

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION
FOR IMMEDIATE RELEASE

Mobico Group PLC

Q3 Trading Update

12 October 2023

Mobico Group Plc (“Mobico” or “Group”) today reports its Trading Update for the period 1 July 2023 to 30 September 2023 (“Q3” or “the period”).

Full recovery in profitability taking longer to deliver; decisive action being taken on our cost base and to accelerate deleveraging

- **Group revenue growth up 10% year on year but path to improving profitability impacted by higher costs, particularly in the UK and in North America School Bus as a result of investment in a strong operational school year start up**
- **FY 2023 EBIT now expected to be in the range of £175m to £185m**
- **Previously announced productivity and cost reduction programme on track to deliver £15m in year and £30m annualised savings. Actions launched to further improve cost efficiency and expected to deliver additional £20m annualised savings**
- **In line with the Group’s disciplined capital allocation, focus on deleveraging and enhancing growth, the Board has decided to prepare the North America School Bus business for a potential disposal, given its operational momentum and positive trading trajectory**
- **Decision taken to suspend FY2023 final dividend pending deleveraging progress**

Ignacio Garat, Group Chief Executive, said:

“We recognise that the recovery of our profitability will take longer than we had previously expected. That is why we are announcing decisive actions to ensure we deliver sustainable profitability from our growing revenue base. Whilst our belief in the potential of the Group remains strong, we will move at greater pace with new leadership teams in the UK and North America.

Our actions to ensure a strong North America School Bus school year start up positions that business well for a potential disposal which would accelerate debt reduction and increase flexibility for growth investment. We have therefore commenced preparations for a sale process in early 2024.

The Board is keenly aware of the importance of dividends to shareholders and the decision to suspend the final dividend was not taken lightly. The Board will continue to consider the dividend position as progress is made on deleveraging.”

UK & Germany

In the UK, revenue grew by 13% on Q3 2022; in Germany revenue was down by 3%

New leadership makes immediate impact

In the UK & Germany division, Alex Jensen joined as CEO in September with a clear remit to sharpen the division’s commercial focus. Working at pace with Alex, we have performed a rapid assessment of

that division and have identified clear areas for improvement including: (i) better commercial scrutiny and ambition; (ii) tighter cost control and ownership of cost reduction initiatives; and (iii) improved allocation of capital and resources.

UK Coach

The Scheduled Coach business continues to trade strongly, with revenues up 26% on Q3 of the prior year, and passenger growth of 24%. Yield was 2% higher than in Q3 2022. Our capital-light network continues to grow and is now back at 96% of pre-Covid levels. We are seeing particularly strong growth on our core inter-city routes and have been able to capture significant upside from the rail strikes in the UK. Pleasingly, we continue to benefit from c.12% of passengers who used our services on a strike day but have not travelled with us before subsequently booking again on a non-strike day.

The National Express Transport Solutions business ("NXTS") addresses the private hire and contract market. A review by the new management team has concluded that the underlying profitability of the NXTS business (excluding rail strike impacts) is currently below the levels required to meet our return thresholds (noting that NXTS is more asset-intensive by nature). As a result, we will announce today our intention to close two of the five key NXTS depots and continue to review the ongoing return potential of the NXTS business.

UK Bus

Bus commercial passenger volumes are tracking around 97% of 2019 levels. When compared with Q3 2022, passenger volumes were 7% ahead, on a network that was running at 95% of Q3 2022 service levels. UK Bus revenue growth expectations have however tempered as growth in passenger numbers is slightly lower than previously anticipated. The new UK leadership is developing a future multi year fares and sustainable network strategy to drive patronage and revenues.

The impact of the above is likely to reduce the EBIT expectations for the UK & Germany division by between £15m to £20m for FY 2023.

North America

North America revenues grew by 4% on Q3 2022

Following the appointment of Tim Wertner as the new CEO of North America School Bus business, there has been a considerable focus on driver hiring, training and retention. As a result, at the end of September the business had successfully re-instated 97% of maximum available routes. We have received overwhelmingly positive customer feedback about the strength of our operational school-year start up.

