Annual report 2019




TO BE THE FIRST CHOICE

SINCE 1922 TATRAVAGÓNKA POPRAD

DEAR LADIES AND GENTLEMEN,

The years 2019, and the previous year, were significant by an unprecedented growth of production volume. Several challenges were related to that. One of the greatest challenges was expansion of our staff, so that it can correspond to the qualitative and quantitative requirements of the production range.

Another area of focus was the renewal of our machinery, as well as its expansion and modernisation. The main idea for technological investments was, and still is, to increase the production process's effectiveness and increase its stability with regard to quality.

Thanks to our ability to successfully manage these challenges, we pick up, concerning the production volume, in the pre-revolution years. And after several decades, we finally deleted the negative effect of turbulent 90s on our company.

In 2019, we manufactured 3,442 wagons and 9,276 bogies. We fulfilled the plan, which seemed ambitious at the beginning of the year. At the same time, we created perspective personnel, process and technological basis for maintaining of this production volume in the next years.

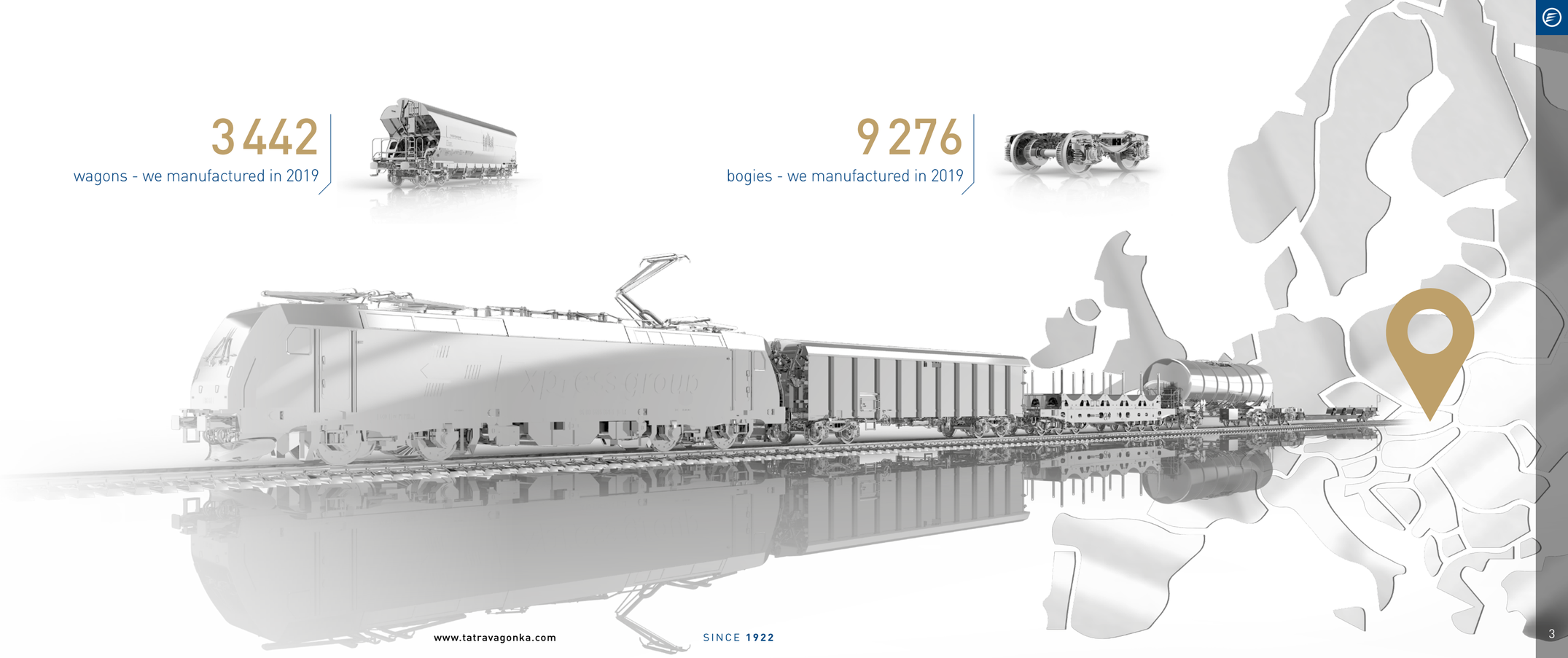
The volume of manufactured wagons and bogies expressed in the amount of Euro 352.1 mil., profit before taxation in the amount of Euro 18 mil. And also number of delivered products represents a significantly better result than achieved in the last years.

We achieved these results mainly due to our employees and business partners, to whom I would like to thank for their loyalty and trust in our company.

Ing. Juraj Hudáč
General Director

3 442
wagons - we manufactured in 2019

9 276
bogies - we manufactured in 2019



BASIC INFORMATION ABOUT THE COMPANY

Business name:
TATRAVAGÓNKA, a. s.,

Head office:
Štefánikova 887/53, 058 01 Poprad

Business ID No.:
31699847

Tax ID No.:
2020514496

ID number for taxes
SK2020514496

Founded in:
December 1st, 1994 on the basis of National property fund decision of 29th September 1994

Subject of business:

- development, production and sales of: railway vehicles for transportation of freight and passengers, railway vehicle components, special-purpose conversion vehicles, subassemblies of railway vehicles, non-standard (single-purpose) machinery and equipment for machining and welding, air-technology equipment, transport devices for metal constructions, sectional and sectional technical blocks
- maintenance and repair of railway vehicles,
- automated data processing – providing of software
- manufacture of protective means and working clothes, manufacture of protective clothes
- metal production /small objects – gates, fences, grillage/
- work with crane and earth-mover, crane and binding courses, courses for drivers of motor vehicles, organisation of trainings and courses, performance of welding courses
- lease of real estate, lease of motor vehicles, lease of machines and tools, lease of movable goods
- repair and maintenance of machines and devices with mechanical drive, repair and maintenance of machines and devices with electric drive
- road freight transportation
- production of technical gasses
- heating works, gas fitting, water fitting
- repairs of lifts and lifting specified technical equipment, greasing service, repair of motor transportation carts, revision of specified electric and lifting devices
- elaboration of technological processes, proposal of technological devices
- development and production of tools for engineering production
- constructor - performance of simple constructions and sub-deliveries, masonry
- activity of account advisers, activity of organisational and economic advisers, accounting services, administrative services
- organisation and providing of cultural and public events and programs, innkeeper activity,
- business activities, except goods which need special state permission, administration of market areas,
- business in the area of handling with other than dangerous waste, business in the area of handling with dangerous waste
- accommodation services, accommodation services in accommodation facilities with inn keeping activities, operation of athletic facilities and facilities for regeneration and recondition
- examination of working gauges except reserved gauges, defectoscopic tests of materials (except defectoscopic test of cables, cableways), performance of weld destructive tests
- assembly, repair and maintenance of electric devices within the range of: objects without the danger of explosion – objects with the danger of explosion – devices with voltage over 1000 V with restriction of voltage up to 52 kV - devices with voltage up to 1000 V – lightning conductors – electrical devices note: electrical devices up to 10 kV in vol. class A, B
- forwarding business
- operation of health care institution: general ambulance in the field of general medicine, operation of health care institution: ambulance of specialized ambulance health care in the field of common certified working activities – audiometry, operation of health care institution: ambulance in specialized field of internal medicine
- promotional and marketing services
- computer services, services related to computer processing of data
- repair and maintenance of tools for household, sport tools and products of fine mechanics
- operating of railway, operating of travel on the railway
- electro-energetics, scope of business: delivery of electricity, distribution of electricity.

BOARD OF DIRECTORS

Ing. Alexej Beljajev Sr.
Chairman of the Board of Directors Board

Ing. Peter Malec
Vice-Chairman of the Board of Directors

Ing. Alexej Beljajev Jr.
Member of the Board of Directors

Ing. Michal Škuta
Member of the Board of Directors

Ing. Matúš Babík
Member of the Board of Directors

SUPERVISORY BOARD

JUDr. Michal Lazar
Chairman of the Supervisory

JUDr. Ľudovít Wittner
Member of the Supervisory Board

Ivan Petríček
Member of the Supervisory Board

Ing. Jaroslav Vittek
Member of the Supervisory Board

Ján Soska
Member elected by employees of the company

Jarmila Sivčová
Member elected by employees of the company.

SHAREHOLDING STRUCTURE

The amount of the company's basic capital is represented in the amount of EURO 86,392,566 as of December 31st 2019. The amount of paid-in capital is EURO 86,392,566. It is divided into 1,267,258 unregistered stocks in the form of booked commercial papers priced at EURO 33.2 per share, 100 unregistered stocks at the price of EURO 33,194 and 205,001 unregistered stocks at the price of Euro 200.

