mobico group

Driven by People
Aligned with purpose

Full Year Results
For the year ended
31 December 2024

Introduction

Ignacio Garat
Group CEO

Key messages FY 2024

Group revenue growth

Group revenue growth of 8.3%

Record progress at ALSA, further growth in WeDriveU & NASB

Progress in UK Bus driven by pricing actions

FY guidance achieved

FY 24 Adjusted Operating Profit growth of 11.3% to £187.7m

Pending positive outcome from PTA negotiations

Statutory operating loss

Impairment reflects slower than anticipated recovery of School Bus growth

Increased German Rail OCP, prompted by continuing industry challenges, PTA negotiations ongoing

Covenant gearing improved

Covenant gearing improved to 2.8x from 3.0x

Organic cash improvement delivered in excess of target

Good liquidity, with no significant debt maturing for over two years

Announced sale of NASB

Continuing to review options to further accelerate deleveraging

Disposal allows Group to focus on the remaining divisions

Improves covenant and reported net debt

Board & management appointments

Phil White, Chair from 1 May, **Francisco (Paco) Iglesias, COO** and **Kevin Gale, CEO UK & Germany,** bringing substantial operational experience

North America School Bus sale

Continuing to review options to further accelerate debt reduction and deleveraging

Transaction followed a thorough sales process

Consistent feedback on the position of the business and valuation ranges

Sale agreed to I Squared for EV of up to $608m (£470m)

5.0x FY24 adjusted EBITDA (~5.6x pre-IFRS16)

Expected upfront net proceeds / covenant deleveraging of ~$365-385m[1]

Reported net debt to fall by further $38m for IFRS-16 lease removal

FY 24 Non-cash impairment of c.£550m

Reflecting impairment of School Bus goodwill due to slower than anticipated recovery

[1] *For covenant deleveraging. Excludes $70m earn-out. Subject to closing adjustments and completion timing*

- **Creates a simplified portfolio**
- **Delivers on the Group's commitment to accelerate net debt reduction**
- **Enables the reallocation of cash flows from the capital intensive school bus**

Key operational highlights

Relentless focus on improving operational effectiveness and profitability

ALSA

FY24 another record breaking delivery

Strong growth; diversification and international expansion

North America

Strong performances from WeDriveU and School Bus

UK & Germany

UK turnaround on track with Germany PTA negotiations ongoing

Good contract momentum

Strong pipeline conversion, disciplined capex allocation. Focus remains on asset light opportunities

mobico group

Bid pipeline of £1.1bn value from which £0.6bn value contracts selected with improved returns

36

Overall 36 new contract wins at the Group level

£144m

Revenue values of £144m p.a. (FY 23: £126m), and incremental total contract values of £766m

10%

Average EBIT margins on those contracts are 10%, with 28% ROCE

23%

Conversion rate on bids submitted and awarded was 23%

WeDriveU & ALSA

ALSA with key new wins and retained significant business. WeDriveU continued to perform well

