The Go-Ahead Group plc
Half year results for the six months ended 28 December 2019
Business overview

Financial performance and expectations

• Group operating profit for the half year of £60.0m, (H1’19: £64.5m)*; full year expectations have slightly reduced, reflecting cost pressures and adverse weather in regional bus

• While unclear how the coronavirus situation will evolve in the coming weeks, travel patterns in the second half of the year are likely to be impacted

• Bus operating profit down 3.4% at £45.3m* (H1’19: £46.9m); strong performance in London & International division partially offset a weaker regional bus result

• Rail operating profit of £14.7m* (H1’19: £17.6m) was in line with our expectations; UK rail results offset the impact of a difficult start to our operations in Germany

• Maintained interim dividend at 30.17p (H1’19: 30.17p)

Operational highlights and milestones

• Record punctuality levels in both GTR and Southeastern supporting improved customer satisfaction of 82% and 81% respectively; regional bus customer satisfaction remains industry leading at 92%

• In final stages of discussions with the Department for Transport regarding a potential direct award contract for Southeastern

• First rail contract in Norway commenced in December 2019; expansion of our rail services in Germany and bus services in Ireland

* H1’20 figures are reported under IFRS 16. H1’19 figures are reported under IAS 17, and include a pre-exceptional charge of £16.8m relating to Guaranteed Minimum Pension equalisation on the bus pension schemes.
Elodie Brian
Group Chief Financial Officer
### IFRS 16 – Impact on key metrics

<table>
<thead>
<tr>
<th></th>
<th>H1’20 IFRS 16 basis £m</th>
<th>H1’20 IFRS 16 effect £m</th>
<th>H1’20 IAS 17 basis £m</th>
<th>H1’19 IAS 17 basis £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>277.1</td>
<td>176.0</td>
<td>101.1</td>
<td>106.1</td>
</tr>
<tr>
<td>Group operating profit</td>
<td>60.0</td>
<td>5.2</td>
<td>54.8</td>
<td>64.5</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(10.7)</td>
<td>(7.3)</td>
<td>(3.4)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>49.0</td>
<td>(2.1)</td>
<td>51.1</td>
<td>61.0</td>
</tr>
<tr>
<td>Earnings per share – basic (p)</td>
<td>64.6</td>
<td>(4.4)</td>
<td>69.0</td>
<td>93.2</td>
</tr>
<tr>
<td>Cashflow from operations</td>
<td>274.1</td>
<td>175.6</td>
<td>98.5</td>
<td>112.0</td>
</tr>
<tr>
<td>Free cashflow</td>
<td>160.6</td>
<td>168.3</td>
<td>(7.7)</td>
<td>58.7</td>
</tr>
<tr>
<td>Adjusted net debt</td>
<td>931.6</td>
<td>625.2</td>
<td>306.4</td>
<td>261.7</td>
</tr>
<tr>
<td>Adjusted net debt/EBITDA *</td>
<td>n/a</td>
<td>n/a</td>
<td>1.53x</td>
<td>1.34x</td>
</tr>
</tbody>
</table>

### Impact of IFRS 16 on profit before tax

![Impact of IFRS 16 on profit before tax](image)

- Operating profit higher under IFRS 16 basis - significant increase in EBITDA largely offset by increase in depreciation
- Profit before tax lower under IFRS 16 basis due to finance costs

^ H1’19 is presented on a pre-exceptional basis for all metrics throughout the presentation

* Following adoption of IFRS 16 on 30 June 19, rolling twelve months EBITDA data incorporating IFRS 16 is not available
### IFRS 16 – divisional impact

**Operating profit**

<table>
<thead>
<tr>
<th></th>
<th>H1’20 IFRS 16 basis £m</th>
<th>H1’20 IFRS 16 effect £m</th>
<th>H1’19 IAS 17 basis £m</th>
<th>H1’19 IAS 17 basis £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional bus</td>
<td>19.1</td>
<td>0.1</td>
<td>19.0</td>
<td>23.0</td>
</tr>
<tr>
<td>London &amp; International bus</td>
<td>26.2</td>
<td>0.6</td>
<td>25.6</td>
<td>23.9</td>
</tr>
<tr>
<td>Total bus</td>
<td>45.3</td>
<td>0.7</td>
<td>44.6</td>
<td>46.9</td>
</tr>
<tr>
<td>Rail</td>
<td>14.7</td>
<td>4.5</td>
<td>10.2</td>
<td>17.6</td>
</tr>
<tr>
<td>Total</td>
<td>60.0</td>
<td>5.2</td>
<td>54.8</td>
<td>64.5</td>
</tr>
</tbody>
</table>
Operating profit by division

