

ČD Cargo grows abroad and responds to structural changes in transported commodities on the domestic market

ČD Cargo, the largest domestic rail freight carrier which also transports goods by rail through its branches and subsidiaries abroad, achieved a gross profit before tax according to the International Accounting Standards (IFRS) of CZK 733 million for 2023. The freight segment contributed a net profit of CZK 326 million to the consolidated result of the ČD Group.

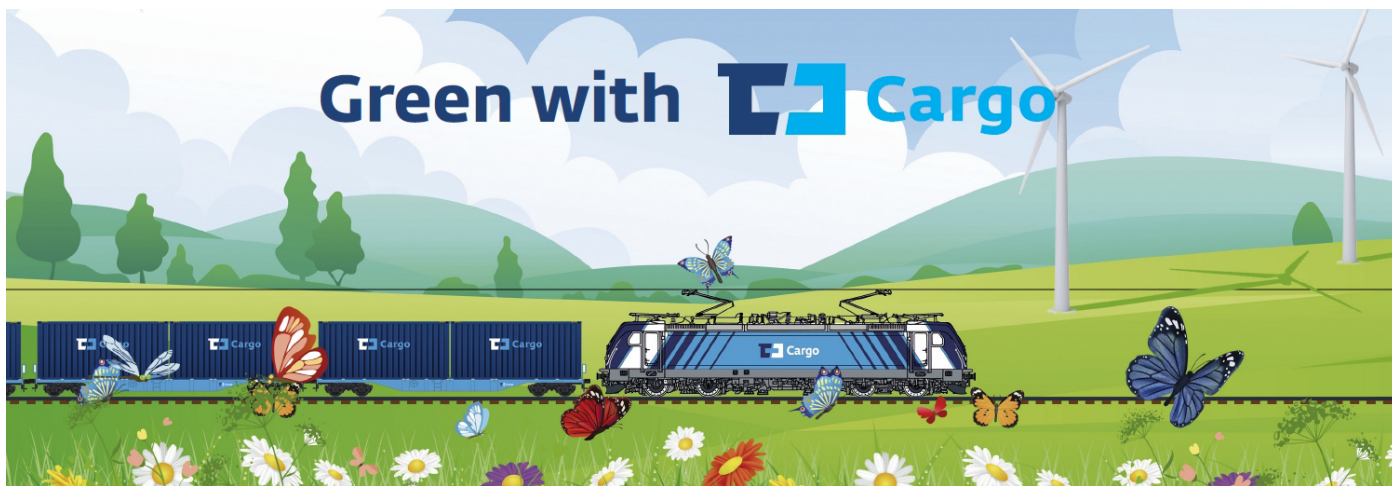
The ČD Cargo Group increased its profit by CZK 117 million year-on-year. Better results were achieved mainly due to the continued growth of performances abroad and the growth of realization prices, which compensated for the increase of most cost inputs. ***„We are very successfully continuing our long-term expansion strategy to foreign markets, where ČD Cargo’s performance is growing by tens of percent,”*** says the Chairman of the Board of Directors of ČD Cargo Tomáš Tóth. Transport performance increased at both branch offices in Austria and Germany; traditionally higher performances were recorded by the subsidiaries CD Cargo Poland and CD Cargo Slovakia. ***„Expansion abroad is, among other things, a response to the growing demands of our customers for the provision of international transport and to the increasing pressure on its quality and reliability. Already more than 60% of our transports are international. This means that they either originate, end, transit or do not pass through the Czech Republic at all,”*** adds Tomáš Tóth.

In total, ČD Cargo transported more than 59.4 million tons of goods in 2023, which represents a year-on-year decrease by 4.8 million tons. Performance on the domestic transport market was mainly marked by a sharp decline in the transport of fossil fuels to power plants and heating stations. ***„While in 2022 we transported 12 million tons of power coal, last year it was only less than eight million and the decline in connection with the decarbonization of the industry continues very quickly,”*** Tomáš Tóth comments on the market situation and notes: ***„The structure of goods transported by rail gradually begins to change. Therefore, in addition to traditional commodities, we are now also focusing on the slowly developing transportation of biomass, solid alternative fuels, waste and other products of the circular economy, which could partially replace the absence of transportation of power coal in the future.”*** Due to the receding bark beetle calamity, production of the wood mass associated with a reduction in the volume of rail transport has also gradually slowed down. ***„In general, it can be stated that the entire year was significantly marked by the economic recession and was thus very difficult for all railway carriers not only in the Czech Republic, but throughout Europe. The more I appreciate the fact that, together with our subsidiaries, we realized a profit after tax of CZK 326 million which we can invest in the necessary renewal and modernization of our vehicle fleet,”*** concludes Tomáš Tóth.



The ČD Cargo Group invested a total of CZK 3 billion in 2023. Two locomotives with the last mile Diesel Power Module (DPM) have newly appeared in its rolling stock. The project of implementation of the European Train Control Safety system (ETCS) continued very intensively so that we will be ready for the start of the exclusive ETCS operation on selected lines. The company has also focused on increasing the reliability of the fleet of driving vehicles by purchasing older locomotives from the parent company ČD. These locomotives have already lost their potential for passenger transport,

but after partial modernization they can operate in freight transport for many more years and replace the oldest locomotives operating in the ČD Cargo fleet. The wagon fleet was expanded to include additional large-capacity tanks for the transport of fuel, and the fleet of foreign subsidiaries was also strengthened in capacity. Necessary investments in the renewal of the rolling stock will continue in the coming period.



Transports using green energy

More than 90% of ČD Cargo's operation is carried out using environmentally friendly electric locomotives. As part of the expansion of our services and being conscious of our social responsibility, we are now offering all customers the opportunity to actively participate in the process of decarbonizing transport by using green energy to transport their goods. Optionally, it is possible to use:

- electricity generated from renewable sources
- completely emission-free electricity

The provision of green energy for specific transports is documented by the certificate of the Electricity Market Operator (OTE) and the saving of CO2 emissions by the certificate of ČD Cargo. If you are interested in this offer, please contact Zelena.energie@cdcargo.cz



Energy saving programs have been part of ČD Cargo's strategy since its inception. It is not only about the demonstrable cost reduction that energy savings bring, but also about expressing the company's responsibility for the environment and the implementation of the relevant European measures.

Increasing transport safety

20 February 2024: Today, in the presence of the Minister of Transport, the management of ČD Cargo, the parent company České dráhy and other representatives of authorities and institutions related to railway transport, the carrier ČD Cargo festively launched the operation of a new train control simulator in Česká Třebová. All ČD Cargo train drivers will be trained there on a regular basis. The simulator is a faithful copy of the driver's cabin of a Siemens Vectron locomotive.

„Traffic safety is an absolute priority for ČD Cargo. That is why every two years, our drivers undergo individual training on the simulator under the guidance of a lecturer from the Transport Training Institute. Here they can try out, for example, reacting to signaling equipment failures on the line, driving a train under the ETCS supervision, but they will also deal with emergency situations they may encounter in regular operation,” said Tomáš Tóth, Chairman of the Board of Directors of ČD Cargo.

The simulator is also equipped with signaling systems used on ČD Cargo locomotives, such as LS 06, Mirell, or ETCS level 2. In connection with the expansion abroad, the simulator is also equipped with signaling systems of foreign railways (e.g. SHP, LZB or PZB). The simulator is supplied by Sim Factor, a company known for supplying similar equipment to Poland, Austria, Great Britain, Lithuania, and other countries.



**In case of your interest in the offer of ČD Cargo services, please contact Jana Holanová
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