COMPOSITION OF UNREGISTERED STOCKS

	Basic capital share		Voting rights
	EUR	%	%
Optifin Invest, s. r. o.	43 196 283	50,00	50,00
BUDAMAR LOGISTICS, a. s.	43 196 283	50,00	50,00
Total	**86 392 566**	**100,00**	**100,00**

2019 Revenues 368 569 775 €

2019 Profit before tax 18 027 701 €

2019 Average numb. of employees 2 108

2019 Investments 20 432 936 €

BASIC INDICATORS OF THE COMPANY

in €	2003	2004	2005	2006	2007	2008
Revenues	91 026 168	89 505 535	80 655 853	71 742 203	118 791 514	273 164 151
Average numb. of employees	2 256	2 081	1 665	1 421	1 510	1 952
Assets	54 219 473	57 466 868	57 173 575	55 355 748	87 529 983	155 198 534
Fixed assets	29 622 614	28 978 146	29 506 610	28 239 539	35 183 002	58 610 033
Basic capital	32 953 122	34 143 039	36 749 100	38 076 085	39 051 380	43 119 108
Profit before tax	-20 048 837	124 297	-4 831 362	-5 316 882	13 215 256	24 136 704
Investments	3 181 700	2 405 061	2 038 355	442 846	5 066 219	22 745 922

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
252 281 877	205 396 153	176 037 535	190 487 425	173 328 568	229 363 328	211 282 715	190 797 507	221 893 952	286 764 810	**368 569 775**
1 933	2 100	1 836	1 848	1 896	2 067	1 958	1 804	1 828	1 947	**2 108**
228 425 000	239 008 113	246 270 662	223 445 698	215 186 250	246 624 864	244 328 854	243 241 156	249 645 105	278 185 884	**306 161 666**
124 021 000	136 025 814	138 972 597	140 747 385	130 150 678	143 947 923	150 430 213	147 016 496	151 906 786	155 204 382	**165 829 706**
45 392 366	45 392 366	45 392 366	45 392 366	45 392 366	45 392 366	45 392 366	86 392 566	86 357 826	86 357 826	**86 357 826**
30 679 846	15 304 067	5 037 311	7 098 665	3 206 121	11 652 909	21 917 208	9 707 223	10 411 693	13 242 277	**18 027 701**
16 536 018	9 298 050	5 655 820	4 220 479	4 367 056	3 528 000	2 888 354	5 474 573	7 591 737	8 536 434	**20 432 936**

In the terms of the annual report's content pursuant to § 20 of Act on Accounting,
no material events took place in the period from December 31st 2019 to the date of issuing the annual report.

PRODUCTION PROGRAM

FREIGHT WAGONS

Sgmmnss 40‘
4-axle container wagon with length of 40‘ designed for transportation of 20‘ and 40‘ containers and swap bodies. The wagon is suitable for transportation of heavier materials due to its tare of 16 t, 15.5 t respectively. The maximal weight of loaded wagon is 90 t. It is equipped with a foldable bridge, which enables easier unloading, and thus it is a very useful user element.

Sgmmns 48‘
4-axle freight wagon designed for transportation of heavy containers with weight up to 74 t. It is also suitable for transportation of ISO containers. The wagon frame is made of high-strength materials. The wagon is equipped with Y 25 Ls-K bogies with mechanical brake. The wagon tare is 16.5 t +/- 2% and the loading weight is 73.5 t +/- 2%. Weight of loaded wagon is 90 t.

Sgmmns 52‘
4-axle freight wagon designed for transportation of heavy containers with weight up to 74 t. It is also suitable for transportation of ISO containers. The wagon frame is made of high-strength materials. The wagon is equipped with Y 25 Ls-C-K bogie with compact brake. The wagon tare is 16.5 t +/- 2 % and the loading weight is 73.5 t +/- 2 %. Weight of loaded wagon is 90 t.

Sggnss 80‘
4-axle freight wagon designed for transportation of High Cube containers with height of 2,896 mm and High Cube pallet wide containers with height of 2,896 mm and width of 2,500 mm. It is suitable for transportation of ISO containers 20´, 26´, 30´, 40´, 45´ classified in UIC 592-2, Class I. Variability of the containers enables minimally 30 different loading combinations. The wagon tare is 21.5 t and loading weight is 68.5 t. Weight of loaded wagon is 90 t. This wagon is manufactured also in a version with a bogie with a disc brake. An advantage of this version is a lower noise. The tare of the wagon with the disc brake is 22.3 t and the loading weight is 67.7 t. Weight of loaded wagon is 90 t.

Sggrss 90´/ 80‘ / 60´– InnoWaggon
8-axle short-coupled 80‘ two segment container wagon is designed for transportation of various types of containers and container swap bodies, which enables to offer flexible transportation solutions with one wagon type. Low wagon weight of 29.5 t enables transportation of heavy containers, including special ones. The wagon is equipped with Y25 Ls-C-K bogie with compact brake CFCB for 1,435 mm track gauge, as well as for the track gauge of 1,524 mm.

Sggrss 80’
6-axle freight wagon designed for transportation of ISO containers 20‘, 26‘, 30‘, 40‘classified in UIC 592-2, Class I. The wagon is designed for operation on tracks with 1,435 mm track gauge. The wagon is equipped with Y 25 Ls1-K bogie. The wagon tare is 27.5 +/- 1.5 % t. Weight of loaded wagon is 90 t.

Sggmrss 90’
6-axle freight wagon designed for transportation of ISO containers 20‘, 26‘, 30‘, 40‘, 45‘classified in UIC 592-2, Class I. The wagon is designed for operation on tracks with 1,435 mm track gauge. The wagon is equipped with Y 25 Ls1-K bogie. The wagon tare is 28.5 +/- 1.5 % t. Weight of loaded wagon is 90 t.

Sggmrss 80’ ESP
6-axle freight wagon designed for transportation of ISO containers 20‘, 26‘, 30‘, 40‘classified in UIC 592-2, class I. The wagon is designed for operation on tracks with 1,435 mm track gauge, but mainly on tracks with 1,668 mm track gauge. The wagon is equipped with Y 25 Lss(f)e-K bogie. The wagon tare is 28.5 +/- 2% t. Weight of loaded wagon is 90 t.

Sggmrss 90’ ESP
6-axle freight wagon designed for transportation of ISO containers 20‘, 26‘, 30‘, 40‘, 45‘classified in UIC 592-2, class I. The wagon is designed for operation on tracks with 1,435 mm track gauge, but mainly on tracks with 1,668 mm track gauge. The wagon is equipped with Y 25 Lss(f)e-K bogie. The wagon tare is 29.4 +/- 2 % t. Weight of loaded wagon is 90 t.

T3000e/ Sdggmrss
Two-segment recess wagon of articulated design with two bogies of type Y25 Lssi1-K and standardized bogie Y25 Ls(s)i1f. The wagon is designated for transportation of megatrailers and other saddle semi-trailers and standardized swap bodies/containers manipulated by crane in all European railway networks with normal track gauge. At each wagon end, there is installed a king pin saddle with Crash-elements for protection of the king pin and the semi-trailer. The wagon tare is 35 t and weight of loaded wagon in s/ss mode is 135/120 t.

T3000eD/ Sdggmrss
Two-segment recess 6-axle wagon of articulated design with a disc brake is a version of the wagon T3000e, whereby each of six wheelsets is equipped with two brake discs. The wagon tare is 36 t and weight of loaded wagon in s/ss mode is 135/120 t.

Samms 489
6-axle flat freight wagon designed for transportation of heavy loads and heavy military vehicles. The wagon tare is 31 t and the max. weight of loaded wagon is 135 t.

Saghmmns-ty 488 (so called BraCoil)
6-axle flat freight wagon equipped with detachable loading frame. It is used for transportation of slabs, steel sheet coils, and after removal of the loading frame, it is used for transportation of containers. Detachable loading frame has 5 beds for steel sheet coils and 6 support beams that are situated in the upper part of the loading frame for loading of slabs. Brams of 100°C maximal temperature can be loaded in 4 layers one on another

with maximal loading weight of 100 t. Containers 1x40´, or 2x20´, or. 1x20´ (unsymmetrical loading) can be transported only after removal of the loading frame. Weight of one container is 36 t maximally. The wagon tare with the loading frame is 35 t, without the loading frame it is 27.5 t and maximal weight of loaded wagon is 135 t.

Snps
4-axle freight wagon equipped with stanchion system suitable for transportation of timber. After modification, the wagon can be used also for transportation of ISO containers. The wagon is equipped with Y 25 Ls-K bogie with mechanical one-sided brake. Tare of completely equipped wagon is max. 23 t. Weight of loaded wagon is 90 t.

