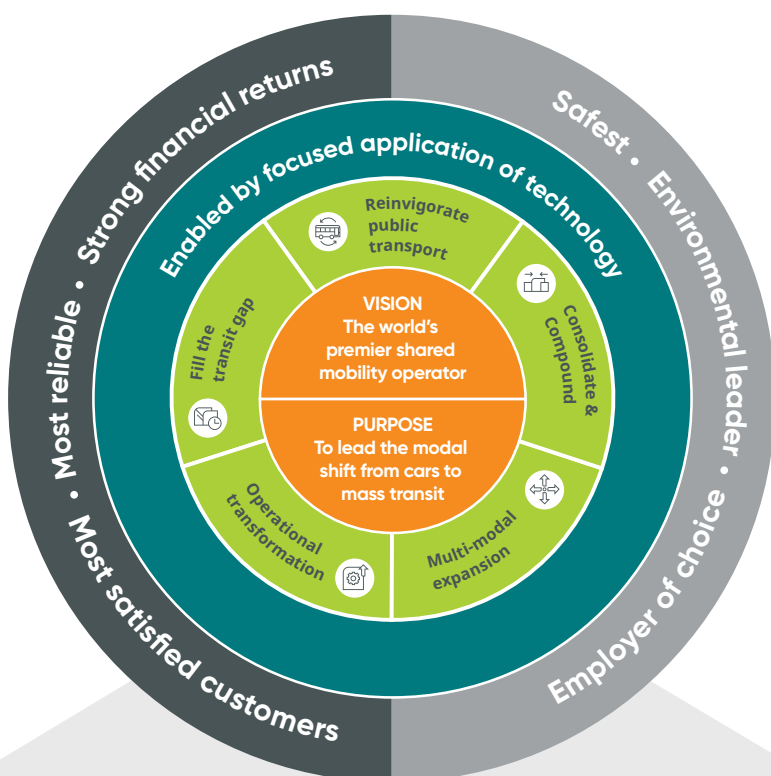


# Our **Evolve** strategy



In order to protect and develop our market-leading positions, as well as generate sustainable, profitable growth and deliver value for all our stakeholders, the business targets the highest standards of operational performance and customer satisfaction. It achieves those by focusing on what we believe to be the fundamental characteristics and outputs of success, as described by the Evolve strategy.



## Our vision and purpose

At Mobico, we strongly believe that de-carbonising our economies and our communities cannot be properly achieved without modal shift – particularly from cars to mass transit alternatives, such as what we and our partners provide. The more compelling our offering to customers, the more successful we are at delivering those, the greater influence we can have on people making bus, coach and other shared solutions their preferred mobility choice. Our purpose is to lead that shift towards greater social mobility with better access to healthcare, education, employment and leisure. Our vision is to be the world's best.

## Our culture

It is our belief that commercial success and a good culture are inextricably connected. A large part of Evolve is concerned with encouraging an open and collaborative ethos where employees and partners can work towards our shared goals; where collaboration and sharing best practice is the norm, not the exception; and where the diverse, inclusive and supportive culture so necessary to success is nurtured and protected.

## Our Five customer propositions

### Reinvigorate public transport

Grow the use of public transport in cities suffering congestion by building partnerships with stakeholders who want sustainable solutions.

### Consolidate & compound

Consolidate fragmented markets and create 'at scale' operations to drive operating efficiencies and better customer solutions.

### Multi-modal expansion

Build more modal capability and city hubs from existing locations where we already have a physical footprint.

### Operational transformation

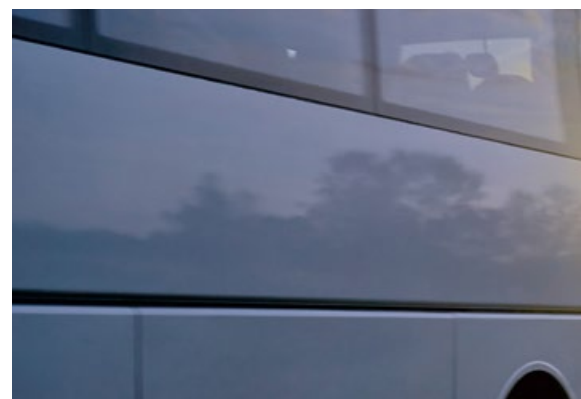
Application of our processes and know-how to drive efficiency, operational improvement and lower costs.

### Fill the transit gap

Encouraging modal shift away from private cars in areas that are poorly served by public mass transit.



Read more about the [value we create](#) on page 13





## Our focused application of technology and innovation

The opportunities to apply technology to the Mobico business are widespread and care needs to be taken to invest in the right areas if it is to be effective.

Much of our investment into data insights is directed towards safety, quality of service, cost efficiency, automation and ultimately customer satisfaction.

Key targets for technology investment have included vehicle and driver monitoring – where systems enhance feedback and training for employees as well as safety for employees and passengers. Similar systems also provide data that enables vehicle fleets to be efficiently utilised, resulting in better on-time-performance and ultimately better value fares. Good data collection can also result in more effective maintenance schedules – meaning lower costs and improved service reliability.

