

# Rail Cargo Group

Your Partner in Europe

Corporate presentation

Status: June 2017



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- Ownership structure and history
- Countries and principal subsidiaries
- Successfully into the future







## COMPANY PROFILE

## Tailor-made rail logistics



\* AT, BA, BE, BG, CZ, DE, GR, HU, HR, IT, LU, NL, PL, RO, RU, SI, SK, TR

# Rail Cargo Group business model

**Rail Cargo Group**  
Member of ÖBB

- Focus on **core competence: railway logistics**
- Transparency through simplicity and **five businesses, each with its own model and markets (internal, external)**
- Bringing together **skills, resources and responsibilities**
- **Consistent brand architecture**

**1** Rail forwarding with specialist sector competence

**Rail Cargo Logistics**  
Member of ÖBB

**2** Operator for high-frequency long-distance routes

**Rail Cargo Operator**  
Member of ÖBB

**3** Carrier for in-house traction provision

**Rail Cargo Austria** Member of ÖBB / **ÖBB** ÖBB-Produktion GmbH  
**Rail Cargo Hungaria** Member of ÖBB  
**Rail Cargo Carrier** Member of ÖBB

**4** Wagon rental

**Rail Cargo Wagon**  
Member of ÖBB

**5** Rolling stock maintenance

**ÖBB**

- ÖBB-Technische Services GmbH
- Technical Services Hungaria Kft.
- Technical Services Slovakia, s.r.o.
- TS-MÁV Gépészet Kft.

## Our guiding principles

- We are working with competence and passion on **tailor-made rail freight solutions** for our customers.
- We are **connecting Europe** between the North Sea, the Black Sea and the Mediterranean with our know-how, a targeted use of resources and clear responsibilities.
- We understand **responsible corporate behaviour** as an important tenet for long-term economic success in harmony with the environment and society.
- We find for every new challenge the industry-specific solution and are **investing in innovations and partnerships** together with our customers.
- We are convinced that **quality, reliability and safety** are the cornerstones for customer satisfaction. Our strength is based on experience, because future always needs a past.





# Rail Cargo Group strategy

## Objective

European champions in  
customer satisfaction, cost-efficiency and as a  
great place to work

## Strategy

Five complementary international  
rail businesses

**Rail Cargo Logistics**  
Member of ÖBB

**Rail Cargo Operator**  
Member of ÖBB

**Rail Cargo Carrier**  
Member of ÖBB

**Rail Cargo Wagon**  
Member of ÖBB

**ÖBB** ÖBB-Technische Services GmbH

- Rail logistics from the North Sea to the Black Sea and Mediterranean (18 countries) starting from our **home market** Austria and Hungary
- Customised **products** – modular and combinable, enabling tailored solutions
- **In-house traction** services undergoing expansion on six corridors
- **Growth** in 7 priority countries\* (transit, access to sources/sinks) and maintain a presence in/sell to a further 9 countries\*\* – consolidate and extend market position and competitive advantages

