

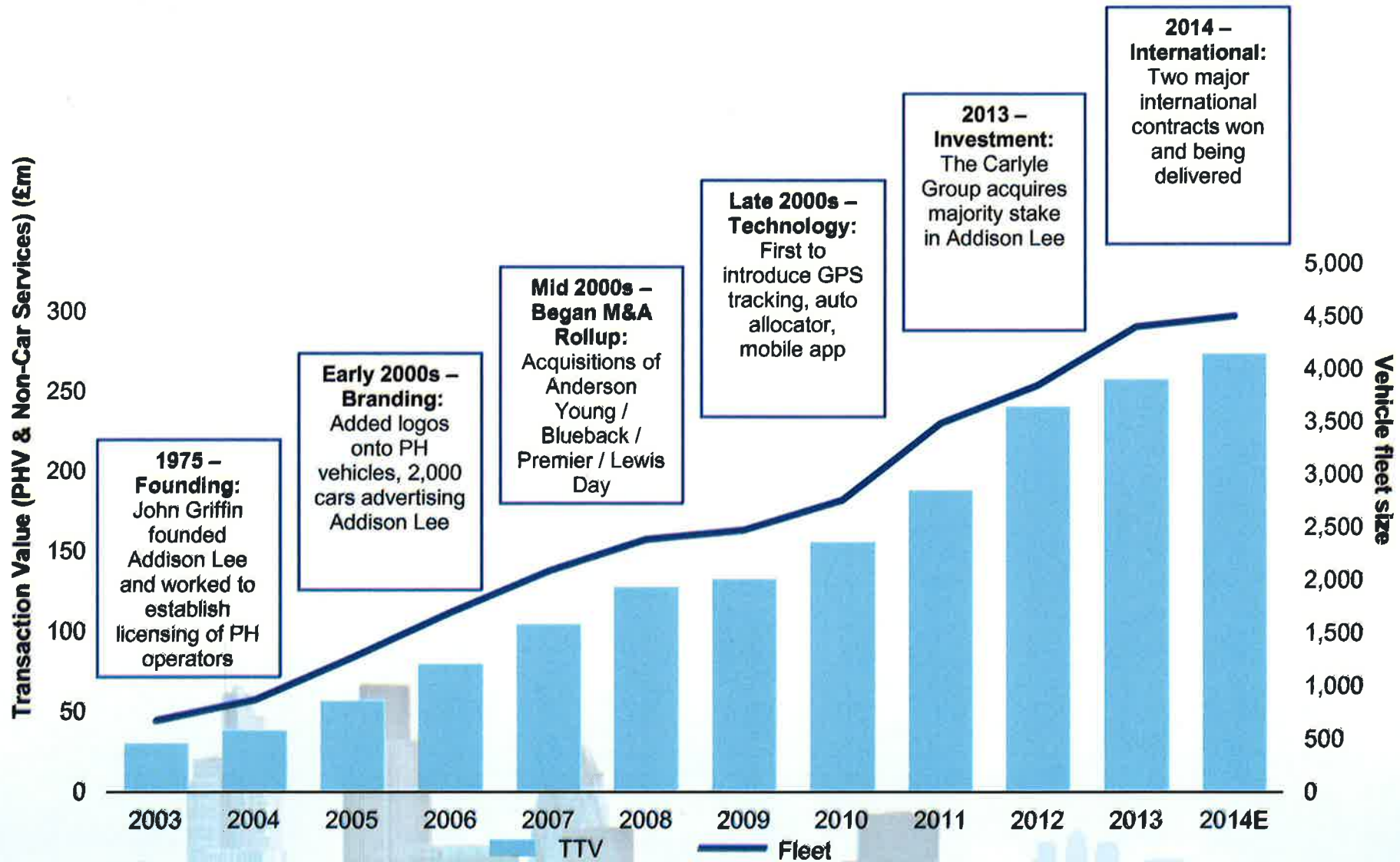
## Addison Lee – introduction

March 2015



**STRICTLY PRIVATE AND CONFIDENTIAL**

# 40 Years of Technology Innovation, M&A & Growth



# Addison Lee Offers a Wide Range of Vehicles and Services

Classic Galaxy



Hybrids cars



International car journeys



