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OPERATING RESULTS FOR THE THIRD QUARTER AND THE NINE MONTHS OF 2017

Public Joint Stock Company "TransContainer" ("TransContainer" or the "Company") (LSE: TRCN) announces its preliminary operating results for the third quarter and the nine months of 2017. The positive operating results were in line with the continuing growth of the Russian container transportation market, which, in turn, was fueled by a considerable increase in international freight flows, as well as by positive trends in the macroeconomic environment and continuing growth in Russian rail containerisation.

Market overview

Russia's container market continued to demonstrate strong performance in the third quarter of 2017. The transportation volumes in the third quarter of 2017 were up 19.2% year-on-year to 990 thousand twenty-foot equivalent units ("TEU"). This was driven by a 32.6% year-on-year growth in international transportation mainly due to the growth in import and transit segments.

Russian Rail Container Transportation Market in 3Q 2017 (ISO Loaded + Empty), 000' TEU

	3Q 2017	3Q 2016	Change	
			000' TEU	Percent
Domestic Routes	462.0	432.2	+29.7	+6.9%
Export	235.9	192.3	+43.6	+22.7%
Import	180.7	136.9	+43.8	+32.0%
Transit	111.3	68.9	+42.5	+61.7%
All Routes	989.9	830.3	+159.6	+19.2%

For the nine months of 2017, the Russian rail container market grew by 19.6% year-on-year to 2,831 thousand TEU. In terms of segment breakdown for the nine month period, domestic transportation volumes grew by 7.3% year-on-year, export transportation increased by 20.5% year-on-year, while import and transit transportation volumes surged by 36.7% and 67.5%, respectively.

Russian Rail Container Transportation Market for 9 months 2017 (ISO Loaded + Empty), 000' TEU

	9m 2017	9m 2016	Change	
			000' TEU	Percent
Domestic Routes	1,328.9	1,238.5	+90.4	+7.3%
Export	703.2	583.5	+119.7	+20.5%
Import	510.6	373.5	+137.1	+36.7%
Transit	288.4	172.2	+116.2	+67.5%
All Routes	2,831.1	2,367.8	+463.3	+19.6%

Rail container transportation

In the reporting quarter, container volumes transported by the Company's transportation assets (including provision of own containers to third party flatcars) grew by 16.0% year-on-year to 456.7

thousand TEU as a result of the continued growth in international transportation, which was up 34.8% year-on-year, especially in import and transit segments, which grew by 34.0% and 92.3%, respectively.

Container transportation by TransContainer's assets in 3Q 2017 (ISO Loaded + Empty), 000' TEU

	3Q 2017	3Q 2016	Change	
			000' TEU	Percent
Domestic Routes	229.3	225.0	+4.3	+1.9%
Export	105.2	85.7	+19.5	+22.8%
Import	86.2	64.3	+21.9	+34.0%
Transit	36.0	18.7	+17.3	+92.3%
All Routes	456.7	393.8	+63.0	+16.0%

Container volumes transported by the Company's flatcar fleet in the third quarter of 2017 increased by 19.0% year-on-year to 430.4 thousand TEU from 361.6 thousand TEU a year earlier. The Company's revenue-generating^[1] container transportation volumes in Russia amounted to 376.1 thousand TEU in the third quarter of 2017, up 22.7% year-on-year.

For the nine months of 2017, container volumes transported by the Company's flatcar and container fleet, as described above, grew by 17.7% year-on-year to 1316.8 thousand TEU, mainly as a result of an increase in import and export transportation.

Container transportation by TransContainer's assets for 9 months 2017 (ISO Loaded + Empty), 000' TEU

	9m 2017	9m 2016	Change	
			000' TEU	Percent
Domestic Routes	669.0	637.1	+31.9	+5.0%
Export	320.8	262.5	+58.3	+22.2%
Import	237.5	169.2	+68.4	+40.4%
Transit	89.4	49.7	+39.7	+79.9%
All Routes	1,316.8	1,118.5	+198.3	+17.7%

Container volumes transported by the Company's flatcar fleet in the nine months of 2017 increased by 19.1% year-on-year to 1,230.5 thousand TEU from 1,032.8 thousand TEU a year earlier. The Company's revenue-generating container transportation volumes in Russia amounted to 1,056.5 thousand TEU in the nine months of 2017, up 22.9% year-on-year.

