

PRESS RELEASE

28 November 2019

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

**TRADING UPDATE
FOR THE PERIOD FROM 30 JUNE 2019 TO 27 NOVEMBER 2019**

The Go-Ahead Group plc today announces its trading update for the period from 30 June 2019 to 27 November 2019. The next scheduled update is the Group's half year results for the six months ending 28 December 2019 which will be announced on 12 March 2020.

The year to date growth rates in this announcement are for the period from 30 June 2019 to 26 October 2019.

Overview

- High levels of punctuality and customer satisfaction across our bus and rail businesses, with record punctuality in Southeastern and GTR
- Overall regional bus performance is slightly weaker than expected; London & International bus continues to perform well, in line with expectations
- Overall expectations for our rail division remain unchanged, with a good performance in the UK offsetting a challenging operational start to our two new German rail contracts
- Discussions are underway with the Department for Transport (DfT) regarding a potential Direct Award Contract to Southeastern from 1 April 2020
- Mobilisation reaching completion ahead of new bus and rail contract introductions in Ireland, Norway and Germany in December 2019; strong pipeline and bidding programme in our target international markets

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

"In regional bus, we continue to see growth in passenger journeys and our yield enhancement plans are beginning to deliver improvements. The integration of our new bus company in Manchester, combined with cost pressures in some areas of the business, has slightly lowered our expectations for this division's financial performance for the full year.

"In our London & International bus division, all of our businesses are performing well and in line with expectations.

"I firmly believe in the fundamental strength of our bus business. Buses have a significant role to play in transforming the way people travel and in slowing the rate of climate change, improving air quality and easing congestion in our towns and cities. We continue to invest in the customer experience and were pleased to introduce the UK's first tap on, tap off capped payment scheme outside London, on our buses in Brighton. Since launching in September, the number of journeys paid for using this method has grown to 25 per cent of all on-bus transactions.

“In rail, I’m pleased to see the continuation of strong performance across our UK operations, delivering some of the highest levels of punctuality and customer satisfaction ever seen on these networks. In October, GTR completed the introduction of its new fleet of 717 trains delivering greater capacity and reliability to our passengers with 1,500 new carriages brought into service since 2014.

“Internationally, mobilisation is well underway for new contracts that will begin in Norway, Germany and Dublin next month and we continue to consider bidding opportunities across our target markets.”

Bus

Regional

Year to date like for like growth rates*

Revenue	Passenger journeys
c.2.5%	c.0.5%

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

We have continued to grow passenger volumes and revenues, albeit at a slower rate than in the prior year which, as previously indicated, benefited from a strong and successful focus on growing volumes. In line with our strategy, our attention has now moved to improving yield and we are beginning to see progress.

In some areas, we have seen pressure on our driver and engineering costs. We continue to take actions to mitigate this as well as address underperforming areas of the business, which will result in some one-off restructuring costs in the first half of the year. We have withdrawn our X90 Oxford to London coach service as the competitive environment prevented us from generating adequate financial returns.

Having operated for five months in Manchester, we are already delivering improvements for customers and colleagues but believe it will take longer than previously expected to sustainably bring the business up to the Go-Ahead standard. While this will have a slight short-term impact on the division’s financial performance in the current year, we are confident that this business will be value adding, both financially and strategically, in the future.

London and international bus

Year to date like for like growth rates*

Revenue	Mileage	Peak vehicle requirement (PVR)
c.8.0%	c.4.0%	c.4.5%

*Revenue and mileage growth rates exclude the impact of our bus contract in Ireland which began in September 2018 but did not operate full service until March 2019. PVR growth rates relate to London bus operations only.

Our London & International division has performed well in the period and our expectations for the full year remain unchanged. Strong revenue growth reflects the introduction of new contracts in London. This business continues to deliver a strong performance with high punctuality levels. We expect this to drive similar Quality Incentive Contract income in the first half of the year to that achieved in the same period last year. Operations in Singapore and Ireland continue to perform well and in line with expectations.

Our second bus contract in Ireland is due to begin on 1 December 2019 operating routes to commuter towns outside Dublin.

Rail

Our overall expectations for the current financial year remain unchanged across our rail business with a good performance in our UK operations offsetting the impact of a challenging operational start to our first two contracts in Germany.

Southeastern

Southeastern continues to perform well, both operationally and financially. This autumn is the most punctual on record, for the third consecutive year, contributing to a strong On Time* performance of 69.3%. The current franchise term ends on 31 March 2020 and we are in discussions with the DfT regarding a potential Direct Award Contract from 1 April 2020.

GTR

Operational performance in GTR continues to benefit from the significant improvements delivered over the past 18 months, and the franchise is now contributing to the Group's profitability. With On Time performance of 71.1%, the franchise is the fourth best performing UK train operator, exceeded only by smaller and less complex operations. In October, the introduction of our new fleet comprising 1,500 carriages was completed, increasing capacity and reliability for our customers.

International

Two of our five secured rail contracts in Germany commenced in June 2019 and, in December, additional services will be introduced under these contracts along with our third German rail contract. Having encountered operational issues in the early stages of the first two contracts, work is underway to stabilise performance and improve service availability. We will also begin operating rail routes in Norway during December, where the final stages of mobilisation are well underway.

Business development

Disciplined bidding activity continues for both bus and rail opportunities in our target markets, in line with our strategy.

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

Please contact investorrelations@go-ahead.com for dial in details.

*We will now report the more detailed and precise metric of On Time train performance rather than the previously reported metric of Public Performance Measure (PPM), reflecting our commitment to delivering punctual services for customers at every stage of their journey. On Time measures the percentage of recorded station stops where the train arrives less the one minute later than its advertised time, while PPM measures the percentage of trains arriving at their destinations within five minutes of their scheduled arrival times. The UK rail industry has On Time as its primary punctuality metric.

ENDS

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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 29,000 people across our businesses, 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 23 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 and two contracts in Germany. In the UK, Southeastern and GTR (Govia Thameslink Railway) operate through our 65% owned subsidiary, Govia, which is 35% 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, our contracts are run exclusively by Go-Ahead.

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.