Luggage forwarding



Executive cars



Event management



Chauffeur cars



Coaches



Taxybikes



Executive Mercedes Viano



Deliveries

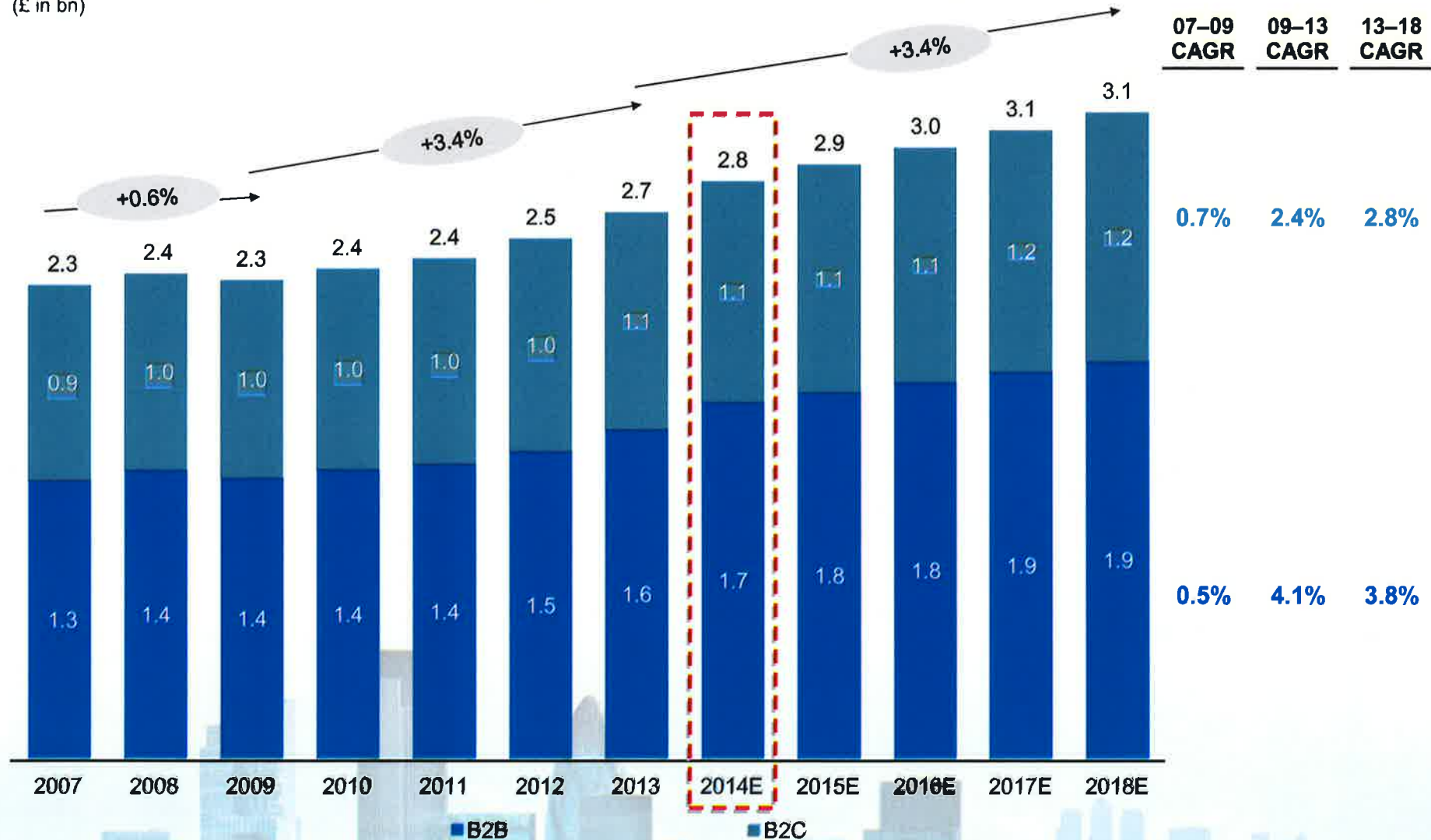




# 1 Large and Growing London Market

## Large and Growing London Market

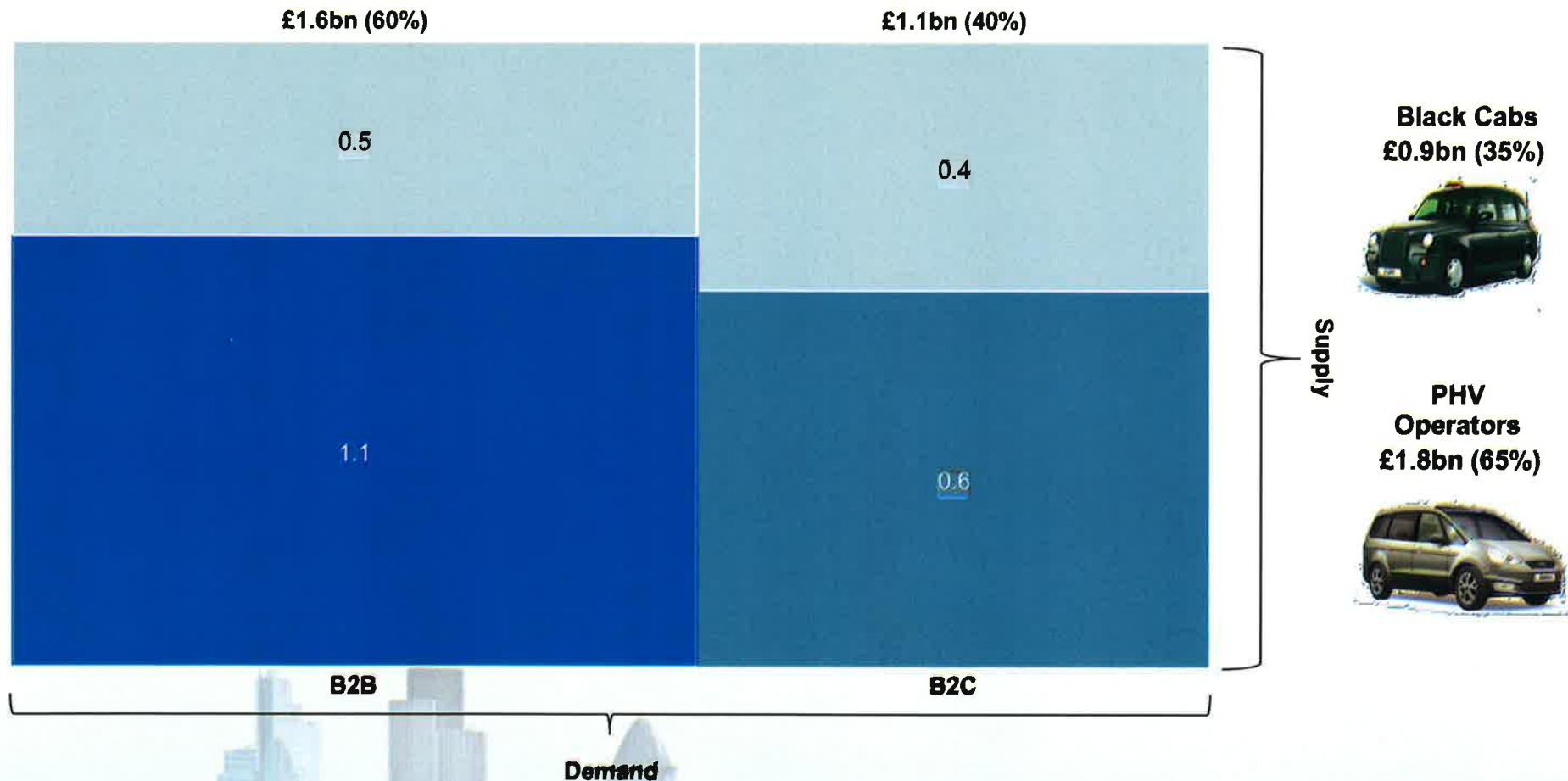
(£ in bn)