## Structure

**Three** cross-border **sector-specific business units**

**One Operator** business unit (freight forwarding) and

**50+** operational **companies**, of which we have a majority share in 30+ companies

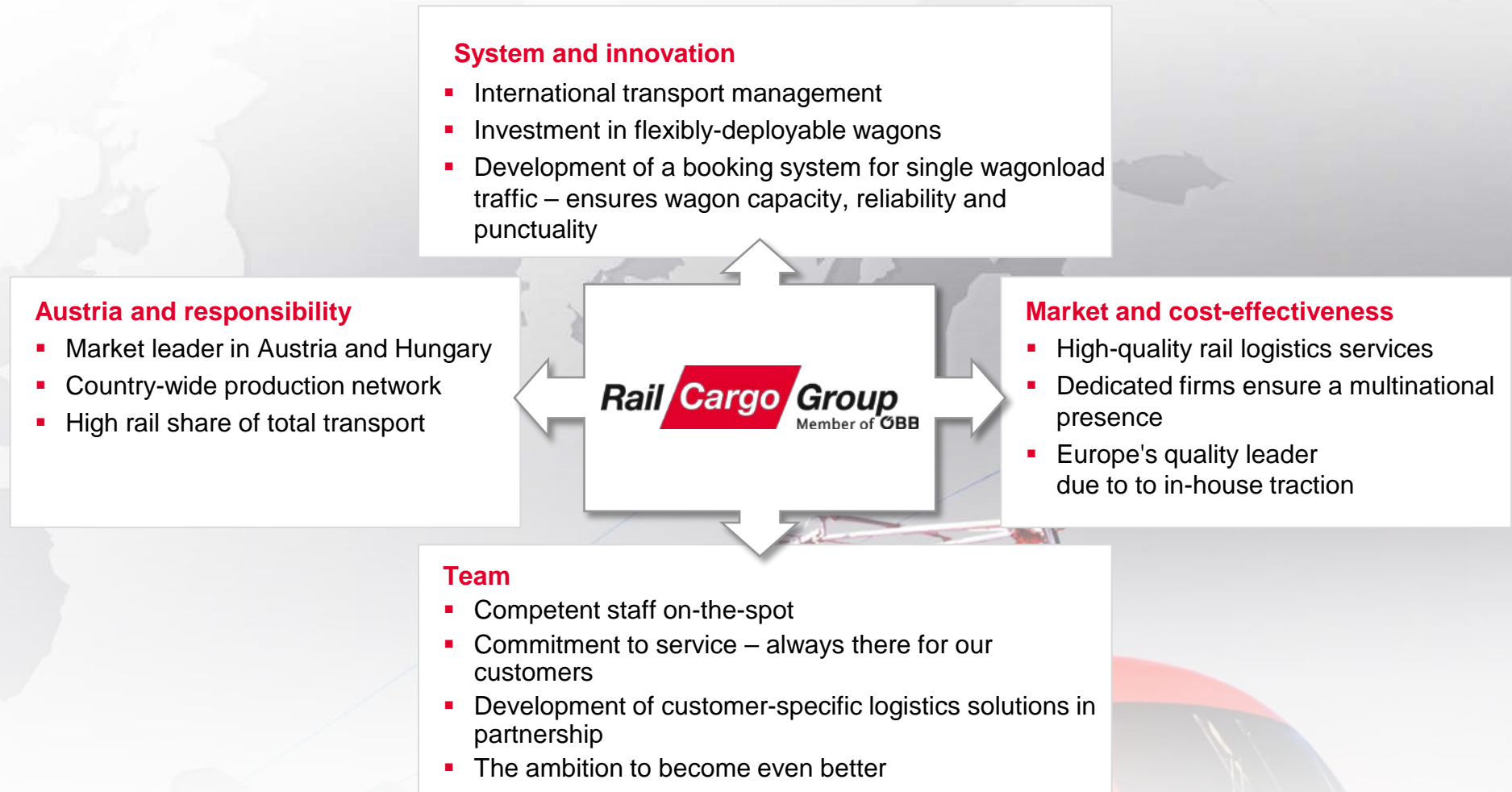
## Management

- **Rail Cargo Austria AG** takes the operational **lead** and directs all business/business units internationally (Group function)
- **Rail businesses** in the shape of **Rail Cargo Logistics** and **Rail Cargo Operator** are responsible for upholding pledges to customers (profit centres)
- **Rail Cargo Carrier, Rail Cargo Wagon** and **ÖBB-Technische Services** guarantee maximum service provision (service centres)

\* BE, CZ, DE, IT, LU, NL, TR

\*\* BA, BG, GR, HR, PL, RO, RU, SI, SK

# What sets us apart – and what our customers gain





# Services beyond borders



# Rail Cargo Group deploys innovative wagon systems

## Examples of innovative solutions













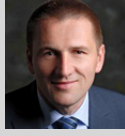


Separation of basic wagon & add-on, combined with various loading/unloading devices.



## Success factors

- **Developing Unique Selling Points**  
in product portfolio: includes incorporation of customer-specific modifications (add-ons) and optimisation of useful life
- **Cost reduction through standardisation**
  - Purchasing
  - Maintenance/storage of spare parts
  - Cost-effective technical modifications (add-ons)
- **Optimised capacity utilisation**
  - Greater flexibility in responding to changes in market needs
  - Combining seasonal traffic flows
  - Higher payload and volume optimisation

# Management of Rail Cargo Group

Rail Cargo Group				
 <p><b>Thomas Kargl</b> Member of the Board Sales, Wagon, Maintenance</p>		 <p><b>Clemens Först</b> Spokesman of the Board Operation Management, Finance</p>		 <p><b>Erik Regter</b> Member of the Board Internationalisation, Digitalisation, RCH</p>
Rail forwarding		Operator	Carrier	Wagons
 <p><b>Bernd Müller</b> Timber / Paper / Building Materials / Consumer Goods</p>	 <p><b>Max Kindler</b></p>			
	 <p><b>Reinhold Pölzl</b> Mineral Oil / Agricultural Products / Chemicals / Environmental</p>	 <p><b>Kurt Haghofer</b> (interim.) Operation Management Rail Cargo Group</p>		
	 <p><b>Wolfgang Riedl</b> Steel / Raw Materials / Automotive</p>	 <p><b>Bernhard Benes</b> ÖBB-Produktion</p>		
		 <p><b>Imre Kovács</b> Rail Cargo Hungaria Rail Cargo Carrier</p>		
		 <p><b>Roman Kotiers</b> Rail Cargo Hungaria</p>		
		 <p><b>Sebastian Sperker</b> Rail Cargo Carrier</p>		
		 <p><b>Christian Adamiczek</b></p>		
		 <p><b>Mathias Moser</b></p>		
		 <p><b>Andreas Zwerger</b></p>		

## Group-level optimisation

### Customer-focused products

- All **products** marketed through **all sales & distribution units**
- **International traffic** developed collaboratively
- Price-optimised packages for multinational **key and group accounts**
- **Varied product range**



### Produce more efficiently

- **Coordinate bought-in services from other RU and HGV**
- Optimise **number of own locomotives and wagons** deployed
- **Maximise capacity utilisation of own and leased locomotives and wagons at home and abroad**

### Decide faster

- Five distinct businesses with business units as profit centres
- **Bringing together resources and international chains of responsibility for each business**
- **Simplify coordination processes** (products, countries)

