



# Welcome to the 50th General Assembly Meeting of Hupac Ltd

Lucerne, 19 June 2017





## Programme

- |                    |  |                                    |
|--------------------|--|------------------------------------|
| <b>15:00-16:30</b> | <b>General Assembly Meeting of Hupac Ltd</b>             |                                    |
|                    | Welcome & introduction                                   | Hans-Jörg Bertschi                 |
|                    | Formal part  | Hans-Jörg Bertschi<br>Peter Hafner |
|                    | Traffic development & outlook                            | Bernhard Kunz                      |
| <b>16:30-17:30</b> | <b>Inauguration of “Intermodal transport exhibition”</b> |                                    |



# Successful start of Gotthard base tunnel – what's next?

Hans-Jörg Bertschi

# 50 years Hupac – pioneers in combined Alpine transit



# We shape the future of intermodal transport

737.000 road shipments

110 trains per day

440 employees

5.500 rail platforms

CHF 470 million turnover

CHF 53 million cash flow

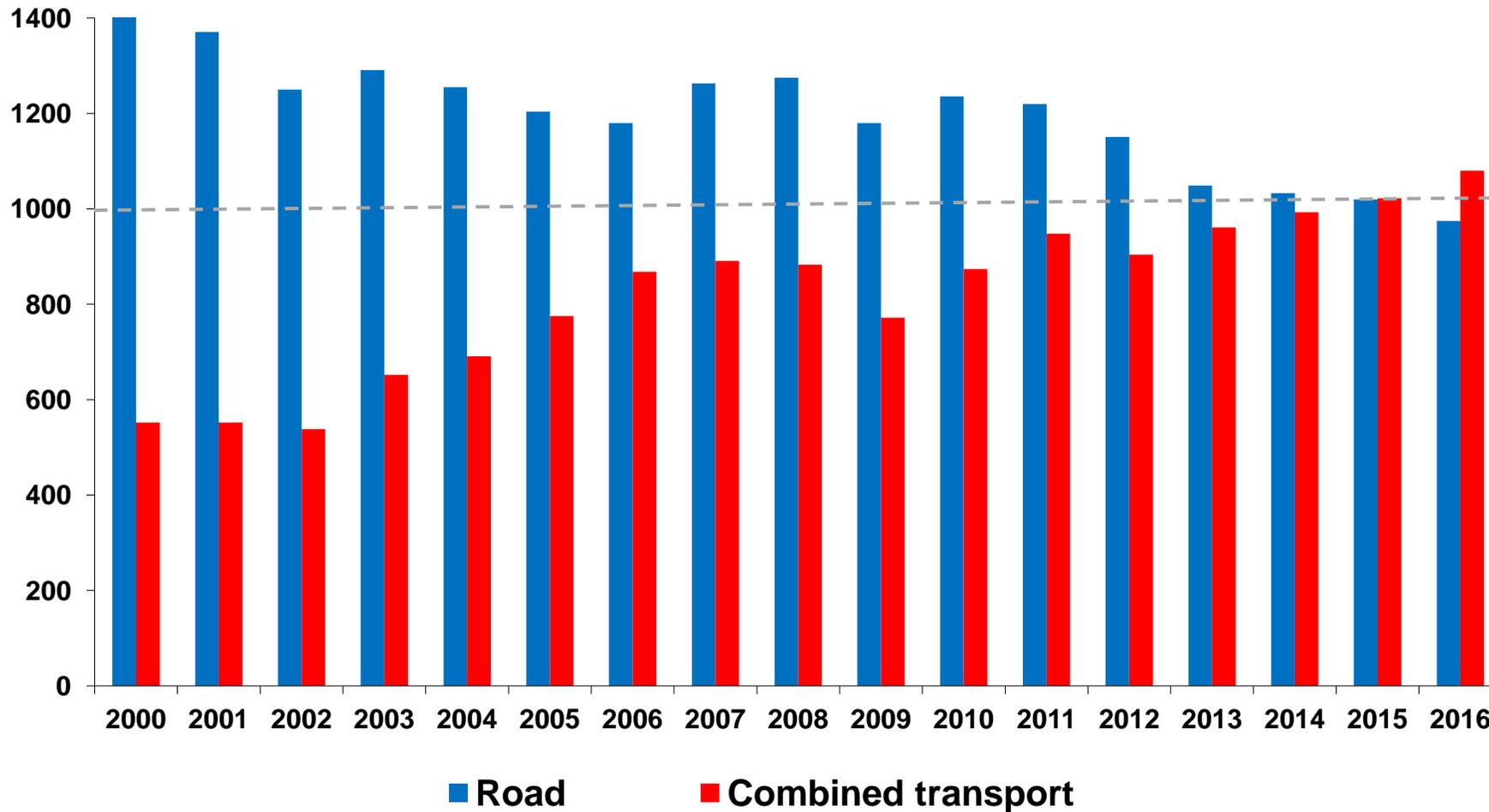
100% low-noise wagon fleet

Figures 2016



# Modal split in Alpine transit via Switzerland

Road shipments / Truck trips in 1000

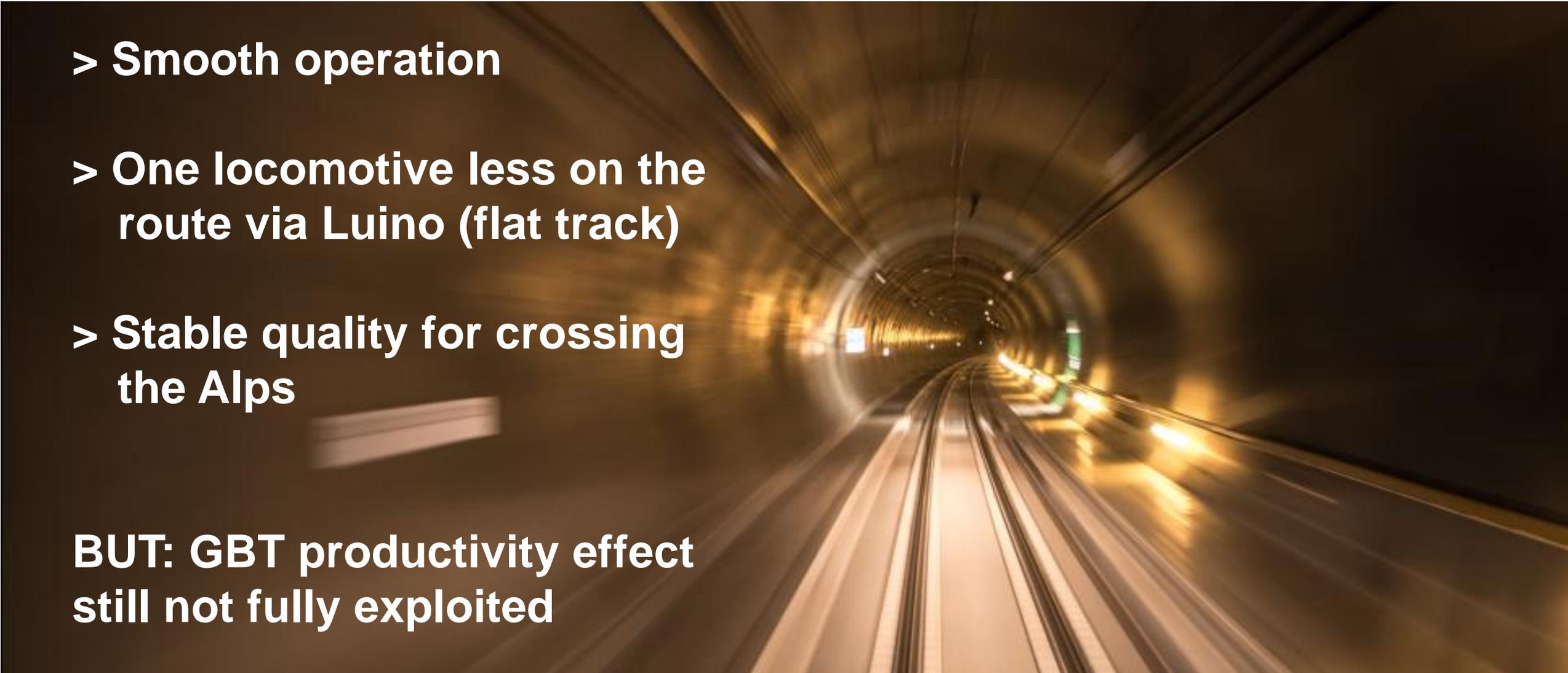


**2016:**  
 For the first time less than 1 million trucks have crossed the Alps via CH

## **Dec. 2016: successful commissioning of Gotthard base tunnel**

- > Smooth operation**
- > One locomotive less on the route via Luino (flat track)**
- > Stable quality for crossing the Alps**

**BUT: GBT productivity effect still not fully exploited**



# Expansion work means massive problems for combined traffic in the transitional years up to 2020



Upgrading of Luino line:  
2017: 6 months 0% capacity  
2018: 3 months 50% capacity  
2019: 3 months 40% capacity  
2020: 3 months 50% capacity

