

## 5.2. KEY FINANCIAL AND ECONOMIC PERFORMANCE INDICATORS OF TRANSNEFT UNDER RAS



The RAS financial statements for 2020 are available on the [Company's website](#)

### Incomes and Expenses on Core Activities

#### Revenues from Sale of Goods (Works, Services), RUB mln

Indicator	2020	2019	Change 2020/2019, RUB mln	Change 2020/2019, %	2018
<b>Total revenue</b>	<b>870,901</b>	<b>960,812</b>	<b>(89,911)</b>	<b>-9.4</b>	<b>937,768</b>
including: oil transportation services	651,754	697,646	(45,892)	-6.6	659,813
petroleum products transportation services	64,462	61,096	3,366	5.5	66,453
oil sales for export	141,547	186,900	(45,353)	-24.3	200,286
oil compounding services	4,755	6,258	(1,503)	-24.0	5,849
other	8,383	8,912	(529)	-5.9	5,367

Changes in revenues from the sale of goods (works, services) of the Company in 2020 as compared to 2019 were mainly due to:

- decrease in revenues from crude oil transportation services, which was mainly caused by changes in volumes of transported oil and oil freight flow routes;
- growth of revenue from petroleum products transportation services caused by changes in tariffs, transported volumes of petroleum products and freight flow routes;

- reduction in revenue from the provision of oil compounding services due to changes in compounding volumes;
- decrease in revenue from the sale of oil for export under the agreement with China National United Oil Corporation mainly due to lower oil prices and the growth of US dollar exchange rate.
- decrease in revenue from other activities.

#### Expenses on core activities, RUB mln

Indicator	2020	2019	Change 2020/2019, RUB mln	Change 2020/2019, %	2018
<b>Expenses on core activities, total</b>	<b>798,405</b>	<b>856,021</b>	<b>(57,616)</b>	<b>-6.7</b>	<b>880,450</b>
including: oil transportation services	555,093	566,979	(11,886)	-2.1	580,291
petroleum products transportation services	64,386	60,917	3,469	5.7	65,662
oil sales for export (selling expenses included)	140,980	186,687	(45,707)	-24.5	200,731
oil compounding services	2,853	3,755	(902)	-24.0	3,510
administrative costs	31,686	32,623	(937)	-2.9	27,688
Other	3,407	5,060	(1,653)	-32.7	2,568

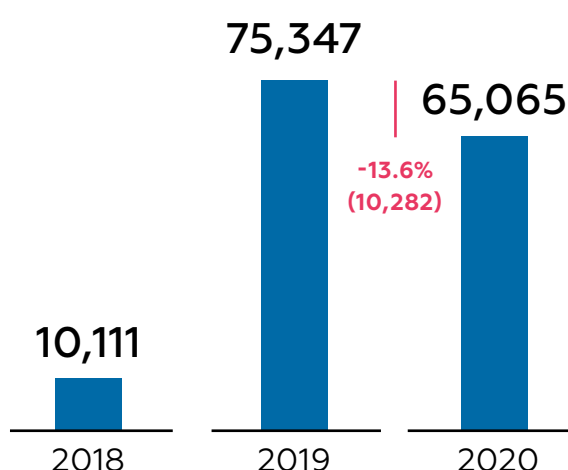
Changes in expenses related to core activities in 2020 compared to 2019 were mainly due to:

- a reduction in expenses under contracts for the provision of services on acceptance/delivery, pumping, transshipment, oil discharge/loading with Transneft subsidiaries, which is associated with a change in the oil transportation volume;
- a reduction in expenses under contracts for petroleum products acceptance services, delivery (pumping) to destinations, as well as shipping at

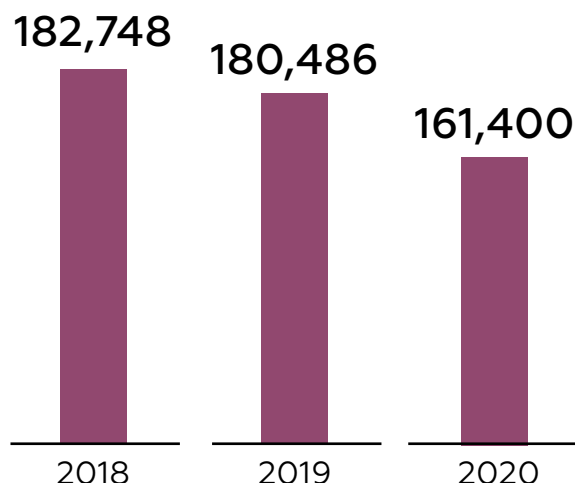
destinations with Transneft subsidiaries, due to the change of petroleum products transportation volumes;