### Lower risk

- Skills bundling
- **Responsible safety and ECM management**
- Bundling of accounting and receivables management functions
- Securing base load whilst expanding in-house traction provision

### Attracting top performers

- **Giving staff the opportunity to shape their own success story**
- **Competent, passionate staff**
- **Group career paths** on a par with the level offered by international logistics leaders





## FACTS & FIGURES

# Rail Cargo Group at a glance

STATUS: 2015

- **Turnover** €2.1 billions, €60.2 millions EBIT
- **Goods carried** 109.1 million tonnes
- **Tonne kilometres** 28.8 billion tonnes-km
- **Staff** 8,409
- **Locomotives** 452 service locomotives  
173 shunting locomotives
- **Wagons** 21,533
- **5 rail business units**
  - 16 Rail forwarding units
  - 4 Operating companies
  - 11 RU
  - 1 Wagon lessor
  - 4 Rolling stock maintenance companies

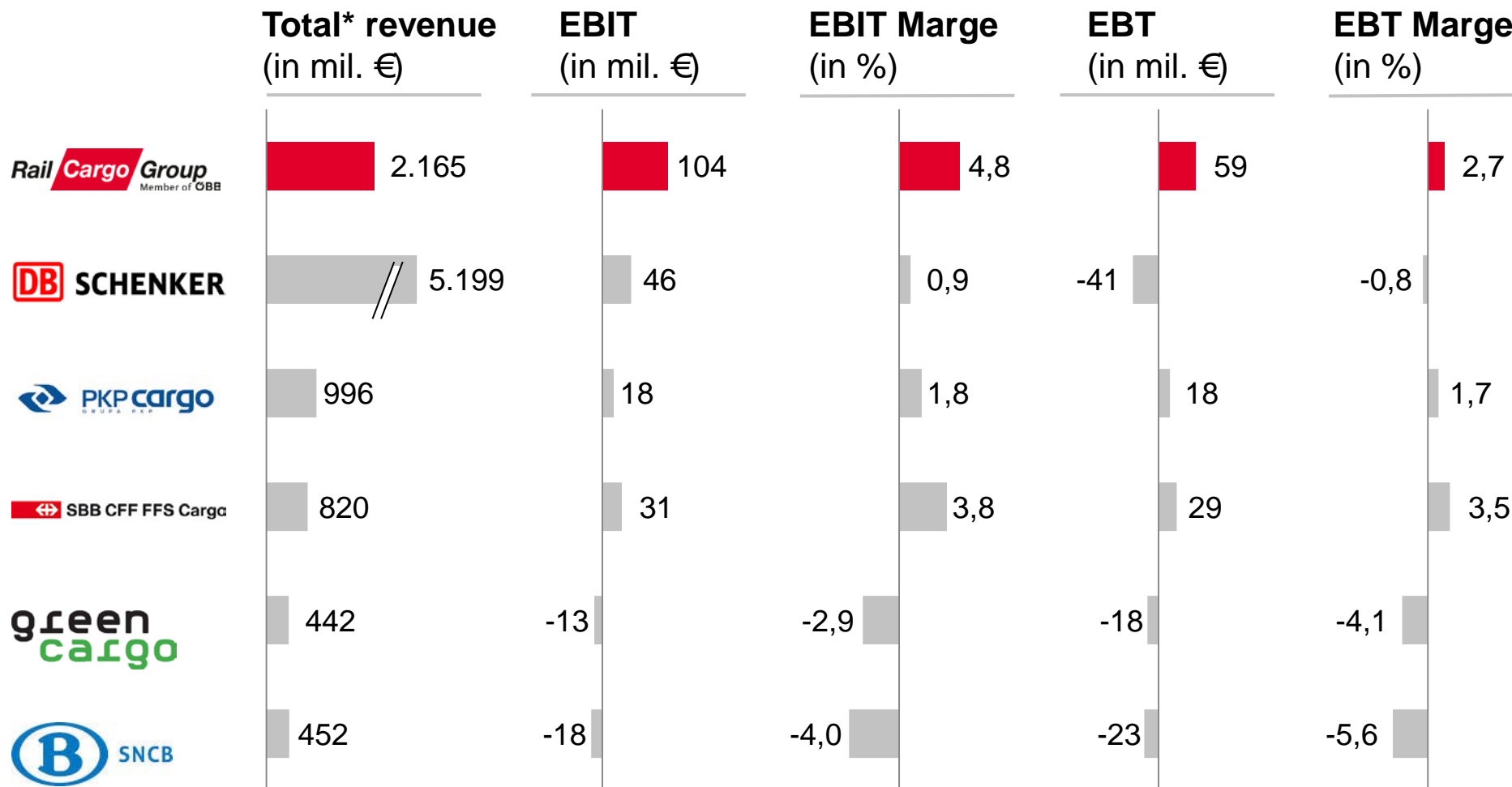
# Rail Cargo Group: facts & figures

STATUS: 2016

	2016
<b>Goods transported</b> in million tonnes	109.1
<b>Tonne-kilometres</b> in billion tonnes-km	28.8
<b>Total revenue</b> in million EUR	2,124.0
<b>EBT</b> in million EUR	44.3
<b>EBIT</b> in million EUR	60.2
<b>EBIT margin</b> in %	2.8 %
<b>Personnel</b>	8,409