# 1 The market is Weighted Towards the B2B Segment

## London Taxi Market Segmentation

(£ in bn, 2013)



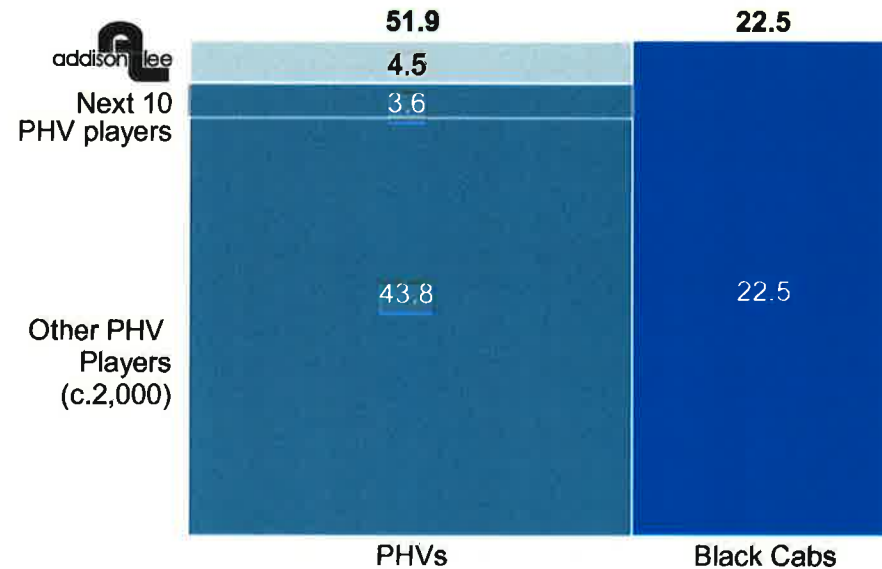
The London B2B market is worth £1.6bn, of which c.70% is served by PHV operators