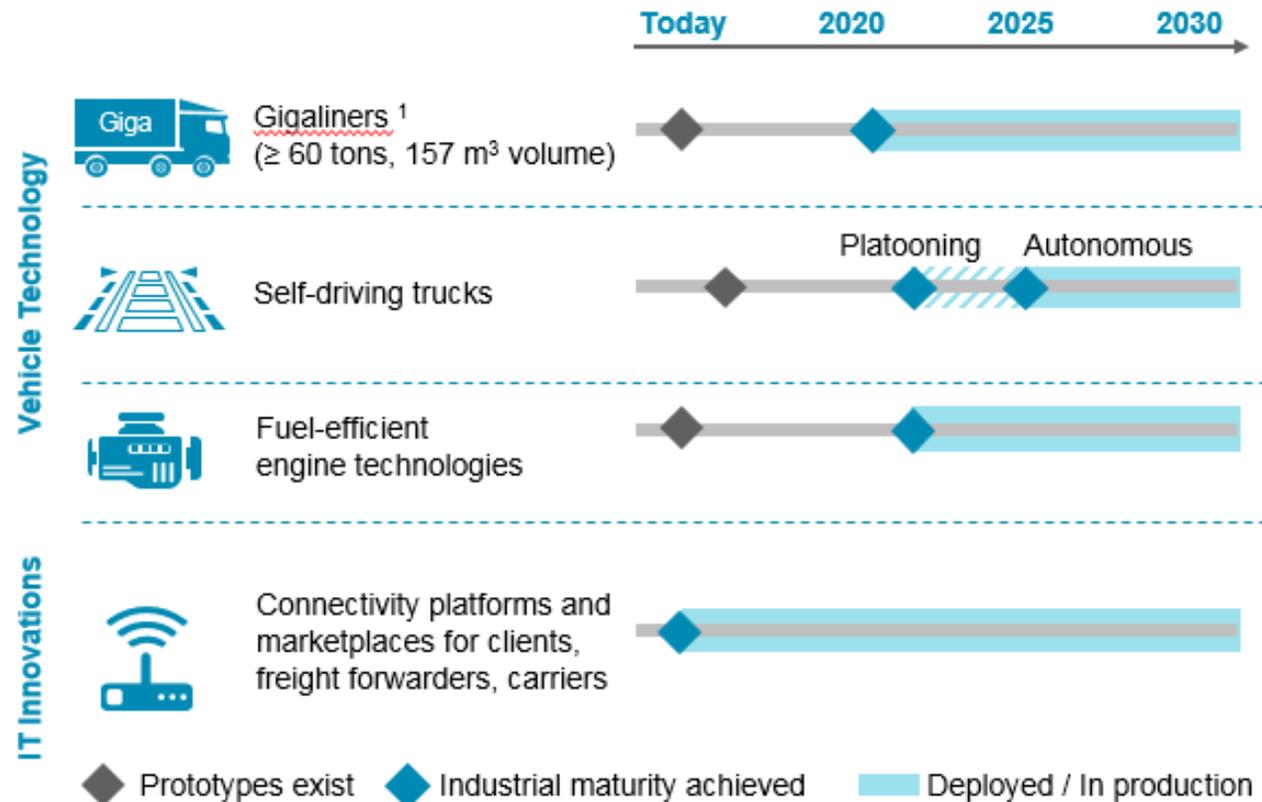
# Competitiveness of road

Production costs

Low fuel prices: impact minus 5-7%

Innovations

Enormous productivity boost: potentially up to minus 25%

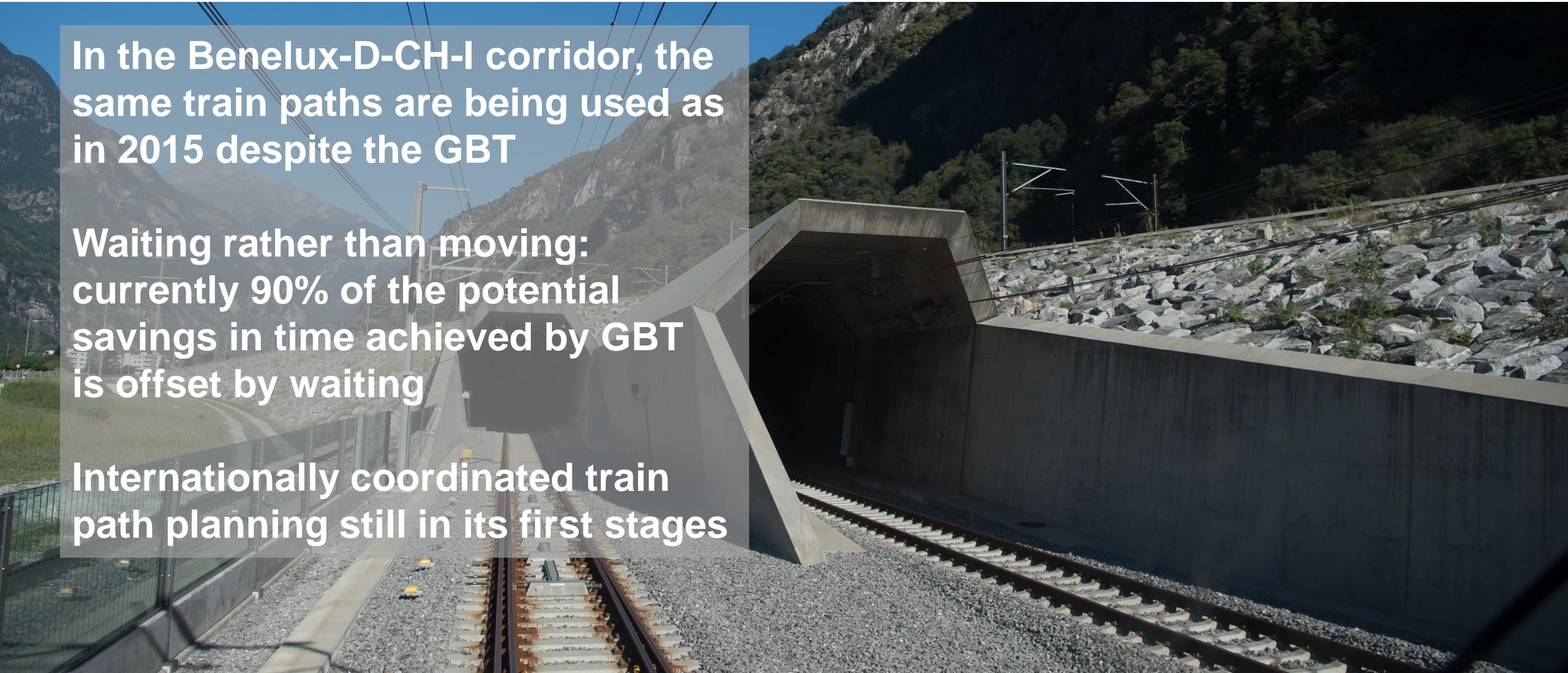


# Competitiveness of rail ?

In the Benelux-D-CH-I corridor, the same train paths are being used as in 2015 despite the GBT

Waiting rather than moving:  
currently 90% of the potential savings in time achieved by GBT is offset by waiting

Internationally coordinated train path planning still in its first stages



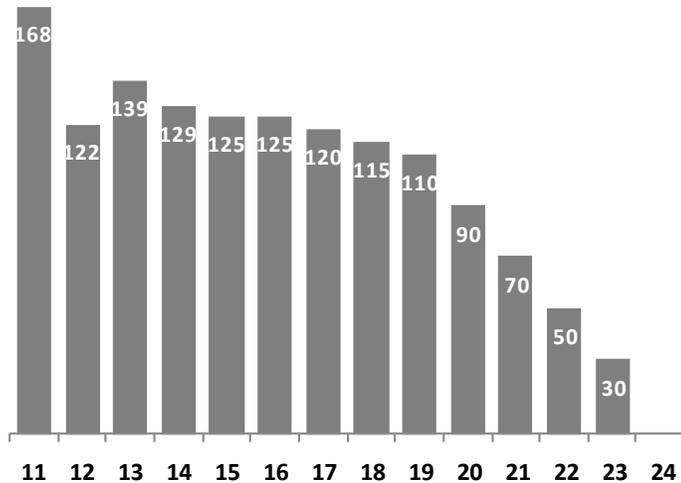
## Delays in eliminating productivity restrictions

- > 2000 t / 740 m / P400 parameters not implemented throughout the corridor
- > No 740 m-long trains in Germany until 2030?
- > No increase in capacity in southern Germany until 2040?
- > 2000 t trains in Italy with a single locomotive?
- > ETCS Level 2?

**SUMMARY:** Efficient rail freight corridor is essential for compensating the subsidies as of 2023

# CH transit 2024: compensation for combined transport subsidies?

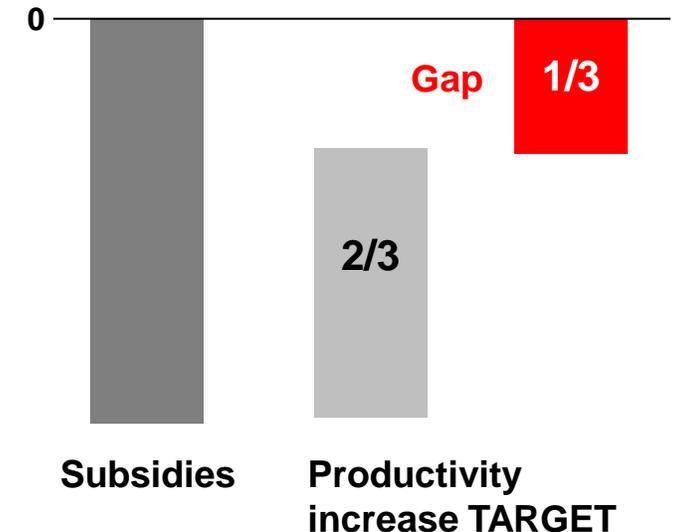
**Degression of operating subsidies for UCT in mio. CHF**



**Increasing productivity on Rhine-Alpine corridor via GBT not implemented in full**

Parameter	2020 with 4-m-corridor CH-I
Flat line	ok
4-m-Profil	ok
740-m-trains	<b>690 m</b> bottleneck D
2000-t-trains	<b>2000 t with 1 loco</b>

**Self-sustaining operation of unaccompanied combined traffic in jeopardy**



**Increase in productivity**  
 No helper engine needed: lower costs  
 Long, heavy trains: higher payload



**More efforts required!**

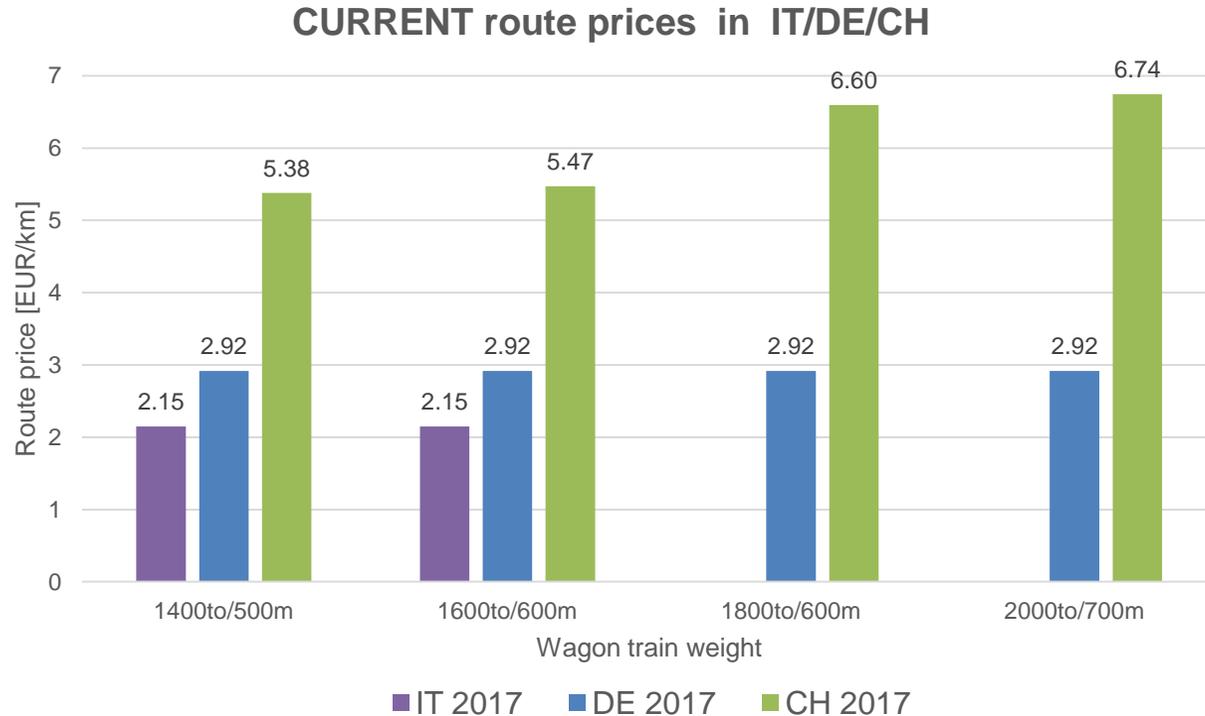
## Action to achieve the desired shifting effect of GBT/NEAT system