Our performance in H1’20

- Regional bus – profit reduction driven by cost pressure and lower margin acquisitions
- London & International bus – strong performance in all three geographies
- Rail – lower profit in Southeastern due to different contractual terms and initial losses on German contracts
- Impact of IFRS 16 increases Group operating profit by £5.2m

<table>
<thead>
<tr>
<th>Division</th>
<th>H1’20 IFRS 16 basis</th>
<th>Impact of IFRS 16</th>
<th>H1’20 IAS 17 basis</th>
<th>Year on year change</th>
<th>H1’19 IAS 17 basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional bus</td>
<td>19.1</td>
<td>0.1</td>
<td>19.0</td>
<td>(4.0)</td>
<td>23.0</td>
</tr>
<tr>
<td>London &amp; International bus</td>
<td>26.2</td>
<td>0.6</td>
<td>25.6</td>
<td>1.7</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Total bus</strong></td>
<td><strong>45.3</strong></td>
<td><strong>0.7</strong></td>
<td><strong>44.6</strong></td>
<td><strong>(2.3)</strong></td>
<td><strong>46.9</strong></td>
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<tr>
<td>Rail</td>
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<td>(7.4)</td>
<td>17.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60.0</strong></td>
<td><strong>5.2</strong></td>
<td><strong>54.8</strong></td>
<td><strong>(9.7)</strong></td>
<td><strong>64.5</strong></td>
</tr>
</tbody>
</table>
## Regional bus

### Our performance in H1’20

- Reported operating profit £19.1m. Down £4.0m to £19.0m (IAS 17 basis)
- Revenue per mile up 2.6% and journeys per mile up 0.4% compared to last year, excluding acquisitions
- Measures in place to continue address the gap between passenger yield and cost inflation
- Integration of Go North West impacted half year profits. Operating profit margin excluding Go North West is 9.1%
- Work underway to address operational cost increases
- Investment in 87 new buses
- One-off restructuring costs largely related to withdrawal of Oxford to London X90 coach service
- Outlook: Half year profit shortfall expected to be mitigated by management action; revenue headwinds due to adverse weather and coronavirus

### Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>H1’20</th>
<th>H1’19</th>
<th>FY’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit margin^</td>
<td>8.2%</td>
<td>10.6%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Revenue growth (lfl)*</td>
<td>2.3%</td>
<td>3.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Passenger growth (lfl)*</td>
<td>0.2%</td>
<td>2.3%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

^Operating profit margin is 8.2% under both IFRS 16 basis and IAS 17 basis
* On a like for like basis, excluding acquisitions
Our performance in H1'20

- Reported operating profit £26.2m. Up £1.7m to £25.6m (IAS 17 basis)
- QICs performance up £1.3m building on good performance in prior year
- Singapore and Ireland trading well, up £0.5m
- Outlook: Full year operating profit expected to be similar to last year
Our performance in H1’20

- Reported operating profit £14.7m. Down £7.4m to £10.2m (IAS 17 basis)
- Southeastern profit down under new contractual terms
- GTR operational performance good; improved profitability
- Operational challenges in Germany due to delayed delivery of trains and driver shortages
- One-off benefit from close out of old franchises
- Outlook: No change to current expectations; continue to assess financial outlook of German rail operation

Operating profit margin *

<table>
<thead>
<tr>
<th></th>
<th>H1’20</th>
<th>H1’19</th>
<th>FY’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit margin *</td>
<td>0.7%</td>
<td>1.2%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

* Operating profit margin is 1.0% under IFRS 16 basis and 0.7% under IAS 17 basis
# Cashflow statement

## Our performance in H1’20
- Material impact of IFRS 16
- Working capital movements due to timing of payments in rail
- Cashflow mostly impacted by higher capital expenditure and phasing of tax payments under new HMRC payment on account rules