Pricing improvements

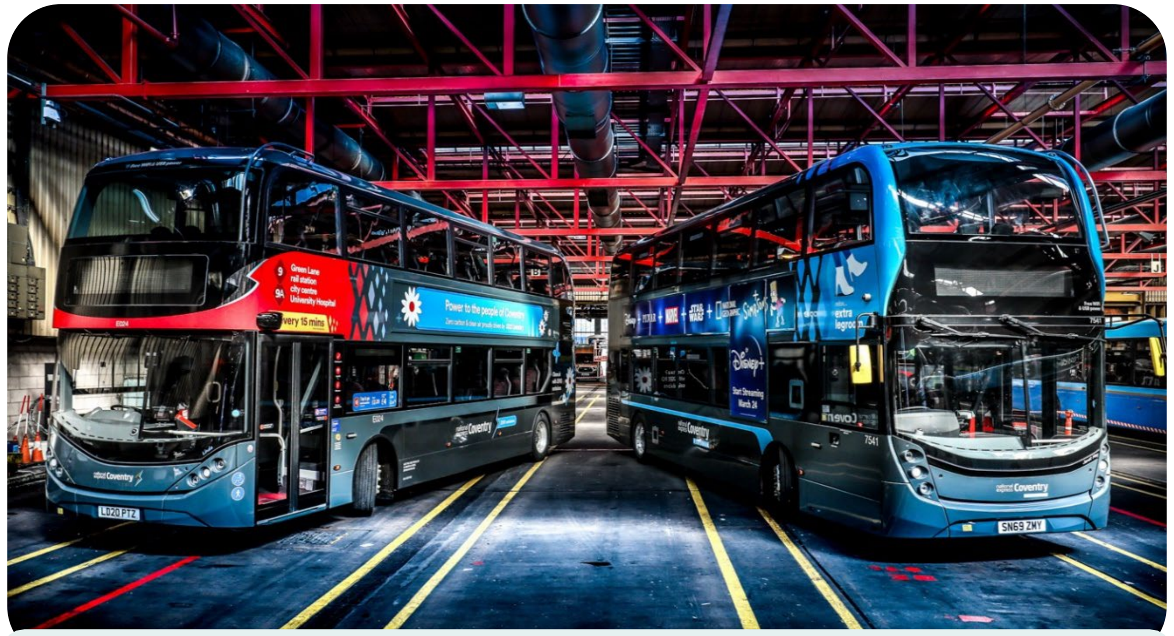
Delivered & Secured in FY 24

ALSA Long Haul	**4.7%** increase in average ticket prices in FY 24 vs. FY 23 (across 9 main corridors)	**Dynamic real time pricing and yield management led by customer demand**
School Bus	**School Year 23/24 bid season uplift** **13.1%** on the renewing portfolio **7.5%** overall (+$34m FY24 revenue)	**School Year 24/25 bid season uplift now secured** **10.3%** on the renewing portfolio **6.3%** overall (+$26m FY24 revenue)
UK Bus	**12.5%** fare rise came into effect 1 July 2023 (+£4.8m FY24 revenue)	Implemented **6%** fare rise on 30th June 2024 (+£3.9m FY24 revenue)
UK Coach	Average ticket prices up **2.9%** in FY 24 vs. FY 23 (excluding the impact of rail strikes in both years)	**Dynamic real time pricing and yield management led by customer demand**

mobico group

UK & Germany: key negotiations status

Improved execution & efficiency the key objectives



Improved funding agreement secured for UK Bus in West Midlands

Better balance between risk and reward achieved

Expect an improved business performance for FY 25 Negotiations regarding the long-term future are ongoing and constructive. West Midlands' decision on franchising is expected in May

Proactively Addressing Industry Challenges Through Strategic PTA Engagement

Ongoing active negotiations continue with some concessions being obtained.

Addressing the multiple industry wide challenges

Resetting the underlying profitability of all long-term contracts

Both parties are obliged to reach an equitable position

Financial Review

Helen Cowing

Group CFO

Mobico Group
FY 2024 Results

Consistent financial imperatives

Net debt reduction

Sustainable profitable growth and UK turnaround progress

Improved margins and cash generation

Driving improvement in liquidity

Key financial highlights

1. Revenue growth across most divisions
2. Delivered adjusted EBIT within guidance for FY 24
3. Group adjusted net debt stable vs YE 23
4. Strong cash generation in excess of 2024 target, plans to generate even higher cash in 2025
5. Statutory operating loss – large North America School Bus goodwill impairment, onerous contract provision in German rail
6. The successful disposal of North America School Bus derisks the balance sheet, improves liquidity as the first important step towards deleverage
7. Our business is growing, delivering profit, generating cash and rebuilding resilience

FY 2024 financial overview

Business profit within guidance and improvement to free cash flow then impacted by one off items

Adjusted	FY 24	Restated[1] FY 23	Change
Revenue	£3.41bn	£3.15bn	8.3%
Group Operating Profit	£187.7m	£168.6m	11.3%
Basic EPS	4.8p	4.5p	0.3p
DPS	0.0p	1.7p	(1.7)p
Key Metrics			
Free Cash Flow	£210.2m	£163.7m	£46.5m
ROCE	10.2%	7.0%	3.2%pts
Covenant Gearing	2.8x	3.0x	0.2x
Statutory			
Group Operating Profit/(Loss)	£(519.9)m	£(43.2)m	£(476.7)m