- > Political pressure to implement the corridor parameters
- > Internationally coordinated train path planning on the Rhine-Alpine corridor for CH transit
- > Halving of track access prices for transit rail freight traffic during the difficult transition period

**Jointly increase competitiveness of rail system!**



# Halving the track access price for freight traffic: discussion in Germany



## Germany 2017 track access price

- Train on typical route, corridor A

## Switzerland 2017 track access price

- Calculated with SBB infrastructure track access price calculator
- Train on flat track via GBT
- Basic track access price is an average
- Single traction of three-phase AC locomotive in train categories 1400/1600 tonnes and double traction in categories 1800/2000 tonnes
- Temporary discount for traction as of 5th axle not included

## Italy 2017 track access price

- No trains > 1600 gross tonnes

## Track access price reduction:

- > Clear signal to the market
- > Immediate shifting effect
- > Transparent and non-discriminatory for all market participants



## Programme

### **15:00-16:30    General Assembly Meeting of Hupac Ltd**

Welcome & introduction

Hans-Jörg Bertschi

**Formal part**

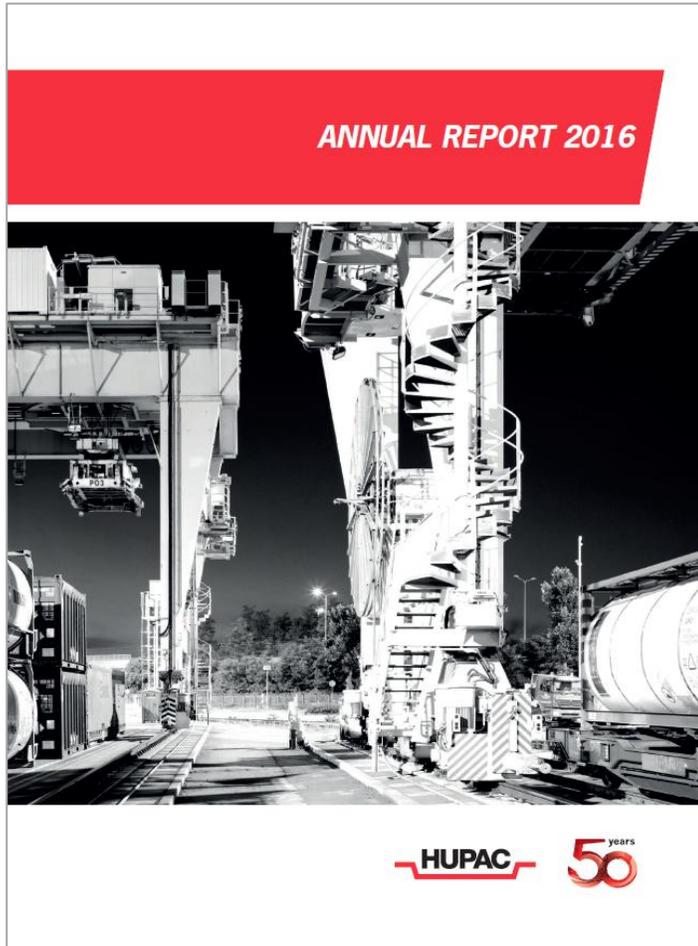
**Hans-Jörg Bertschi  
Peter Hafner**

Traffic development & outlook

Bernhard Kunz

### **16:30-17:30    Inauguration of “Intermodal transport exhibition”**

# Art book on the world of Hupac



**Gianpaolo Minelli, photographer  
Chiasso/Buenos Aires**

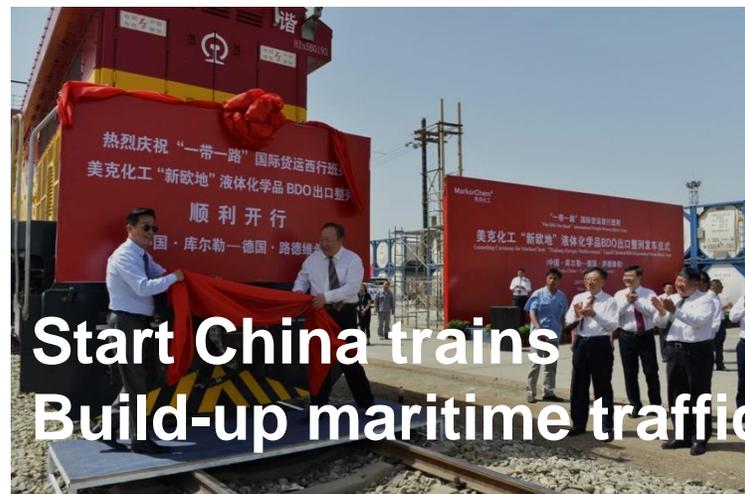
# Positive financial year 2016

The background of the slide is a long-exposure photograph of a port at night. The scene is illuminated by bright lights, creating a starburst effect in the upper center. In the foreground, there are several shipping containers and a large gantry crane. The ground is wet, reflecting the lights. In the background, there are more containers and a large building with the HUPAC logo on it. The overall atmosphere is industrial and active.

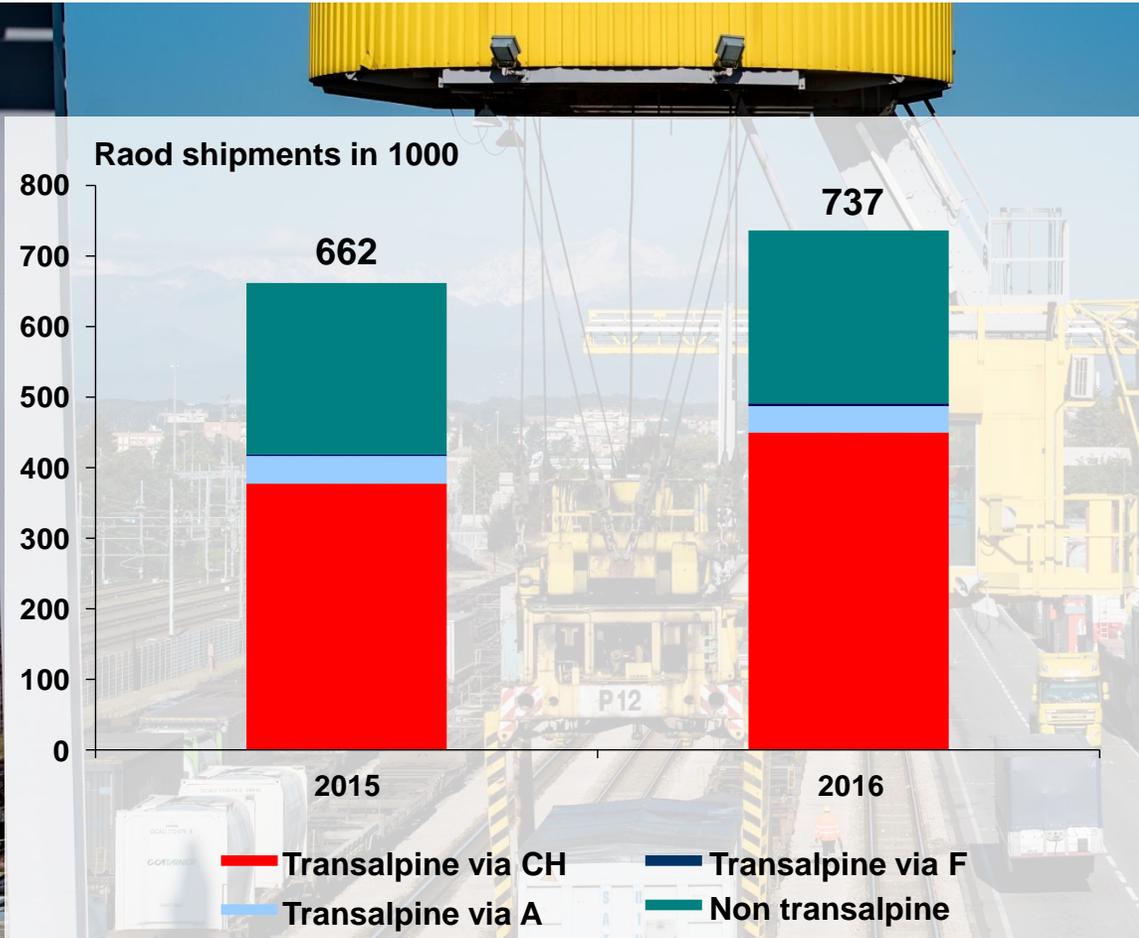
	Mio. CHF	2016-15
Turnover	470,3	+ 10,0%
Profit of the year	10,8	+ 77,5%
EBITDA	58,4	+ 26,1%
Investments	29,7	- 34,3%



