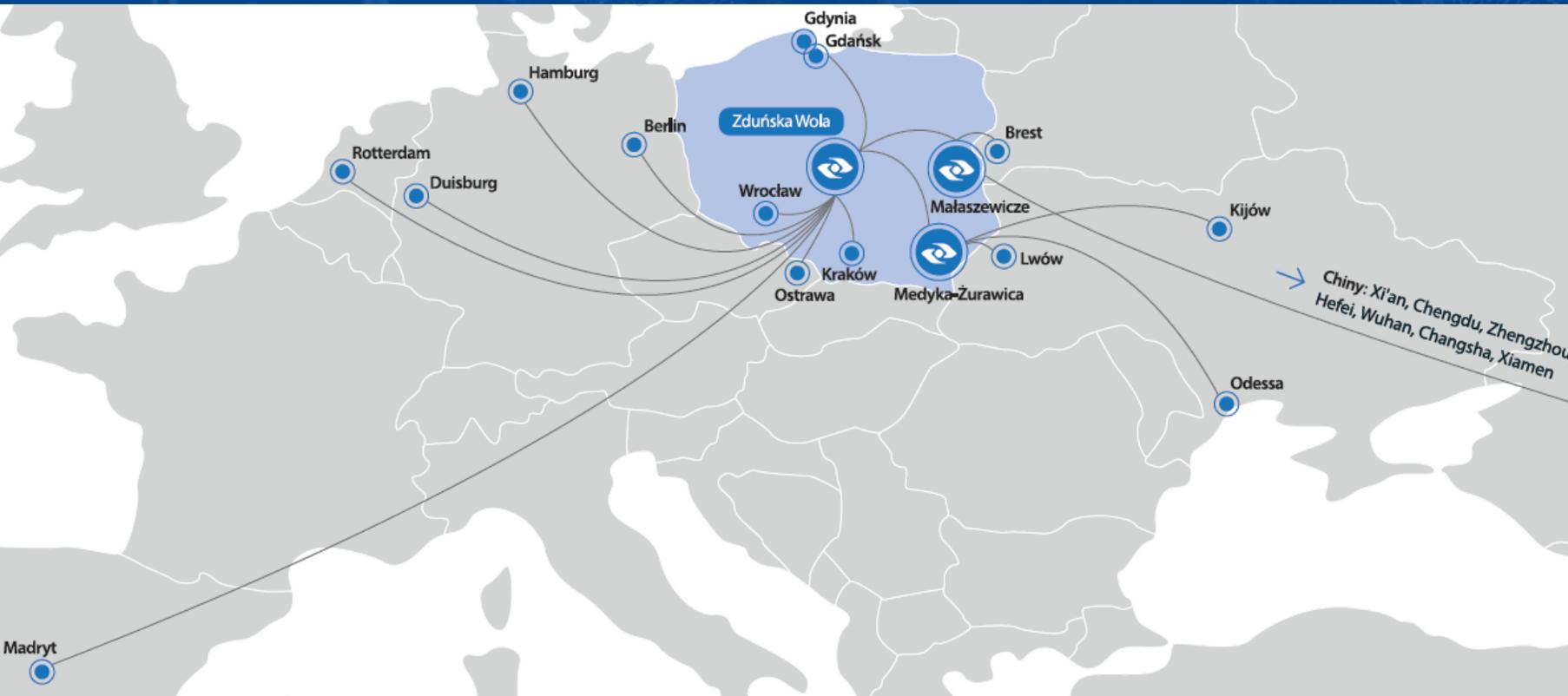
- Very first ESG Strategy for PKP CARGO Group
- Intertwined with business goals and operations
- Business activities aligned with sustainable growth
- Build on plethora of initiatives with metrics and targets