<table>
<thead>
<tr>
<th></th>
<th>H1’20</th>
<th>H1’19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>277.1</td>
<td>176.0</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFRS 16 basis £m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IAS 17 basis £m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year on year change £m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td>(3.0)</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Cashflow from operations</strong></td>
<td>274.1</td>
<td>175.6</td>
</tr>
<tr>
<td><strong>Tax and net interest</strong></td>
<td>(38.1)</td>
<td>(7.3)</td>
</tr>
<tr>
<td><strong>Net capital investment</strong></td>
<td>(63.0)</td>
<td>(63.0)</td>
</tr>
<tr>
<td><strong>Dividends paid – Minority partner</strong></td>
<td>(12.4)</td>
<td>(12.4)</td>
</tr>
<tr>
<td><strong>Free cashflow</strong></td>
<td>160.6</td>
<td>168.3</td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>(30.9)</td>
<td>(30.9)</td>
</tr>
<tr>
<td><strong>Inception of new leases</strong></td>
<td>(12.4)</td>
<td>(12.4)</td>
</tr>
<tr>
<td><strong>IFRS 16 ROU asset onto B/S</strong></td>
<td>(781.1)</td>
<td>(781.1)</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Movement in adjusted net debt</strong></td>
<td>(661.3)</td>
<td>(625.2)</td>
</tr>
<tr>
<td><strong>Opening adjusted net debt</strong></td>
<td>(270.3)</td>
<td>(270.3)</td>
</tr>
<tr>
<td><strong>Closing adjusted net debt</strong></td>
<td>(931.6)</td>
<td>(625.2)</td>
</tr>
</tbody>
</table>
Capital investment

Our performance in H1’20

- Investment in 87 new buses in regional bus
- Investment in 39 new buses in London bus and vehicle refurbishments reflecting contract requirements
- Investment in rail relates to depot construction in Germany and contractual requirements in UK rail
- Net capital investment affected by sale of assets in prior year and contract mobilisation

<table>
<thead>
<tr>
<th></th>
<th>H1’20</th>
<th>Year on year change</th>
<th>H1’19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Regional bus fleet</td>
<td>25.8</td>
<td>8.3</td>
<td>17.5</td>
</tr>
<tr>
<td>London bus fleet</td>
<td>11.6</td>
<td>8.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Total bus fleet</td>
<td>37.4</td>
<td>16.5</td>
<td>20.9</td>
</tr>
<tr>
<td>Technology and other</td>
<td>3.8</td>
<td>0.5</td>
<td>3.3</td>
</tr>
<tr>
<td>Bus depots</td>
<td>2.0</td>
<td>(4.9)</td>
<td>6.9</td>
</tr>
<tr>
<td>Rail investment</td>
<td>5.8</td>
<td>(5.1)</td>
<td>10.9</td>
</tr>
<tr>
<td>Capital investment</td>
<td>49.0</td>
<td>7.0</td>
<td>42.0</td>
</tr>
<tr>
<td>Net capital investment</td>
<td>63.0</td>
<td>25.5</td>
<td>37.5</td>
</tr>
</tbody>
</table>
## Net debt position

### Our performance in H1’20

- Material impact of IFRS 16 – bank covenants remain on IAS 17 basis
- Adjusted net debt / EBITDA 1.53x (IAS 17 basis) within target range of 1.5x - 2.5x
- BBB- / Baa3 (stable) rating. Ratings reaffirmed

### Financial Indicators

<table>
<thead>
<tr>
<th></th>
<th>IFRS 16 basis</th>
<th>IAS 17 basis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1’20</td>
<td>H1’20</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>£510.2</td>
<td>£510.2</td>
</tr>
<tr>
<td>Net debt / (cash)</td>
<td>£421.4</td>
<td>(£203.8)</td>
</tr>
<tr>
<td>Adjusted net debt</td>
<td>£931.6</td>
<td>£306.4</td>
</tr>
<tr>
<td>EBITDA (rolling 12 months)</td>
<td>n/a</td>
<td>£200.5</td>
</tr>
<tr>
<td>Adjusted net debt/EBITDA</td>
<td>n/a</td>
<td>1.53x</td>
</tr>
</tbody>
</table>