Terminal handling

In the third quarter of 2017, the Company's throughput in the Russian rail container terminal network increased by 6.4% to 339 thousand TEU, compared to 319 thousand TEU for the same period of 2016. For the nine months of 2017, the Company's container terminal throughput was up 7.1% and amounted to 961 thousand TEU compared to 897 thousand TEU for the nine months of 2016.

The Company's container handling lagged the level of growth witnessed in the container transportation market due to a higher share of the export and transit transportation market, as well as due to the restrictions applied to some of the Company's terminals in Moscow, in line with the intention of Moscow government to reduce the number of freight terminals located in the central part of the city.

Asset utilisation

Starting from this reporting date the Company has changed the manner in which it presents the empty run ratio for flatcars and containers. The new formula is based on average container*kilometers rather than average kilometers. This approach provides for more accurate metrics reflecting both distances and volumes relevant to empty transportation.

The comparison of the new metrics with the old ones is shown below:

Empty run ratio	2014	2015	2016	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17
Containers (new)	17.6%	21.7%	21.5%	20.9%	22.2%	22.0%	20.9%	22.6%	17.4%	16.7%
Container (old)	28.8%	31.2%	32.0%	29.3%	32.3%	34.0%	32.1%	31.8%	29.7%	30.2%
Flatcars (new)	2.2%	2.0%	2.7%	2.3%	1.9%	3.1%	3.5%	3.6%	3.7%	4.1%
Flatcar (old)	7.2%	7.4%	8.3%	8.2%	6.4%	8.8%	9.5%	9.2%	10.8%	12.1%

In the third quarter of 2017, container empty run ratios improved from 22.0% to 16.7% due to the optimisation of sales and operations planning and tariffs. Empty run for flatcars grew from 3.1% to 4.1% due to persistent imbalances in container flows in the Far East region, caused by the fast-growing transit and import flows from China.

	3Q 2017	3Q 2016	9m 2017	9m 2016
Turnover of containers, days	38.3	32.7	38.2	35.6
Turnover of flatcars, days	12.0	13.5	12.0	13.9
Empty run ^[2] for containers, %	16.7%	22.0%	18.7%	21.7%
Empty run ^[3] for flatcars, %	4.1%	3.1%	3.8%	2.5%

The turnover of flatcars improved from 13.9 days for the nine months of 2016 to 12.0 days for the same period of 2017. The turnover of containers increased from 35.6 to 38.2 days, respectively. This was a result of the Company's policy of arranging container stocks in key loading hubs and in clients' freight yards in order to reduce the number of flatcars standing idle.

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About TransContainer

TransContainer (LSE ticker: TRCN) is the leading intermodal container transportation company in Russia with a market share of approximately 47%. It is the market leader in Russia by flatcar fleet size, container transportation by rail and rail-side container terminal throughput. As at 30 June 2017, it owned and leased 23,561 flatcars and 70,990 ISO containers. TransContainer also owns a network of rail-side container terminals, located at 42 railway stations across Russia and operates one terminal in Slovakia under a long-term lease agreement. The Company's joint venture JSC Kedentransservice ("Kedentransservice", or "KDTS") also operates 19 inland rail-side terminals in Kazakhstan. The Company's sales network comprises of 113 sales outlets in Russia, along with additional outlets across

the CIS, Europe and Asia. TransContainer is listed at Moscow Exchange and LSE. The Company's major shareholder with 50% +2 shares is United Transportation and Logistics Company, established by Russian Railways, Belorussian Railway and Kazakhstan Temir Zholy.

^[1] Transportation of clients' containers by the Company's rolling stock and own loaded containers by its own and third-party flatcars

^[2] The empty run ratio is calculated as an average empty container*kilometers divided by an average total container*kilometers

^[3] The empty run ratio is calculated as an average empty flatcar*kilometers divided by an average total flatcar*kilometers

This information is provided by RNS
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