Laaerss
4-axle freight two-segment and double-deck wagon suitable for transportation of cars. The wagon tare is 36 t. Weight of loaded wagon is 90 t.

Tagnpps 101 m3
4-axle covered discharging wagon with 101 m3 volume of a vessel is designed for transportation of agricultural products, mainly grain and other similar bulk products sensitive to humidity. This user-friendly wagon has significantly reduced maintenance requirements. The wagon has totally three discharging reservoirs with an inclination of max. 50o to the vertical axis, six discharging openings with discharging by means of vaulted segmented flaps into the rail centre. The wagon tare is up to 21 t and weight of loaded wagon is 90 t.

Tams
4-axle wagon with volume of 80 m3. The wagon is designed for transportation of REA-plaster with specific weight of 0.8 t/m3. The wagon is whole metal (partially made of high-strength materials) with solid straight floor, with firm front walls, two-piece opening roof and with two openings with doors for cleaning of the wagon. The wagon is equipped with an optimized roof controlled mechanically by means of emergency manual wheel on one wagon side, as well as by means of input four-square, or pneumatically by means of a rotary engine controlled by buttons on each wagon side. The wagon tare is 24 t ± 2 % and max. weight of loaded wagon is 90 t.

Zacens 73 m3
4-axle tank wagon with volume of 73 m3 with heating and insulation is designed for transportation of dangerous goods of class 3.6 and 9 according to RID. The wagon is designed for climatic conditions with temperatures from -25oC to + 50oC. The wagon tare is max. 22 t and the overall wagon weight is 90 t.

Zacens 80 m3
4-axle tank wagon with volume of 80 m3 with heating and insulation is designed for transportation of dangerous goods of class 3.6 and 9 according to RID. The wagon is designed for climatic conditions with temperatures from -25oC to + 50oC. The wagon tare is max. 26.1 t and the overall wagon weight is 90 t.

Zans 98 m3
4-axle tank wagon with volume of 98 m3 is designed for transportation of light oil products. The wagon is designed for operation without limitations on all European railway tracks with normal track gauge. The wagon complies with requirements for GE marking. The wagon tare is 21.7 t ± 2 % and max. weight of loaded wagon is 90 t.

Zacns 88 m3
4-axle tank wagon with volume of 88 m3 designed for transportation of light oil products. The wagon is designed for operation without limitations on all European railway tracks with normal track gauge. The wagon complies with requirements for GE marking. The wagon tare is 21.4 t ± 2 % and max. weight of loaded wagon is 90 t.

Zans 88 m3
4-axle tank wagon with volume of 88 m3 designed for transportation of light oil products. The wagon is designed for operation without limitations on all European railway tracks with 1,668 mm track gauge. The wagon is equipped with Y 25 Lse-K bogie with mechanical one-sided brake. The wagon tare is 22.35 t ± 2 % and max. weight of loaded wagon is 90 t.

Zags 85 m3
4-axle tank wagon with volume of 85 m3 is designed for transportation of compressed gases of class 2 (UN 1086 and UN 1063) according to RID. The wagon is designed for operation without limitations on all European railway tracks with normal track gauge. The wagon complies with requirements for GE marking. The wagon tare is 22.8 t ± 3 % and max. weight of loaded wagon is 90 t.

Zacns 62 m3
4-axle tank wagon with volume of 62 m3 with heating and insulation is designed for transportation of hydrochloric acid. The wagon is designed for climatic conditions with temperatures from -25°C to + 50°C. The wagon tare is 22.5 t +/- 400 kg and the overall wagon weight is 90 t.

BOGIES

Y 25 Ls1-K
2-axle bogie for freight wagons with axle load of 22.5. Max. speed loaded 100km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm. Weight is 4.6 t.

Y 25 Lsi-K, Y 25 Lsif-K
2-axle bogie with integrated brake for freight wagons with axle load of 22.5 t, hand brake in version f. Max. speed loaded 100 km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm. Weight is 4.7 t.

Y 25 Ls-K
2-axle headstock-free bogie for freight wagons with axle load of 22.5 t. Max. speed loaded 100 km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm. Weight is 4.2 t.

Y 25 Lsi-C-K
2-axle headstock-free bogie for freight wagons with axle load of 22.5 t with compact CFCB brake. Max. speed loaded 100km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm. Weight is 4.2 t. The Y 25 Lsi-C-K bogie is manufactured also in the version for 1,524 mm track gauge (Finland).

Y 25 Lse-K
2-axle headstock-free bogie for freight wagons with axle load of 22.5 t. Max. speed loaded 100km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm, as well as for the track gauge of 1,668 mm (Spain). Weight is 4.3 t.

Y 25 Lss(f)e-K
2-axle bogie for freight wagons with axle load of 22.5 t. Max. speed loaded 100km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm, as well as for the track gauge of 1,668 mm (Spain). Weight is 4.7 t.

TVP NG-DBS
2-axle headstock-free bogie for freight wagons with axle load of 22.5 t with disc brake. From the standard Y25 bogie, it differs mainly in modified suspension and in using of the cross-coupling for improvement of running characteristics and for reduction of wheel wear.

QUALITY POLICY AND OBJECTIVES

The Quality Management System in TATRAVAGÓNKA a.s. Poprad is certified in accordance with the standard EN ISO 9001:2015 and also ISO/TS 22163:2017 (IRIS). The system is certified since 1994 and it is verified through regular annual audits performed by reputable auditing companies.
In terms of the Quality Management System, we put the emphasis on the requirements arising from the standards EN ISO 9001:2015 and ISO/TS 22163:2017 with a stress on management and constant improvement of management, supporting but mainly principal company processes with regard to requirements and needs of the customer. The Quality Policy determines the long-term direction, from which specific quality objectives and obligations arise. The quality objectives are created according to SMART method (Specific, Measurable, Achievable, Realistic, Time-framed), whereby they are specified for the one year period with regular monthly, or quarterly or annual monitoring, within the corresponding company processes.

FUNDAMENTAL PRINCIPLES OF THE QUALITY MANAGEMENT SYSTEM:

The top management, as well as each employee, is a part of quality management system and his/her work affects quality of products and services,

All processes and operations have to be conducted according to regulations,

The system is regularly monitored and analysed for the purpose of continuous improvement,

Functioning of the decision making processes is based upon facts,

By means of a feedback, we provide applicability of the company processes, whereby we monitor their development, effectiveness and influence upon satisfaction of customer requirements, which are materialized in the product. In the processes, there are introduced corrective and preventive measures for their improvement,

System approach provides mutual interconnection and functionality of the processes based upon determination of their mutual interaction and definition of inputs and outputs.

KPI - key performance indicators are used for measurement of company processes. According to measured results, we take measures for improvement of stability and process capability. The KPI assessment results are linked with motivational elements. We continue in process optimization by using the progressive quality tools such as the 8D method with subsequent monitoring of the corrective action Problem Solving Monitor. All company processes are managed and monitored by means of SAP information system, with useful of outputs also from other supporting systems such as Windchill, Lotus Notes, etc. During the year, our quality management system is verified by internal QMS audits according to the approved schedule of internal audits for the corresponding year. A wide range of independent audits resulting from TSI regulations and other legislative requirements. The external audits arise from the requirements of the market and they are used also for monitoring of customer requirements fulfilment. The following certificates represent an evidence of capability of an effective functioning of the company processes and their adjustment.

CERTIFICATES

DET NORSKE VERITAS GL
Rotterdam

Quality management CERTIFICATE according to EN ISO 9001:2015

DET NORSKE VERITAS GL
Rotterdam

Quality management CERTIFICATE according to ISO/TS 22163:2017

ŽSSK Cargo
Bratislava

Acknowledgement of the company's professional competency for production, modernisation, reconstruction and repairs of railway freight wagons, for production and repairs of spare parts for railway freight wagons, for repair of brake gear devices of rolling stock

Office for railway transportation regulation, Bratislava

Authorization for welding of railway vehicles, production, repairs and reconstruction of determined technical pressure equipment and non-destruction testing of rolling stock.

SVV
Praha

CERTIFICATE for quality management in welding according to the Standard ČSN EN ISO 3834-2:2006 + ČSN EN ISO 14554-1
Certificate for processes of gluing at the level A2 according to the standard DIN 6701-2:2015

SLV
Hannover

Certificate of the competency in welding railway vehicles and their components according to the CL1 level of DIN EN 15085-2.

TUV SUDDEUTSCHLAND
Mníchov

Certificate for quality management in production and repairs of pressure equipment according to EN 14025

Dražní úřad
Praha

Certificate of the competency in welding of tanks of railway tank wagons designated for transportation of dangerous substances according to RID regulations

For all types of wagons and bogies, we provide product certification according to the regulations of TSI by reputable Notified Bodies.