### Core Financial Facilities (£m)

- Syndicated facility 2024: £280.0
- 7 Year £250m 2.5% Sterling Bond 2024: £250.0
- Euro financing facilities: £16.0
- Total core facilities: £546.0
- Amount drawn down at half year end: (£411.7)
- Balance available: £134.3
Financial outlook

Bus operating profit
- Cost base challenges and emerging revenue headwinds result in lower than previously expected full year profits
- London & International bus expected to achieve a consistent result in second half

Rail operating profit
- Final stages of discussions with DfT regarding Southeastern Direct Award contract from 1 April 2020
- GTR – modest operating profit margin in 2020; range remains at 0.75% to 1.0% over contract life
- Continue to assess financial outlook of German contracts

Capital expenditure
- Around £140m in full year due to a contract award in Cornwall and additional London Bus contract wins
David Brown
Group Chief Executive
Our Strategy

A world where every journey is taken care of

Will be delivered by our strategies to

- Protect and grow the core
- Win new bus and rail contracts
- Develop for the future of transport

With responsibility as a business for safer and

- Better teams
- Happier customers
- Stronger communities
- Smarter technology
- Cleaner environment

Underpinned by our core beliefs and attitudes

We believe in

- Trusting people
- Being can do people
- Building relationships
- Being one step ahead

We are

- Accountable
- Down to earth
- Collaborative
- Agile
Protect and grow the core
Regional bus

Strategy

• Focus on urban areas with growth potential
• Deliver high quality services
• Focus on how bus can solve environmental and societal problems
• Anticipate customer needs
• Work in partnership with local authorities
• Seek growth opportunities in line with risk appetite

Overview

• Congestion increasing costs
• Improving revenue yield
• Market leading customer satisfaction of 92%
• Investment in new, greener fleet
• Go North West – turnaround underway
• Progress towards national bus strategy

Market Trends

– Government focus and funding
– Increasing congestion
– Climate change and air quality
London bus

Strategy

• Promote bus within Mayor’s sustainable transport strategy
• Focus on operational performance
• Deliver innovative cost efficiencies
• Maximise scale benefits from network of well-located depots
• Pursue tender opportunities

Overview

• QICs performance ahead of last year
• Encouraging win rate
• Expertise in electric buses
• Investment in apprenticeships
• Focus on innovation and safety leadership aligned to the Mayor’s “Vision Zero”

Market Trends

– Mayoral elections
– Expansion of ULEZ
– Vision Zero
International bus

Strategy

• Focus on operational performance
• Deliver innovative cost efficiencies
• Foster strong relationships with key stakeholders and partners

Overview

• Strong performance in Singapore
• Began service for second contract in Ireland
• Meeting all contractual expectations and customer satisfaction improving

Market Trends

- Liberalisation of international markets
- Appetite for foreign expertise
- Investment in public transport
UK rail

Strategy

• Consider individual opportunities in line with risk appetite
• Always bid with financial discipline
• Strong strategic partnerships

Industry overview

• Number of operators facing franchise challenges
• Awaiting publication of Williams Rail Review
• Passenger growth across the UK
• Government investment in railways, including HS2
Southeastern

• Punctuality has improved 10 points in last two years
• Strong alignment with Network Rail
• Customer satisfaction 81% – best Autumn result since 2013
• Continued drive to improve colleague diversity; 31% of all 2019 recruits female
• Operating under contract extension to 31 March 2020
• Final stages of discussions with DfT regarding a contract from 1 April 2020
• Running 3,600 services a day across the GTR network – UK’s largest franchise

• UK's most punctual large train operator – 4.6% year on year improvement in On Time to 71%

• Southern best performance since franchise began – customer satisfaction up 8 points to 82%

• UK's largest introduction of new trains completed in Autumn

• 42% rise in season tickets on The Key smartcard

• Partnership with Prince's Trust has given permanent jobs to 150 young people from disadvantaged backgrounds
International rail

Strategy

• Focus on operational performance
• Deliver innovative cost efficiencies
• Foster strong relationships with key stakeholders and partners

Overview

• Introduced new rail services in Germany and Norway in December 2019
• Operational challenges in German contracts impacting financial performance
• Smooth transition to first private operator in Norway, improving operational performance