Consumer, booking and ticketing systems are also being constantly upgraded to improve the quality of service that our customers have come to expect.

New technology is being deployed in our increasing adoption of Zero Emission Vehicles (ZEVs).

Finally – innovation isn't always about technology. Employing new ways of working, developing new best practices, can be just as valuable.



## Our strategic outcomes

### Strong financial returns

We utilise our resource and relationships to achieve strong financial returns. By growing revenue, converting into profit, and delivering cash flow, we are able to invest for growth, maintain a strong balance sheet and provide returns to shareholders.

### Most reliable

We will lead the industry in reliability by striving for ever increasing levels of punctuality, and driving down cancelled services and lost miles. Through excellence in reliability we will meet customer expectations, deliver industry-leading services and be a recognised as a willing and constructive partner.

### Most satisfied customers

Our customers will rate us the highest in the industry. Customers lie at the heart of our business, and maintaining their loyalty is key to our success. Everything we do focuses on exceeding our customers' expectations for safe, clean and reliable services at a fair price.

Routine surveys of customer views, and disciplined feedback and response processes, are key components of the Group's operations and planning processes.



## Our sustainability strategy

We aim to be the safest, cleanest, most reliable, convenient and best value transport provider in the modes we operate.

### Safest

We will lead the industry in safety by continually driving down accidents. More than anything else, we value the safety of our customers, employees and the public generally. This priority is reflected in our policies and behaviours – the way we do business.

### Environmental leader

Today, we operate 27,700 vehicles, and although the majority are diesel, we have worked to reduce our emissions from our current fleet. We are also committed to improvement across a range of key environmental targets, which can also be found in more detail on page 76.

### Employer of choice

To be the place to work in mass transit. We will embed a high-performance culture that attracts and retains the best people.

Delivering on our vision and for our customers is only possible if we are a good place to work. We recognise that our workforce is our greatest asset and we want each of our 47,700 employees to reach their full potential and to give their best.

Read more about our [sustainability](#) on pages 52 to 64

Read more about our [governance](#) on pages 79 to 141



# Our **business** model

## The resources we rely on

### Vehicles

At December 2023, we operate around 27,700 vehicles of varying sizes, from sedans, minivans, cars and minibuses, to double decker buses and long haul coaches. The fleet is predominantly internal combustion engine (ICE) powered. As we drive towards net zero, we also operate alternative fuel technologies such as electric and hydrogen; we have 915 Zero Emission Vehicles (ZEVs) in operation or awaiting delivery. We have well-developed plans to transition the whole fleet to ZEVs.

### Sites

Our services operate from hundreds of depots across 12 countries and more than 50 key cities. These depots are where we deliver training, embed our safety practices and manage the fleet with many depots equipped to support ZEVs.

### Financials

Mobico Group focuses on securing long-term quality of earnings, a policy for margin improving and return-on-assets enhancement and has a track record of consistently generating cash flow from its operations.

### Colleagues

We have a diverse workforce and employ over 47,700 colleagues across our businesses around the world, the majority of whom are drivers. They deliver excellent customer service, and bring extensive technical skills and expertise in areas including operational excellence, route optimisation and vehicle technology.

### Intellectual property

We continually develop and refine critical intellectual property, which allows us to design, mobilise and operate transport solutions that deliver on our Evolve ambitions.

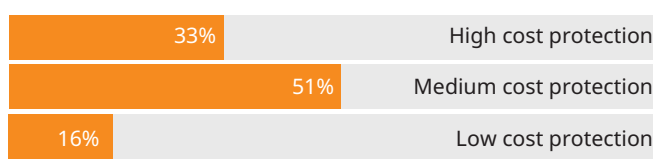
### Our relationships

Our relationships with our customers are fundamental to our success. We have extensive, long-term relationships at local and national levels of government, with city or regional transport authorities and with our local emissaries. We work with them to find solutions, and improvements, to their transport needs. We also enjoy productive relationships with our suppliers to develop innovative solutions and improvements to safety, reliability, customer satisfaction and environmental impact.

## How we do it

### Our global diversified contract models

67% of the Group's revenue is generated from contracts where customers pay us a fee to operate routes. The remaining circa 30% of revenue comes from passengers purchasing tickets from Group companies. 84% of our contracts have a high or medium level of cost inflation protection. Medium levels of protection often mean that we have a lag in recovering inflation, and sometimes rely on indices that may not be a perfect match for the underlying cost they are supposed to mitigate.



**67%**

of Group revenue is contracted

**76%**

of contracted revenue has high or medium level of certainty

**84%**

of contracted revenue has high or medium level of cost inflation protection

### Our wide range of products



#### Urban bus

single and double decker bus services in cities and their suburbs.



#### Corporate shuttle

a range of services for transporting employees to work often funded by the employer. Includes full home to-work service and filling the "last mile" gap from mass transit hubs to the place of work.



#### Long haul coach

intercity routes, tourism and airport transfer services providing a cheaper and in many cases, a more convenient form of transport.