[1]FY 23 has been restated in respect of correction to onerous contract provisions in German Rail. Please note all numbers in reported currency

Divisional performance

Strong Full Year results in ALSA and in North America were delivered alongside substantial reorganisation in the UK

	Revenue			Adjusted Operating Profit		
	FY 24	FY 23	YoY% change	FY 24	FY 23	YoY% change[1]
ALSA	£1,327m	£1,165m	13.9%	£186m	£136m	36.0%
NA	£1,205m	£1,115m	8.0%	£38m	£27m	41.3%
UK	£623m	£610m	2.1%	£6m	£23m	(72.3)%
Germany	£256m	£259m	(1.3%)	£(9.3)m	£0.2m	

Division delivery of profit guidance with ongoing negotiations in Germany
Impairment of US School Bus and Deferred Tax Assets, Germany OCP, translates to a reported statutory loss

Note 1: *% Segment change at constant currency.*
% Group change at reported currency
North America includes School Bus and WeDriveU
UK includes UK Bus and UK Coach

Accelerate recap

The Accelerate programme has delivered significant and sustainable bottom-line benefits in FY 24

Organisational Design

Procurement

Productivity

Digital Enablement

FY 23

£15m

Savings achieved in FY 23 through the Accelerate 1.0 programme.

FY 24

Accelerate 1.0

£34m

of savings delivered in FY 24 from Accelerate 1.0. (HY 30m)

Accelerate 2.0

£18m

of savings delivered from the Accelerate 2.0 programme in FY 24. (HY 12m)

FY 25 & beyond

£

£52m

of annual savings in FY 25 and beyond will be achieved by the Accelerate programme

Adjusting items

£m	Profit FY 24	Profit FY 23 (Restated)	Cash FY 24	Cash FY 23
Adjusted Operating Profit	**187.7**	168.6		
Intangible amortisation for acquired businesses	**(27.7)**	(35.3)	**–**	–
Goodwill impairment of School Bus	**(547.7)**	-	**–**	–
Re-measurement of covid related OCPs	**4.1**	(2.1)	**(1.4)**	(7.1)
Re-measurement of Germany OCP	**(86.4)**	(121.0)	**(45.7)**	(27.9)
North America driver shortages	**0.7**	(12.0)	**(1.8)**	(9.8)
Final Re-measurement of the WeDriveU put liability	**-**	(2.4)	**-**	-
Repayment of UK Covid CJRS grant (“Furlough”)	**-**	(8.9)	**(8.9)**	-
Restructuring and other costs	**(50.6)**	(30.1)	**(41.4)**	(26.2)
Total adjusting operating items	**(707.6)**	(211.8)	**(99.2)**	(71.0)
Statutory Operating Loss	**(519.9)**	(43.2)		

Below operating loss, there is a £194.4m derecognition of deferred tax assets in the UK and North America. This write-down has no impact on the ability of the Group to utilise the losses in future years and hence no impact on future cash tax

Cash flow

Successful initiatives, generating positive free cash flow versus FY 23 after investment

(£m)	FY 24	FY 23
EBITDA	**426.2**	**386.0**
Net maintenance capex	(157.8)	(135.7)
Working capital	48.0	9.1
Pension deficit	(7.6)	(7.5)
Operating cash flow	**308.8**	**251.9**
Tax & interest	(98.6)	(88.2)
Free cash flow	**210.2**	**163.7**
Growth capex and M&A	**(117.2)**	**(77.5)**
Free cash flow after growth capex and M&A	**93.0**	**86.2**

Growth Capex **(£59m)** new contract wins

M&A **(£58m)** mainly Canarybus acquisition

Net debt

Covenant net debt stable vs FY 23, improvement in covenant gearing from 3.0x to 2.8x

(£m)	FY 24	FY 23
Free Cash Flow after CapEx and M&A	**93.0**	**86.2**
Adjusting items	(99.2)	(71.0)
Hybrid coupon	(21.3)	(21.3)
Dividend	-	(41.1)
Other, including FX	26.7	53.4
Net funds flow	**(0.8)**	**6.2**
Opening net debt	**1,201.7**	**1,207.9**
Reported net debt	**1,202.5**	**1,201.7**
Covenant net debt	**991.3**	**987.1**
Covenant gearing	**2.8x**	**3.0x**

Reported net debt FY24 post sale of North America School Bus would result in a c.£71m net reduction plus a further reduction for the cash proceeds received from the sale.