PRODUCTION AND SALES IN 2019

The vision of the company Tatravagónka a.s. "To be the first choice" is an effort to fulfil the values of the company culture that enabled our company to achieve a dominant position in the marketplace in the field of freight wagon and bogie production. Almost 100 years of determined and tireless work has contributed to strength of the trademark, which is represented by the following figures: manufacture and delivery of more than 137,000 freight wagons in almost 100 different design versions and approximately 400,000 bogies.

PRODUCTION

Production capacity of our company is approximately 4,000 freight railway wagons and 10,000 bogies per year. In 2019, 3,442 wagons and 9,276 bogies were manufactured. In comparison with 2018, number of manufactured wagons is greater by 688. From the total number of bogies, 724 bogies were manufactured for the external customers, and in comparison with 2018, the bogie production increased by 2,266 bogies.

In 2019, we operated 9 specialized production lines, i.e. we were able to manufacture 9 different freight wagon types at once. Monthly capacity of each production line is 100 freight wagons. Great consumption of production capacities and this amount of various wagon types required a thorough organisation of production and its accuracy, timely provision of material inputs, and, last but not least, additional investments into renewal of technologies and also maximal focus of involved employees.

From the overall amount of wagons, the Poprad plant manufactured 2,785 wagons in 2019, which represents 80.9 % of the overall production.

The container wagons had the greatest share of the production also in 2019. They created up to 59 % of the overall production. They are represented mainly by wagons of type Sggnss 80´ and Sggrrs(s) 80´.

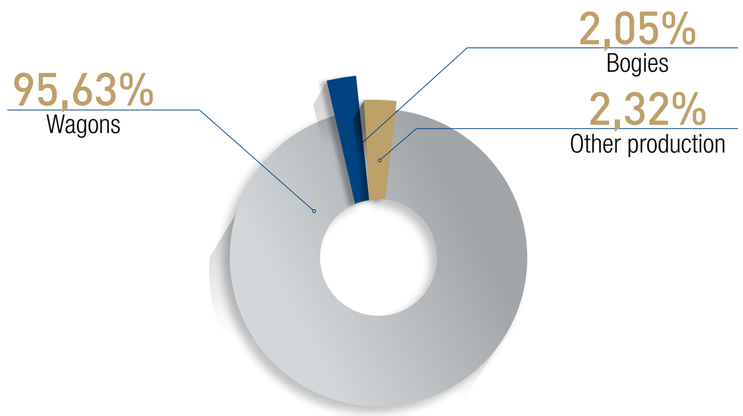
Within the Sggnss 80´ project we recorded a great boom in production of this wagon, as it is a successful project, which is manufactured in our company with small pauses for several years already. In 2019, we manufactured and dispatched more than 1,000 wagons of this type. Therefore, we call this year the year of the long 80. Interest in this wagon is a result of perfect design execution, which is the basis for the subsequent effectiveness of transport with many variants of container and swap body loading, as well as its running characteristics. In operation, it reaches the noise level under 80 dB, so we can classified it among so called "very quiet wagons". After optimisation of the design solution, its height was reduced by 50 mm. From the ecological point of view, lower overall number of wagons that are necessary to be coupled in a train in order to transport the same amount of goods in comparison with shorter and longer wagons for transportation containers is very important. It is a reduction of up to 20% of energy necessary for transportation of the train set. Other advantages are represented by saving of costs for subsequent maintenance, as well as for production itself, as one bogie with related brake system is absent here when compared with its articulated cousin Sggrss 80´. In this wagon, we will not find the articulation and its parts as well. Regarding loading effectiveness, our wagon is the best when compared with all other types of container wagons. In 2015, it was declared by the Union of machinery industry to be the product of the year. Since then, the product underwent several modifications and improvements. For the future, a bit shorter version is also considered, which will contribute even more to effectiveness of transportations.

Another wagons manufactured in 2019 are from the category of container wagons in two different executions designated for the company Modalis. It is a small company with only 15 employees, which was established in 2002, and it provides services in the field of intermodal transportation and storage. The company decided to buy the first wagons of type Sgmmnss 40´ from Tatravagónka three years ago, and since then our cooperation continues. In this year, we concluded contracts for delivery of different types of the intermodal wagons, specifically for 120 wagons of type Sgnss 60´ and 50 wagons of type Sggmrss 92´. For both projects, a new development was necessary, and thus the Modalis wagons made busy also our prototype workshop by production of two prototypes. In comparison with the standard 60´ wagon, the wagon Sggnss 60´ is lowered and height of the loading plane is only 1,095 mm. For the customer, wagon height was a decisive parameter, because it will enable him to transport higher containers with larger volume. The serial production of this wagon started in October at BU05, and two different versions of these wagons will be manufactured:

1. The first 110 wagons will be used for transportation of containers for domestic waste from the city of Marseille in the south of France. In order to avoid leakage of potential polluting substances, these wagons will be equipped with a floor on the whole wagon length. The wagons will be operated by the final customer of Modalis - company RDT13.
2. The last 10 wagons will be without a floor, and they are designed for standard transportation of containers of the company Modalis. The wagon Sggmrss 92´ has an atypical length of 92 feet. It is necessary for transportation of special refrigerating superstructures, which have a refrigerating unit on one side. The wagons will be manufactured in Trebišov with planned completion of the project in July 2020.

The product portfolio was significantly represented also by tank wagons, 469 of which were manufactured in total. After a five year pause, when we delivered the last 80 m3 and 73 m3 wagons in 2013, new tank wagons, Zaens 88 m3, left out tank line for our long-term customer VTG. They are special, because they are designed for the Spanish market with wide track gauge. The wagons Za(c)ns 88 m3 with the track gauge for European tracks, we delivered in the last years for several customers with different modifications, had to be modified according to the requirements of our customer VTG. The wagon received a new design of the longitudinal seats, the overhang parts were modified so that the wagons comply with operation and maintenance in Spain. Hand brake controlled from the ground was also a new element on this type of wagon. A special requirement of the final customer was also optical sensors for monitoring of transported medium level. These sensors are used as an active

PRODUCTION IN 2019



Wagons	Bogies	Other production	**Total**
336 752 745 €	7 222 486 €	8 172 026 €	352 147 257 €

safety element during tank filling. Another modification was an insulated and heated discharging piping with atypical endings for supply of steam and drain of condensate. For RID approval of the tank and for TSI approval of design changes, we manufactured a prototype wagon, which was also showed at the Transport Logistic fair in Munich.

In the category of flat wagons, 347 wagons were manufactured. 83 of them were manufactured and sold within the project Sammns for the company PKP Cargo. It is a Polish state company, which decided, after several years, to buy new freight wagons, and on the basis of the state tender, the company Tatravagónka a.s. was selected again. After opened high-sided wagons of type Eanos, which we manufactured for PKP Cargo in 2011 and 2012, this time, they ordered 6-axle flat wagons of type Sammns for transportation of heavy rolled profiles and tracked vehicles. Originally, the company PKP Cargo ordered 70 wagons, and subsequently it ordered another 30 wagons. The wagons will be used mainly by the Polish Ministry of Defence, and in the next years, the wagons will be used for transportation of tanks. The overall weight of the wagon is 28.9 t; it is equipped with 3-axle bogies, and it can be loaded with up to 106.1 t. After the final wagon acceptance in Tatravagónka by PKP Cargo acceptance staff, the wagons are delivered to the Slovak-Polish border to the PKP tracks. The wagons are approved and registered in Poland. With this project, cooperation with this company does not end, as it continues with production of 936 intermodal wagons of type Sgmmns(s) 40´, Sggrs(s) 80´ and Sggmrs(s) 90´. Production of these wagons started in 2019 and it will continue until 2022.

In 2019, we also continued with production of double-deck wagons, so called car-carrying wagons, for transportation of cars. The wagons are designated for the German state company DB. The remaining almost 19.1 % (657 wagons) of the overall wagon production took place in the Plant Trebišov, which is a part of Tatravagónka a.s. since 2009.

As in previous years, the production program of the Plant Trebišov was focused on production of two-segment recess wagon of articulated design of type T3000. These wagons are designed for transportation of mega-trailers and other saddle trailers manipulated by crane and standardized swap bodies. In 2019, production in Trebišov was involved in 9 different projects. The longest project is production of the wagon T3000 for the customer DB. In December 2019, 980th wagon was manufactured and handed over.

Except for the above specified wagons, in 2019, we manufactured 160 wagons of type Sggmrss 90´. It is a 6-axle articulated wagon for transportation of containers and swap bodies, and it is suitable for transportation of: ISO containers with length of 20', 30', 40' and 45' classified in UIC 592; swap bodies of groups 1, 2, 3, 3a and 4 according to UIC 592-4. The wagon is designed for operation between railways with normal track gauge and Spanish and Portuguese railways with wide track gauge and for climatic conditions with T3 temperatures (from -25 °C to +45 °C) according to TSI-WAG.