Source: Commercial VDD  
PHV = Private Hire Vehicles

## 2 Addison Lee is the Scale Player in a Fragmented Market...

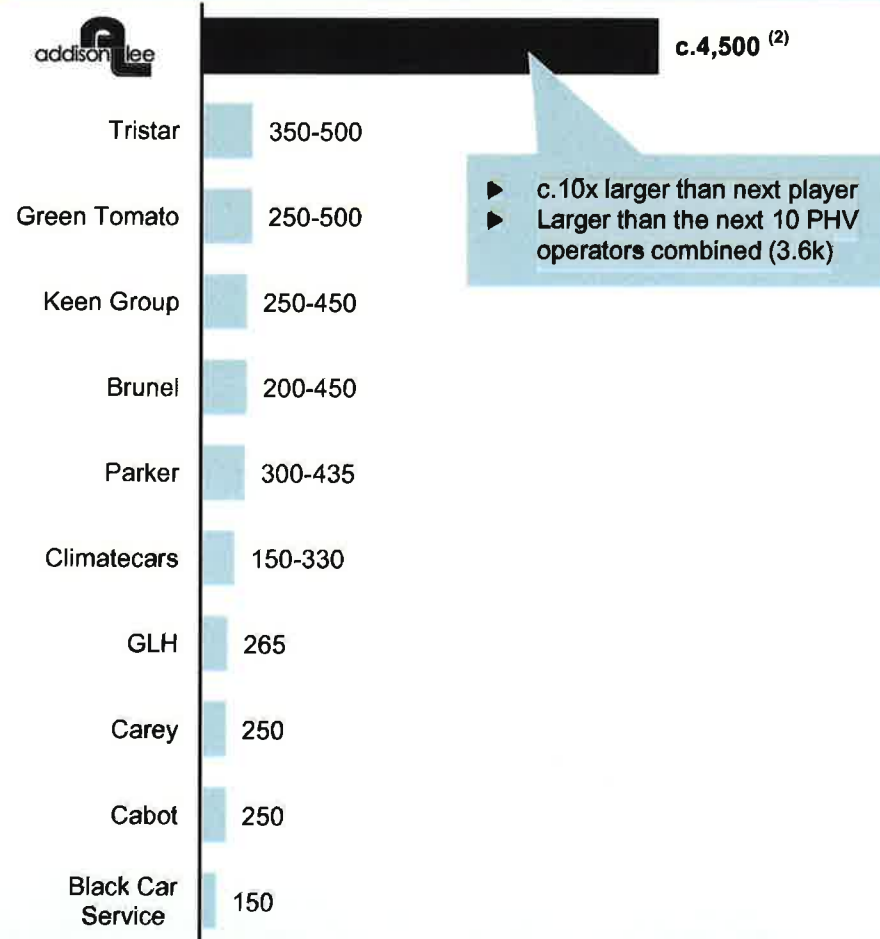
### Fragmented London Taxi Market, 2013

#000s of vehicles by operator



- ▶ 70% of London vehicles are PHVs, with the remainder owner-driven Black Cabs
- ▶ The PHV segment remains highly fragmented, with small operators (with an average of 25 vehicles) representing c.85% of the total London PHV fleet
- ▶ Addison Lee is the only player of scale and has been the only consolidator in recent years

### Addison Lee – *the* Scale Player<sup>(1)</sup>



Addison Lee has 9% market share, with significant opportunity to take further market share from the c.2,000 smaller PHV operators which account for c.85% of the London PHV fleet

Source: Commercial VDD

(1) Market estimates based on publicly disclosed information

(2) Excludes courier vans and bikes

### 3 The Business is focused on the B2B segment

- ▶ Fleet of c.4,500 vehicles<sup>(1)</sup>
- ▶ Unique ability to meet large company service and quality requirements

Who are Our Customers?		What do they Want?	What Addison Lee Delivers
B2B Customer's Stakeholders	Ground Transport & Procurement	<ul style="list-style-type: none"> <li>▶ Proven service capability</li> <li>▶ Price</li> <li>▶ Account management</li> <li>▶ MI / billing systems</li> </ul>	<ul style="list-style-type: none"> <li>▶ Largest fleet density</li> <li>▶ 10 minute SLA (contracted)</li> <li>▶ 99% "on-time" (at correct pick-up)</li> <li>▶ Up to 30% cheaper than black cabs</li> <li>▶ Pre-agreed fixed fares</li> <li>▶ Dedicated account manager for top c.270 accounts</li> <li>▶ Bespoke and timely billing and expense management reports</li> </ul>
	Finance	<ul style="list-style-type: none"> <li>▶ MI / billing systems – compliance</li> <li>▶ Link to invoicing system for accounts</li> <li>▶ Benefit / expense management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Ability to capture cost and project codes</li> <li>▶ Pre-agreed fixed fares</li> <li>▶ Bespoke and timely billing and expense management reports</li> <li>▶ Reporting solution installed beyond key customers firewall</li> </ul>
	CSR & HR	<ul style="list-style-type: none"> <li>▶ Driver quality and training</li> <li>▶ Rapid response times</li> <li>▶ Environmental credentials</li> </ul>	<ul style="list-style-type: none"> <li>▶ Suited, professional, well-trained drivers</li> <li>▶ Uniform fleet of well-maintained and clean cars help to ensure employee safety</li> <li>▶ "Green" fleet (e.g. Priuses) and minimum "dead mileage"</li> </ul>
	Secretarial / Booking Individual	<ul style="list-style-type: none"> <li>▶ Ease of booking</li> </ul>	<ul style="list-style-type: none"> <li>▶ Easy to use and rapid booking</li> <li>▶ Multiple booking channels, in particular voice</li> </ul>
	End User	<ul style="list-style-type: none"> <li>▶ Proven service capability</li> <li>▶ Reliability and consistency of service</li> <li>▶ Driver knowledge and quality</li> </ul>	<ul style="list-style-type: none"> <li>▶ 10 minute SLA (contracted)</li> <li>▶ Largest fleet density</li> <li>▶ 99% "on-time" (at correct pick-up)</li> <li>▶ Uniform fleet of well-maintained and clean cars</li> <li>▶ Suited, trained drivers</li> </ul>

+

Price Sensitivity

-

Unique capabilities required to serve a complex B2B customer base and to meet the requirements of multiple stakeholders, who value (first and foremost) quality of service