		2016
<b>Rolling stock</b>	Shunting locomotives (diesel)	122
	Shunting locomotives (electric)	51
	Service locos (diesel)	86
	Service locos (electric)	366
	<b>Total</b>	<b>625</b>
<b>Wagons</b>	Covered wagons	3,782
	Flat bed wagons, open and with stanchions	10,379
	Bulk and silo wagons	2,538
	Steel wagons	1,275
	UCT, ACTS container wagons	2,506
	Tank wagons	99
	Rolling Road wagons and passenger cars	594
	<b>Total</b>	<b>21,533</b>

# Benchmark of European freight railways – Rail Cargo Group is European profitability champion



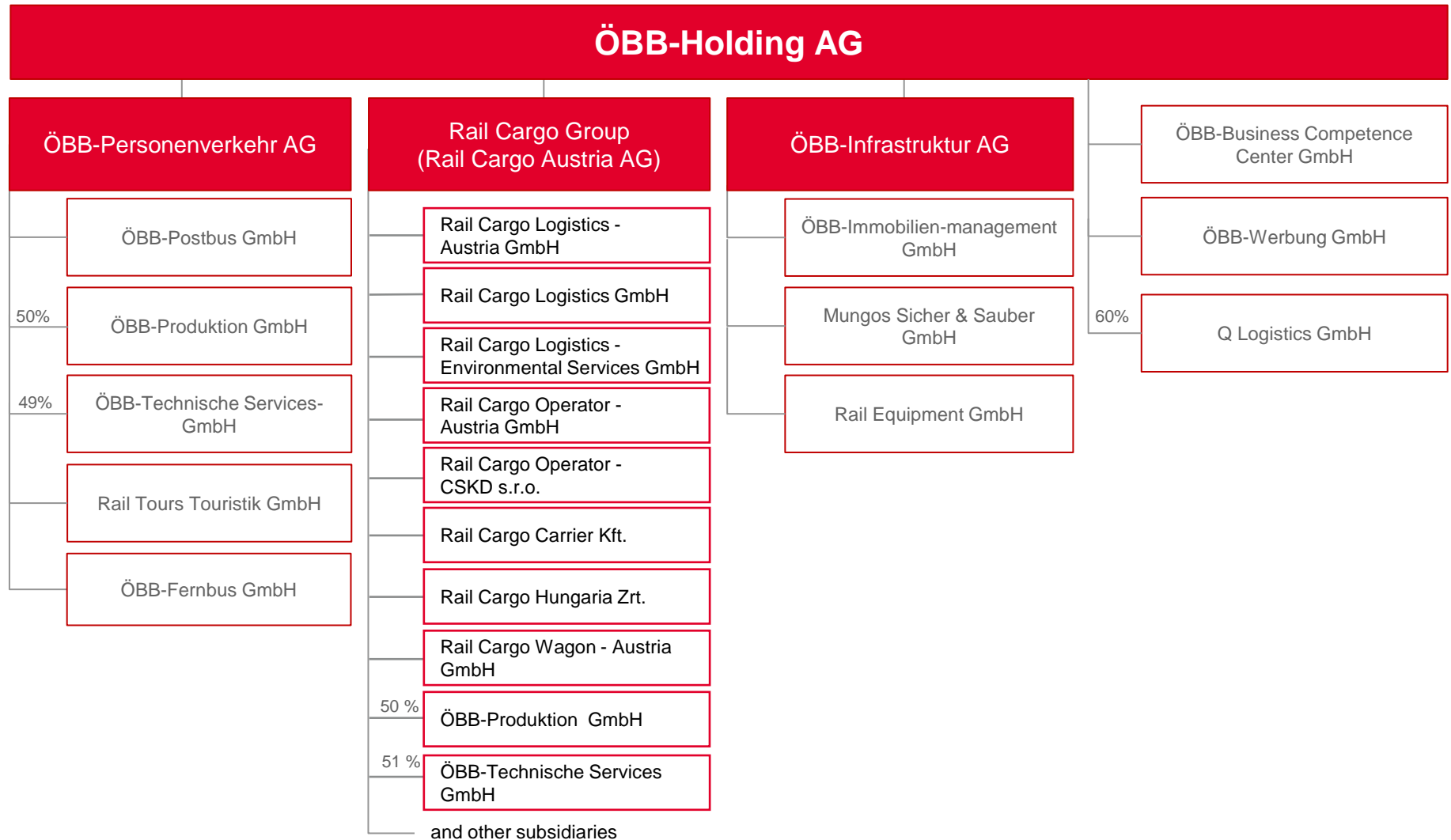
\* Total revenue: including capitalized services and other revenues



