

Market Overview

As of year-end 2024, Russian GDP growth amounted to 4.1% year-on-year.

The consumer price index in December 2024 amounted to 101.3% compared to the previous month. Retail trade turnover in 2024 reached the value of RUB 55.6 trillion, or 107.2% in comparable prices against 2023. The growth of paid services to the population in 2024 amounted to 3.3%.

In 2024, the Russian labour market demonstrated stability – there was a high growth of wages and salaries against the background of low unemployment, the level of which in 2024 averaged 2.5%.

Main economic performance indicators¹, %
year-on-year

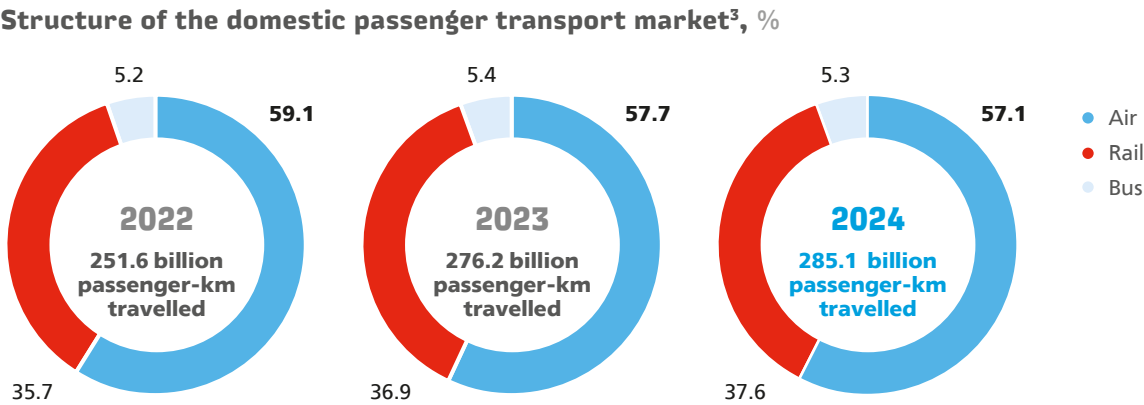
Indicator	2024
GDP ²	104.1
Consumer price index	108.5
Unemployment rate	2.5
Retail turnover	107.2
Sales of paid retail services	103.3

Wage growth rates increased in November 2024. In nominal terms, its growth amounted to 16.8% compared to the same period of 2023, and 7.3% in real terms.

Russian long-distance passenger market

FPC’s main competition in the long-distance passenger market is from airlines, coach service operators, and private road transport. In recent years, there has been a significant increase in competitive pressure in the market of long-distance passenger transportation due to the development of aviation, increase in the fleet of personal cars, expansion of the list of modern vehicle

sharing services, active implementation of state support measures for the development of regional aviation, and construction and renovation of new highways and airports. Railway ceased to dominate the long-distance passenger market.



¹ Source: Rosstat (<https://rosstat.gov.ru/>).

² Rosstat estimate based on information from the Ministry of Economic Development of Russia (<https://economy.gov.ru/>).

³ Sources: railway service – statistical reporting by TsO-33, TsO-32, air service – Federal Air Transport Agency (www.favt.ru) and expert evaluation according to Federal Air Transport Agency, bus service – expert evaluation according to Rosstat (www.gks.ru).

Share of long-distance passenger transport market players in total passenger-km travelled, %

Operator	2022	2023	2024
Railway, including	35.7	36.9	37.6
JSC FPC	31.1	31.9	32.4
Directorate for Higher-Speed Services, a branch of Russian Railways	1.8	1.7	1.7
Grand Service Express	2.4	2.8	3.0
Others	0.4	0.5	0.5

The increase in the share of railway passenger turnover from 35.7% in 2022 to 37.6% in 2024 is due to the following factors: increase in transport mobility of the population, reduction in the number of aircraft and close-down of a number of airports in southern Russia since 24 February 2022.

The dynamics of passenger turnover in the long-distance domestic passenger market in 2024 featured 103.2% growth vs. 2023 (and 113.3% vs. 2022).

The 2025 Comprehensive Programme for the Development of the Air Transport Industry of the Russian Federation until 2030¹ provides for a 9.5% year-on-year decrease in passenger traffic on domestic airlines.

The average range of domestic transportation by JSC FPC's trains in 12 months of 2024 was 850 km (3 km more than in 2023).

Currently, FPC dominates the long-distance passenger railway market, but there is growing internal rivalry from companies like Directorate for Higher-Speed Services and Grand Service Express. The Company's share among Russian railway carriers in 2024 was 86.1%, which is insignificantly (by 0.5 p.p.) lower than in 2023. The major causes of JSC FPC's lower share in the railway traffic volume are the development of the route network to locations where there is no service provided by FPC-marshalled trains and the speed-related advantages of rivals' rolling stock.



86.1%

share of JSC FPC
on Russian railways in long-distance transport services

¹ Order of the Government of the Russian Federation No. 1102-r dated 4 May 2024.

FPC’s peers

Indicator	JSC FPC			DB Fernverkehr (Germany)			SNCF Voyageurs (France)		
	2023	2024	vs. 2023, %	2023	2024	vs. 2023, %	2023	2024	vs. 2023, %
Passengers carried, million people	108.1	112.7	104	140.3	133.4	95	124.0	129.0	104
Revenue, EUR billion	3.4	3.7	109	5.9	5.8	99	9.7	10.2	105

DB Fernverkehr (Germany)

DB Fernverkehr is a Deutsche Bahn Group business unit providing national higher-speed and cross-border long-distance rail passenger services.

Rolling stock repair, maintenance, and management, as well as communications and IT services are provided by specialist companies within Deutsche Bahn Group.

SNCF Voyageurs, Business Unit – TGV-Intercités (France)

TGV-Intercités is the business unit of SNCF Voyageurs – the passenger carriage division of SNCF Holding. It specialises in long-distance passenger servicing in France and other European countries.

Rolling stock repair, maintenance, and management, as well as communications and IT services are provided by specialist companies within SNCF Voyageurs Group.

JSC FPC (Russia)

Unlike the above companies, FPC’s activities cover the majority of important business processes: acquisition, maintenance and repair of rolling stock, sales organisation, revenue collection, as well as management and administration, IT and communications. JSC FPC has 10 regional branches and an extensive network of depots and carriage stations, as well as an ample amount of highly skilled personnel to support all business processes.



Company's Strategy

The three main pillars of JSC FPC's strategy are excellent passenger service, long-term financial growth, and social responsibility. These goals are the basis for the Company's successful operations and its contribution to the development of Russia's transport infrastructure.

As a key business unit of the parent company, JSC FPC is mainly focused on the achievement of financial and economic volume targets set out in the Parent Company's Long-Term Development Programme of Russian Railways until 2025 (LDP) approved by the Russian Government.

In 2019, JSC FPC developed and approved the Development Strategy until 2030¹ and set up a framework for its implementation.

The Company also has the Regulations on the System of Key Performance Indicators of JSC FPC² in place to motivate the management to achieve company strategic goals through a system of target key performance indicators (KPIs).

Mission



Improving the quality of life by offering extremely safe, affordable and comfortable passenger experience

¹ Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 11 dated 27 December 2019).
² Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 9 dated 26 December 2024).