Market Trends

– Liberalisation of international markets
– Appetite for foreign expertise
– Investment in public transport
Coronavirus

- Following advice from Public Health England
- Reminding colleagues about good hygiene
- Extensive cleaning practices already in place on buses and trains, in depots and driver facilities
- Government advice is that public transport is as safe as any public space
- Seeking ability to flexibly change services if passenger numbers reduce
- Travel demand likely to change – 75% of revenue contractual and not impacted by demand changes
Win new bus and rail contracts
# Go-Ahead international strategy

## Why
Opportunities in the UK are well defined in a mature market. We have expertise and skills from our UK bus and rail operations that other countries recognise and want to benefit from.

## How
Our strategy is to proactively target new bus and rail contracts and develop for the future of transport.

## What
- Plays to our strengths:
  - Land transport
  - Urban environment
  - High quality operations
  - Strong employee recruitment and engagement
  - Focus on customer experience
  - Devolved local management
- Good return on capital
- Visible pipeline of work
- Preferred market entry via contract with regulatory authority
- Limited capital requirements

## Where
- Stable political & legal systems
- Consistent with our values
- Transport authority which wants international expertise

## Current pipeline
- Singapore / Ireland / Germany / Nordics / Australasia

## Success
Our target is 15–20% of Group profit by 2022
Win new bus and rail contracts

- Ten international contract wins to date in five different countries with annualised revenue of over £400m
- Regional bus contract win in Cornwall, beginning in April 2020 with 155 buses covering 50% of services in the county
- Recent focus on mobilisation and consolidation in existing geographies, utilising expert resources across the Group
- Local bid teams in place for strong pipeline of opportunities in Singapore, Australasia and the Nordics
Develop for the future of transport
Develop for the future of transport

• Gaining valuable experience in demand responsive transport through PickMeUp in Oxford and Go-Sutton pilot with TfL

• Billion Journey project – innovative pilots including those measuring air quality and new rail fares for part time workers

• Rolling out air filtering bus to six new cities
Responsible business
Environmental

Public transport is a force for environmental good – by taking cars off the road we can reduce carbon emissions and improve air quality in our towns and cities.

Targets and performance

• Reduced carbon emissions per vehicle mile by 63% in four years, and are on track for our target of 25% reduction by 2021
• Support Government climate change targets with Go-Ahead’s commitment to running a zero emission bus fleet by 2035

Our progress

• Climate Change Taskforce established to coordinate Group activities in this area
• Air filter bus roll out
• Largest electric fleet operator in UK, growing low-emission fleet
• 146 new electric or low-emission buses introduced into our fleet
• Accredited with LSE Green Economy Mark
Public transport connects people to employment, education and vital appointments. It can also tackle social isolation and loneliness. We take our responsibilities as an employer of 30,000 people seriously, with initiatives and investments in development and protecting their health and wellbeing.

**Targets and performance**
- Good levels of colleague engagement
- Apprenticeship scheme targeting 1,200 new recruits
- Target of 20% women in bus by 2025
- 35% of applicants for 2020 graduate programme female, up from 23% last year

**Progress**
- 1,400 apprentices recruited last year
- Women in Bus and Women in Rail networks launched
- Investment in health and wellbeing programmes across businesses, include mental health ambassadors
- Plymouth awarded Platinum Investors in People
- Industry leading accessibility initiatives in UK bus and rail
- Community activities such as Chatty Bus, Herne Hill community centre and defibrillators at stations
Governance

We recognise the importance of strong and effective corporate governance both at Board level and throughout the Group. Our stakeholders interests are safeguarded by the Board’s commitment to good governance.