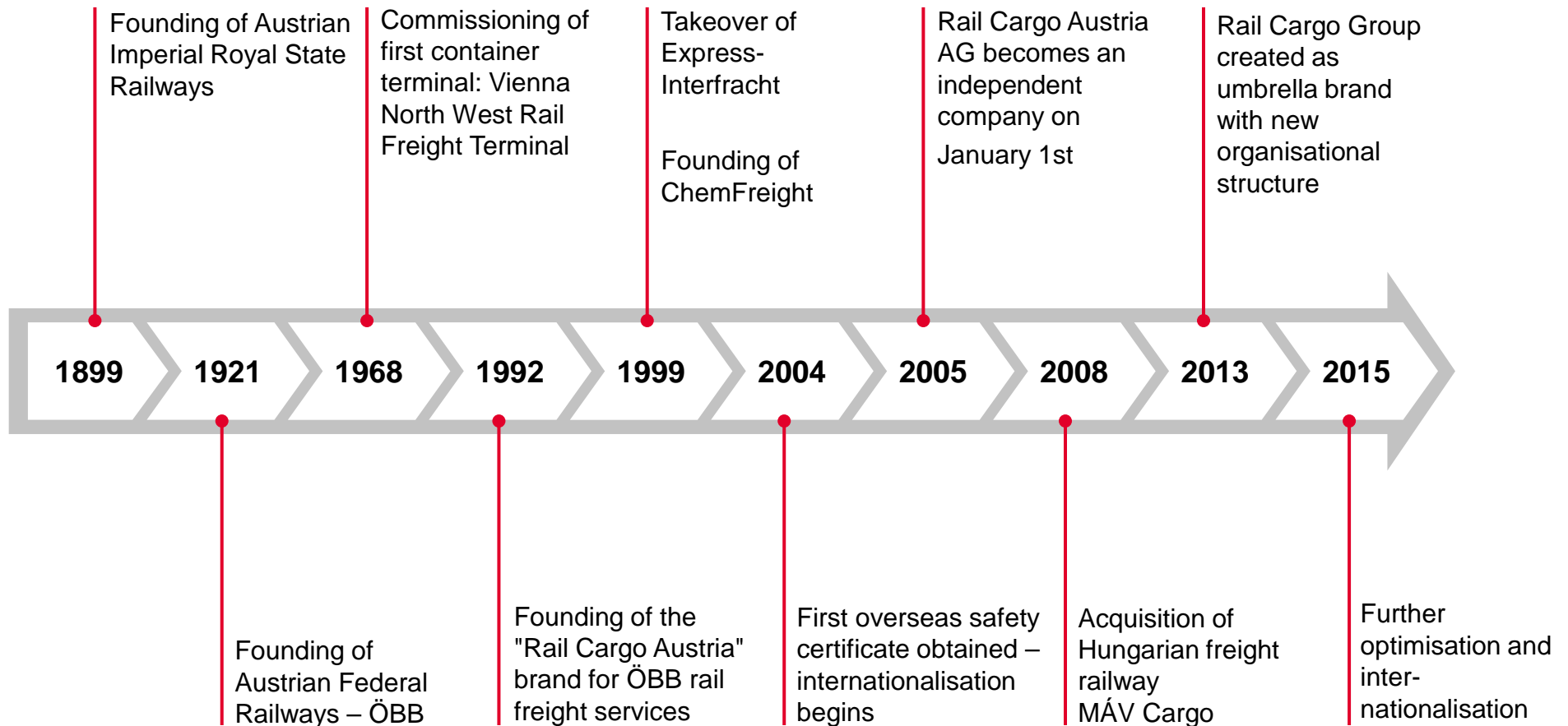


## OWNERSHIP STRUCTURE AND HISTORY

# Ownership structure – part of ÖBB Group



# History of rail freight at ÖBB







# COUNTRIES AND PRINCIPAL SUBSIDIARIES

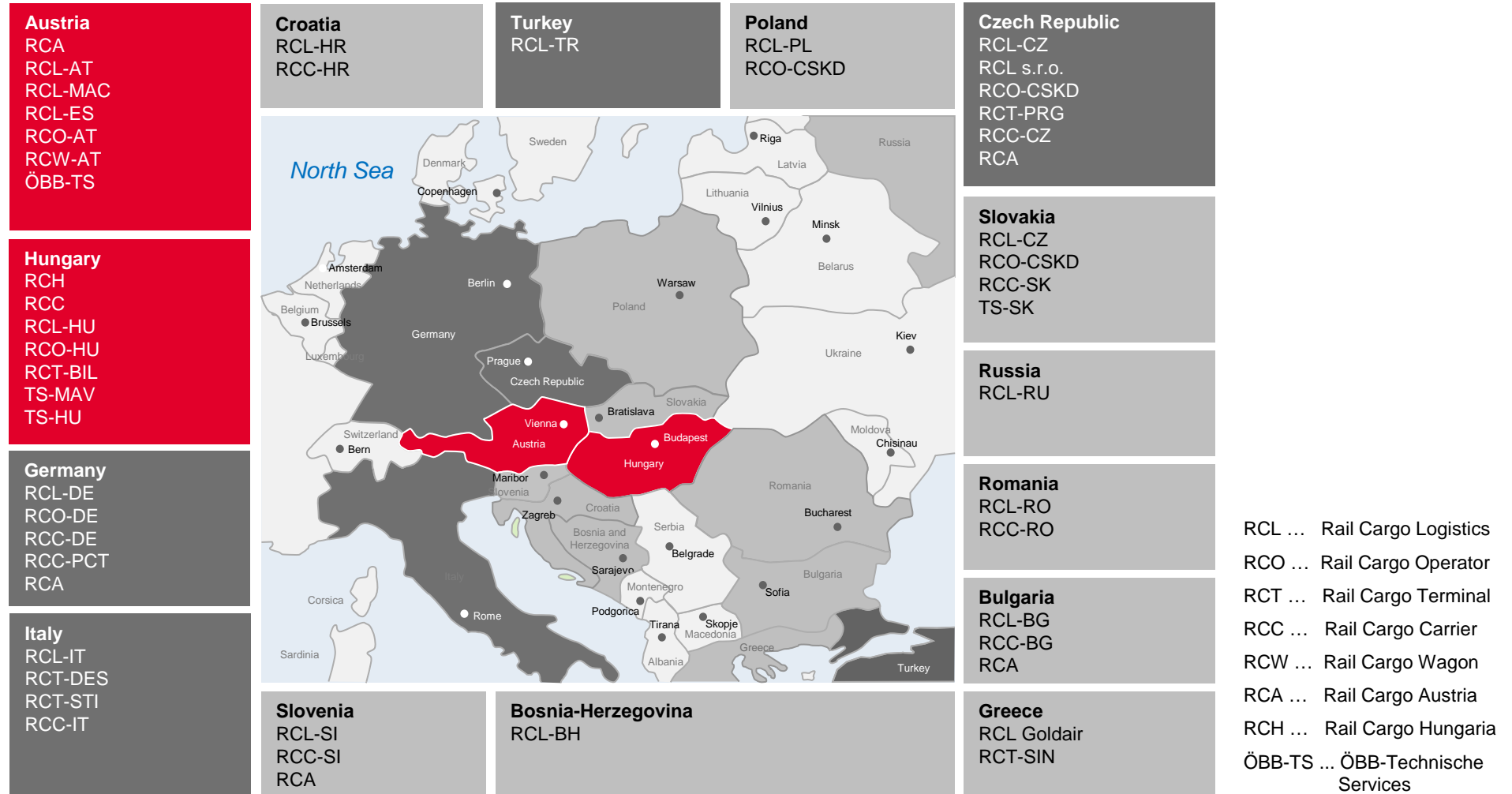


## 21

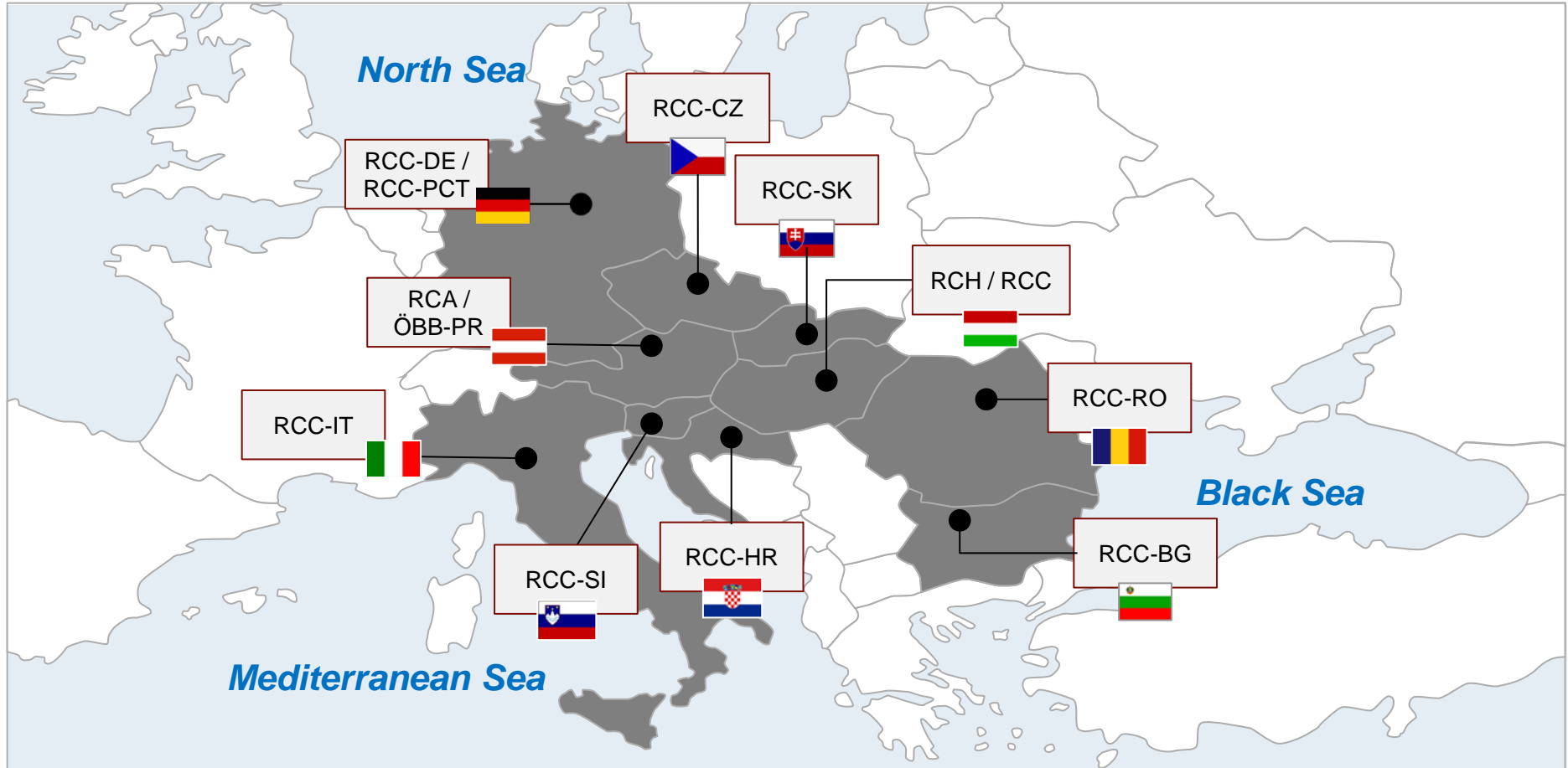
1	Rail forwarding	2	Operator	3	Carrier	4	Wagen	5	Maintenance
<b>Rail Cargo Logistics</b> Member of ÖBB		<b>Rail Cargo Operator</b> Member of ÖBB		<b>Rail Cargo Carrier</b> Member of ÖBB		<b>Rail Cargo Wagon</b> Member of ÖBB		<b>ÖBB</b>	
Rail Cargo Logistics - Austria GmbH 100%		Rail Cargo Operator - CSKD s.r.o. 100%		Rail Cargo Hungaria Zrt. 99,99%		Rail Cargo Wagon - Austria GmbH 100%		ÖBB-Technische Services GmbH 51%	