We are confident that the momentum on route reinstatement and contract repricing will continue – we have already won one significant new contract, and are the highest-scored bidder recommended for another (representing about 500 routes in total), in early wins ahead of the school-year bid season 2024/2025.

Our investment in driver recruitment has allowed us to make significant progress in terms of route reinstatement and will provide payback in FY24 and beyond as we capture more revenue generating routes. Whilst direct wages are in line with expectations training, recruitment and driver examination costs are above what we had originally forecast. This and the remaining risks on route recovery are expected to have an adverse impact on EBIT of between £5m and £10m for FY23.

Shuttle and Transit passenger volumes and service levels improving; retention of important contracts

In Shuttle and Transit, Shuttle passenger numbers were 18% higher than in Q3 2022 with service levels 3% ahead. Transit service levels were 16% higher than in Q3 2022. We have won a new Paratransit contract in North Cook County and a management contract for fixed route Urban services in Charlotte North Carolina. In addition, we have retained a key contract with a major customer in the San Francisco Bay area.

Year to date over two thirds of the Group's pipeline conversion has come from the Transit & Shuttle division. The division has nearly £500m of opportunities (representing approximately one third of the Group's pipeline) and we continue to have confidence in the attractive capital-light growth potential of this business into the medium term.

ALSA

Alsa has delivered another strong quarter with revenue up 16% on Q3 2022

In Spain, our Long Haul business continues to trade well, boosted by the impact of the 'free travel pass' initiative in Spain and a strong holiday period. Passenger volumes were up 29%, yield 9% higher and occupancy up 4 percentage points, all compared with Q3 2022.

Our Regional and Urban operations continue to grow with passenger numbers up 22% and 25%, respectively – when compared to Q3 2022. In our International business, we continue to mobilise our Porto contract in Portugal, with operations commencing in November this year, and we have won a new Urban Bus contract in Geneva, expanding our existing multi-modal hub there.

In Morocco, our priority remains to support local communities as much as we can in response to the tragedy caused by earthquakes in the region. That support did involve some costs (including free travel) and our largely contracted business has suffered a temporary decline in revenues of c.5%.

Strategic decision taken to prepare the North America School Bus business for disposal

In line with the Group's commitment to disciplined capital allocation and deleveraging as well as its focus on future return-enhancing growth, the Board has undertaken a strategic review of the North America School Bus business. Whilst the Board believes that that business is now strongly positioned for continued recovery and long-term growth, it has also concluded that the demand for high quality, infrastructure-like businesses presents a potentially compelling opportunity to deliver shareholder value through a potential disposal. Such a disposal would accelerate our deleveraging whilst enhancing the Group's financial flexibility to focus on opportunities with higher return potential. As a result, the Board believes that now is the opportune time to consider such a disposal and has therefore appointed advisers to prepare the North America School Bus business for sale, with an intention to commence a sale process in early 2024. Further updates will be given as and when appropriate.

The information contained within this announcement is deemed by Mobico to constitute inside information as stipulated under the Market Abuse Regulation (EU) No.596/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018. By the

publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

The person responsible for arranging for the release of this announcement on behalf of Mobico is Simon Callander, General Counsel and Company Secretary.

Enquiries

Mobico Group PLC

James Stamp, Chief Financial Officer 0121 803 8820

John Dean, Investor Relations Director

Headland

Stephen Malthouse 07734 956201

Matt Denham 07551 825496

About Mobico

Mobico is a leading, international shared mobility provider with bus, coach and rail services in the UK, North America, continental Europe, North Africa and the Middle East.

Notes

Legal Entity Identifier: 213800A8IQEMY8PA5X34

Classification: 2.2 for the purposes of DTR 6 Annex 1

Forward looking statements and other important information

This document contains forward-looking statements with respect to the financial condition, results and business of Mobico Group PLC. By their nature, forward-looking statements involve risk and uncertainty and there may be subsequent variations to estimates. Mobico Group PLC's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Mobico does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including without limitation, during management presentations to financial analysts) in connection with this document.