Debt maturity improved

RCF extended, North America School Bus proceeds sufficient to address near term maturities

Vast majority of the £600m RCF extended a further year to 2029

£0.8bn cash and committed headroom at 31 Dec 2024

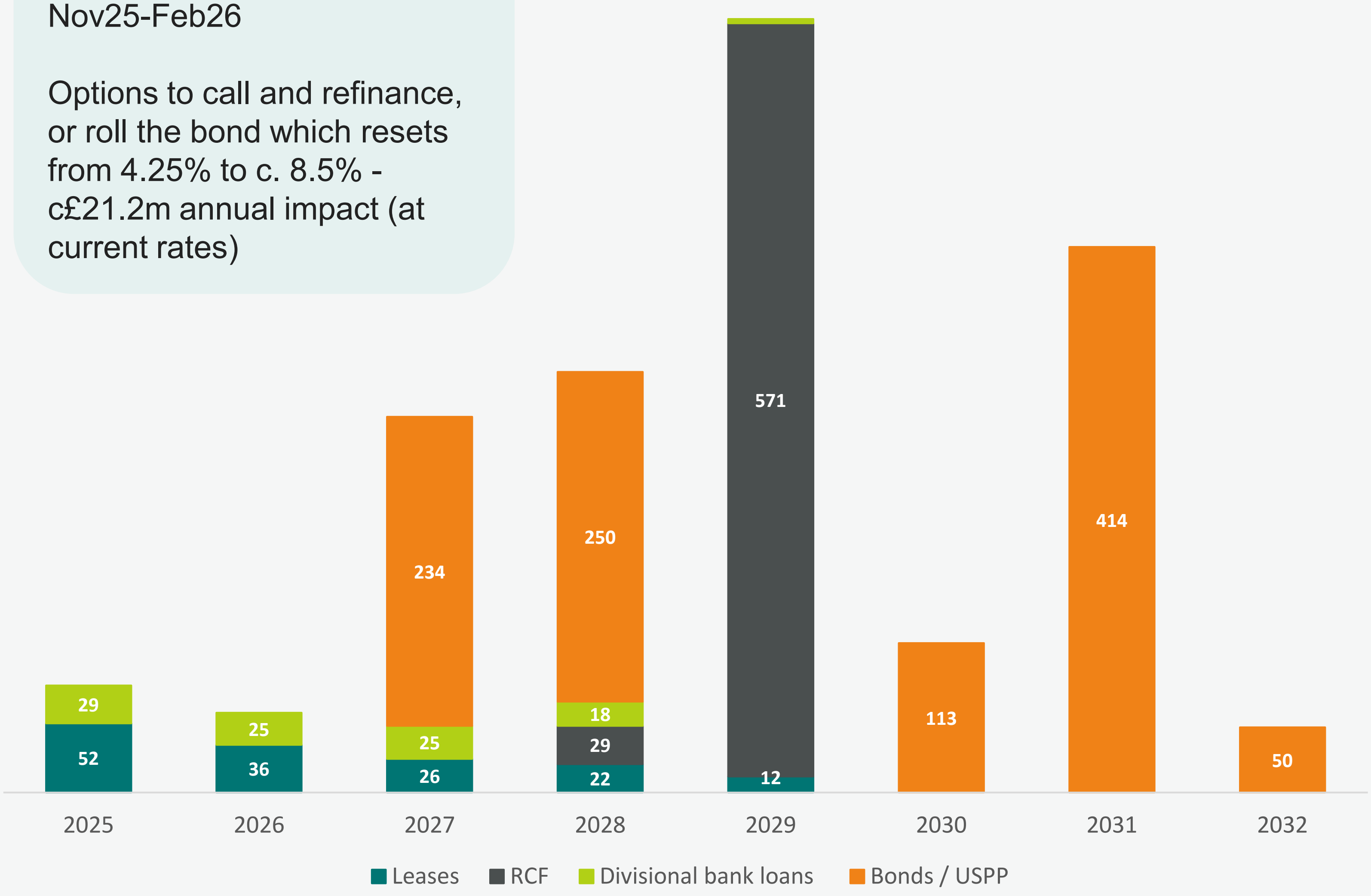
C. 80% of interest costs are fixed, with the majority of the floating portion due to revert to fixed in Nov 2025