- a reduction in expenses from the provision of oil compounding services due to changes in compounding volumes;
- a decrease in expenses from the sale of oil for export under the agreement with China National United Oil Corporation mainly due to lower oil prices.
- a decrease in costs of other activities.

## Net profit, RUB mln



## Information on the net asset value, RUB mln



## Payables and receivables

### Payables, RUB mln

Type of debt	31 December 2020	31 December 2019	Change 2020/2019	31 December 2018
<b>Long-term payables</b>	<b>49,941</b>	<b>41,849</b>	<b>8,092</b>	<b>1</b>
Settlements with other creditors	49,941	41,849	8,092	1
<b>Short-term payables</b>	<b>261,020</b>	<b>203,745</b>	<b>57,275</b>	<b>191,635</b>
<b>Suppliers and contractors</b>	<b>178,308</b>	<b>111,959</b>	<b>66,349</b>	<b>113,951</b>
Payments for oil transportation services	147,451	78,120	69,331	86,333
Payments for petroleum products transportation services	10,934	8,612	2,322	8,631
Payments for the purchase of oil	15,551	16,199	(648)	12,911
Payments for oil compounding services	278	387	(109)	361
Payments for construction, revamping, modernisation and acquisition of fixed assets and intangible assets	259	4,035	(3,776)	1,396
Other payments	3,835	4,606	(771)	4,319
<b>Tax due</b>	<b>93</b>	<b>83</b>	<b>10</b>	<b>33</b>
<b>Advances received (excluding VAT)</b>	<b>51,610</b>	<b>56,465</b>	<b>(4,855)</b>	<b>53,286</b>
Under oil transportation contracts	41,519	44,617	(3,098)	41,584
Under petroleum products transportation contracts	9,456	10,826	(1,370)	10,395
Under other contracts	635	1,022	(387)	1,307
<b>Agency contract payments</b>	<b>19,022</b>	<b>20,574</b>	<b>(1,552)</b>	<b>19,821</b>
Payments under agency contracts for oil transportation	1,276	1,491	(215)	1,655
Payments under agency contracts for petroleum products transportation	267	313	(46)	718
Settlements with Transneft Group's subsidiaries under other agency contracts	16,941	18,361	(1,420)	16,937
Other agency contracts payments	538	409	129	511
<b>CTG settlements</b>	<b>9,265</b>	<b>14,274</b>	<b>(5,009)</b>	<b>3,957</b>
<b>Settlements with shippers for compensation of property losses</b>	<b>1,949</b>	<b>0</b>	<b>1,949</b>	<b>0</b>
<b>Settlements with other creditors</b>	<b>773</b>	<b>390</b>	<b>383</b>	<b>587</b>
<b>Total:</b>	<b>310,961</b>	<b>245,594</b>	<b>65,367</b>	<b>191,636</b>