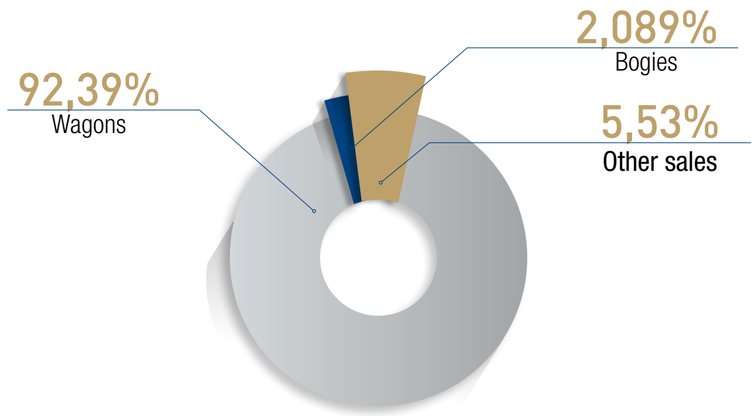
Furthermore, the wagons of type Sggrss 80´ were manufactured in Trebišov in this year. These are wagons for transportation of 20´ and 40´ containers, vertical loading and unloading of which is done by means of a crane or movable handling device.

In 2019, the bogie and the frame portfolio consisted of several types. Standard Y25 bogies were manufactured, as well as headstock-free bogies that are more attractive for the customers due to their lower weight and dimensions of the bogie, which enables to increase volume of transported cargo. The most 2-axle headstock-free bogies of type Y25Ls-K were manufactured for the wagon Snps for transportation of timber on the basis of requirement of the company Transwaggon.

The overall number of manufactured bogies and frames was 9,276 (724 for external customers).

A non-wagon production was also a part of the portfolio of Tatravagónka in 2019. In October of this year, we delivered the last product from the series of so called Bolsters, i.e. the bogie component for passenger trains, for our business partner – French corporate company Alstom. This project run in our company, with small pauses, since 2012. During this period, several hundreds of these components were delivered to the branch of specified company with the seat in Le Creusot.

SALES IN 2019

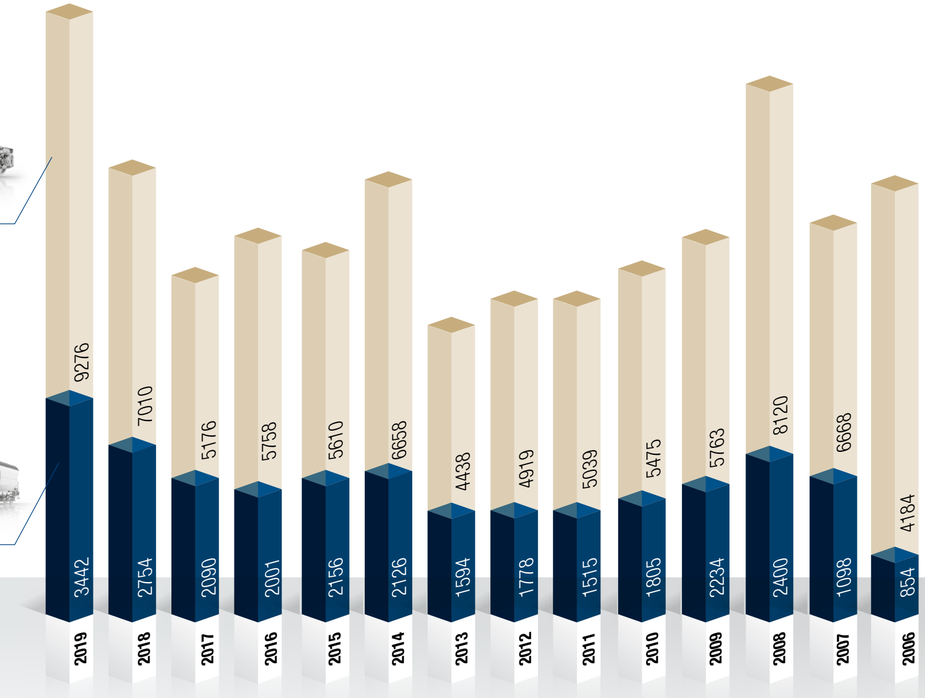


Wagons	Bogies	Other sales	**Total**
340 537 046 €	7 666 656 €	20 366 073 €	368 569 775 €

PRODUCTION OF WAGONS, BOGIES AND BOGIE FRAMES IN PIECES

Bogies

Wagons

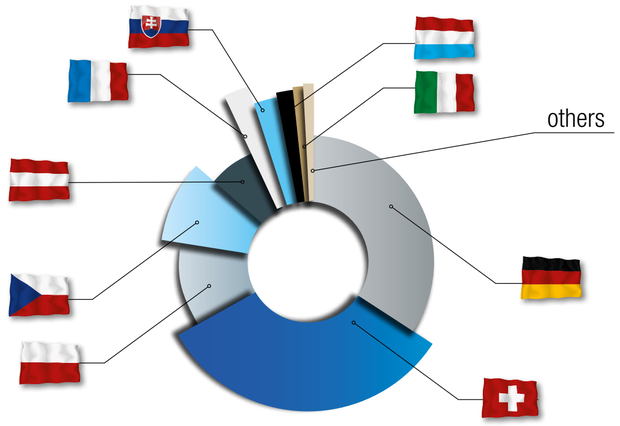


SALES

In 2019, we were able to sell products and services in the total value of Euro 368.5 mil., which represents a decrease in comparison with the defined annual plan by Euro 6.6 mil. (1.8%). In comparison with the previous year, the incomes grew by Euro 81.8 mil.
From the overall volume of incomes, the incomes from sale of the freight wagons are represented by 92.4 %. Another 2.1 % is represented by incomes from sale of bogies and bogie frames. Remaining 5.5 % are represented by incomes for the additional production program. The result of the company economy in 2019 was a profit after taxation in the amount of Euro 14.8 mil.

In 2019, Tatravagónka a.s. exported to the foreign markets 98 % of its production. From the territorial structure of sales, it is clear that the Swiss market maintains the first position in our portfolio from the last year (decrease by 3 %). We register significant share of incomes in case of sale of products and services to Germany (increase by 21.5 % in comparison with 2018). 8.8 % increase, in comparison with 2018, was recorded in export to Poland. The fourth place in expert was maintained by the Czech Republic (almost 9 %). Other significant countries for deliveries of the company were Austria, France, Luxembourg and Italy. The volume of sales at the Slovakian market in the last year dropped from Euro 16.5 mil. to Euro 7.1 mil.
In order to present the company at the international market and to gain new business contacts, we participated at four significant fairs in 2019.
At the beginning of June, it was a logistic fair called Transport Logistic, which was held in German Munich. It was the most significant event for all freight transporters from all over the world. More than 64,000 visitors from 125 countries visited this fairs. They could see 2,374 exhibitors. The event is held every two years on the area with extensive exteriors, which are used for display of transportation devices of attending companies: special loading machines, transportation superstructures, different types of semi-trailers and last but not least railway freight wagons. In this segment, products of our company dominated. For the potential customers, we offered 11 railway wagons. We exhibited the completely new tank wagon Zaens 88 m3, which belongs to the wagon fleet of VTG, and which can be operated in the countries of Iberian Peninsula thanks to its bogies with 1,668 mm track gauge. The fair confirmed that the market of railway innovations is progressing very rapidly. In 2018, 2019, everything is suggesting that also in 2020, further increase of demand for machine-industry products is expected. The long-term objective in the field of railway transport is move the largest possible volume of freight transports from roads to railways. This alternative represents more ecological method of transportation, and it will support the idea of sustainable development of the global economy.
After Munich fair, another fair – Czech Raildays – was held in Ostrava, which is a metropolis of the Moravian-Silesian region. In comparison with the German fair, the Czech fair is held every year. The fair offers an area for presenting of local companies and it enables availability of products for all interested parties – from the expert public up to kindergartens. From Slovakia, employees of the largest freight and passenger transporter ZSSK Cargo and Slovakian Railway Company attend this fair.
In September, our colleagues attended the significant railway fair in the north of Poland. The seaport city Gdansk welcomed the visitors of the international fair TRAKO 2019 for the 13th time. Our presence at this event is not accidental. Number of customers from our northern neighbour significantly increased in the last years, which was greatly supported also by structural funds from the EU for local companies. The field of transportation thus gained an important impulse, and deliveries of the freight wagons are more available also for smaller transporters and leasing companies, which contacted us in the last period with several demands. With no doubt, the national operator PKP Cargo is one of our most significant Polish customers.
The only non-European fair visited by Tatravagónka representatives in October was held in the Indian metropolis New Delhi. The 13th International Railway Equipment Exhibition organised by the Confederation of Indian Industry in cooperation with the Indian Ministry of railways and the Indian Government is practically the only fair in the territory of this populous country, which is related to the railway segment. With regard to activities and share of the company Tatravagónka in the Indian company Jupier Wagons and our active interest in utilizing of potential represented by this huge market, we presented ourselves at this fair as the European leader in production of railway freight wagons.

