

## PRESS RELEASE

6 June 2019

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

**TRADING UPDATE  
FOR THE PERIOD FROM 30 DECEMBER 2018 TO 5 JUNE 2019**

The Go-Ahead Group plc today announces its trading update for the period from 30 December 2018 to 5 June 2019. The next scheduled update is the Group's full year results for the year ending 29 June 2019 which will be announced on 5 September 2019.

The year to date growth rates in this announcement are for the period from 1 July 2018 to 27 April 2019.

### Overview

- High levels of punctuality across all divisions; record customer satisfaction in regional bus
- Full year expectations increased in the London and international bus division due to strong operational performance, including in Singapore and Dublin
- Growth in passenger volumes and revenues in all regional bus businesses, full year expectations broadly unchanged
- Southeastern continues to perform well; continued improvements in GTR operational performance
- German rail contracts launching this weekend following a four-year mobilisation period

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

"I'm pleased to report that we have delivered revenue growth in all three of our business divisions. This performance is driven by our commitment to continually improving services for our bus and rail customers and I'm delighted with our recent results in reliability and satisfaction levels.

"In bus, service performance levels in our London operations remain high resulting in continued growth in Quality Incentive Contract income. Service levels also remain high in our regional bus business, which recently achieved the industry's highest ever customer satisfaction score of 92%, with Go-Ahead topping the league table for punctuality and journey time.

"In rail, Southeastern remains the best performing large UK train franchise, with the highest levels of punctuality in its history. Service levels at GTR continue to improve with punctuality for the month of April reaching 89.3%, a record level for the franchise, after nine consecutive months of year on year improvement.

"PickMeUp in Oxford is growing in popularity, with 25,000 people now registered to use our app-based service and over 130,000 journeys made since its launch in June 2018. On the back of this successful pilot, we have recently won a year-long contract from TfL across the borough of Sutton, in partnership with ViaVan.

"Our international bus operations in Singapore and Dublin are trading ahead of expectations, and we look forward to operating rail services in Germany from this weekend. Our international development teams continue to work on contract opportunities in our target markets and there is also a strong pipeline in these areas."

## Bus

### *Regional*

#### *Year to date like for like growth rates\**

Revenue	Passenger journeys
c.4%	c.3.5%

\* Revenue and passenger journey growth rates exclude the impact of acquisitions.

We are pleased that we continue to grow passenger volumes and revenues, albeit at a lower yield due to our targeted campaigns aimed at younger passengers. We have plans in place to improve yields whilst ensuring we continue to grow our customer numbers and manage the cost base. In the second half of the year operating profit is expected to be in line with the second half of last year.

We have now completed the acquisition of the Queens Road bus depot in Manchester from FirstGroup and began operating 22 routes with 173 buses earlier this week.

### *London and international bus*

#### *Year to date like for like growth rates\**

Revenue	Mileage	Peak vehicle requirement (PVR)
c.(0.5%)	c.(4%)	c.(5.5%)

\*Revenue, mileage and PVR growth rates exclude the impact of the Dublin bus contract which began in September 2018.

Our expectations for the full year have increased and we now anticipate a stronger financial performance than last year. This reflects a strong operational performance in London which has resulted in higher Quality Incentive Contract income. Singapore's operations also performed well and our first contract in Dublin has been successfully mobilised.

As expected, mileage and peak vehicle requirement were down year on year due to contracts lost during the prior year. We anticipate growth in both metrics next year as new contracts are introduced.

With over 60 per cent of our contracts in London having been re-tendered over the past two financial years, the majority of our bidding activity over the next few years will be focused on new contracts and we continue to bid with financial discipline.

We will begin a second bus contract in Dublin before the end of the calendar year operating routes to commuter towns outside of Dublin.

## Rail

The rail division operates the Southeastern and GTR franchises through our 65% owned subsidiary, Govia.

### *Southeastern*

#### *Year to date growth rates*

Passenger revenue	Passenger journeys
c.6%	c.4%

Southeastern continues to perform well. Growth in passenger journeys and revenue remains strong albeit at a slower rate than at the half year, as the comparative period includes the benefit of London Bridge reopening in January 2018. We continue to focus on customer service and operational performance in partnership with Network Rail.

We remain in discussions with the DfT regarding an extension to the current contract and we await the outcome of the new South Eastern franchise competition.

### *GTR*

GTR's operational performance has consistently improved over the last nine months with punctuality reaching record levels for the franchise and cancellation rates at an all-time low.

As previously reported, GTR is not expected to contribute to Group profitability in the current financial year following the settlement reached with the DfT last December.

### *International rail*

Following a four-year mobilisation period, two of the five secured rail contracts in Germany will commence operations this weekend. Our team in Germany is preparing for the introduction of our third contract in December 2019. In the same month we will begin operating rail routes in Norway.

### **CFO Appointment**

As announced yesterday, Interim Chief Financial Officer Elodie Brian has been confirmed as permanent CFO of The Go-Ahead Group. Elodie has been in the role since December 2018, previously having been Finance and Contracts Director at Southeastern.

A call for investors and analysts will be held at 9am today.

Please contact [investorrelations@go-ahead.com](mailto:investorrelations@go-ahead.com) or 020 7799 8984 for dial in details.

ENDS

**For further information, please contact:**

#### **The Go-Ahead Group**

David Brown, Group Chief Executive  
Elodie Brian, Group Chief Financial Officer  
Holly Gillis, Head of Investor Relations

020 7799 8971  
020 7799 8973  
020 7799 8984

#### **Citigate Dewe Rogerson**

Michael Berkeley/ Angharad Couch/ Toby Moore

020 7638 9571

## **GO-AHEAD**

Go-Ahead is a leading UK public transport operator, providing high quality services in the bus and rail sectors. Employing around 28,000 people across our businesses, over one billion passenger journeys are undertaken on our services each year. We are committed to operating our companies in a safe, socially and environmentally responsible way and are proud to have been the first FTSE250 company to be certified with FTSE4Good accreditation and have been recertified for seven consecutive years. In addition to the travelling public, our customers include the Department for Transport, Transport for London (TfL) and local authorities.

## **BUS**

Go-Ahead is one of the UK's largest bus operators. With a fleet of around 5,000 buses, we carry over two million passengers every day. Our operations are focused on high density commuter markets. We have a strong presence in London, with around 23 per cent market share, where we provide regulated services for TfL. Outside London, we operate services in Oxford, East Anglia, Hull, the South East, Southern and north east England. In September 2016, the Group began operating a bus contract in Singapore, and in September 2018 began operating one of two Irish bus contracts.

## **RAIL**

The rail operation, Govia, is 65 per cent owned by Go-Ahead and 35 per cent by Keolis. It is the largest rail operation in the UK, responsible for over 30 per cent of all UK passenger rail journeys through its rail franchises: GTR (Govia Thameslink Railway) and Southeastern.

## **Disclaimer**

*Certain statements included in this press release contain forward-looking information concerning the Group's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the sectors or markets in which the Group operates. By their nature, forward-looking statements involve uncertainty because they depend of future circumstances, and relate to events, not all of which are within the Group's control or can be produced by the Group. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Nothing in this press release should be construed as a profit forecast and no part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in The Go-Ahead Group plc or any other entity, and must not be relied upon in any way in connection with any investment decision. Except as required by law, the Group undertakes no obligation to update any forward looking statement.*