Hybrid bond first non-call option at end of FY 2025

Average maturity of 4.9 years (excluding hybrid)

£500m hybrid bond call period Nov25-Feb26

Options to call and refinance, or roll the bond which resets from 4.25% to c. 8.5% - c£21.2m annual impact (at current rates)



Excludes allocation of North America School Bus proceeds (to be held as cash other than repayment of North America School Bus leases)

mobico group

German rail update

OCP increase reflects continuing industry challenges

RRX rail contracts

RRX 1 and RRX 2/3 are onerous contracts

Onerous contract provision increased from **£140m** to **£176m** as a result of material adverse cost pressures experienced in FY24; largely as a result of significant network disruption and the impact of the industry-wide driver shortages

£86m remeasurement of the provision in FY24 through adjusting items with a **£46m** utilisation in the year

Forecast cash outflows for remaining contract years are heavily weighted to FY25 and FY26 with a significant improvement anticipated from FY27

RME rail contract

Loss for FY24 £9.3m (down £9.5m from FY23) reflecting impact of increased penalties from driver shortage and infrastructure issues, coupled with reduced future contract profitability expectations

The contract is still expected to be profitable

Industry-wide issues being addressed

Discussions with PTAs ongoing and remain constructive

Sector initiative for region reducing operating mileage requirement and pressure on operation

Key driver shortage issue actively being addressed with a significant investment in driver training & retention to move to a stronger position in 2025 & 2026

Further deleverage is our priority

Profitable growth, continued cash management and disciplined investment, together with strategic next steps under consideration, post North America School Bus sale

mobico group

NASB Disposal important first towards deleverage

- The North America School Bus sale is an important first step towards targeted debt reduction
- Further options to reduce net debt and leverage remain under consideration

Key debt metrics performance

- No change to the debt structure at £1.2bn on a reported basis
- Covenant debt of £991.3m is flat on FY 23 (of £987.1m)
- Covenant gearing ratio reduced to 2.8x (FY23: 3.0x)

Accelerate programme

- Accelerate 2.0 reorganisation programme delivering above expectations in FY 24
- Delivered significant and sustainable bottom-line benefits in FY 24

Organic deleverage

- Company wide initiative targeted specifically at cash improvement and debt reduction
- Targeted FY 24 benefits of £25m[1] achieved, with additional, annualised benefits from 2025 of £50m+ targeted
- Controls tightened over capital expenditure

[1]actions in place to beat target in 2025

Short term debt projected increase due to historic capex commitments, where advantageous terms were negotiated to the benefit of 2023 and 24

Operational Review

Ignacio Garat

Group CEO

Key operational highlights

Relentless focus on improving operational effectiveness and profitability

ALSA

FY24 another record breaking delivery

Strong growth; diversification and international expansion

North America

Strong performances from WeDriveU and School Bus

UK & Germany

UK turnaround on track with Germany PTA negotiations pending

ALSA

Another record year

Key Stats

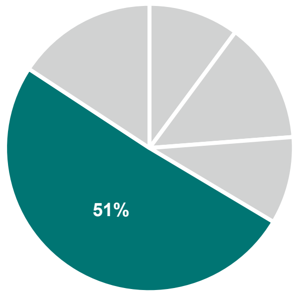
	FY 24	FY 23	% Change
Revenue	€1,568m	€1,340m	17.0%
Adjusted Operating Profit	€219	€157m	39.6%
Adjusted Operating margin	14.0%	11.7%	2.3%

