



**Information on financial results
of the ČD Group
in the 1st half of 2019**

CZK million	1-6/2019	1-6/2018	Difference
Revenue from operating activities	20,835	19,802	1,033
Purchased consumables and services	8,302	8,264	38
Employee benefit costs	7,390	6,863	527
EBITDA	4,808	4,282	526
EBIT	1,176	1,233	-57
Profit for the period	441	262	179

- Almost a 70% growth of the company's profit
- Growth of revenues for the reason of an increase in the number of passengers, the interest in railway transport is supported by the system of discounts introduced in 2018
- Increase in traction costs for the reason of the growth of market prices of electricity and diesel oil
- The growth of personnel costs reflects the situation on the labour market

Financial results – PASSENGER TRANSPORT

CZK million	1-6/2019	1-6/2018	Difference
Revenue from operating activities	12,814	12,064	750
Purchased consumables and services	4,964	4,810	154
Employee benefit costs	4,553	4,219	334
EBITDA	2,853	2,607	246
EBIT	422	313	109
Profit (loss) for the period	85	-388	473

- Growth of incomes for the reason of an increase in the number of passengers and increase in the transport output by almost 7%
- More than a 10%-growth especially on key backbone routes of long-distance transport
- Major development of on-line check-in procedures
- Further development of dynamical pricing (revenue management)
- Increase in profit for the period due to a higher EBIT figure
- Determination of the Czech crown exchange rate in the business plan which made it possible to realise exchange rate incomes with a favourable financial impact on the financial result of the firm

PASSENGER TRANSPORT

	1-6/2019	1-6/2018	Difference
Number of passengers (million)	91.6	89.4	2.2
Traffic performance (million person-kilometres)	4,195	3,928	267
Transport performance (million train-kilometres)	62.17	62.15	0.02
Average traffic distance (km)	46	44	2
Occupancy ratio (%)	30	29	1

- Growth of all the stated performance indicators
- Besides the growth of indicators according to the number of passengers and transport/traffic outputs, a growth is registered also for the average transport distance and train occupancy, which confirms a better use of capacities

Financial results – FREIGHT TRANSPORT

CZK million	1-6/2019	1-6/2018	Difference
Revenue from operating activities	6,912	6,535	377
Purchased consumables and services	2,937	3,073	-136
Employee benefit costs	2,237	2,117	120
EBITDA	1,582	1,140	442
EBIT	597	559	38
Profit for the period	270	350	-80

- The growth of outputs due to the planned development of international transports under the ČD Cargo brand, which is supported by investments in interoperable locomotives
- Growth of combined transport
- Provision of comprehensive services generates a growth of incomes from complementary services (sidings, logistic and terminal services)
- A slight interannual decrease in profit is affected by the growth of prices of electricity, higher depreciation relating to new capital expenditures, increase in personnel costs in consequence of a growth of real wages of employees and growth of tax burden of the carrier in the future period

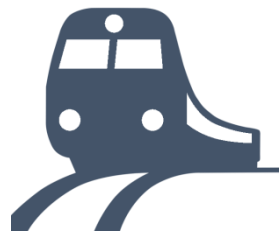
FREIGHT TRANSPORT

	1-6/2019	1-6/2018	Difference
Traffic volume (million tons)	33.4	33.5	-0.1
Traffic performance (million tariff ton-kilometres)	5,902	6,308	-406
Transport performance (billion gross ton-kilometres)	12.0	12.6	-0.6

- The decrease in the transport volume in some commodities is affected by deceleration of the economic growth in Europe. Nevertheless, ČD Cargo managed to compensate this decrease, almost in full, by increases in other commodities
- The interannual decrease in performance is given also by the decreasing weight of trains in consequence of introduction of new transport technologies and shortening of transport distances in transport operations concerning full wagon loads (primarily: wood commodity – change in calamity areas)

Indebtedness and capital expenditures (before repayment of the EUR 300 million bond in 7/2019)

CZK million	6/2019	12/2018	Difference	
Bonds issued	41,195	28,800	12,395	<ul style="list-style-type: none"> ▪ Increase in bonds and financial means due to the issuing of a new issue in 5/2019 (<i>An older issue was paid up in July 2019 at an amount of CZK 7.5 billion, which was accompanied by a recurrent decrease in bonds and financial means</i>)
Leasing	6,537	2,575	3,962	
Others	995	94	901	
Gross indebtedness of the ČD Group	48,727	31,469	17,258	<ul style="list-style-type: none"> ▪ Increase in leasing transactions due to introduction of the new standard "IFRS 16L" – operational leasing operations stated as assets and debts
- of which: <i>České dráhy, a.s.</i>	39,759	26,597	13,162	
- of which: <i>ČD Cargo GROUP</i>	8,764	5,223	3,541	
- <i>Other companies and elimination</i>	204	-351	555	<ul style="list-style-type: none"> ▪ Increase of net indebtedness especially due to IFRS 16 and also due to the slight growth of capital expenditures
Financial means	15,549	3,438	12,111	
Net indebtedness of the ČD Group	33,178	28,031	5,147	<ul style="list-style-type: none"> ▪ Main capital expenditures in passenger transport: push-pull trains sets, modernisations, bistro cars; in freight transport: 3 Vectrons, platform cars, large-volume tank wagons.
Capital expenditures: January – June	3,561	2,463	1,098	



ČESKÉ DRÁHY

Thank you for your attention!

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