Annual report 2020: Avant-garde in detail

## Receivables, RUB mln

Type of debt	31 December 2020	31 December 2019	Change 2020/2019	31 December 2018
<b>Long-term receivables</b>	<b>4,202</b>	<b>3,016</b>	<b>1,186</b>	<b>1,609</b>
Trade receivables	3	3	0	33
Other advances paid	0	0	0	0
Payments for accrued interest on loans issued	4,110	2,188	1,922	1,309
Payments for a sold share in a partnership	81	82	(1)	107
Payments for interest-free loans	7	13	(6)	11
Payments for other transactions	1	730	(729)	149
<b>Short-term receivables</b>	<b>99,538</b>	<b>101,386</b>	<b>(1,848)</b>	<b>91,977</b>
<b>Trade receivables</b>	<b>16,850</b>	<b>18,555</b>	<b>(1,705)</b>	<b>17,016</b>
Payments for oil transportation services	3,890	3,890	0	3,890
Provision for doubtful debts	(3,890)	(3,890)	0	(3,890)
Payments for oil compounding services	463	644	(181)	602
Agency contract payments	483	156	327	145
Payments for property rental services	78	75	3	83
Payments for oil sales for export	14,608	16,476	(1,868)	15,925
Payments for consulting services	8	97	(89)	90
Oil storage payments	994	986	8	15
Provision for doubtful debts	(952)	0	(952)	0
Other	1,168	121	1,047	156
<b>Advances paid</b>	<b>17,100</b>	<b>9,655</b>	<b>7,445</b>	<b>36,950</b>
Under contracts for oil and petroleum products transportation	17,602	8,401	9,201	210
Under agency contracts for oil transportation	1,610	1,653	(43)	1,578
For the purchase of non-current assets	87	164	(77)	33,603
Others	748	865	(117)	7,660
VAT on advances paid	(2,947)	(1,428)	(1,519)	-6,101
<b>Tax and due payments</b>	<b>55,493</b>	<b>61,359</b>	<b>(5,866)</b>	<b>29,666</b>
Consolidated taxpayers group (CTG) income tax	10,713	9,120	1,593	2,342
VAT	44,774	52,226	(7,452)	27,304
Other taxes and charges	6	13	(7)	20
<b>Other debtors</b>	<b>30,781</b>	<b>32,506</b>	<b>(1,725)</b>	<b>29,002</b>
Payments for accrued interest on loans issued	3,520	6,928	(3,408)	4,635
Agency contract payments	1,462	2,573	(1,111)	2,356
Payments by CTG members	857	1,292	(435)	551
Other payments	24,942	21,713	3,229	21,460
<b>Provision for doubtful debts</b>	<b>(20,686)</b>	<b>(20,689)</b>	<b>3</b>	<b>-20,657</b>
<b>Total:</b>	<b>103,740</b>	<b>104,402</b>	<b>(662)</b>	<b>93,586</b>

## Taxes and charges incurred during the year, RUB mln

Tax name	2020	2019	Change 2020/2019, RUB mln	Change 2020/2019, %	2018
Corporate income tax	42	21	21	100	85
Income tax accrued by the responsible CTG member	30,300	37,409	(7,109)	(19)	42,783
Income tax of controlled foreign companies (CFC)	0	0	0	0	6
Value-added tax (VAT)	(99,876)	(101,967)	2,091	(2)	(97,426)
Property tax	383	362	21	6	73
Other taxes and charges	3,342	3,243	99	3	3,187
<b>Total:</b>	<b>(65,809)</b>	<b>(60,932)</b>	<b>(4,877)</b>		<b>(51,292)</b>
including:					
to the federal budget	(95,233)	(96,192)	959	(1)	(90,810)
to regional and local budgets	29,401	35,235	(5,834)	(17)	39,493
to extrabudgetary funds	23	25	(2)	(8)	25

In 2020, Transneft accrued and paid income tax as the responsible member of the Transneft Consolidated Group of Taxpayers (CTG), which included 32 (36 in 2019) Transneft subsidiaries (in accordance with the Agreement on the Establishment of the CGT).

## 5.3. FINANCIAL PERFORMANCE INDICATORS UNDER RAS

### Estimated Financial Indicators of Transneft

Indicator	2020	2019*	Absolute deviation 2020/2019	2018
Return on equity (excluding oil sales to China), %	33.07%	38.12%	-5.05	5.55%
Return on invested capital (by operating profit, excluding sale of oil to China) adjusted for nominal taxation rate, % (ROIC)	6.87%	10.00%	-3.13	5.41%
Return on sales excluding oil sales to China, %	9.86%	13.51%	-3.65	7.83%
Receivables turnover ratio	8.38	11.70	-3.32	13.94
Quick ratio	0.77	0.83	-0.06	0.74
Current ratio	0.77	0.83	-0.06	0.75

\* The figures have changed compared to the 2019 Annual Report due to the retrospective recording of significant changes in the treatment of tax differences.

## 5.4. CAPITAL INVESTMENT FINANCING SOURCES

In 2020, Transneft's capital investments amounted to RUB 1,049.1 million.



[The capital investment financing sources are presented in Appendix No. 5](#)