

PRESS RELEASE

10 June 2021

THE GO-AHEAD GROUP PLC

("GO-AHEAD" OR "THE GROUP")

TRADING UPDATE FOR THE YEAR ENDING 3 JULY 2021

The Go-Ahead Group today provides a trading update for the year ending 3 July 2021, ahead of the Group's full year results scheduled to be announced on 9 September 2021.

- Highest passenger volumes since start of pandemic; currently around 65 to 70 per cent of pre-crisis levels in regional bus
- Robust trading performance across all divisions; full year expectations increased for London & International bus division
- Strong balance sheet and cash generation ahead of previous expectations; leverage expected to be towards the bottom end of the 1.5 to 2.5 times target range at year end
- Bus and rail high on UK Government agenda with publication of 'Bus Back Better' national bus strategy and £3bn funding commitment, and Williams-Shapps Rail review
- Public transport remains critical to environmental sustainability, economic recovery, the delivery of health and wellbeing outcomes, and keeping communities connected

Go-Ahead Group Chief Executive, David Brown, said:

"After more than a year of COVID-19 restrictions limiting travel, it is great to see our buses and trains carrying more passengers as these restrictions start to ease and people enjoy the benefits of communities and businesses reopening. There are more people using our services today than at any point over the pandemic and we are ready to safely welcome more people back to our buses and trains.

"In recent weeks, we have welcomed the Government's 'Bus Back Better' national bus strategy and the Williams-Shapps Rail Review, putting public transport high on the Government's agenda. As we emerge from the pandemic, public transport has a huge role to play in economic recovery; and an equally important role in tackling climate change as we encourage more people onto our services and away from private cars. Go-Ahead is in a strong position, with a central role in the provision of a flexible, reliable and customer-focused public transport network.

"As well as attracting more people to our buses and trains, we are also committed to reducing our own environmental impact and have committed to setting ambitious Science Based Targets, details of which I look forward to sharing in the coming months."

Our markets

Regional bus

Since our last update in March, restrictions have started to ease and the pent-up demand for leisure, retail and general social contact has been reflected in the number of people travelling on our services. More people are now travelling on our services than at any point during the pandemic. Compared with March, when passenger volumes were at around 20 per cent of typical levels, we are now seeing between 65 and 70 per cent most days, with peaks of over 80 per cent in some regions.

As the number of journeys taken on our bus services grows, our reliance on Government support reduces, as the Coronavirus Bus Services Support Grant (CBSSG) seeks to supplement passenger revenue up to a breakeven position. We continue to work with the Department for Transport (DfT) to establish a framework to transition from CBSSG arrangements back to a commercial model.

In March 2021, we welcomed the Government's announcement of its first national bus strategy; something we have been calling for. As we emerge from the pandemic, in the context of ambitious national climate change targets, it is more important than ever for bus travel to be on Government's agenda and receive the focus and investment it warrants.

Through Go-Ahead's devolved model, we have a proud history of strong partnerships with local stakeholders, including local authorities, and have many examples of what can be delivered through successful collaboration. With a customer-centric focus aimed at reducing journey times and responding to changing passenger demand, we look forward to being part of these developments. We are working closely with our local authorities to produce Bus Service Improvement Plans which will deliver benefits for our customers, our communities and our environment. The role bus travel can play in local and national carbon emission reductions and air quality improvements cannot be overstated.

London & International bus

Our operations in London, Singapore and Ireland continue to trade well within a resilient business model. We continue to support and work closely with our clients as we welcome back more passengers to services as restrictions ease.

Our expectations for this division's performance for the year ending 3 July 2021 have now increased further, in part, due to a further one-off benefit associated with Quality Incentive Contract agreements that will be recognised in the second half of the year. In addition, we have seen lower than expected levels of sickness and better than expected colleague retention levels in London. In Singapore, the one-off benefit from COVID-19-related Government receipts will also improve the division's profitability in the second half of the year.

Rail

In the UK, Southeastern and GTR are approaching the end of their existing contracts. Discussions regarding directly awarded National Rail Contracts for both operations are underway with the DfT ahead of the scheduled end dates in Autumn 2021.

Last month, we welcomed the publication of the Government's White Paper detailing its plan for the future of UK rail and establishing a direction of travel for the industry. As the operator of two of the UK's largest rail contracts, we are actively working with the Government to shape the future of the industry, with a strong focus on customer experience.

Internationally, our German rail improvement plans in Baden-Württemberg continue to progress as expected, and contract mobilisation in Bavaria remains underway. The delivery of our rail services in Norway continues to be supported by the Government through the pandemic.

Our expectations for this division remain unchanged, with a breakeven performance anticipated in the year ending 3 July 2021.

Balance sheet and liquidity

As expected, liquidity has improved following some previously restricted rail cash becoming available. At the year end, we expect to have available cash and unutilised facilities in excess of £270m.

The Group maintains a strong balance sheet and expects adjusted net debt to EBITDA towards the lower end of our 1.5 to 2.5 times target range at the year end, remaining well below the 3.5 times bank covenant.

As a result of our resilient business model, our operations have remained cash generative throughout the crisis, during which we have continued to exercise strong financial discipline, minimising costs and cash outflows wherever possible.

Outlook

Overall, our financial outlook for the year ending 3 July 2021 has improved, with an increase in our expectations in the London & International bus division.

The Board continues to work towards paying a dividend at an appropriate level in the 2021 calendar year.

Our priority over the coming months is helping passengers return to our services and welcoming new passengers who may be looking for a greener, value-for-money travel choice. Not only is this vital for our business, but it is essential in supporting economic recovery and the achievement of the Government's ambitious climate change targets.

A call for analysts and investors will be held at 9.00am. Please contact investorrelations@go-ahead.com for details.

ENDS

For further information, please contact:

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GO-AHEAD

Go-Ahead is one of the leading UK public transport operator companies. Our purpose is to be the local partner taking care of journeys that enhance the lives and wellbeing of our communities across the world. Employing around 30,000 people across our businesses, typically over 1.2 billion passenger journeys are undertaken on our rail and bus services every year. In addition to the travelling public, our customers include governments and local authorities. We are committed to contributing to tackling climate change, improving air quality and reducing social isolation, and aim to run a zero-emission bus fleet by 2035.

BUS

Go-Ahead is one of the UK's largest bus operators. With a fleet of nearly 6,000 buses, we carry over two million passengers every day. We have a strong presence in London, with around 24 per cent market share, where we provide regulated services for Transport for London. Outside London, we principally serve high-density commuter markets, including the

North East, Greater Manchester, East Yorkshire, East Anglia, South East and South West England. Internationally, we operate a bus contract in Singapore and two bus contracts in Ireland.

RAIL

The rail division operates two franchises in the UK, three contracts in Germany and one in Norway. In the UK, Southeastern and GTR (Govia Thameslink Railway) operate through our 65 per cent owned subsidiary, Govia, which is 35 per cent owned by Keolis. It is the largest rail operation in the UK, responsible for around 30 per cent of all UK passenger rail journeys through its rail franchises. In Germany and Norway, our contracts are run exclusively by Go-Ahead.