# Milestones of corporate development

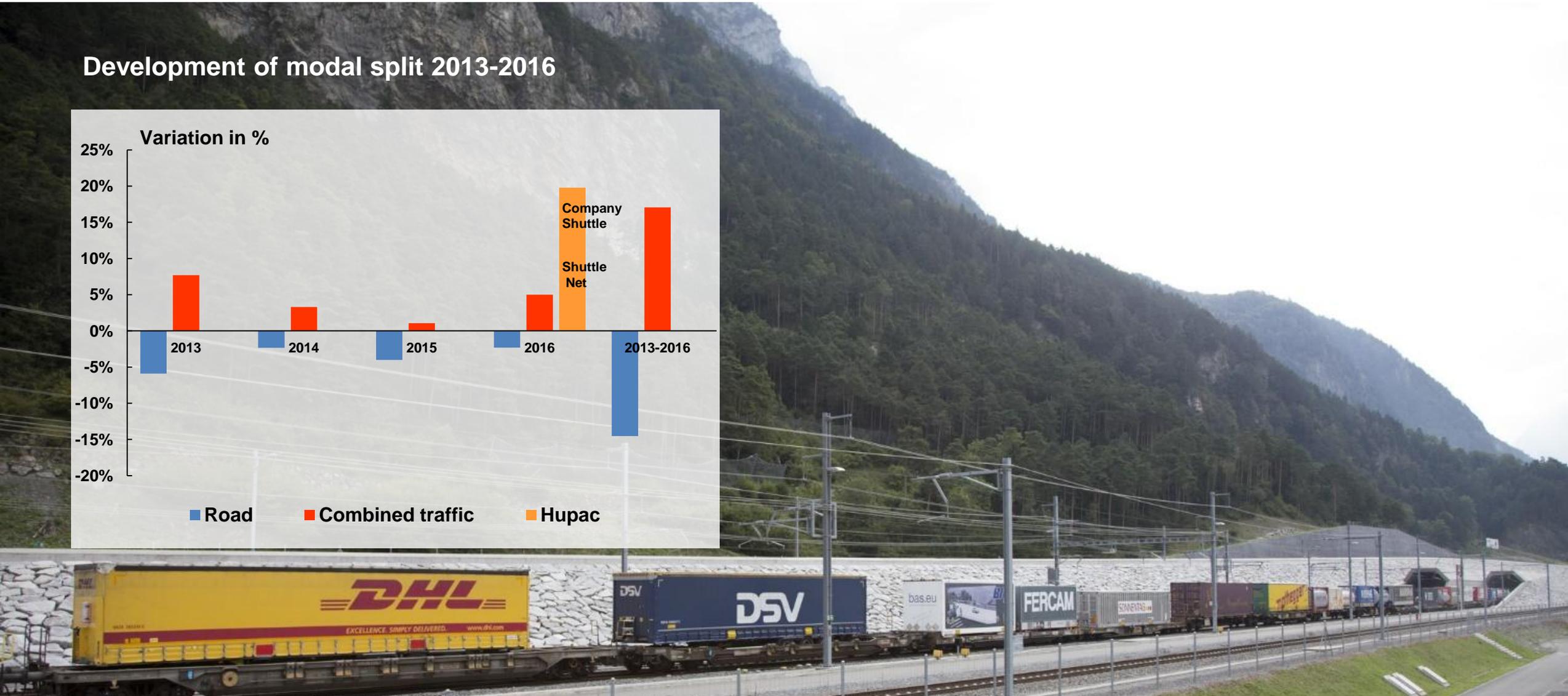
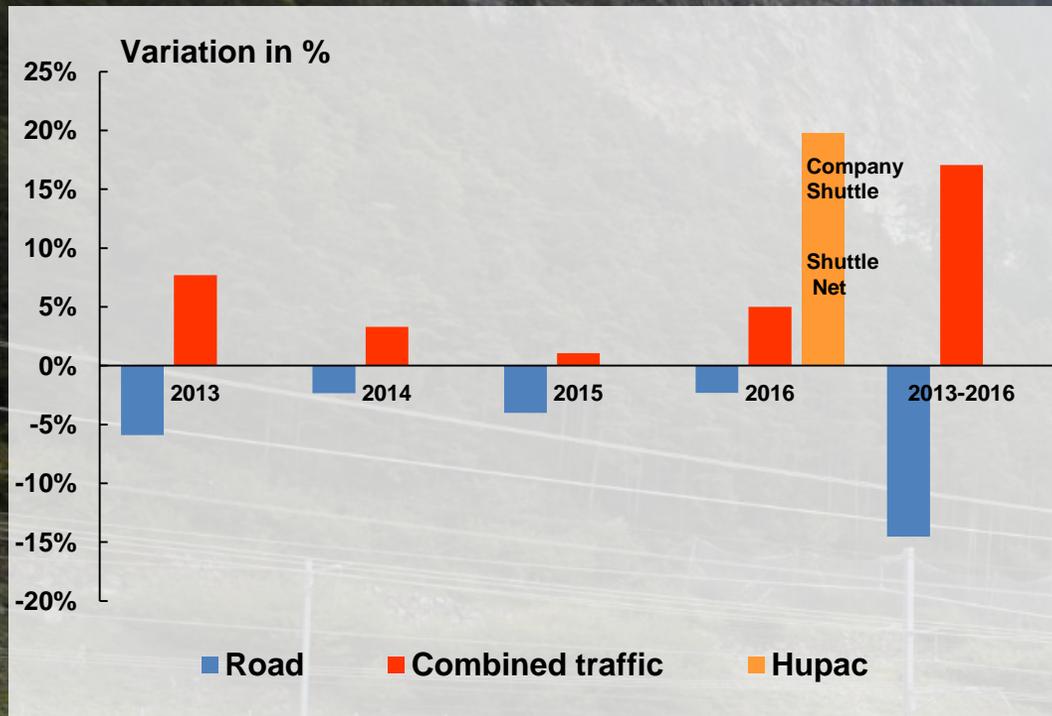


# Hupac traffic development 2016



# Strong growth of combined traffic

Development of modal split 2013-2016



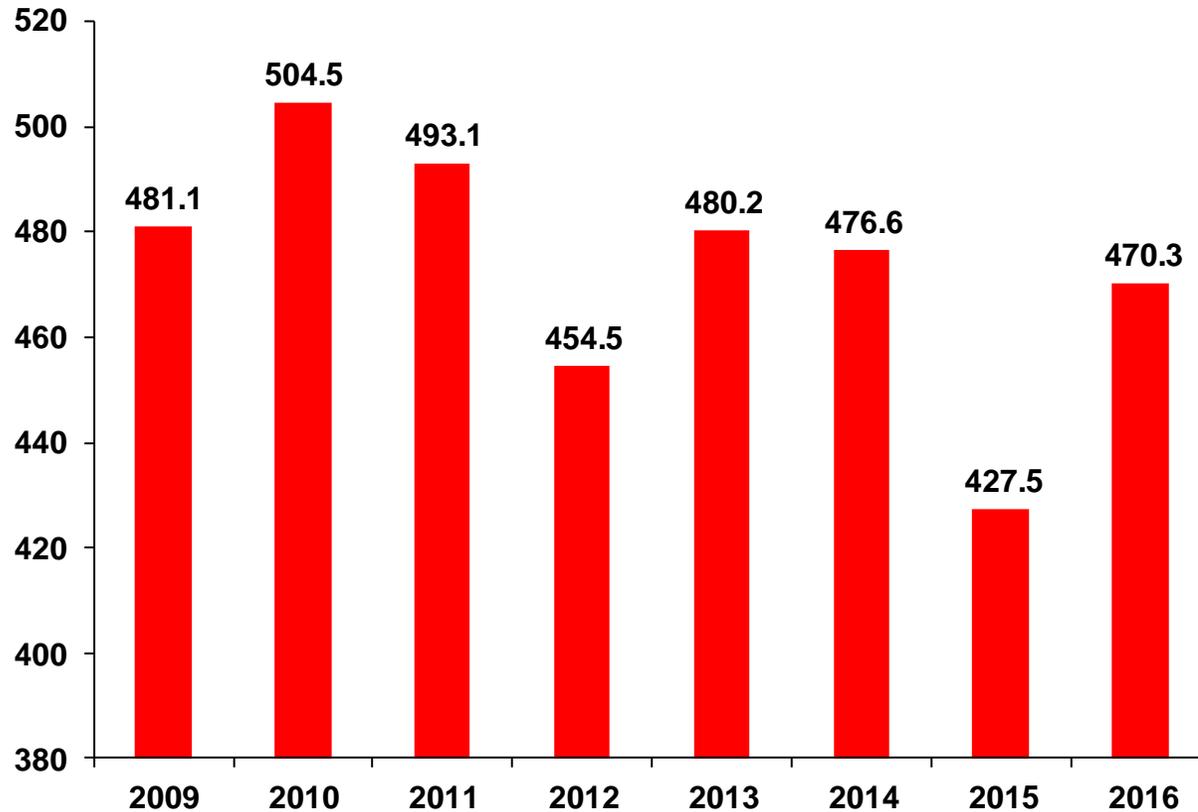
# Repayment obligations for terminals financial aid

Values in 1000 CHF

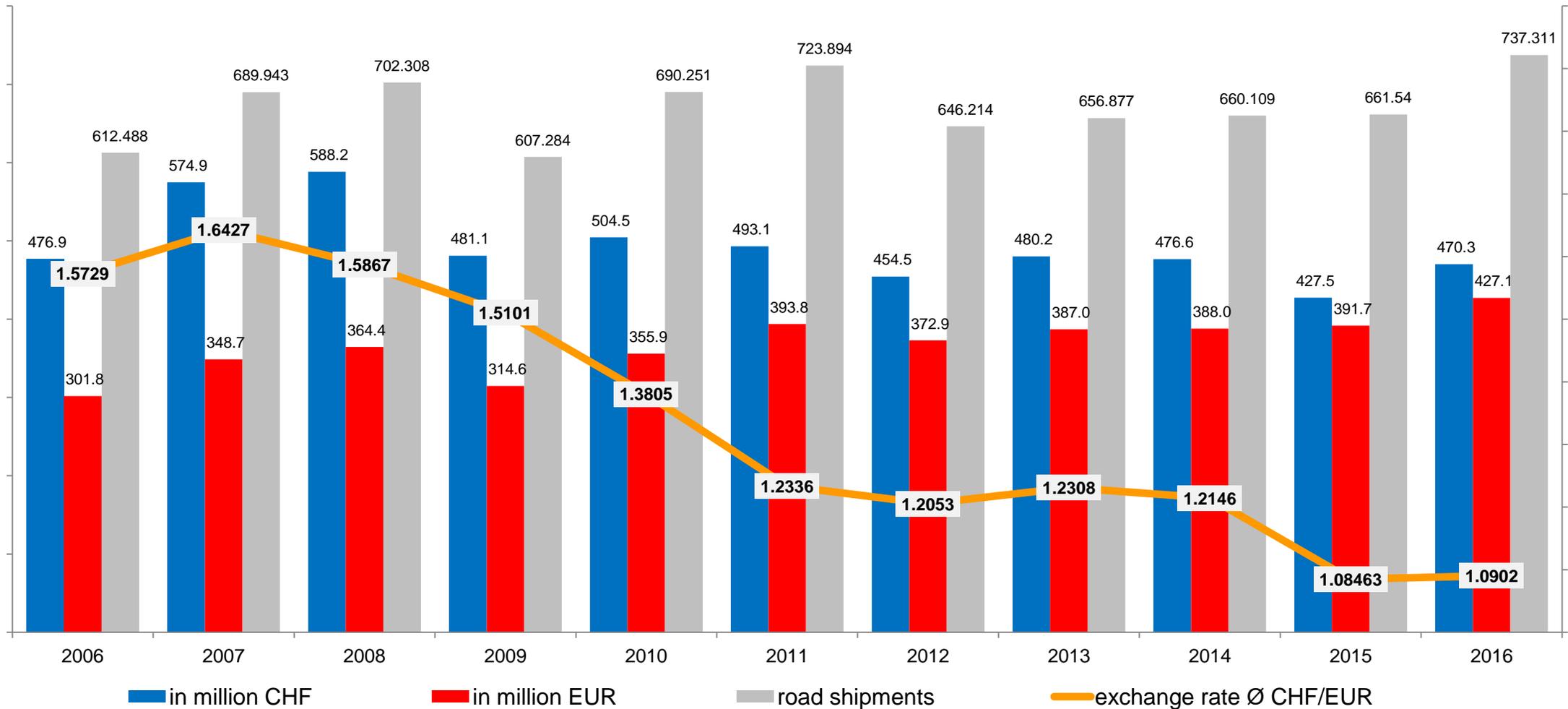
Years	2016	2017-2026	2027-2030	2031-2035	2036-2040	2016-2040 Total
Loan repayment	3,794	3,584 – 3,710	2,538 – 2,540	1,470 – 1,551	65	57,918
Interest	327	70 – 393	6 – 43			2,817
<b>Total</b>	<b>4,121</b>	<b>3,654 – 4,102</b>	<b>2,544 – 2,583</b>	<b>1,470 – 1,551</b>	<b>65</b>	<b>60,736</b>