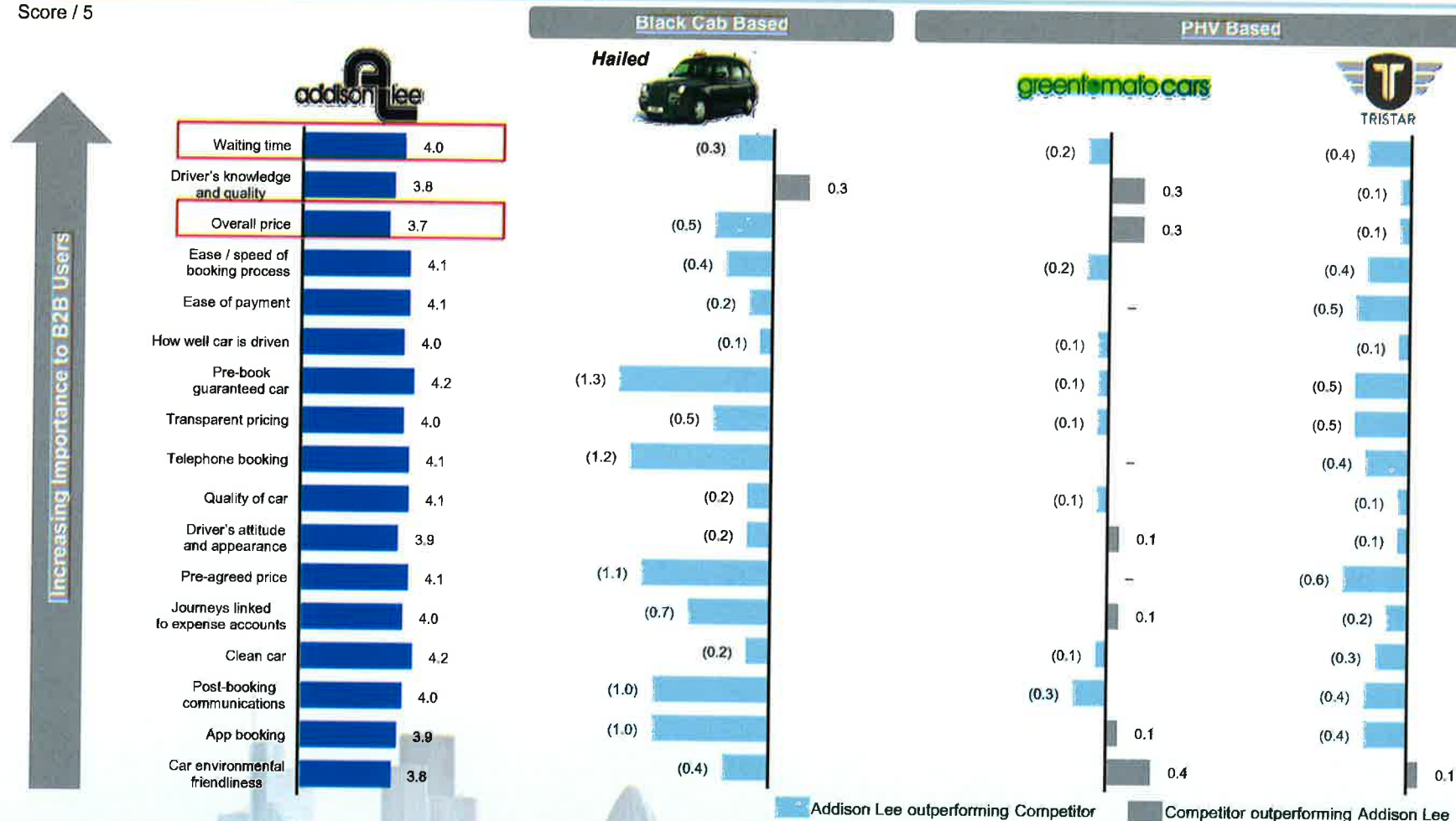
Source: Company information, Commercial VDD  
(1) Excludes courier vans and bikes



### 3 ...And is the Preferred Supplier to a Large Professional Services Sector in London as a Result...

#### Addison Lee Performance Against KPCs & Delta to Key B2B Competitors

Score / 5



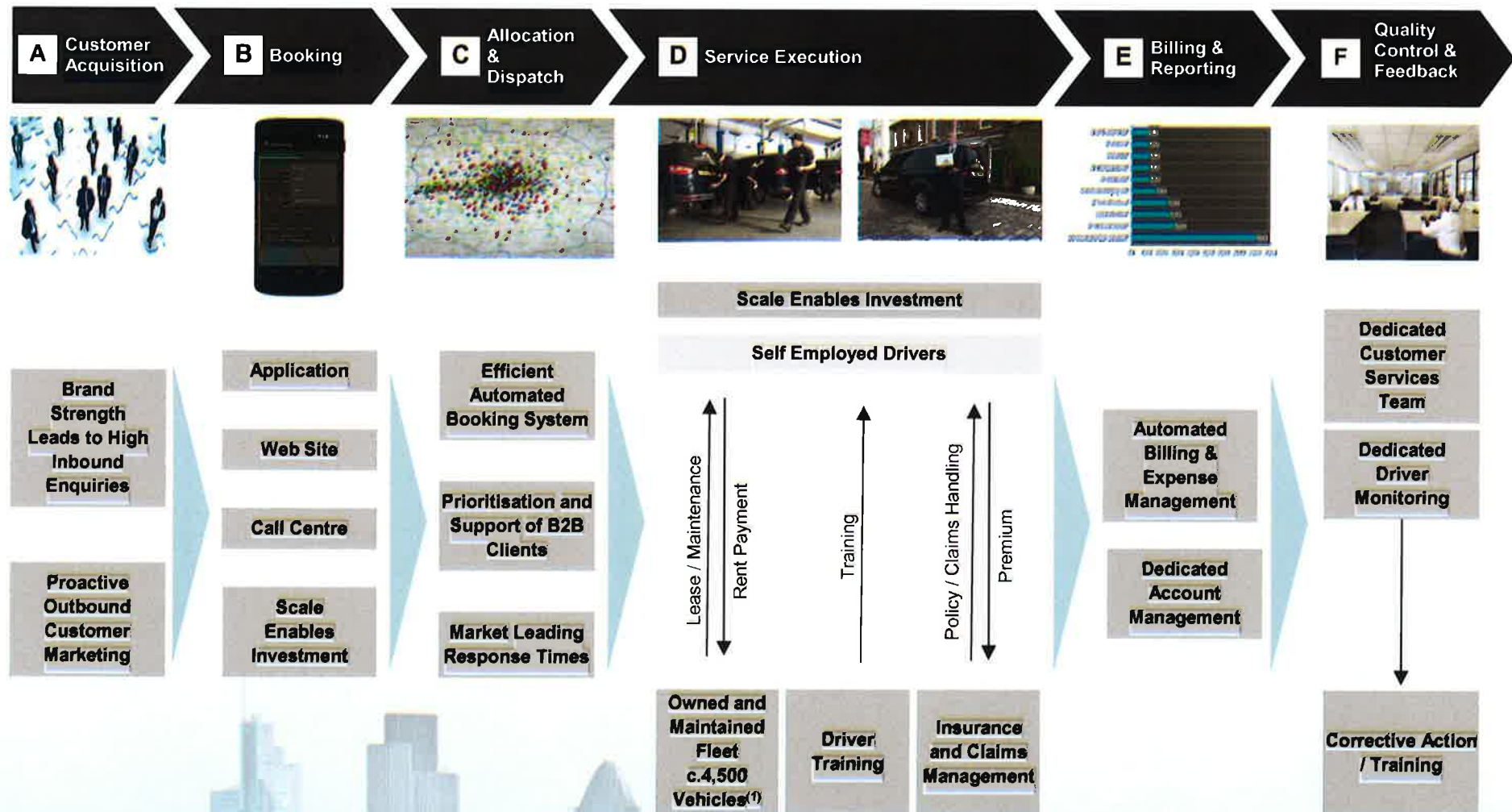
Addison Lee is very well rated by business users on all measures on an absolute basis and when benchmarked against its B2B competitor set