TERRITORIAL SALE IN €



Territorial sale	in €	in %
Switzerland	126 679 451	34,37%
Germany	120 570 339	32,71%
Poland	39 111 452	10,61%
Czech republic	32 366 630	8,78%
Austria	24 331 179	6,60%
France	7 339 802	1,99%
Slovak republic	7 135 750	1,94%
Luxembourg	5 401 250	1,47%
Italy	3 386 500	0,92%
Other	2 247 422	0,61%
Total	**368 569 775**	**100%**

INVESTMENTS

In 2019, Euro 20.4 mil. was put into investments, which is more by Euro 11.9 mil. than in the previous year.
The investment activity was mainly focused upon increase of work safety, modernization and renewal of machinery, technologies and production premises with an objective to make the production processes simpler, faster and more qualitative, to enlarge production capacities and also to stimulate the employees towards better performance.
In 2019, we invested Euro 2.4 mil. to purchase real estate in German town Niesky. The purchase was used to enlarge production area of our subsidiary company ELH Waggonbau Niesky. It is a company with production surface of approximately 37,000 m2, which employs highly-qualified and experienced staff consisting of specialist in the field of design of freight wagons for specific applications and railway logistics, as well as in the field of design of passenger coaches shells made of steel or aluminium. The production portfolio of the company ELH Waggonbau Niesky is further enriched by innovative components for railway industry, such as silent bogies and bogies with simple maintenance made of steel, stainless steel and aluminium. The machinery consists of modern milling and boring machines with CNC control, as well as of machines for flame cutting, bending machines and welding robots.
Within innovation of machines and improvement of competitiveness, our company invested resources into another press brake - Trubend 5320. It is globally the most successful press from the company TRUMPF. From programming, through installation of tools, up to bending itself, an incomparable and productive manufacture shall be guaranteed. Innovative equipment, such as shifted bottom tool and 6-axlesystem of rear stops, opens complete liberty for various applications. Many innovations, such as revolutionary simple and intuitively controlled concept of control, as well as modern solutions in the field of ergonomics, such as MagicShoe, make operator´s work easier. Thanks to numerous possibilities of automation, work is more pleasant, more safety and more productive.
In our company, we have several presses, and all of them are new machines that are only few years old, but Trubend 5320 has several improvements. The pressing force is 3,200 kN, max. working speed is 25 mm/s and accuracy of positioning is 0.04 mm. Touchpoint Trubend control connects a modern touch technology and control into a simple operational concept. Intuitive control resembles a tablet or a smartphone, and it includes also a realistic 3D visualisation. Another significant improvement is measurement of angles by the system ACB Laser (Automatically Controlled Bending). It is an economical and precise bending. Except for angle measurement, the ACB Laser performs also automatic regulation to the required value, i.e. if the system records, after bending and measurement, that the resulting angle does not have the required value, it adjusts automatically necessary parameters and it performs bending once more even with echo check. Thanks to the system, running in of the machine, which is very costly, is not necessary anymore. The system automatically compensates also changes in material properties. Recognition of sheet thickness is one the important functions. TCB (Thickness Controlled Bending) automatically recognizes sheet thickness by touch of the upper tools on the sheet, and subsequently it once again calculates depth of tool plunging. After that, without the need of calibration and new programming, the machine will reach an angle quality independent of sheet thickness.
In the last months, several construction works in production areas were made. They shall result in increase of effectiveness of logistics and storage premises. One of such projects was building a new storehouse for finished bogies. The storehouse was put into operation in June 2019. In the original area, there were two holding tracks for storage of wagons, bogies and wheelsets. The main idea was to use this area to its maximum scope. It resulted into elaboration of technical assignment and designing of new premises with 3 holding tracks with maximal capacity of 306 stored bogies. Within the project, we focused also upon making bogie handling more effective. In the past, bogies were loaded in these areas to trucks only by means of automobile cranes, today, the bogies are loaded by a portal crane with extended beam. The area of connection between the acceptance track output and the new holding area was also innovated a little bit. In the past, the bogies were moved by means of a small traverse with a drive installed under the level of the track. Today, the bogies are moved to the holding tracks by the manual electrical accumulator truck.

Review of the greatest investments of our company in 2019:
2.4 mil. €- purchase of real estate in Niesky
1.8 mil. €- building of production hall for cataphoresis (start of operation scheduled for 2020)
0.7 mil. € - production hall for surface treatment robotic line,
0.5 mil. € - robotised workstation CL0OS for welding,
0.3 mil. €- reconstruction of the hall PP-C6-L1, L2,
0.3 mil. € - press brake TruBend 5320,
0.3 mil. €- welding robot Demo with accessories,
0.3 mil. € - Qirox welding robot QRC 410-E with accessories,
0.2 mil. € - 2 milling centres in Trebišov.

Within renewal of the machines, two lathes – SU-50 A and SV18RA – got into the group of so called small investments. Lathe SU-50 A – it is a machine after complete general repair with parameters of a new machine. Delivery contained pneumatic attachment of work objects, 2-axle digital measurement ARbAH K + c, chucking device 315/3, cob spike and also technical documentation. From the technical parameters, chucking device diameter of 315 mm shall be mentioned, range of revolutions 11.2 to 1,400 revolutions per minute and maximal weight of machined part up to 850 kg. Except for turning and boring themselves, production of threads (metric, Whitworth, modular) is also included.

Machine SV-18RA – it is a new machine that replaced an old lathe designated for Department of production of special production tools (ŠVP). It is used for performance of all types of turning operations. It is very accurate and powerful machine for versatile application in piece and small batch production, for all types of metal and non-metal materials. The machine is characterised by great range of rising of metric, Whitworth, modular and DP (diametral pitch) threads, as well as transverse and longitudinal offsets. In connection with powerful 7.5 kW motor, it is suitable also for the most demanding turning operations. Maximal weight of machined part is 300 kg. Range of revolutions is from 14 to 2,800 revolutions / min.

EMPLOYEES

As of 31.12.2019, Tatravagónka a.s. company employed 2 170 employees.
In 2019, we focused our personnel activities mainly on intensive recruitment, employees adaptation and stabilization. To increase the attractiveness of employment with us, we used various forms of advertising. Advertising on job portals has proved to work, we also actively used free advertising through the Labour Office at ISTP, and the print form of advertising mainly in Podtatranské noviny, but also in other regional newspapers. In cooperation with the recruitment of new employees, we also contacted our existing employees in the form of a REFERRAL PROGRAM and we also used the services of personnel agencies.
Some employees were trained, or re-trained in the company´s Welding School. The qualification of new employees was upgraded so that they would be full-fledged employees of the company. The students of Secondary Vocational Technical School Kukučínova Poprad included in the system of dual education have been in our production premises since September, where the practical part of the study takes place, either in a separate workshop or directly at the machine in production under the supervision of an instructor. This is how we prepare our future employees in the required job positions of metalworker and CNC programmer.
We continued to improve the adaptation process for newly hired employees in all categories of employees. The aim was to improve the adaptation program for employees so as to support the professional and social integration of employees in the company. The program of Tatravagónka a.s. captures the dynamic side of this process, which is influenced by job demands, the evolving skills of the employee and the current needs of the company, as well as the inclusion of the employee in the existing system of interpersonal relationships in the workplace and in the company.

MEN/WOMEN RATIO

year	men	women	total
2005	1 376	289	1 665
2006	1 185	236	1 421
2007	1 262	248	1 510
2008	1 627	325	1 952
2009	1 611	322	1 933
2010	1 743	357	2 100
2011	1 512	324	1 836
2012	1 564	284	1 848
2013	1 581	315	1 896
2014	1 760	307	2 067
2015	1 670	288	1 958
2016	1 545	259	1 804
2017	1 570	258	1 828
2018	1 683	264	1 947
2019	1 839	269	2 108

EDUCATION IN THE COMPANY

Education and training of employees form an integral part of the strategy of Tatravagónka a.s. Poprad. The main goal is to provide qualified, educated and competent employees, who are the main prerequisite for the company's competitiveness. With the growing demands of the company's customers, the demands on the professional level of employees increase. Trainings and schoolings help to achieve this trend.
In 2019, the company provided 6,356 re-trained employees with development and growth through managerial, professional, computer, development and language courses in internal and external courses. In the given year, the trend in the implementation of basic and preparatory courses in the company's Welding School continued.