# Annual turnover of the Hupac Group 2009-2016

in million CHF

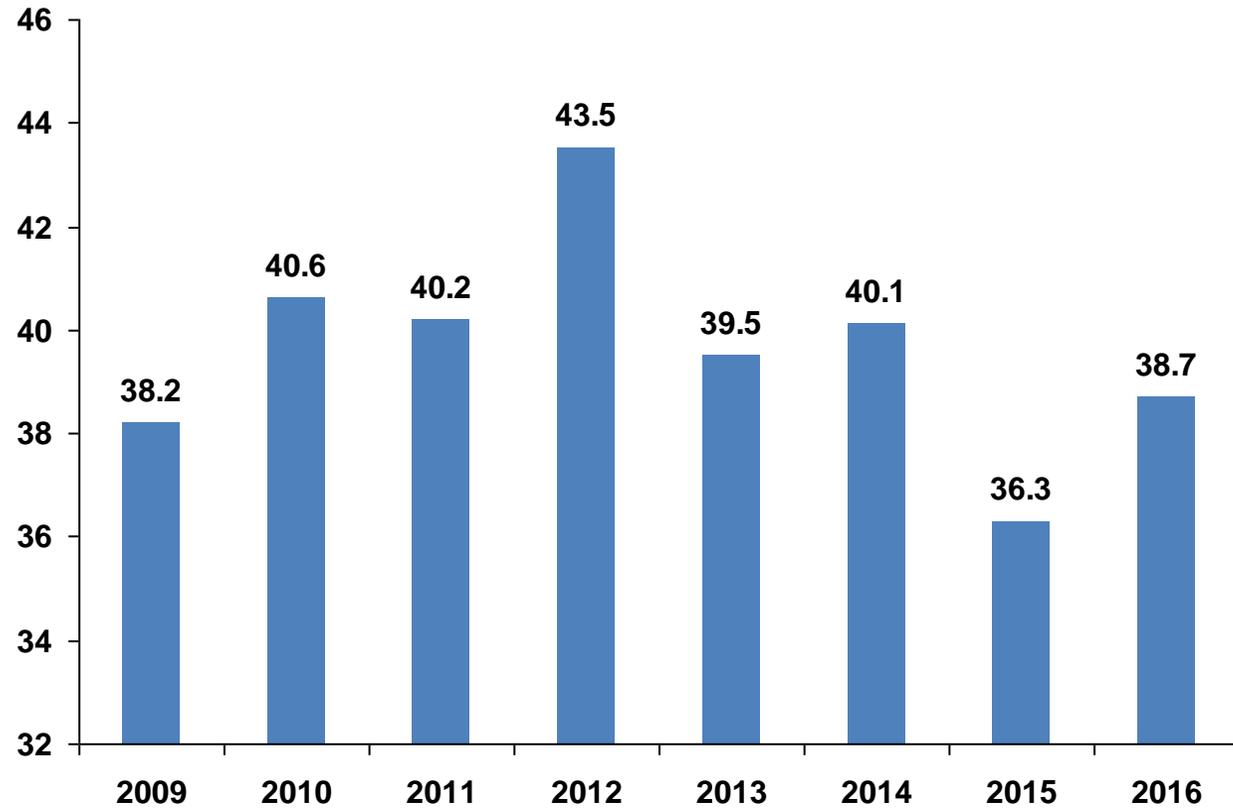


# Turnover of the Hupac Group: impact exchange rate



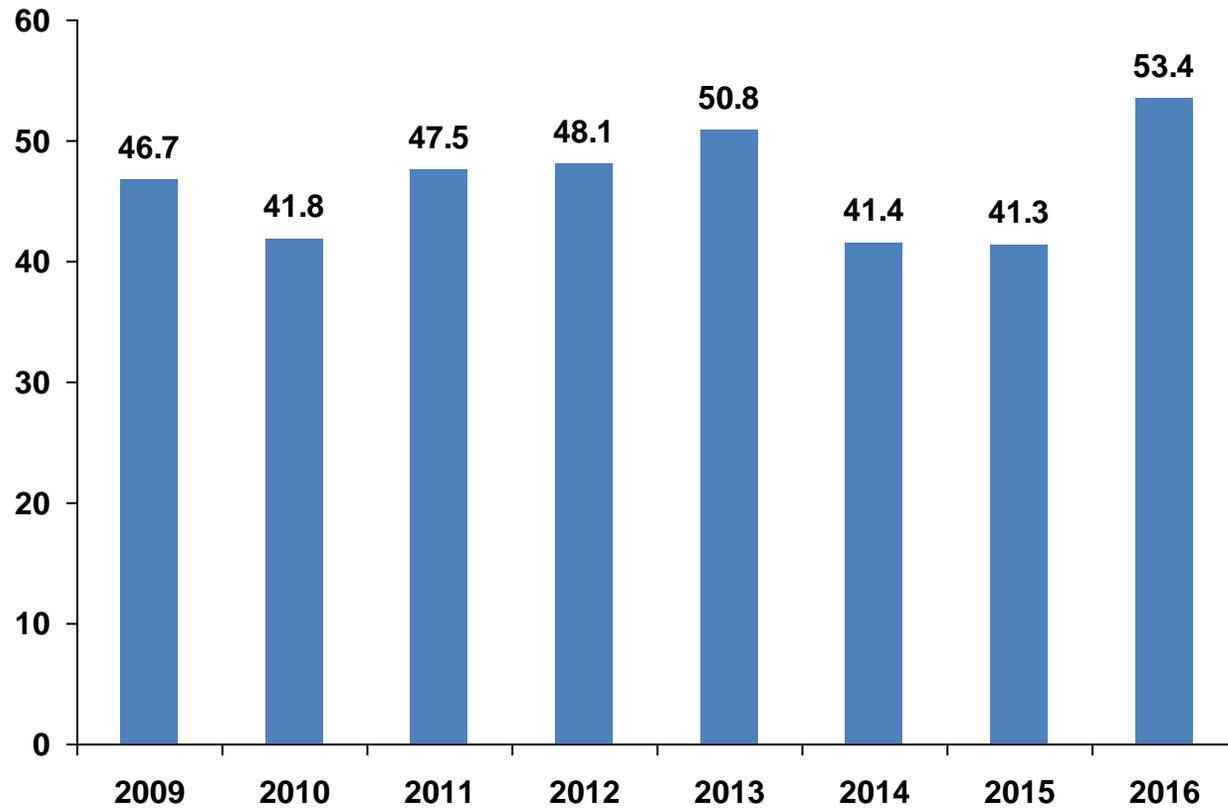
# Cash-flow of Hupac Ltd 2009-2016

in million CHF



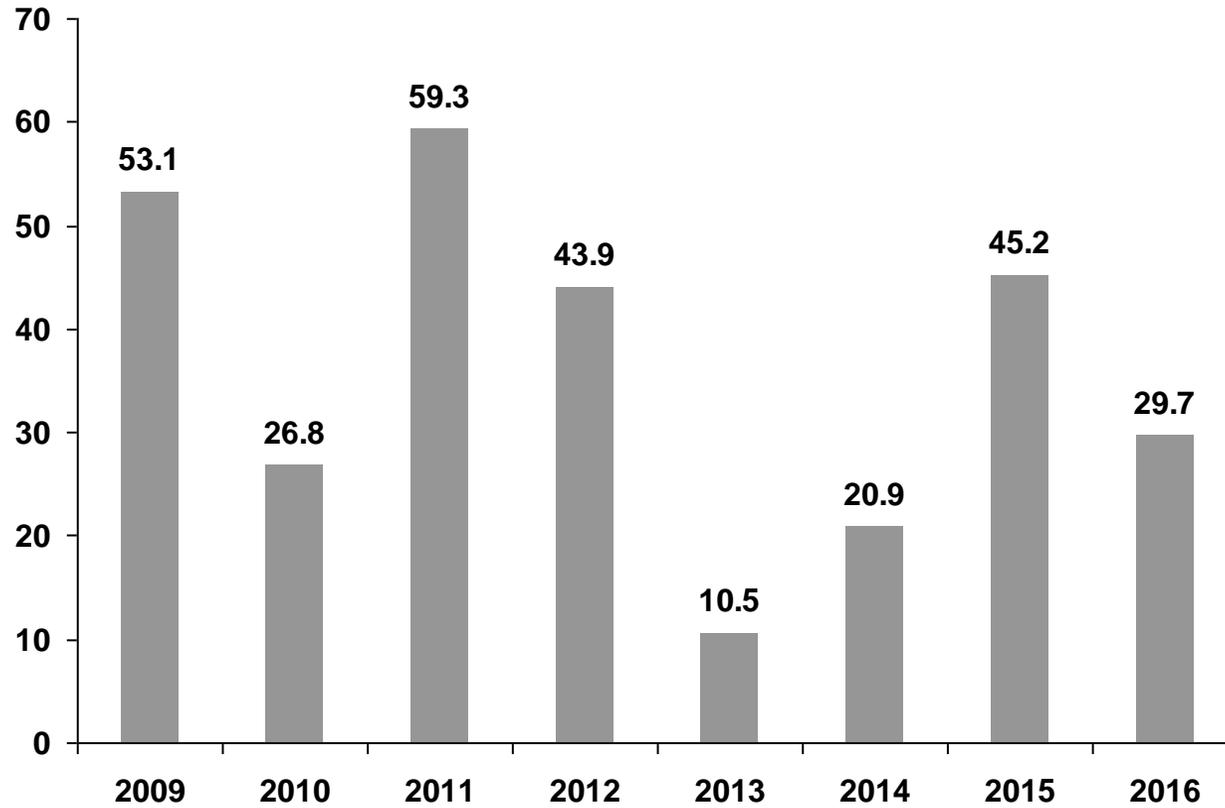
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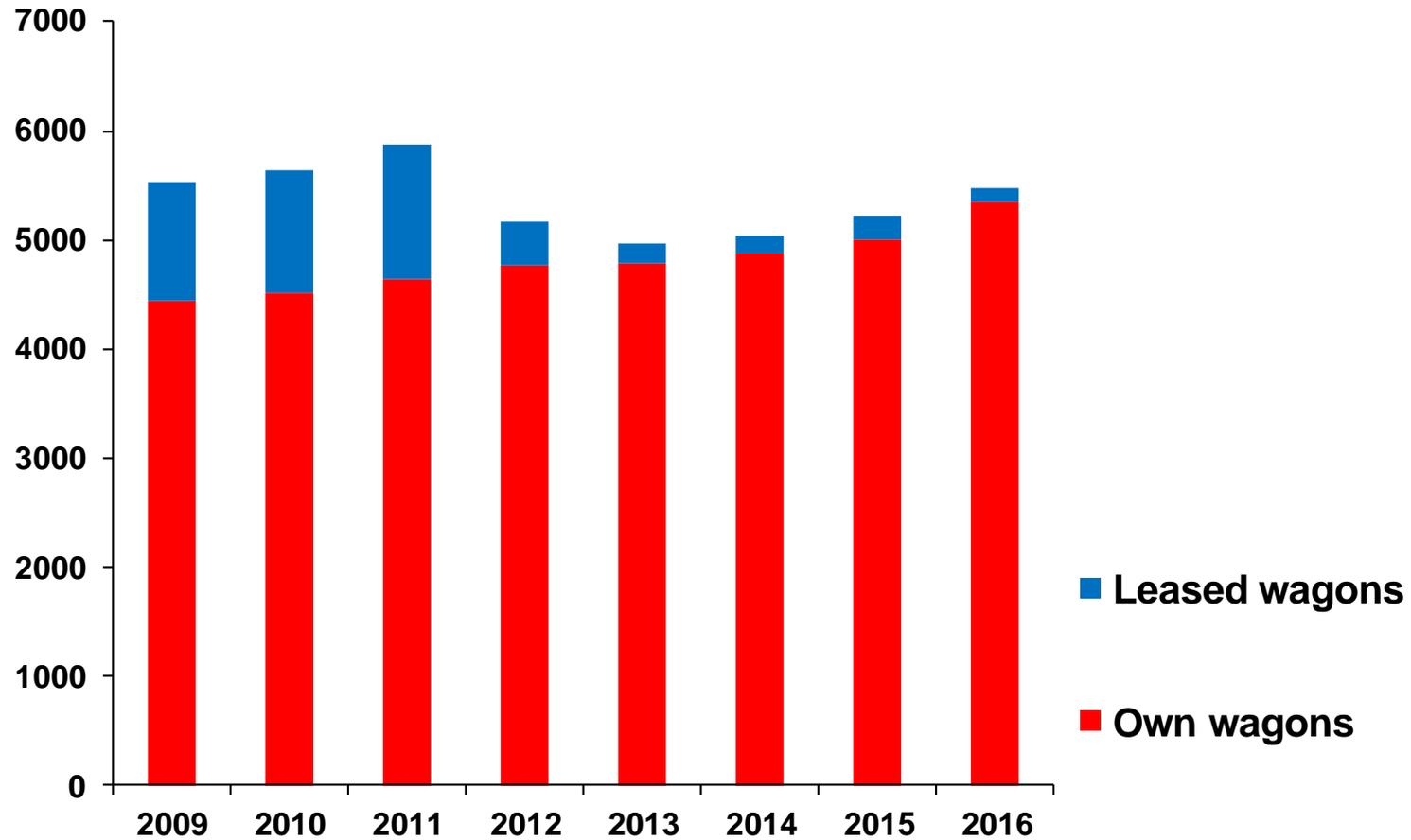