Highlights FY 24

- Strong revenue growth (+17%) reflecting good progress in Regional and Long-Haul
- Resilient Urban result, despite impact of Bilbao strike
- Diversification (Inc - medical) ahead 67%
- International expansion (including Portugal) ahead 88% - Bahrain contract extended
- Successfully managing increased competitive pressure from HSR
- Sophisticated CRM and revenue management tools enable customer segmentation and increasingly targeted marketing
- Young Summer 2024 ended with €38.4m revenue vs €32.8m in 2023. £32.5m 2024 and £28.5m 2023

mobico group

ALSA Share of Group revenue excl. School Bus



North America

Successful separation of School Bus & WeDriveU

Key Stats

	FY 24	FY 23	% Change
Revenue	$1540m	$1387m	11.0%
Adjusted Operating Profit	$49m	$33m	45.4%
Adjusted Operating margin	3.2%	2.4%	0.8%

Highlights FY 24

School Bus

- Underlying revenue growth of 7.3%, reflecting first net route wins for many years and good pricing
- Significant operational improvements including in fleet management and driver recruitment
- (£548m) impairment a consequence of market challenges, despite significant operational improvements

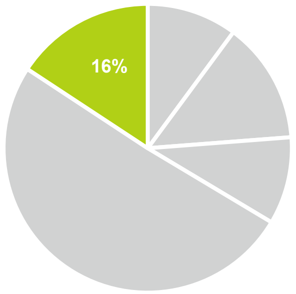
Highlights FY 24

WeDriveU

- Strong new contract wins delivering revenue growth of 18.9%, despite considerable distraction of separation
- Improved operating base with newly separated and better resourced functions
- Margin recovery through H2 25 expected to follow H1 25 increased costs through separation process
- Continued improvement since the merger of divisions resulting in 94% profit improvement

mobico group

WDU Share of Group revenue excl. School Bus



UK

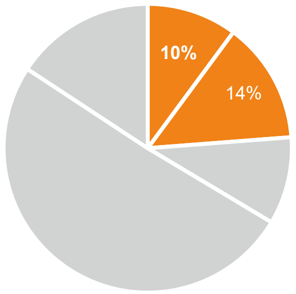
Turnaround in progress

mobico group

Key Stats

	FY 24	FY 23	% Change
Revenue	£623m	£610m	2.1%
Adjusted Operating Profit	£6.5m	£23.5m	(72.3)%
Adjusted Operating margin	1.0%	3.9%	(2.9)%

UK Share of Group revenue excl. School Bus



Highlights FY 24

UK Bus

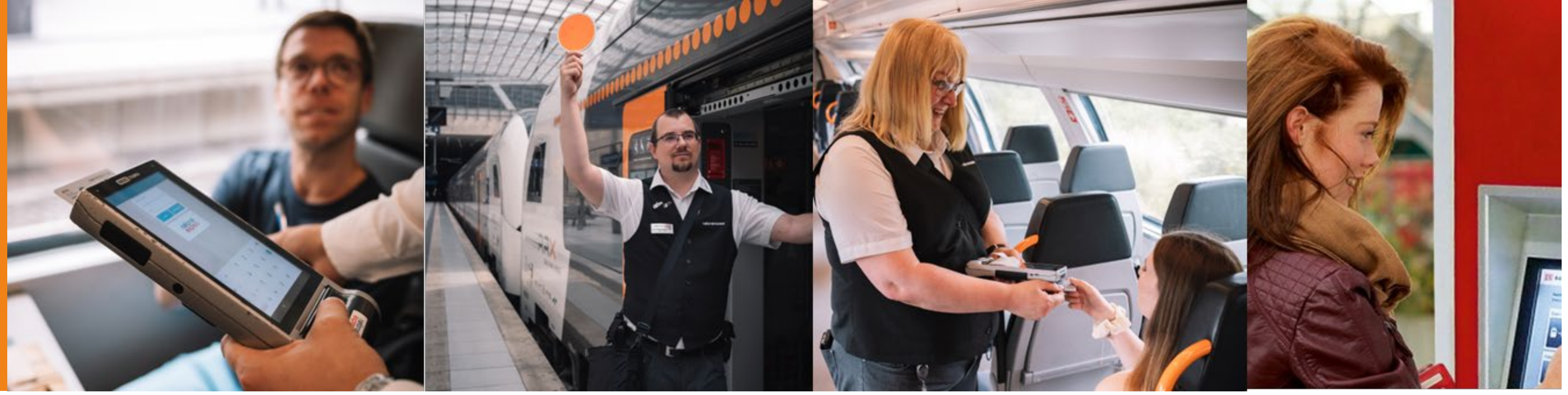
- Revenue growth reflecting passenger growth together with fare increases in July 23 of 12.5% and in July 24 of 6%
- Successful negotiation with TfWM secures contract extension until December 25
- More equitable profit margins being targeted
- Improved on time performance and customer satisfaction