COOPERATION WITH SCHOOLS

Long-term planning in the field of human resources prevents negative phenomena in production caused by labor shortages, retirement and natural staff turnover. One of the sources of potential employees are secondary school and university students. In cooperation with secondary schools and universities, the company Tatravagónka a.s. has prepared a program of professional practice, internships, organizes excursions, provides consultations for bachelor's and master's theses. In 2019, the company continued in the system of dual education in cooperation with the Secondary Vocational Technical School in Poprad. The system includes 25 students in the Metalworker program and 38 students in the CNC Machine and Equipment Programmer program. In 2019, we also admitted into the dual education system the first students of the Secondary Vocational School of Electrical Engineering in Poprad - Matejovce. Thus, since 2019, 2 students have been trained in the field of Electromechanics for the needs of the company. The Trebišov plant cooperates in the system of dual education with the Church Secondary Vocational School of St. Josaphat in Trebišov. In 2019, 11 students were trained in the field of machinist. As the part of mutual cooperation with universities, the company actively participated in the Open Days at individual faculties and departments. It participated in job fairs such as "Where to go after graduating secondary school" and Engineering Olympics.

THE DEVELOPMENT OF EMPLOYMENT SINCE 2005

Average number of employees		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	% podiel
thereof	production workers	772	843	1 141	1 094	1 109	915	924	977	1 163	1 084	993	1 023	1 098	1 202	57,02%
	indirect labour	309	323	408	419	486	439	433	425	403	357	343	333	356	381	18,07%
	administrative w.	340	344	403	420	505	482	491	494	501	517	468	472	493	525	24,91%

NUMBER OF TRAINED EMPLOYEES 2019

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Welding school	64	49	78	69	50	40	36	48	56	49	41	43	**623**
Training total	460	554	536	626	449	390	521	384	455	448	541	369	**5733**

SOCIAL RESPONSIBILITY

Information on activities in the field of environmental, social and employment, respect for human rights, the fight against corruption and bribery are published on the company's website https://tatravagonka.sk/vizia-spolocnosti-tatravagonka/.

Tatravagónka has long been building a relationship with its customers based on four basic pillars:

- to achieve a dominant position in the production of freight wagons and bogies by the quality and flexibility of deliveries using traditional values, experience and modern technology,
- to develop and produce innovative products that satisfy all customer requirements through satisfied and qualified employees,
- to be a stable and attractive employer through an open corporate culture focused on teamwork, connecting employees through management and an individual approach,
- by strict adherence to safety standards and norms, creating a social and work environment for employees in which they behave responsibly towards their health and the health of their colleagues

With regard to the environment, the company is committed to acting responsibly in order to achieve the following result:

- We ensure that our products, activities and services comply with applicable environmental legislation and regulations.
- We maintain and continually improve our environmental management systems to comply with more stringent requirements required by specific market or local regulations.
- We conduct our activities in a manner that aims to continuously improve environmental sustainability through recycling, conservation of resources, protection against pollution, product development and the promotion of environmental responsibility among our employees.
- We responsibly manage the use of hazardous materials in connection with our activities, products and services.

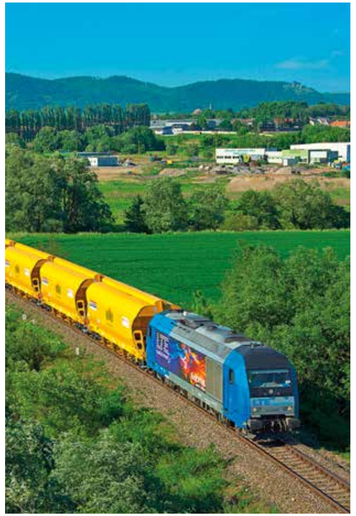
Environmental goals are adopted and defined each year based on the requirements of management and company.
In compliance with the principles of social responsibility in the field of human rights and labour policy, Tatravagónka respects the basic principles set out in the Universal Declaration of Human Rights. The company's core values and culture reflect the company's commitment to ethical business practices and suitable work environment. Our procedures and practices require the conduct of our business activities with uncompromising integrity and the promotion of human rights within the sphere of company influence:

1. Voluntary choice of employment - we support the elimination of all forms of forced labour or involuntary work of prisoners.
2. Prohibition of child labour – the company is against any form of child labour abuse, and does not employ child labour and supports the elimination of child labour abuse.
3. Minimum wages - our employees receive wages and bonuses that meet or exceed the statutory minimum.
4. Working hours - we do not require our employees to work more than the maximum number of hours worked required by local law.
5. No discrimination - we support and approve the elimination of discriminatory employment practices and promote diversity in all areas of our business activities. Our practices prohibit discrimination based on race, skin colour, age, gender, sexual orientation, gender identity and expression, nationality, religion, physical imperfections, military affiliation, and nationality.
6. Prohibition of inappropriate or inhuman treatment - physical abuse, maltreatment or any threats are prohibited. We provide a safe and healthy work environment for all our employees.
7. Freedom of association - we exercise the rights of employees associated in trade unions in accordance with local laws and established procedures.
8. Business rules - the company's suppliers are obliged to announce and promote legal rights.

In the social field, emphasis is placed on:

- Responsibility - we behave professionally and we want to constantly learn new things and improve both humanly and professionally. We approach the living, social and cultural environment responsibly.
- Cooperation - is based on two pillars, self-confidence and humility. Each of us believes in ourselves and remembers that we can do it together. We work together to achieve our common goal. We are all members of one team and work together for integrity, responsibility, quality, excellence and expertise. An important element of our cooperation is open communication across the entire company. We share not only the same values, but also the same information.
- Innovation - we are appropriately curious and with an open mind we create, implement and look at innovative solutions in the rail freight market. The personal development and education of all our employees brings us creative solutions, approaches and perspectives from little things to big projects. We push the boundaries and look for new challenges that materialize in real products thanks to our creativity.
- Trust - is our common moral value, by which we express our unequivocal attitude towards the Tatravagónka company as well as towards every single colleague. This value unites us and manifests itself in loyalty to the company. We trust each other, and at the same time we are trustworthy. We also show trust to our colleagues, whether it is a superior or a subordinate within the vertical organizational structure. We also treat our partners openly, transparently and ethically, building our credibility and respect in business relationships.
- Safety - is paramount for all of us. We value human life the most. Our highest priority is to create a safe work environment. We do not compromise on security, nor is it affected by the achievement of the company's goals, quality, costs and deadlines. We are aware of our responsibility for our own safety. At the same time, we assume collective responsibility for the safety and health of each one of us.

Another important area of support from the company is the area of philanthropy. On a monthly basis, Tatravagónka devotes itself to redistributing a certain amount of funds for the development of sports and cultural events, organizations and projects in the region. We support all activities aimed at children and people with disabilities, where we give priority to such disadvantaged children of our employees.
Tatravagónka complies with the conditions in the area of public procurement through public tenders.



THE IMPACT OF THE COMPANY'S ACTIVITIES ON THE ENVIRONMENT

Employees of the department develop legislation in the environmental protection into the company´s internal management acts, operational - safety regulations, work procedures, etc., methodically and professionally lead managers and employees at all levels of management in environmental protection and regularly check compliance with the legal status. They cooperate with the state bodies of the environment and hygienic supervision of the Regional Office of Public Health, prepare reports, communications and concepts in the field of the environment, provide the necessary measurements and analyses, contracts with disposal facilities, etc.

A separate lubrication and tribo-technical service has been established, which ensures the handling of petroleum substances (oils, cooling emulsions, lubrication of machines). Regarding technical facilities, a de-emulgation and neutralization station for the neutralization of waste and rinse water and machining emulsions has been built, which is a hazardous waste disposal facility. The company has its own industrial water supply, washing ramps for washing cars and motorized transport trucks with oil interceptors, gravity petroleum substances separator on the rainwater drainage system leading to the watercourse Husí potok, diesel dispenser with paved surface and petroleum substances interceptor. Tatravagónka a.s. has built safe warehouses for paints and oils, paved areas with a retention tank for handling metal chips from machine tools contaminated with pollutants and separating equipment on blasting lines to protect the air from solid emissions. It regularly provides filter inserts on spray and drying cabins to reduce emissions, two technologies contain catalytic combustion of waste gases containing organic volatile substances, etc.
In addition to energy sources, where the heating medium is natural gas, these are sources of particulate matter pollution such as for example blasting lines and organic solvents in surface treatments. Every year, the company assigns funds related to the quantities of pollutants discharged as air pollution sources according to proven calculations.
The total amount of particulate matter pollution is significantly reduced mainly due to cleaning and replacement of filters on blasting equipment, dismantling of several blasting equipment, which have been replaced by more modern technologies, and also thorough maintenance of these machines.
Tatravagónka a.s. is not a participant in the trading system for the new trading period 2013 - 2020. It was excluded from the trading system of obligated participants as of 31 December 2013 due to a reduction in the thermal output of natural gas combustion plants.
All types of waste have been disposed of in an environmentally friendly way. In Tatravagónka a.s. waste management activities are fully provided through an external company. Our production centres have a designated way of waste management through an established system of comprehensive waste management. An internal organizational guideline is developed, which stipulates the exact method of waste management, i.e., a system for sorting, storing them in designated containers and exporting them from the centres for disposal or delivery as a secondary raw material. In addition, the company has developed the organizational guidelines on the management of scrap metal, waste paper and wood collection, petroleum substances handling, oil change, etc.
In TATRAVAGÓNKA a.s. establishment, a total of 52 sources of air pollution are registered in the following breakdown:

Source type	Poprad	Trebišov
Small	6	12
Medium	22	5
Large	6	1
Total	**52**	

RESULTS OF COMPANY'S OPERATIONS AS OF 31.12.2019

ASSETS	as of 31. 12. 2019	as of 31. 12. 2018
Intangible assets	8 316	9 772
Property, plant and equipment	111 519	101 342
Investment property	1 165	1 138
Financial Assets	44 831	42 953
Deffered tax asset	0	0
Total non-current assets	**165 830**	**155 204**
Intangible assets of discontinuing operation	0	0
Property, plant and equipment of discontinuing operation	0	0
Property available for sale	0	0
Inventory	25 080	25 575
Marketable investments	0	0
Trade and other receivables	83 337	78 324
Tax receivables	6 545	2 700
Cash and cash equivalents	25 370	16 383
Total current assets	**140 332**	**122 982**
TOTAL ASSETS	**306 162**	**278 186**

EQUITY AND LIABILITIES	as of 31. 12. 2019	as of 31. 12. 2018
Subscribed equity	86 358	86 358
Funds	11 916	10 797
Retained earnings	42 919	34 219
Equity in total	**141 192**	**131 373**
Long-term finance liabilities	10 439	37 427
Other non-current liabilities	211	119
Deferred tax liability	8 069	9 063
Non-current reserves	6 447	5 482
Non-current liabilities - total	**25 167**	**52 091**
Trade and other liabilities	75 509	63 629
Short-term reserves	0	0
Tax liabilities	1 830	450
Short-term financial liabilities	62 464	30 643
Liabilities directly associated with assets classified as held for sale	0	0
Assets liabilities of a discontinuing operation	0	0
Current liabilities - total	**139 803**	**94 721**
Total Liabilities	**164 969**	**146 813**
TOTAL EQUITY AND LIABILITIES	**306 162**	**278 186**

SHORT FORM OF BALANCE SHEET (IN THOUSANDS OF €)

	as of 31. 12. 2019	as of 31. 12. 2018
Revenues from the main activity	368 570	286 765
Revenue from the sale of merchandise	12 488	12 858
Revenue from the sale of own products and services	356 082	273 907
Capitalization	1 386	884
Changes in inventories of finished goods and own production	-2 502	-1 052
Cost of main activity	347 085	271 371
Other operating income	2 603	1 730
Other operating expenses	5 356	3 718
Interest	-866	-972
Other financial expenses - net	731	-142
Other financial income - net	2 007	835
Profit before tax	**18 028**	**13 242**
Tax expenses	3 209	2 052
Profit for the period of continuing operation		**11 191**
Profit for the period of discontinued operation		**0**
PROFIT AFTER TAXES FOR ACCOUNTING PERIOD		**11 191**
Other components of comprehensive income in total	0	0
Total comprehensive income for accounting period	**14 819**	**11 191**

CASH FLOW (IN THOUSANDS OF EUR)

	as of 31. 12. 2019	as of 31. 12. 2018
Profit before tax	**18 028**	**13 242**
Items modifying profit before tax to cash flows from operating activities:	6 178	9 645
Operating profit before changes of working capital	**24 206**	**22 887**
Changes in assets and obligations:	5 257	9 343
Net operating cash flow	**29 463**	**32 230**
Interest received	198	43
Interest paid	-1 063	-1 015
Income from financial operations	0	0
Income tax paid	-2 149	-1 499
Net cash flow form operations	**26 448**	**29 759**
Expenses for acquisition of subsidiary and associated enterprises	-1 910	-1 211
Purchase of long-term tangible assets	-13 531	-7 284
Purchase of long-term intangible assets	0	0
Expenses for sold assets	0	0
Income from sale of long-term assets	228	125
Income from sale of shares of subsidiary companies	0	0
Expenses for long-term loans provided by accounting unit of other accounting unit, which is a part of consolidated unit (-)	0	-4 287
Income form sale of long-term loans	980	0
Return of advance payment for purchase of investment	0	0
Income from dividends and other shares of profits	0	0
Income from interest received	0	0
Other expenses used in investment activities	0	0
Other income connected with investment operations	0	0
Net cash flow from investment activities	**-14 233**	**-12 657**
Income from registered stocks and business shares	0	0
Interest paid	0	0
Dividends paid	0	0
Income from changes of loans and long-term obligations	1 772	728
Expenses for settlement of loans (-)	0	0
Expenses for paid dividends and other shares of profits	-5 000	-3 000
Expenses for other financial activities	0	0
Net cash flow from financial activities	**-3 228**	**-2 272**
Net increase of financial resources and equivalents	**8 987**	**14 830**
Financial resources and equivalents at the beginning of account period	**16 383**	**1 553**
Exchange rate differences enumerated for financial resources and equivalents	**0**	**0**
FINANCIAL RESOURCES AND EQUIVALENTS AT THE END OF THE ACC. PERIOD	**25 370**	**16 383**

BUSINESS PLAN FOR 2020

Favourable financial results in 2019 are a prerequisite for the implementation of further development impulses for the coming periods. The outlook for economic growth in the freight wagon market in Europe and beyond is optimistic. Based on these assumptions, we re-evaluated and objectively assessed our sales opportunities and adjusted the business plan for 2020 to this situation. However, this requires investment in streamlining the production process, which would support the growth of production capacity. Part of the investment activities shall be focused on strengthening and supporting the synergy effect of production within the Tatravagónka group. We consider this to be a strategic priority in the long run.

The expected growth of the rail freight market, combined with the shift of goods from road to rail, an increase in the share of transport from non-European markets by rail and the stimulation of rail transport by the European Union, are all positive trends on which we are building when investing in new developments.

In our portfolio, we will continue to strive to meet the growing demand for freight wagons for the transport of cars, also for container wagons specializing in the transport of food and waste, and in the long term also for wagons for the transport of grain. We plan to expand our offer to the English, Spanish and Portuguese (IBERIA) markets.

At the time of the evaluation of the 2019 marketing year (i.e. in the first months of 2020), the whole world had to stop and respond to the actual biggest threat to the world economy, namely the COVID-19 pandemic. Given the rapidly changing economic and trade conditions, we understand that in many cases the budgets and forecasts for 2020 drawn up in 2019 may be insufficiently relevant. In an effort to eliminate to the greatest extent the impact of the COVID-19 pandemic on Tatravagónka's performance, we have taken several measures to maintain the company's ability to achieve future revenues, collect receivables and repay liabilities, but primarily to protect the health of our employees in the performance of their work.

The economic downturn in 2020 will not be avoided by the railway sector either, but the decline in the production of freight wagons is not so significant. Freight transport by rail appears to be safe in the light of the possible risks of the virus spreading. The transfer of a new type of product to the railways and the emergence of new transport routes due to the accelerated transfer of disinfectants and protective equipment, medical supplies and a larger volume of food gives prospects for an increase in demand for freight wagons.

In the area of freight wagon development for 2020/21 and beyond, the trend of developing new innovative types of freight wagons and bogies with a focus on minimizing freight wagon weight, reducing noise and increasing versatility continues. In the field of intermodal wagons, it is primarily the development of wagons focused on the transport of new types of containers and interchangeable superstructures.

In the field of rail freight in Europe, the TIS initiative „White Paper - The Intelligent Freight Train IF2" is important, describing a roadmap for the rail freight future, which is characterized by the transition from an innovative freight wagon to an intelligent freight train. In practice, this means the gradual equipping of freight wagons with monitoring systems for monitoring both the movement of the wagon, the consignment or the goods, as well as the parameters related to the operating condition of the wagon. Furthermore, wagons need to be prepared for the possibility of incorporating an automatic coupler (a strategy called „DAC Charter", which aims to automatically connect freight wagons by 2030), and in practice gradually move from pneumatic to electro-pneumatic brake as a necessary condition for automatic coupling of wagons.

A separate chapter in the field of development and production of freight wagons is increasing the safety of freight transport, i.e. equipping wagons used for the transport of primarily dangerous goods with safety-relevant components.

TO BE THE FIRST CHOICE