Source: Commercial VDD

Note: Based on a passenger / end user survey of 603 respondents



## 4 Differentiated Business Model, Delivered Through a Unique End-to-End Business Process

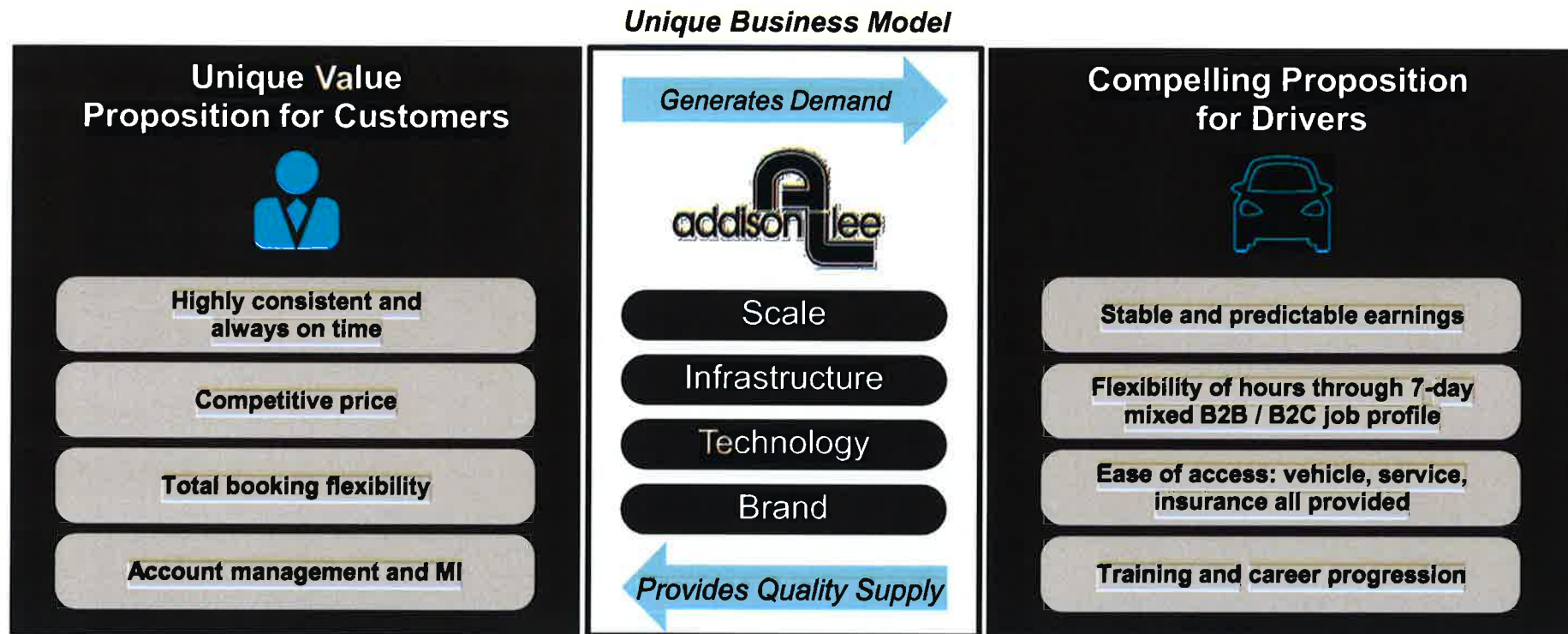


Addison Lee is unique in having a fully integrated end-to-end service for customers, with fulfilment executed by self-employed and highly incentivised drivers