> Intermodal terminal Karsznice

Development and investment in modern rolling stock

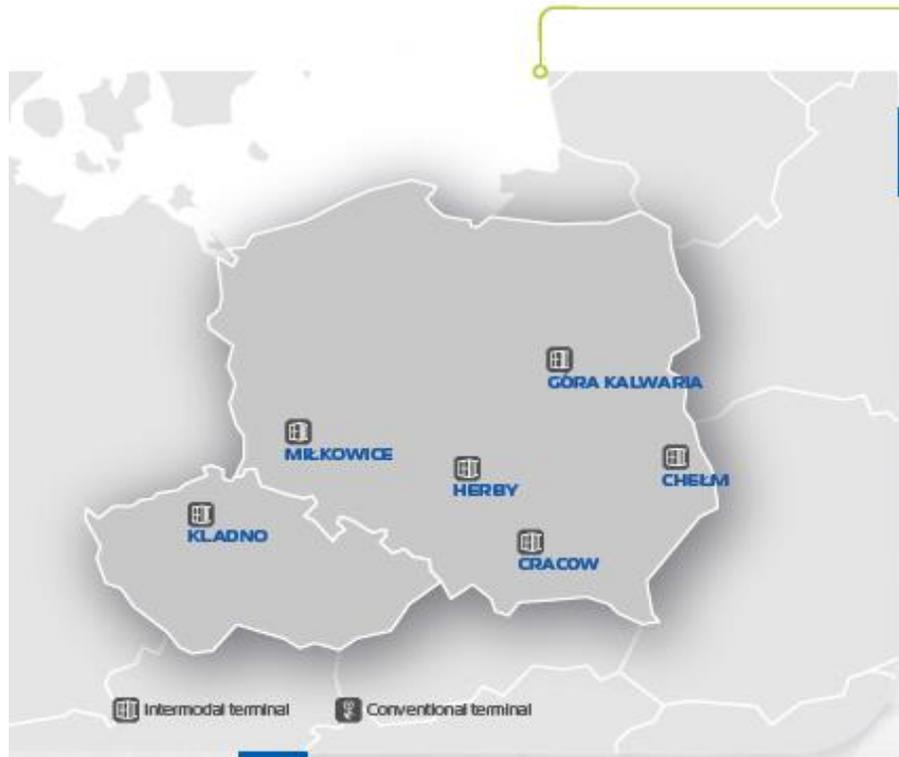
Intermodal terminal located in Central Poland, at the junction of the main European east-west communication line and the north-south route connecting e.g. Adriatic, Baltic and North Sea.

✓ located directly on the S8 route connecting the terminal with the European motorway network



- Terminal area: **13 ha,**
- Destination transshipment capacity: **500 ths. multimodal units annually.**

15



CHEŁM

Type of terminal
Intermodal
Terminal transshipment capacity - TEU/year
110,000
Max storage capacity - TEU
1,200
Main transport routes
Corridor: Baltic Sea- Black Sea, including Ukraine-Poland (transshipment from wide rail gauge to regular rail gauge), sea ports

CRACOW

Type of terminal
Intermodal
Terminal transshipment capacity - TEU/year
255,000
Max storage capacity - TEU
3,240
Main transport routes
Route to Ukraine via Medyka, route to Czechia via Miłkowice, route to sea ports via Herby/ Karsznice

GÓRA KALWARIA

Type of terminal
Intermodal
Terminal transshipment capacity - TEU/year
74,000
Max storage capacity - TEU
870
Main transport routes
Connection to sea ports and Western Europe for cross-border routes

MILKOWICE

Type of terminal
Intermodal
Terminal transshipment capacity - TEU/year
211,000
Max storage capacity - TEU
5,780
Main transport routes
Sea ports, Czechia, Western routes (Germany, Benelux, France, other EU countries)

HERBY

Type of terminal
Intermodal
Terminal transshipment capacity - TEU/year
185,000
Max storage capacity - TEU
2,400
Main transport routes
Corridor: Baltic Sea - Adriatic Sea, including sea ports in Central Europe, Southern routes (Czechia, Slovakia, Austria, Hungary)

KLADNO (CZECHIA)

Type of terminal
Intermodal
Terminal transshipment capacity - TEU/year
120,000
Max storage capacity - TEU
2,000
Main transport routes
Bremerhaven, Koper, Rijeka

The PKP CARGO Group undertakes numerous business activities to expand its product and services portfolio to meet customers' expectations. In order to remain a leading logistics operator in Europe PKP CARGO Group has been building and developing a network of intermodal terminals in Poland and Czechia. The PKP CARGO Group sees potential in the rail segment intermodal transport, based on a strong network of transshipment terminals servicing cargo routes linking the Three Seas areas, Western Europe, seaports and Ukraine.

Thank you

Please feel free to contact Investors Relations Team in order to obtain more information

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