Rail Cargo Logistics - BH d.o.o. 51 %		Rail Cargo Operator - Austria GmbH 100%		Agrochimtranspack Kft. 30%				Technical Services Hungaria Kft. 100%	
Rail Cargo Logistics - Environmental Services 100%		Rail Cargo Operator - Hungaria Kft. 100%		Rail Cargo Carrier Kft. 100%				Technical Services Slovakia, s.r.o. 51%	
AUL Abfallumlade-logistik Austria GmbH. 50%		Rail Cargo Operator - Port/Rail Services GmbH 100%		Rail Cargo Carrier - Romania s.r.l. 100%				TS-MÁV Gepeszet Services Kft. 51%	
HAELA Abfall-verwertung GmbH 50%		Rail Cargo Terminal - Praha s.r.o. 100%		Rail Cargo Carrier - Italy S.r.l. 100%					
Rail Cargo Logistics - Poland Sp. z.o.o. 100%		Rail Cargo Terminal - BILK Zrt. 100%		Rail Cargo Carrier - Slovakia s.r.o. 100%					
Rail Cargo Logistics - Croatia d.o.o. 100%		Rail cargo Terminal - LOGISZTAR Kft. 100%		Rail Cargo Carrier - Czech Republic s.r.o. 100%					
Rail Cargo Logistics - Czech Republic s.r.o. 100%		BoxXagency Kft. 33,3%		Rail Cargo Carrier - Bulgaria EOOD 100%					
Rail Cargo Logistics - Hungaria Kft. 100%		Kelenföld Kontener Depo Kft. 45 %		Rail Cargo Carrier - Croatia d.o.o. 100%					
Rail Cargo Logistics - Bulgaria EOOD 100%		Railport Arad SRL 29,39%		Rail Cargo Carrier - Slovenia d.o.o. 100%					
Rail Cargo Logistics GmbH 66%		Terminal Brno, a.s. 33%		Rail Cargo Carrier - Germany GmbH 100%					
Rail Cargo Logistics s.r.o. 100%		Adria Kombi d.o.o. Ljubljana 32,56%		Rail Cargo Carrier - PCT GmbH 100%					
VADECO SRL 47,5%				ÖBB-Produktion GmbH 50%					

