

# London Bus



In London, we operate tendered bus contracts for Transport for London (TfL). We operate around 160 routes from 16 depots in the capital, with 85% of these depots being freehold. We own 100% of this business.

## Key market features

- Services operated for TfL which sets routes and service frequency
- Fares set by the Mayor of London
- Private operators bid for individual route contracts
- Revenue paid to operators by TfL on a revenue per mile basis
- Five to seven year contracts, dependent on performance
- Gross cost contracts require tight control of cost base

## Growth opportunities

Go-Ahead is the largest bus operator in London with around 23% market share. Growth opportunities exist through additional contract wins and by moving into new areas through acquisition.

## Divisional revenue

### 95%: Running bus services in London for TfL

Operating under a regulated system, TfL issues tenders for bus routes in London and private operators enter a competitive bidding process for individual route contracts. Contracts are usually five years in duration with a possible two year performance-based extension. Our revenue comes directly from TfL and is paid on a revenue per mile basis.

### 5%: Other revenue including Quality Incentive Contract bonuses

Other sources of revenue include providing rail replacement services, advertising on buses and operating other third party contracts. Performance targets are set by TfL through Quality Incentive Contracts (QIC) to encourage the provision of punctual services. Operators receive bonus payments when targets are met and are penalised for poor performance.

## 2019 in numbers

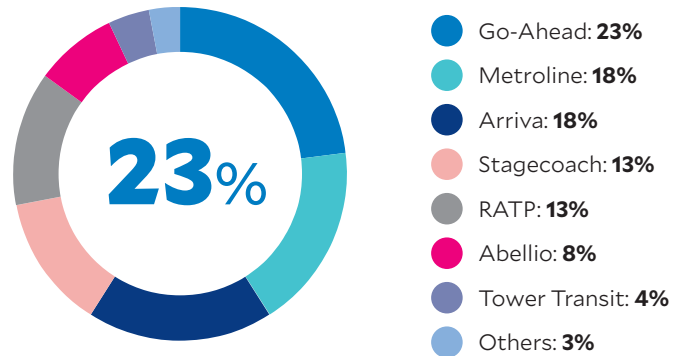
6,955

Employees

2,169

Buses

## London bus market share



## London bus depots

