National Express is a leading international public transport operator, diversified internationally and by business area.

We have best in class margins and strong sustainable cash flow generation which allows us to drive both organic and acquisition-led growth.

**NUMBER OF PEOPLE EMPLOYED WORLDWIDE**

49,000

**NUMBER OF KILOMETRES TRAVELLED**

1.1bn

**NUMBER OF PASSENGER JOURNEYS**

898.2m

**NUMBER OF VEHICLES OPERATED**

30,500

### REVENUE BREAKDOWN BY BUSINESS LINE

- **Student transportation** (North America school bus)
  - £775m

- **Urban bus** (UK bus, North America transit, ALSA urban bus)
  - £710m

- **Regional/long haul coach** (ALSA regional and long haul, UK coach)
  - £655m

- **Charter and other** (North America, ALSA and UK)
  - £245m

- **Rail** (German Rail)
  - £70m

Note: Data above rounded to nearest £5 million
What we do
We own and lease buses, coaches and trains which we use to deliver local, regional, national and international transportation services. In our UK coach operations, we also outsource certain services to select partner operators. Irrespective of the operator, all vehicles are driven and maintained to our global standards, either on a network of services scheduled by National Express or delivered point to point on private hire.

Where we operate
We hold the largest market share for long haul coach transport in both Spain and the UK, and are the second largest school bus provider in North America. We also operate urban bus and transit operations in the USA, Canada, Morocco, Spain and the UK. We operate rail operations in Germany.

REVENUE BREAKDOWN BY TERRITORY

<table>
<thead>
<tr>
<th>Territory</th>
<th>Revenue</th>
<th>Business Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>£577m</td>
<td>- Regional/long haul coach, Urban bus, Charter and other</td>
</tr>
<tr>
<td>USA</td>
<td>£982m</td>
<td>- Student transportation, Transit and paratransit, Charter and other</td>
</tr>
<tr>
<td>Canada</td>
<td>£79m</td>
<td>- Student transportation, Transit and paratransit, Charter and other</td>
</tr>
<tr>
<td>Morocco</td>
<td>£49m</td>
<td>- Urban bus</td>
</tr>
<tr>
<td>Spain</td>
<td>£684m</td>
<td>- Regional/long haul coach, Urban bus, Charter and other</td>
</tr>
<tr>
<td>Germany</td>
<td>£68m</td>
<td>- Rail</td>
</tr>
<tr>
<td>Switzerland</td>
<td>£12m</td>
<td>- Charter and other</td>
</tr>
<tr>
<td>Bahrain*</td>
<td></td>
<td>- Urban bus</td>
</tr>
</tbody>
</table>

* Joint venture business reported through associates.
National Express generates revenue from two principal sources. The Group engages in multi-year contracts with bodies such as school boards in North America or local authorities in Spain and Morocco and these make up 48% of revenue. Revenue is generated either on a per mile/kilometre basis, or per route travelled. The Group generates a further 38% of revenue through ticket sales to the public, such as in the UK bus and coach businesses, coach and some bus services in Spain and Morocco, and the German rail business. In these, National Express is marketing the product and taking revenue risk. Concession revenue from local authorities in the UK, Spain and Germany delivers 3% of Group revenue with charter/private hire contributing a further 6%. The remaining 4% is from other revenue streams such as on-board entertainment, SMS alerts, booking fees and advertising.

The Group uses technology to support its revenue growth. Our Revenue Management Systems ("RMS") enable us to segment our customer offer through a better understanding of customer needs and purchasing behaviour to drive revenue through differential pricing depending on time of journey, ticket type, buying channel etc. Our customer facing apps support our customers in getting the product they need at a price they can afford.

National Express margins are industry leading. We focus on delivering operational excellence in all we do. Sophisticated network optimisation is a key factor. We optimise peak vehicle requirements and loading factors through review and redesign of our networks, reducing the cost of delivering a high quality service to our customers. We use scheduling software to allow optimisation of routes and asset usage in our student transportation and transit markets in North America. Our diversity and scale are an important factor in managing indirect costs, enabling us to optimise cost and quality across the Group’s supply base.

National Express has a track record of consistently generating cash flow from its operations. The Group has delivered over £785 million of free cash flow over the last five years and is extremely disciplined in its management of working capital and in the conversion of operating profit into free cash.

Our first priority is to re-invest in the core business. After maintaining our base business, we invest cash back into the operations to grow, having invested £506 million both organically and inorganically since 2014. This has strengthened our market-leading positions in coach in the UK and in Spain; built out key hub positions in North American student transport; and enabled us to move into adjacencies like urban bus in Morocco or charter in North America. In addition, we can deliver consistent, competitive returns to shareholders. Over the last five years the Company has returned £301 million through dividends, growing dividend per share by 44%.
How we sustain advantage

We engage our customers through clear marketing

We invest in our consumer brands, ensuring what they stand for is understood by our customers. The National Express and ALSA brands are household names and stand for safety, consistency, reliability and affordability. We promote these values in our brands to help drive purchasing decisions.

We operate at scale

We seek leadership positions in the markets in which we operate, whether national, regional or local. In the UK and Spain, our long haul coach operations are market leaders. In urban bus and transit, we are focusing on growing urban hubs in multiple geographies.

We deploy new technologies rapidly

The Group consistently applies technology to improve our customer offering (e.g. deploying free WiFi on our premium bus services in the West Midlands, development of mobile apps, web interfaces and customer portals); to grow the business (e.g. RMS in our coach businesses in the UK and Spain, and on-demand scheduling through Ecolane in North America); and to drive operational excellence (e.g. the global roll-out of Lytx DriveCam in support of our global safety policies).

We prioritise safe operations

The Group operates and rigorously enforces consistent, world class safety policies in all markets, supported by leading edge technology. Our focus on Zero Harm supports our primary goal – to get customers to their destination safely and ensure the safety of our employees.

We enforce consistent global policies and processes

Our global Delivery Excellence team works to improve critical process across all operations, continually looking to raise standards whilst our global Master Driver and Master Technician programmes drive a consistently high standard of capability across our markets.

We operate a balanced and resilient portfolio

Around 50% of our revenue is contracted over multiple years, meaning we are less exposed to changes in travel patterns caused by economic cycles. Our diversification means that no one contract accounts for more than 2% of revenue. We are internationally diversified, meaning our cash flows are somewhat insulated from any one country’s economic or political challenges, and also that we have the option to move our capital globally to develop growth options where they are most attractive.