# Total investments of Hupac Group 2009-2016

in million CHF

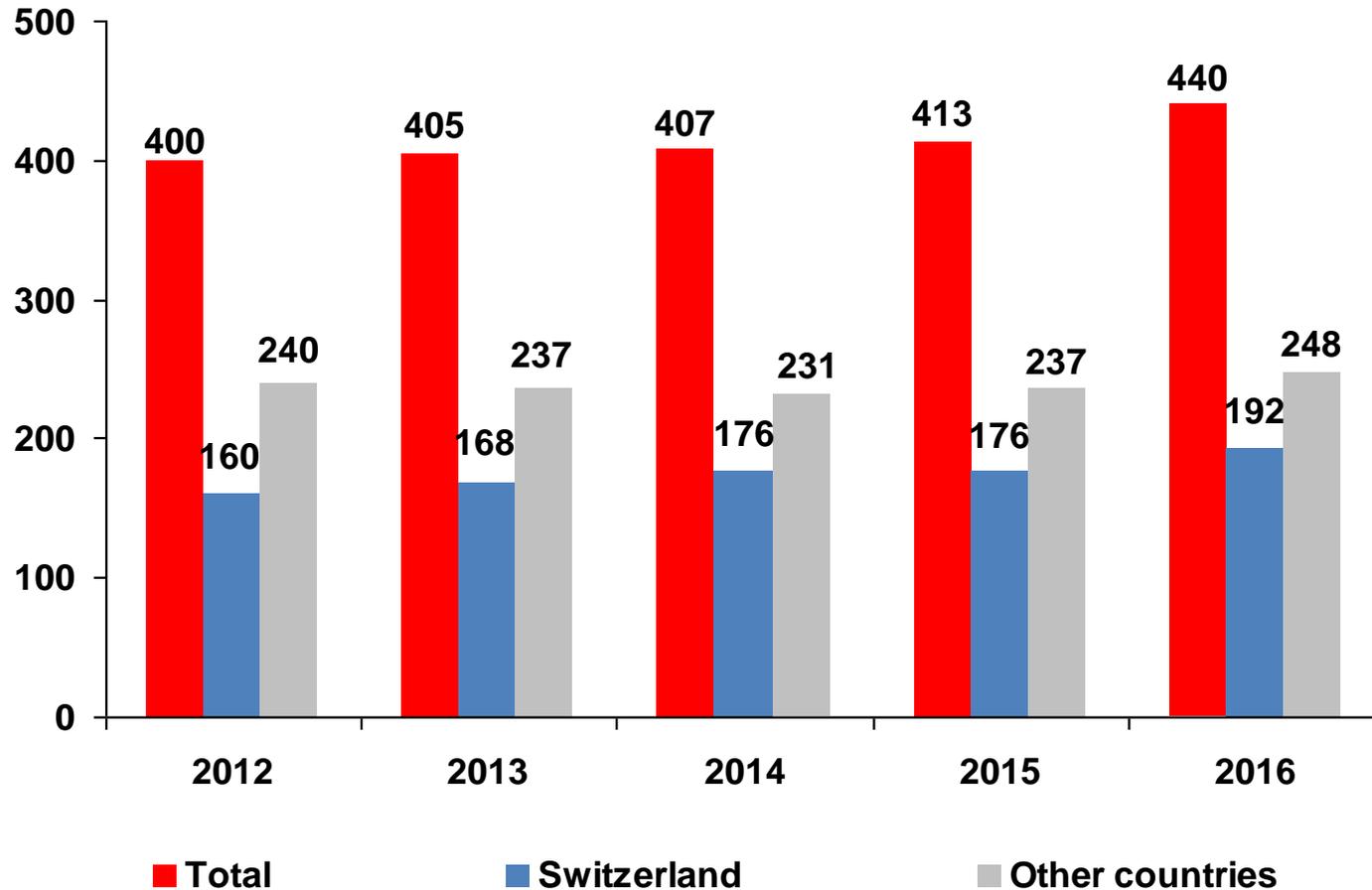


# Rolling stock of the Hupac Group 2009-2016



# Employees of the Hupac Group at year-end

## Number of natural persons



# 1967-2017: Fifty years of passion





## Programme

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Welcome & introduction

Hans-Jörg Bertschi

Formal part

Hans-Jörg Bertschi

Peter Hafner

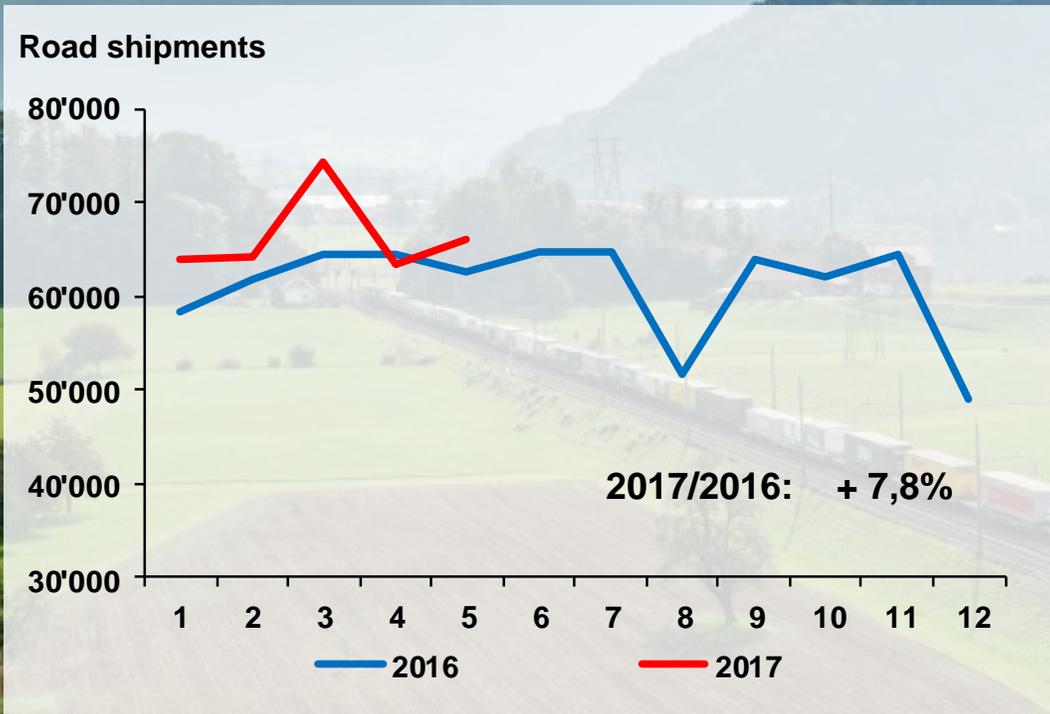
**Traffic development & outlook**

**Bernhard Kunz**

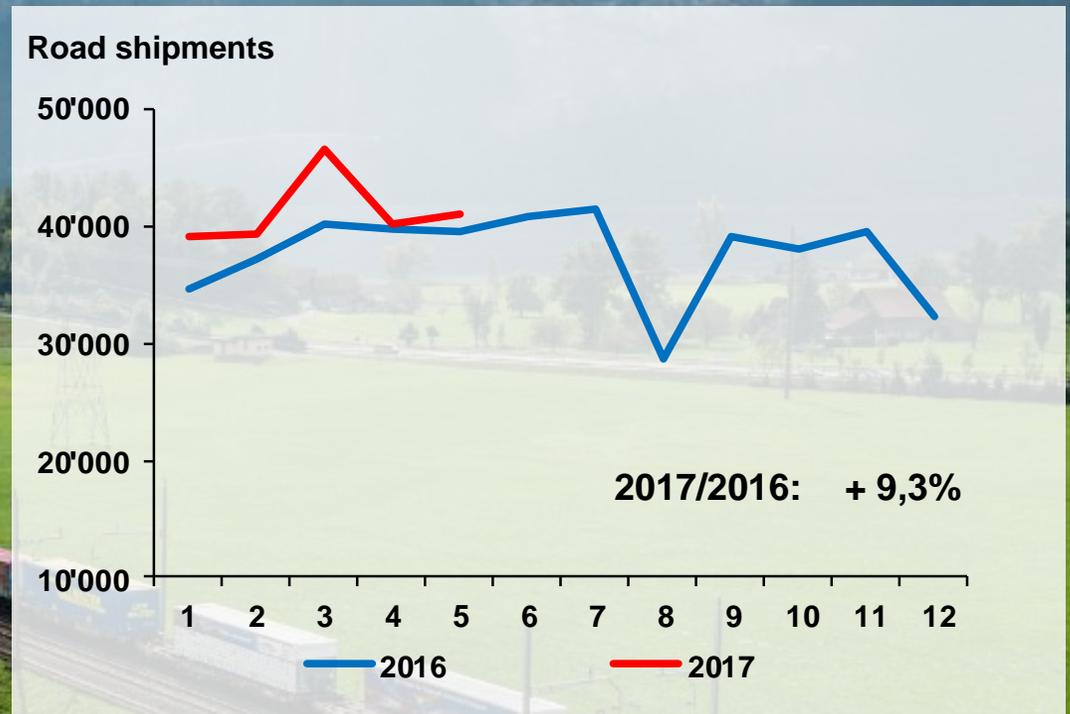
### **16:30-17:30**    **Inauguration of “Intermodal transport exhibition”**

# Outlook: traffic development 2017

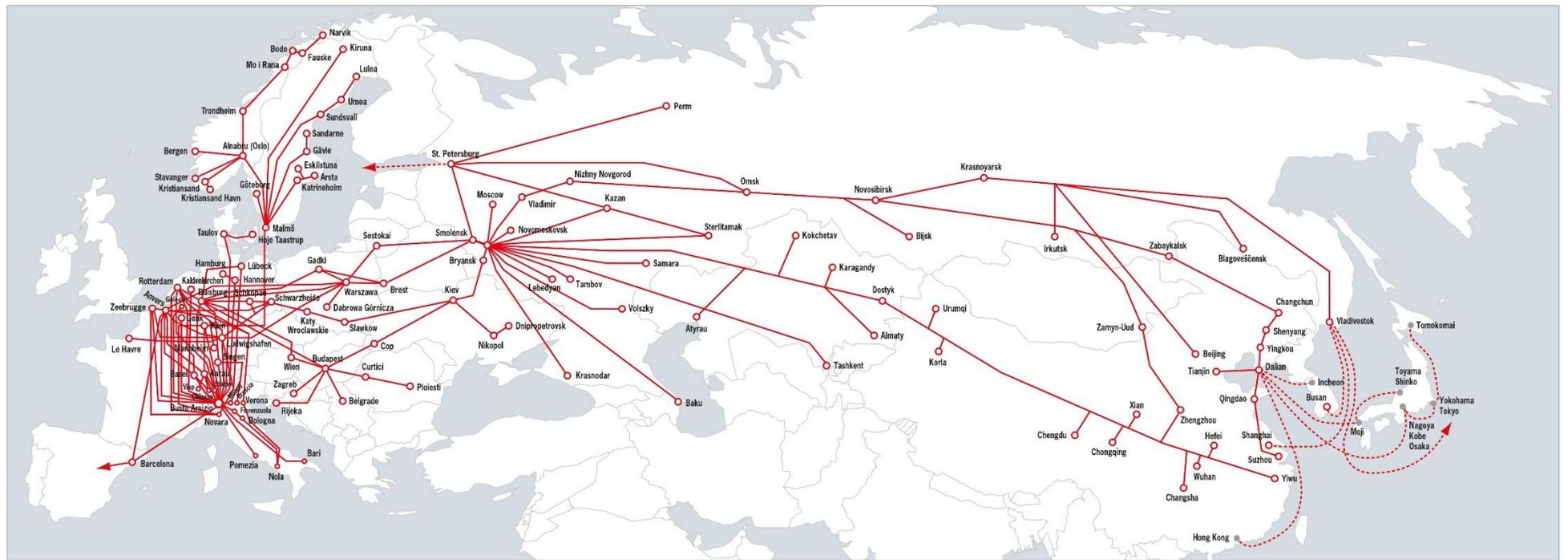
Total traffic



Transalpine traffic via CH



# Hupac network: differentiated market offer



BUSINESS UNIT		BUSINESS UNIT		BUSINESS UNIT	
Shuttle Net 	Intermodal Express Russia 	Landbridge China 	Company Shuttle 	Maritime Logistics 	
European network	Focus Russia	One Belt One Road	Block train charter	Container inland traffic	
Tight network	Branch office Moscow	Branch office Shanghai	For major customers	Branch office Duisburg	
High frequency	Rolling stock for Russian broad gauge	First block trains China-Europe	Customer bears occupancy risk	Build-up phase	
4-m-transports transalpine	Shuttle train Poland-Moscow	Feeder train Brest-Ludwigshafen			

# “One belt, one road”: Hupac seizes opportunities in China traffic

26 May 2017: Start of block train from China-Germany/Belgium

Train: 800 m, 3000 tonnes, 84 containers  
Route: 7000 km, 6 countries, 18 days



June 2017: Launch of feeder train Malaszewicze/Brest-Ludwigshafen

