

Key performance indicators

The Regulation on Key Performance Indicators of Russian Railways (“KPI Regulation”) was approved by the Company’s Board of Directors on 18 December 2019 (Minutes No. 11), as prescribed by relevant directives of the Russian Government¹ and the Guidelines for KPI Application.²



Russian Railways’ key performance indicators – progress in 2020

Indicator	Unit of measurement	Actual for 2019	Target for 2020 ³	Actual for 2020	% of the target	Change y-o-y, %
Russian Railways Group’s EBITDA ⁴	RUB bn	576.9	414.0	420.7	101.6 %	72.9 %
Reduction of operating costs (expenses)	%	2.8	≥2.0	2.2	+0.2 pp	–
Russian Railways’ EBITDA margin	%	22.6	22.0	22.2	+0.2 pp	–0.4 pp
Russian Railways Group’s ROIC for unregulated types of activities	%	17.3	5.7	5.8	+0.1 pp	–11.5 pp
Traffic safety across the Russian Railways Group	accidents per million train kilometres	0.86	0.64	0.544	–	–
Virtual performance of Russian Railways’ infrastructure	bn virtual tkm	3,442.2	3,266.2	3,301.2	101.1 %	95.9 %

¹ Directive No. 9054p-P13 of 2 October 2019.

² Approved by Decree No. 1388-r of the Government of the Russian Federation dated 27 June 2019

³ The Group-wide KPI targets for 2020 were approved by the Company’s Board of Directors on 18 December 2019 (Minutes No. 11), as adjusted by the Board of Directors on 29 December 2020 (Minutes No. 5).

⁴ Under IFRS.

The KPI Regulation provides the basis for setting Russian Railways' key performance indicators and includes an updated list of Group-wide KPIs to be applied starting 1 January 2020.

The list of Group-wide KPIs includes both core and recommended items, such

as Russian Railways' EBITDA Margin, the Russian Railways Group's ROIC for Unregulated Types of Activities, the Russian Railways Group's EBITDA, Reduction of Operating Costs (Expenses), Traffic Safety across the Russian Railways Group and Virtual Performance of Russian Railways' Infrastructure.

KPI targets are set in line with the Russian Railways' financial plan and can be revised in accordance with any adjustments to the financial plan, budgets and/or investment programmes approved by governance bodies of the Russian Railways Group and/or Russian Railways throughout the year.

Russian Railways' KPI targets for 2021

No.	Area	Key performance indicator	Target for 2021
1	Industry-wide KPIs focused on achieving national goals	Investment amount, RUB bn	731.6
2		Passengers transported, m ¹	8.6
3	Financial KPIs	Revenue from core operations (revenue from transportation services + other operations) under RAS, RUB bn	1,929.9
4		Russian Railways Group's ROIC for unregulated types of activities (under IFRS), %	5.5
5		Operating costs (transportation) growth in comparable prices, %	97.8
6		Net debt / EBITDA of Russian Railways	3.8
7	Special KPIs	Adherence to passenger train schedules, %	98.37
8		Traffic safety (across the Russian Railways Group), accidents per million train kilometres	0.496
9		Virtual performance of Russian Railways' infrastructure, bn virtual tkm	3,610.6
10		Average loaded freight car delivery speed, km/day	441.0

¹ Carried by Russian Railways.