(1) Excludes courier vans and bikes

## 5 The Company is Well Placed to Meet Both Customer Demands and Driver Needs

Addison Lee's Business Model Optimises Supply / Demand Needs



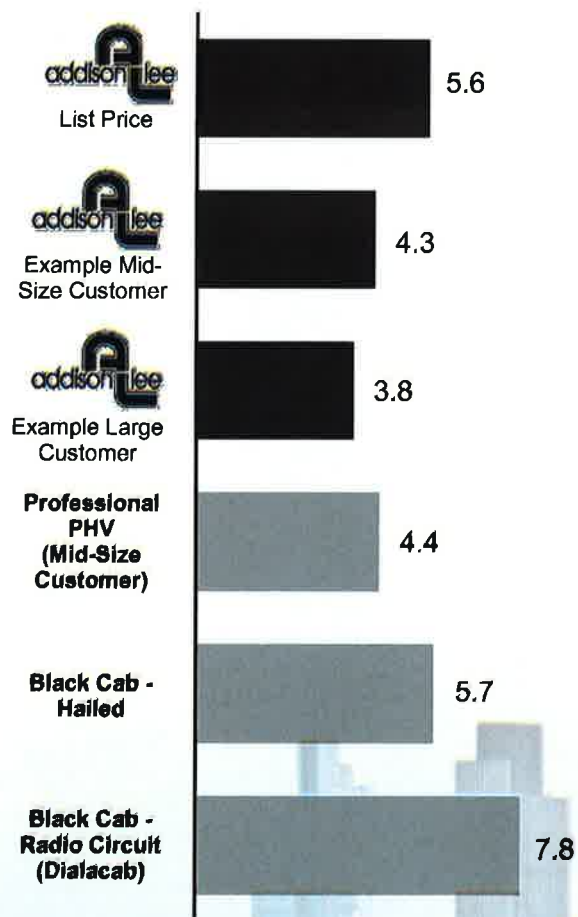
Virtuous circle built around a business model able to match complex customer demands with driver supply to support growth – with significant benefits derived from scale

# 5 Which Delivers Attractive Economics for All Stakeholders

## Competitive Pricing for B2B Customers

(£)

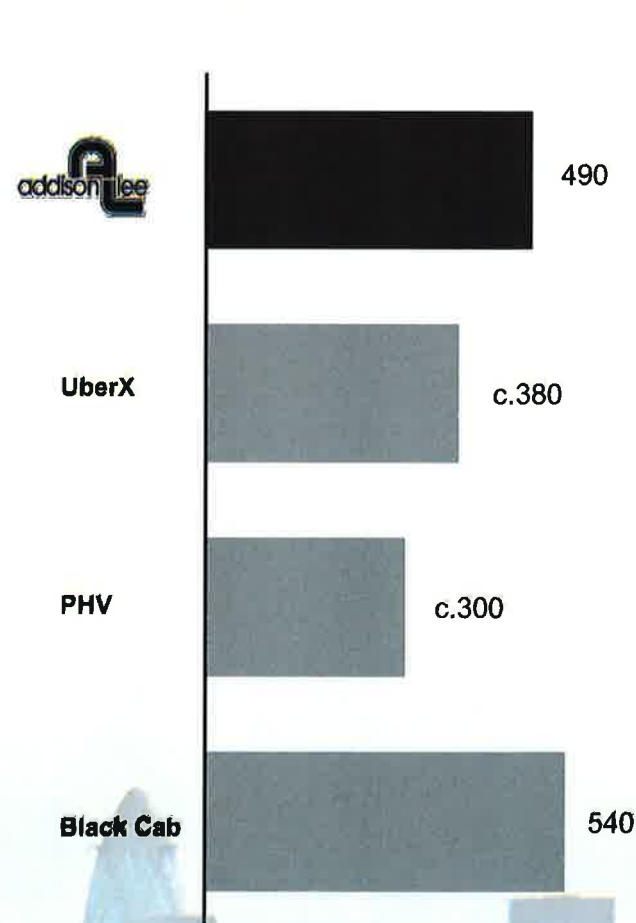
£/Mile for 2-7 Mile Journeys



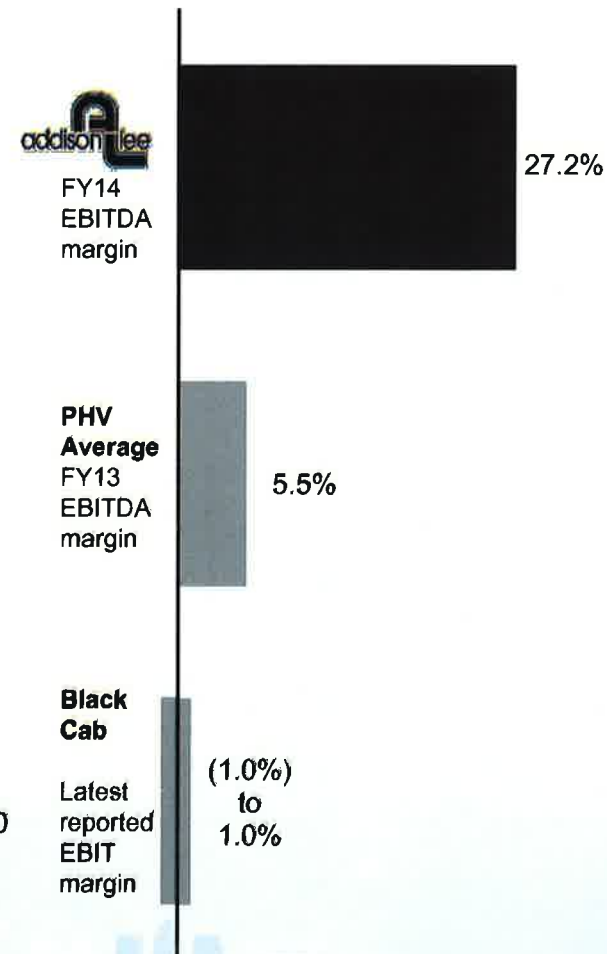
## Attractive Drivers Economics

(£)