#### Private hire

the provision of buses or coaches to individuals, employers, schools or other organisations for field trips, days out and holidays.



#### Student transportation

home-to-school transportation on behalf of school districts, enabling children to access education.



#### Healthcare

flexible and accessible solutions to passengers less able to use regular public transportation, including direct medical transportation.



#### Rail

we operate a number of lines in the west of Germany.

### Benefits to Mobico Group

#### Sustainable long-term growth

Our strong relationships with customers, suppliers and government bodies, combined with experienced colleagues, in-depth knowledge and considerable scale in terms of resources and geographical spread, enable us to drive sustainable long-term growth. We take a long-term view to the planning and utilisation of our resources, and to organic and inorganic opportunities for growth.

#### Financial returns

By targeting revenue growth, converting it to profit and delivering cash flow, we provide the ability to invest for growth, maintain a strong balance sheet and provide returns to shareholders.

## Key differentiators

### Our processes and systems

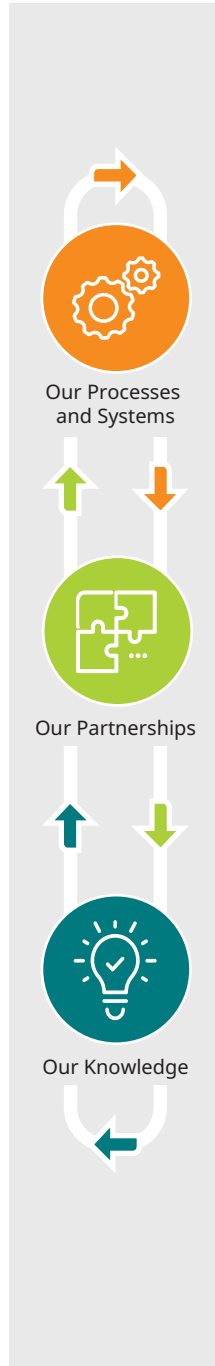
Mobilising and managing complex transport systems successfully involves robust processes and systems that can deliver reliability, consistency, efficiency and flexibility where it is needed. Our four step quality improvement training programme, OPERATE, defines the methodology we use to deliver operational excellence. Such systems take time and expertise to develop and operate and Mobico's long and successful experience through continuous improvement is differentiating. Success is measured in customer satisfaction rates as well as financial KPIs.

### Our partnerships

Acting in partnerships – with our customers, the transport authorities, suppliers, colleagues, and with industry and government bodies is a fundamental tenet of our strategy and philosophy. We have developed strong relationships in all of these areas. By doing so, we ensure our identity and values are aligned, and that we can deliver to the satisfaction of all.

### Our knowledge

Our knowledge is embedded throughout the Group, with all of our employees in their respective roles. Whether it becomes apparent in route scheduling, network design, customer services, passenger care, marketing or revenue management – it collectively creates a competitive edge.



## The value we create

### Colleagues

We are an organisation that shares the values of our employees and partners. We provide attractive career opportunities, paying competitive wages and salary rates, and creating safe, enjoyable and inclusive working environments.

### Passengers & customer

We provide best-in-class, value for money services that provide compelling transport options versus the private car. Our services enable passengers to connect with family, friends, and workplaces, and facilitate access to healthcare and education.

### Suppliers

We support a wide range of suppliers, from individuals to large businesses. We develop rewarding partnerships with them, working collaboratively and honourably to deliver market leading services to our customers.

### Equity and debt investors

We aim to provide attractive investment returns, both for our equity and our debt investors. We have strong long-term relationships with shareholders and lenders, utilising a variety of sources of funding.

### Communities

Our services facilitate social mobility and promote economic activity; connecting people to jobs, education, healthcare and leisure. Our services can be critical for people without access to a car and we provide transport for vulnerable people. By encouraging modal shift from private car to public transport, we also play an important role in improving air quality in our communities.

### Governments

We have strong relationships at local and national levels of government, which enable us to help shape public transportation policies. We are also able to bring transport solutions to local government bodies and transport authorities; transforming the services in their areas. The Group also generates significant tax contributions to public finances across employee, sales, corporation, property and other taxes.

### The environment

A significant proportion of the world's CO<sub>2</sub> is generated by transport – a key target for decarbonisation. For every bus journey, up to 70 car journeys are removed from the road. By making such journeys more reliable, more enjoyable and often more convenient than alternatives, we help communities and the world to reduce emissions significantly and greatly improve social mobility.

### Benefits to Society

#### Improved social mobility

Our services connect people to each other and to places of work, education and healthcare. Someone choosing to swap a singular journey from an average diesel car to an average diesel bus can reduce their carbon footprint by 45%.

[➤ Read more on pages 59 and 60](#)

#### Reduced pollution and improved air quality

Many of our existing diesel vehicles already emit lower emissions than the average family car. By driving modal shift from private car to public transport, as well as transitioning our fleet to zero emission vehicles, we can make a significant impact on reducing pollution and improving air quality.

[➤ Read more on pages 54 to 56](#)