

THE GO-AHEAD GROUP PLC

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

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 it is unclear how the coronavirus situation will evolve in the coming weeks, travel patterns are likely to be impacted in the second half of the year
- Bus operating profit down 3.4% at £45.3m* (H1'19: £46.9m); strong performance in London & International division mitigated 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
- IFRS 16 adopted in the period; material impact on net debt
- Maintained interim dividend at 30.17p (H1'19: 30.17p)

Operational highlights and milestones

- Record punctuality levels in both GTR and Southeastern supporting and 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 beyond its scheduled end date of 31 March 2020
- First rail contract in Norway commenced in December 2019; expansion of our rail services in Germany and bus services in Ireland
- Group Taskforce for Climate Change established to lead our progress towards our 2021 target to reduce carbon emissions by 25%, and our 2035 target to run a zero-carbon bus fleet; announced further roll out of our air filtering bus
- 1,400 apprentices trained since the scheme's launch in late 2018; Women in Bus network supporting target to double female representation in the bus division by 2025

* 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 to Guaranteed Minimum Pension equalisation on the bus pension schemes.

Financial summary

	H1'20			H1'19
	Under IFRS 16	IFRS 16 effect	Under IAS 17	Under IAS 17
Revenue (£m)	1,972.6	—	1,972.6	1,920.8
Operating profit (£m)	60.0	5.2	54.8	64.5
Profit before tax (£m)	49.0	(2.1)	51.1	61.0
Basic earnings per share (p)	64.6	(4.4)	69.0	93.2
Proposed half dividend per share (p)	30.17	—	30.17	30.17

	H1'20			H1'19
	Under IFRS 16	IFRS 16 effect	Under IAS 17	Under IAS 17
Cashflow generated from operations (excluding restricted cash) (£m)	274.1	175.6	98.5	112.0
Free cashflow (£m)	160.6	168.3	(7.7)	58.7
Adjusted net debt (£m) ¹	931.6	625.2	306.4	261.7
Adjusted net debt/EBITDA ²	n/a	n/a	1.53X	1.34x

1 Adjusted net debt is net cash less restricted cash.

2. The adjusted net debt/EBITDA ratio is on an IAS 17 basis as the rolling twelve months EBITDA data incorporating IFRS 16 is not available at the half year.

H1'19 figures include a pre-exceptional charge of £16.8m to Guaranteed Minimum Pension equalisation on the bus pension schemes.

David Brown, Group Chief Executive, commented:

“Our London & International bus business is performing well and in line with expectations for the full year, while our expectations for our regional bus business have slightly reduced, reflecting cost pressures and adverse weather on passenger travel.

“In rail, while we await the outcome of the Williams review, our current UK operations are performing well and we are in the final stages of discussions with the Department for Transport regarding a potential direct award contract for Southeastern. The stronger than expected UK rail performance has offset the impact of operational challenges in the first six months of running our German rail contracts. We began running rail services in Norway in December and are delivering high levels of operational performance.

“In the second half of the year our focus will be on continued management of our regional bus cost base, integrating new contracts and recent acquisitions, and improving our German rail operations.

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

“I’m pleased with the progress we’re making towards our vision of a world where every journey is taken care of, with industry leading customer satisfaction scores in regional bus of 92% and our improving scores of 82% and 81% in GTR and Southeastern respectively. We’re also helping drive up customer satisfaction and performance in bus markets in Singapore and Ireland where tendering authorities have opened up to commercial operators.

“We have long been campaigning for a national bus strategy to maximise the benefits that buses bring to local communities and society as a whole. I’m pleased with the Government’s decision to move forward with such a strategy and its commitment to invest £5bn in bus and cycle networks in the coming years. This commitment recognises the part public transport can play in protecting our environment, supporting our communities, improving our health and wellbeing, and growing our economy.”

For further information, please contact:

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David Brown, Group Chief Executive, and Elodie Brian, Group Chief Financial Officer, will be hosting a presentation for investors and analysts at 9am today at Investec, 30 Gresham Street, London EC2V 7QP.

A live audio webcast of the presentation will be available on Go-Ahead’s website; www.go-ahead.com. The presentation slides will be added to Go-Ahead’s website www.go-ahead.com at around 7:30am today.