- Robust governance framework
- Clarification and communication of corporate purpose
- Board diversity – 57% of Board roles held by women
- Designated Non Executive Director to oversee workforce engagement
- Early adoption of the majority of 2018 Corporate Governance Code
Summary and outlook

Protect and grow the core
• Near-term challenges for regional bus market, with positive medium-term outlook
• Strong London and International bus performance
• Good UK rail performance
• Final stages of discussions with DfT regarding Southeastern direct award contract
• Difficulties with our German contract

Win new bus and rail contracts
• Focus on mobilisation and introduction of new contracts
• Strong bidding pipeline in target markets

Develop for the future of transport
• Piloting innovative solutions to prepare for the future of transport

Strong focus on shareholder returns
• Interim dividend maintained at 30.17p
Go-Ahead
## Summary income statement

<table>
<thead>
<tr>
<th></th>
<th>H1’20 IFRS 16 basis £m</th>
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<th>IAS 17 basis £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,972.6</td>
<td>-</td>
<td>1,972.6</td>
<td>1,920.8</td>
</tr>
<tr>
<td>Group operating profit</td>
<td>60.0</td>
<td>5.2</td>
<td>54.8</td>
<td>64.5</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(10.7)</td>
<td>(7.3)</td>
<td>(3.4)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Share of result of joint ventures</td>
<td>(0.3)</td>
<td>-</td>
<td>(0.3)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>49.0</td>
<td>(2.1)</td>
<td>51.1</td>
<td>61.0</td>
</tr>
<tr>
<td>Tax</td>
<td>(12.2)</td>
<td>(0.4)</td>
<td>(11.8)</td>
<td>(12.3)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>36.8</td>
<td>(2.5)</td>
<td>39.3</td>
<td>48.7</td>
</tr>
<tr>
<td>Non-controlling interests^</td>
<td>(9.0)</td>
<td>0.6</td>
<td>(9.6)</td>
<td>(8.7)</td>
</tr>
<tr>
<td>Profit attributable to members</td>
<td>27.8</td>
<td>(1.9)</td>
<td>29.7</td>
<td>40.0</td>
</tr>
<tr>
<td>Earnings per share – basic (p)</td>
<td>64.6</td>
<td>(4.4)</td>
<td>69.0</td>
<td>93.2</td>
</tr>
</tbody>
</table>

* H1’19 is presented on a pre-exceptional items basis

^ Non-controlling interest relates to 35% Keolis holding in rail
UK bus fuel

Our hedge profile

- Fuel hedging is consistent with policy
- Benefit of previous low oil price is no longer impacting the business
- Year ended 2020 fully hedged
- 2021 and 2022 – 75% and 37% hedged respectively

<table>
<thead>
<tr>
<th>Fuel hedging prices</th>
<th>H1’20 £m</th>
<th>FY’20 £m</th>
<th>FY’21 £m</th>
<th>FY’22 £m</th>
<th>FY’23 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>% hedged</td>
<td>100%</td>
<td>100%</td>
<td>75%</td>
<td>37%</td>
<td>12%</td>
</tr>
<tr>
<td>Price (pence per litre)</td>
<td>37.9</td>
<td>37.9</td>
<td>36.9</td>
<td>38.3</td>
<td>37.4</td>
</tr>
</tbody>
</table>
Bus pension

Our scheme at H1’20

• Scheme closed to future accrual with effect from 1 April 2014
• Different assumptions applied on actuarial valuation compared to accounting valuation
• Prior year has the impact of the £16.8m charge in respect of GMP equalisation for schemes that the Group participates in

<table>
<thead>
<tr>
<th></th>
<th>H1’20 £m</th>
<th>H1’19 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>848.0</td>
<td>816.5</td>
</tr>
<tr>
<td>Liabilities</td>
<td>(853.7)</td>
<td>(817.7)</td>
</tr>
<tr>
<td>Less tax</td>
<td>0.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Post tax deficit</td>
<td>(4.8)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Operating profit charge</td>
<td>0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Cash contribution</td>
<td>4.0</td>
<td>3.3</td>
</tr>
</tbody>
</table>
IFRS 16 - Leases

- From 30 June 2019, £0.8bn of leased assets were recognised as Right Of Use assets on balance sheet
  - Rail track access payments, leases of <1 year, low values excluded
  - No retrospective restatement
- Material income statement impact on current operations:
  - × Regional bus
  - ✓ London bus
  - × Singapore/Ireland bus
  - ✔ GTR
  - × Southeastern*
  - × German and Norwegian rail
- No impact on net cash flow
- No impact on our debt covenants which remain on a pre-IFRS 16 basis
- No impact on underlying cash flow; however presentation of cash flow changed

* No impact on Southeastern in current year to date due to leases being for <1 year