Connection of Hupac network to gateway in Poland/Belarus for Far East trains



# Product development 2016-2017



## Shuttle Net – new connections

- 01.16 Venlo ⇆ Busto
- 01.16 Zeebrugge ⇆ Novara **P400**
- 04.16 Rotterdam RSC ⇆ Brescia
- 09.16 Le Havre ⇆ Ludwigshafen KTL
- 01.17 Neues Betriebskonzept in Polen  
(neu Gateway Terminal Pruszków (Warszawa))
- 06.17 Ludwigshafen ⇆ Malaszewicze

## Company Shuttle – new connections

- 01.16 Geleen ⇆ Busto
- 01.16 Rotterdam Europoort ⇆ Novara
- 05.16 Piacenza ⇆ Oradea
- 01.17 Antwerpen Combinant ⇆ Busto Arsizio
- 01.17 Zeebrugge ⇆ Oradea

## Shuttle Net – frequency increase

- 04.16 Rotterdam RSC ⇆ Busto Arsizio (from 11 to 12 RT/week)
- 04.16 Singen ⇆ Busto Arsizio (from 5 to 6 RT/week)
- 04.16 Zeebrugge P&O ⇆ Novara CIM **P400** (from 3 to 4 RT/week)
- 12.16 Ludwigshafen KTL ⇆ Novara CIM **P400** (from 3 to 4 RT/week)
- 12.16 Köln Eifeltor ⇆ Novara CIM **P400** (from 8 to 9 RT/week)
- 12.16 Zeebrugge P&O ⇆ Novara CIM **P400** (from 4 to 5 RT/week)
- 12.16 Antwerp Combinant ⇆ Busto Arsizio (from 5 to 8 RT/week)
- 02.17 Ludwigshafen KTL ⇆ Novara CIM **P400** (from 4 to 5 RT/week)
- 02.17 Köln Eifeltor ⇆ Novara CIM **P400** (from 9 to 10 RT/week)
- 05.17 Duisburg ⇆ Budapest (from 3 to 5 RT/week)

# Wagon fleet development

Year	Container flat wagon for broad gauge	T3000 synthetic pads	T3000 disk brakes	90' container flat wagons	48' container flat wagons	Total
2014	100	100	-	-	-	200
2015	-	-	200	200	-	400
2016	60	-	-	100	100	260
2017	50	300	-	-	200	550
Market	Russia	Megatrailer via CH	Megatrailer via CH	Optimised for consumer goods	Optimised for chemical transport	