UK Coach

- Full review of network design & capacity delivered significant run-rate efficiency, involving some route & revenue reduction
- £5m improvement in NXTS losses with further work underway to eliminate remaining losses during FY 25
- Important retention of key airport contracts for Dublin and Stansted
- Reinvigorated focus on revenue management, CRM and digital experience

Germany

Continuing industry challenges



Key Stats

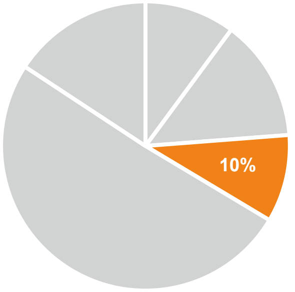
	FY 24	FY 23	% Change
Revenue	€303	€298m	1.4%
Adjusted Operating Profit	€(11.0)	€0.2m	
Adjusted Operating margin	(3.6)%	0.1%	(3.7)%

Highlights FY 24

- Revenue continued to be impacted by higher operational penalties as a result of train cancellations caused by the continued worsening of industry-wide factors: worsening infrastructure reliability and increased infrastructure repair and renewals activity, impacting on driver availability and utilisation
- A £86m charge was taken to increase the onerous contract provisions for RRX1 and RRX2/3 reflecting the further deterioration in anticipated profitability of which €45m utilised in 2024.
- The German results presented are stated prior to any mitigations that might be agreed (between the Group and the PTA) with negotiations continuing
- Real progress with driver recruitment and training will deliver operational advantage late in FY 25

mobico group

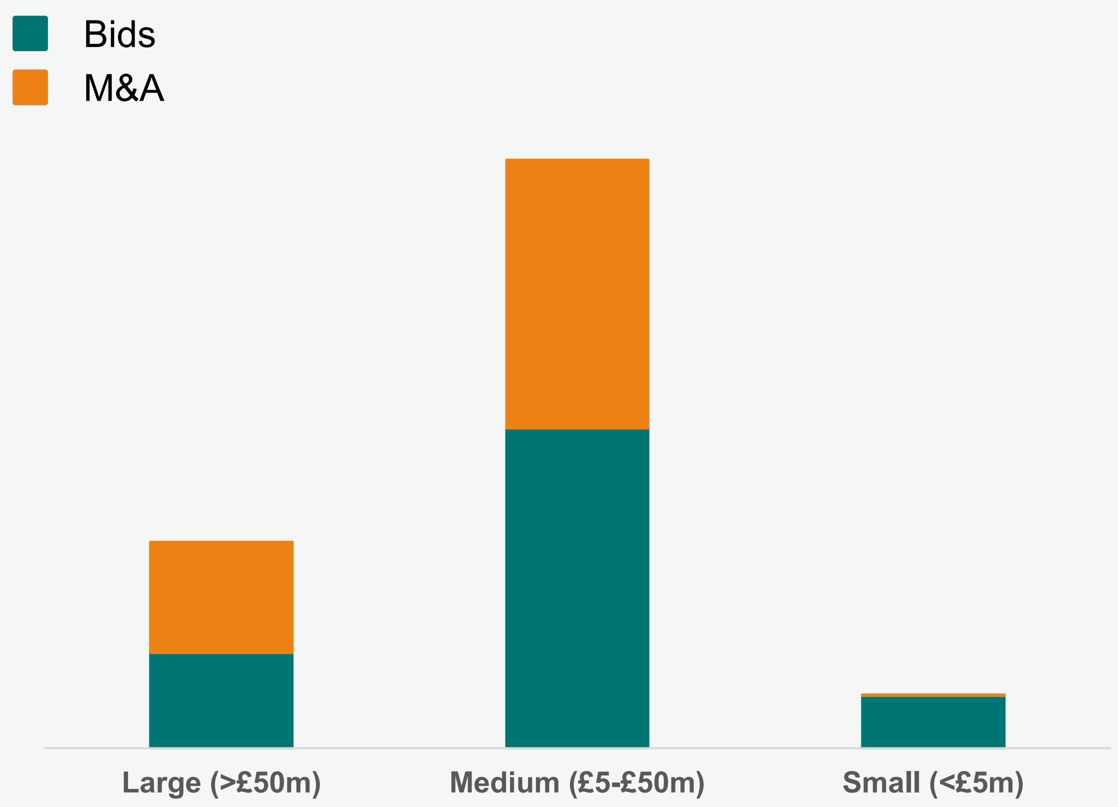
Germany Share of Group revenue excl. School Bus