Weekly Pre-Tax Driver Take Home Pay<sup>(1)</sup>



## High Levels of Profitability for Addison Lee



(1) Post fuel and car costs



## 6 Addison Lee Delivers What Drivers Want

### Who are our drivers?

#### Demographic

- ▶ c.99% male
- ▶ c.46 years old
- ▶ International

#### Tenure

- ▶ 4.4 years with Addison Lee
- ▶ >10 years in the industry

#### Employment

- ▶ Self employed
- ▶ Incentivised to complete a high number of jobs each week

### What do they want?

#### Earnings Power & Predictability

- ▶ Potential to generate stable earnings per week throughout the year
  - Addison Lee drivers earn more than UberX drivers
- ▶ Access to continuous supply of jobs across the day and week, with minimum downtime and dead-mileage
  - Mixed B2B / B2C job profile means 24/7 work
  - Unbiased allocation with ability to pre-book jobs to / from home
- ▶ Ability to enhance weekly earnings by increasing driver hours
- ▶ Fully-serviced car to maximise time on road (e.g. replacement car, servicing / MOT, insurance, claims handling, PCO license, etc)
- ▶ Benefit from scale buying power of Addison Lee
  - Competitive vehicle rental scheme
  - Large discount (c.20%) to market for insurance, car wash, etc.

#### Flexibility

- ▶ No minimum term car lease commitment
- ▶ No defined shift patterns
- ▶ Ability to self-manage workflow through the portal
- ▶ Ability to earn bonus free weeks and bonus points

#### Training & support

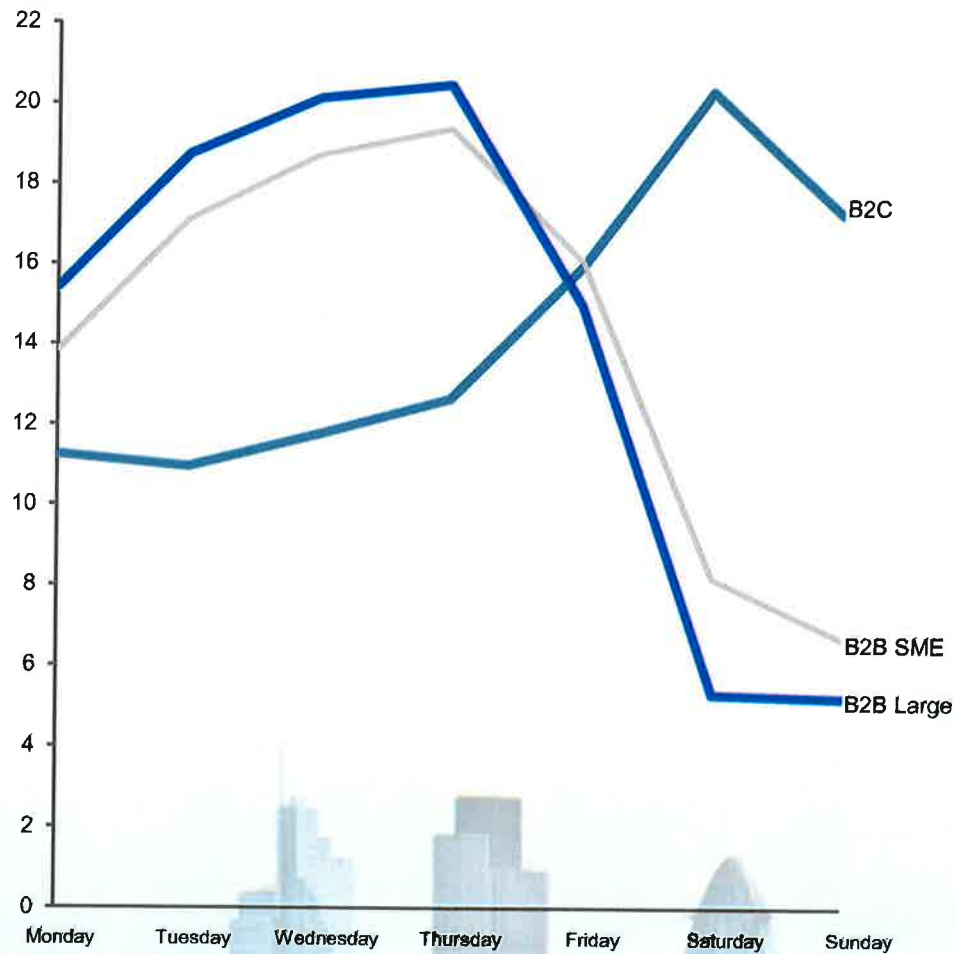
- ▶ 24 hour team to support drivers with queries, directions, vehicle issues, administration, PCO licensing etc.
- ▶ Driver induction covers Customer service, Working Efficiently and Technology Introduction
- ▶ Driver knowledge school to bring new drivers into the industry (e.g. Job Centre Plus program)
- ▶ 5 month Driver Diploma qualification (accredited by People First) to develop experienced professional drivers

Highly compelling proposition to self-employed drivers who value high and predictable earnings, flexibility and training and support

Source: Company information, Commercial VDD

# 7 Complementarity of B2B / B2C Customer Demand ...

Jobs by Day of Week  
%



Jobs by Hour of Day  
# Journeys