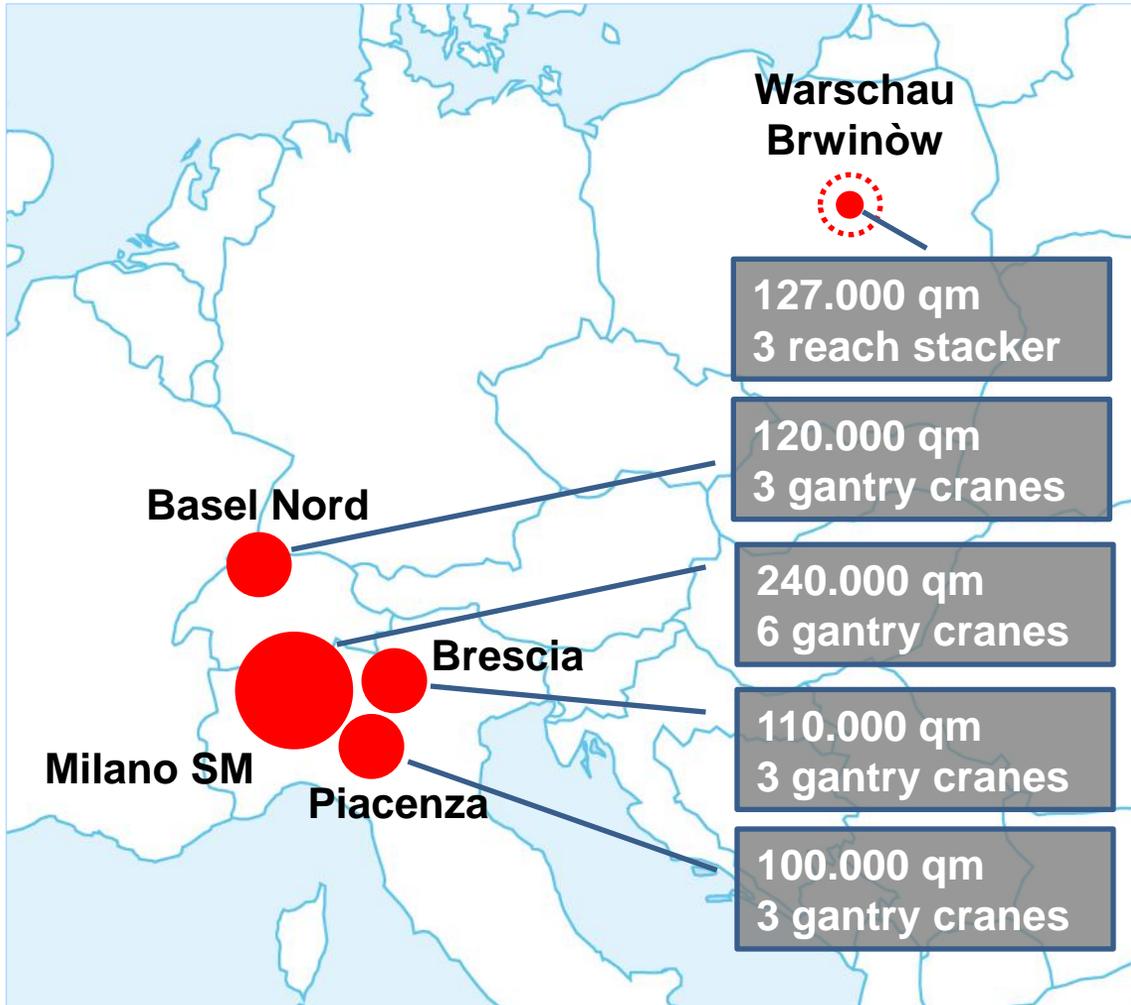
Orders per year, in wagon modules

## Hupac orders own locomotives



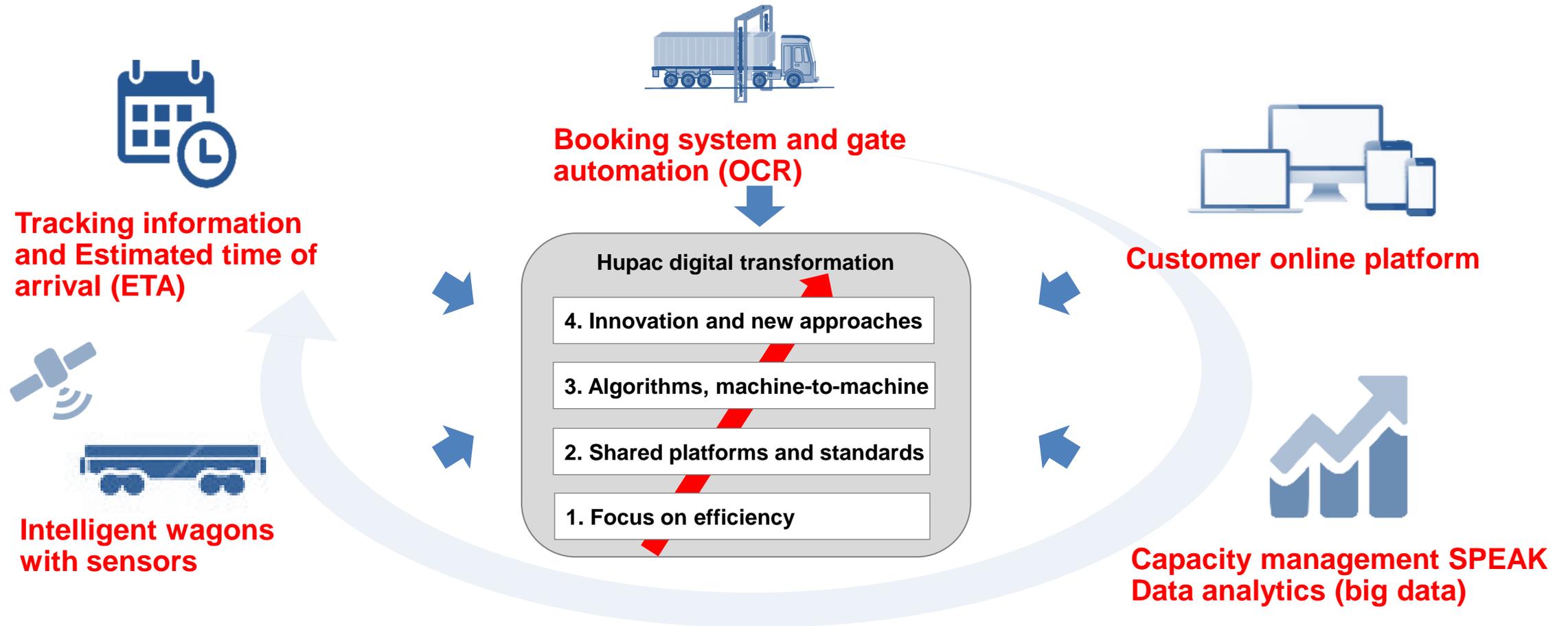
- > 8 DACHINL Siemens Vectron multisystem locomotives
- > First delivery of 2 locomotives at end of May 2018
- > Used for Hupac consignments & managed by railway partners
- > Objective: to increase productivity and assure quality

# Terminal projects 2016-2020



	Building permit	Funding	Building start	Entry into service
Brwinòw	2017	-	2018	2019
Basel Nord	2017	2017	2018	2020
Milano SM > Phase 1 > Phase 2	Q4 2017 Q4 2017	✓	2018 2020	2020 2021
Brescia	Q1 2018	Q1 2018	Q3 2018	2020
Piacenza	✓	Q2 2017	Q4 2017	2019

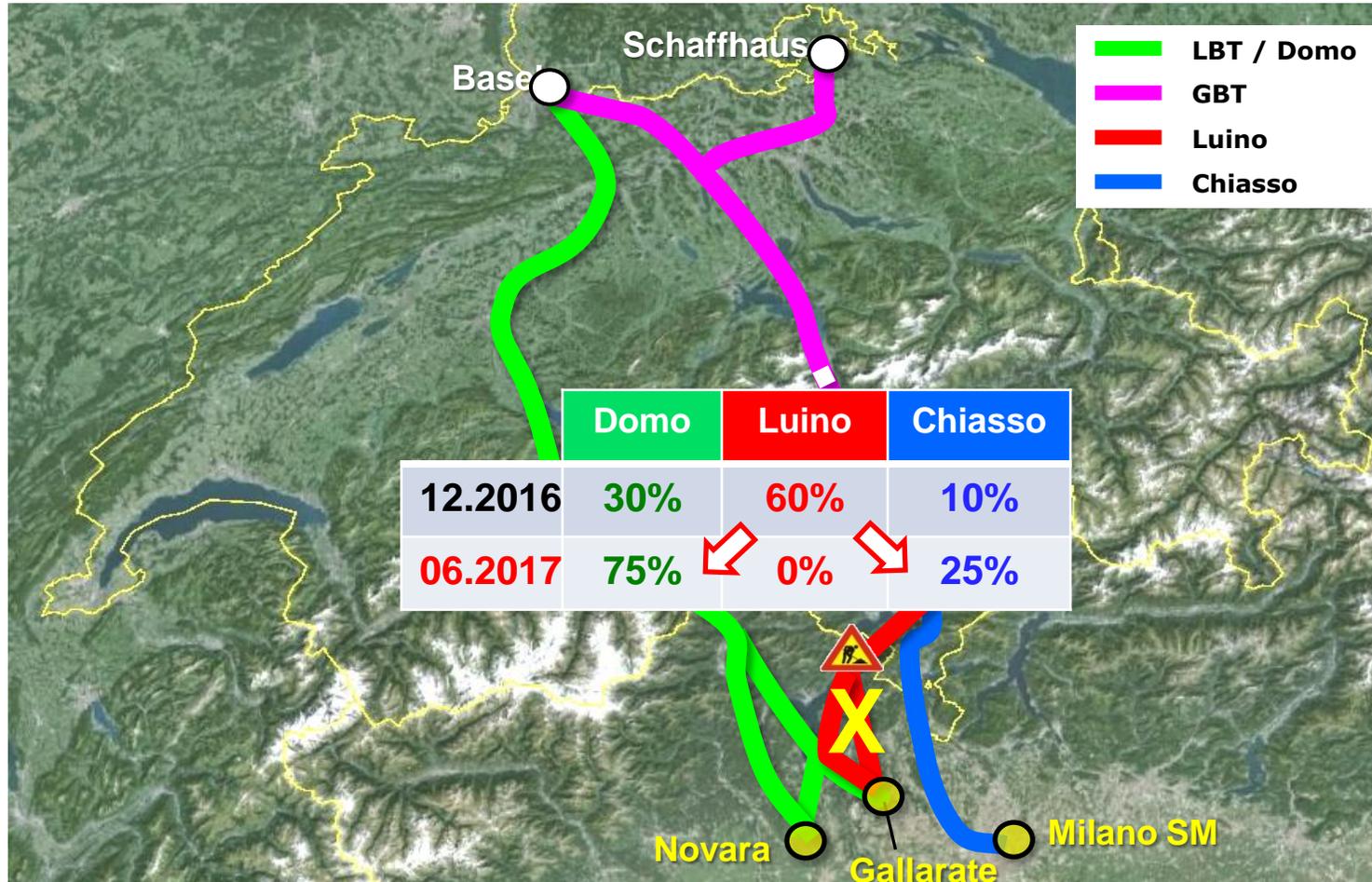
# Digital transformation: projects 2017-2020



Innovation with focus on:

- > Service to customers: booking-to-billing, tracking information & Estimated time of arrival
- > Production: capacity management, information flow, processes
- > Safety: detection of irregularities
- > Rolling stock: predictive maintenance

# Outlook for 2017



As of June 2017:

6-month total closure of the Luino line

Diversions via Domodossola and Chiasso