Minority subsidiaries ≤ 50%
   
 Sales/Liquidation planned

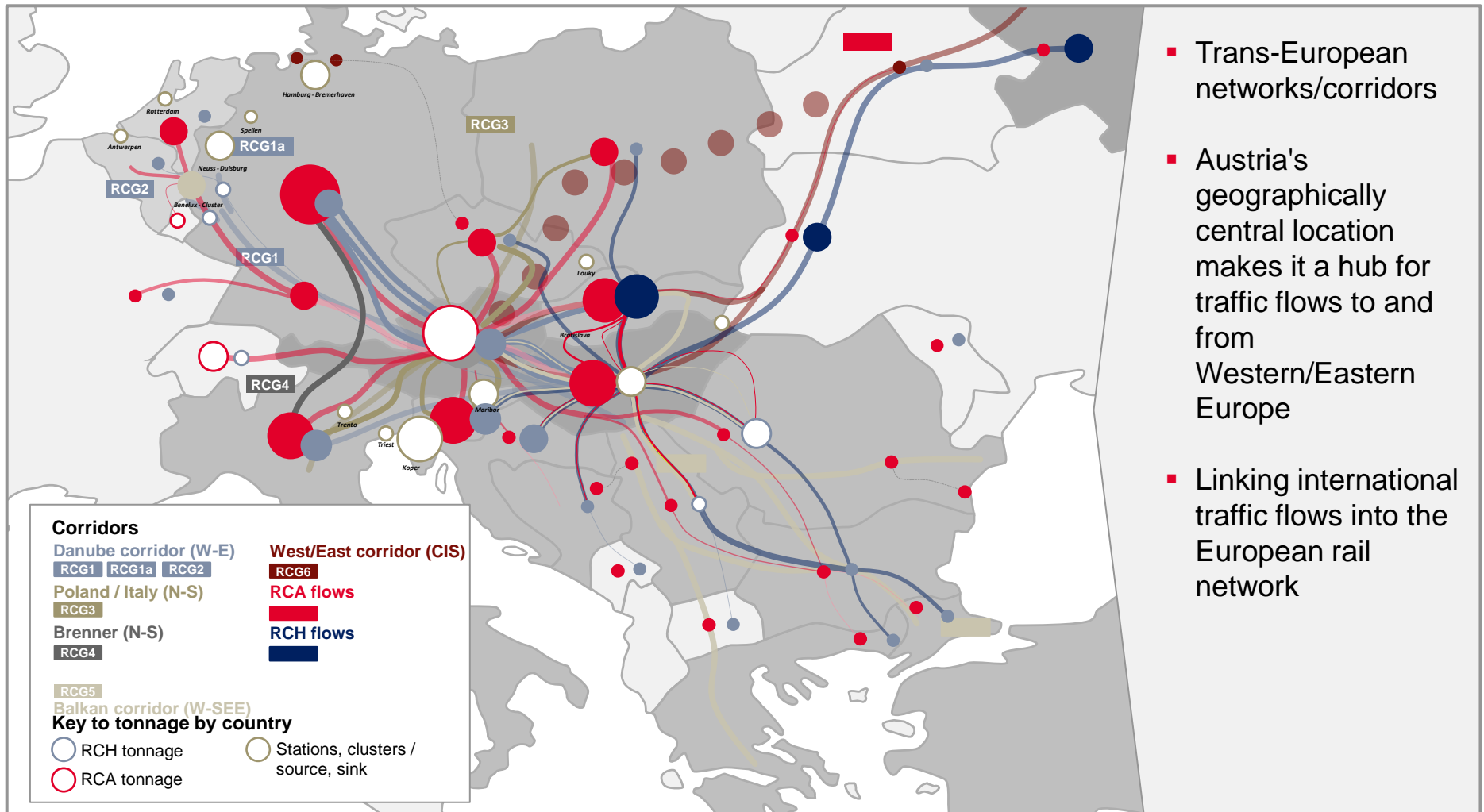
# International presence – subsidiaries



## In-house traction provided in 10 countries



# Current traffic flows and growth corridors for Rail Cargo Group



- Trans-European networks/corridors
- Austria's geographically central location makes it a hub for traffic flows to and from Western/Eastern Europe
- Linking international traffic flows into the European rail network





**SUCCESSFULLY INTO THE FUTURE**

# Aims & objectives

## European Champion

- Focus on core competence: Rail logistics
- Market leader in South-East Europe (home market Austria and Hungary), amongst top three railway logistics providers in Europe in transport volume terms (tonnes-km)
- Innovator in rail logistics products

## Cost-effectiveness

- Competitive cost structure, particularly vis-à-vis road haulage
- > 2.3 billion EUR turnover, organic growth
- > 4 % EBIT margin (positive EVA, assets preserved)
- Transparency through simplicity and separately measurable and benchmarkable business units
- Maintaining of the market position in Austria and Hungary
- Expanding traction services across European corridors

## Customer satisfaction

- High-value umbrella brand
- Close customer relations: Binding performance commitment at every stage, from product design to ordering process and transport

## An attractive employer

- A “great place to work“
- Management policy brings together competences, resources and responsibility
- Management has a “turnaround track record“





# Rail is eco-friendly

- Every year, we carry over 109 million tonnes of goods. Every wagon carried helps protect the environment.
- As a mode of transport, rail freight traffic causes per tonne approximately 7 % CO<sub>2</sub> emissions of a lorry.
- Rail Cargo Group represents a significant portion of the railways' modal share (itself over 30 %).
- 92 % of ÖBB's traction current comes from renewable energy sources.

Rail

CO<sub>2</sub>

CO<sub>2</sub>

HGV

... and the railways have it!

# Awards

## Rail Cargo Group

- Austrian Export Award in the „transport and traffic“ category, for the particular successes on the international markets
- Golden Chariot International Transport Award (2014)
- Basic certificate awarded following "berufundfamilie" audit and INEO quality seal of approval as an "Exemplary Trainer of Apprentices" (2014)
- VCÖ Mobility Award (2013) in the "Sustainable freight" category, for the Rail Cargo Group capacity booking system (KAPA)
- Awarded Austrian Seal of Approval for the Promotion of Health in the Workplace by Federal Ministry of Health for RCAcare (2010 and 2013)
- Rail Cargo Hungaria wins Golden Chariot International Transport Award (2013)
- RCAcare commended as a European Model of Good Practice for health management in the workplace (2008)

## ÖBB

- ÖBB awarded WKW DiversCity Prize for outstanding achievement in diversity management (2014)
- Effi-Award: ÖBB wins marketer of the year (2012)
- Econ Award (Econ Verlag and Handelsblatt-Group Germany): ÖBB wins Special Award in the "Sustainability Reporting" category (2012)
- Digital Communication Award in the "Crisis Communication" category won by ÖBB-Lovestorm (opening of stations to the homeless during cold snap) (2012)