Opportunity pipeline

£2bn pipeline reflects a balanced mix of small and large opportunities, focus on asset light bids

18-month pipeline value by size of opportunity



Bid pipeline contains a higher mix of asset light

Asset Heavy
22%

Asset Light
78%

Conclusion and key takeaways

Ignacio Garat

Group CEO

Key focus areas for FY 25

Focus on consistent financial imperatives

Optimise exciting growth opportunities in ALSA and newly consolidated WeDriveU

Conclude German Rail PTA negotiations

New COO to drive best practice across the Group

Q&A

The information in this presentation is general information and background only, and is not intended to be relied upon as advice to investors or potential investors as it does not take into account their particular investment objectives, financial situation or needs. The contents of this presentation should not be considered to be legal, tax, investment or other advice, and any prospective investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision. The information contained herein is for discussion purposes only and does not purport to contain all information that may be required to evaluate Mobico Group plc (the “Company”) and its subsidiaries and affiliates (collectively, the “Group”) and/or the Group’s financial position. This presentation does not constitute or form part of, and should not be construed as: (i) an offer, solicitation or invitation to subscribe for, sell or issue, underwrite or otherwise acquire any securities or financial instruments in the Company or in any other entity, nor shall it, or the fact of its communication or distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract or commitment or investment whatsoever with respect to such securities or financial instruments; or (ii) any form of financial opinion, recommendation or investment advice with respect to any securities or financial instruments.

This presentation has not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of the Group or any of its directors, officers, employees, affiliates, agents or advisers, and no reliance should be placed on, the truth, fullness, accuracy, completeness or fairness of the information or opinions contained in this presentation. All information presented or contained in this presentation is subject to correction, completion and change (whether as a result of verification or otherwise) without notice. The information contained in this presentation is provided as of the date hereof and no person is under any obligation to update, complete, revise or keep current the information contained in this presentation nor to provide the recipient with access to any additional information that may arise in connection with it.

This presentation contains statements that may constitute forward-looking statements relating to the business, financial performance and results of the Company and the industry in which the Group operates. These statements may be identified by words such as “expectation”, “belief”, “estimate”, “plan”, “target”, or “forecast” and similar expressions or the negative thereof; or by forward-looking nature of discussions of strategy, plans or intentions; or by their context. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. All statements regarding the future are subject to inherent risks and uncertainties and various factors could cause actual future results, performance or events to differ materially from those described or implied in these statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate and none of the Group or any of its directors, officers, employees, affiliates, agents or advisers accepts any responsibility for the accuracy of the opinions expressed in this presentation or the underlying assumptions. Past performance is not an indication of future results and past performance should not be taken as a representation that trends or activities underlying past performance will continue in the future. You are therefore cautioned not to place any undue reliance on such forward-looking statements.