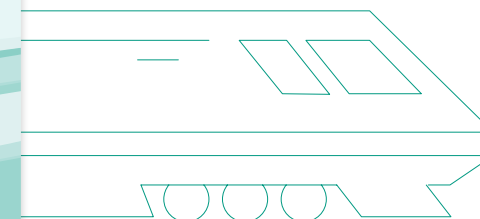


Investor Report

1st January - 31st December 2023

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1. General Overview

£456.7m

2023

EBITDA

£452.2m

2022

Angel Trains Group (the “Group”) performed strongly during the period with EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) of £456.7m (2022: £452.2m).

The Group has maintained metrics consistent with the Baa2 credit rating throughout the period, confirmed by the Moody’s credit update, which also highlighted limited re-lease risk in the medium term.

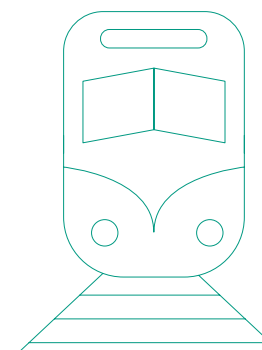
At 31 December 2023, the Group owned 4,085 vehicles (of which 52 are marked for disposal). This was lower than the 4,202 vehicles owned at 31 December 2022 owing to the disposal of a number of life-expired vehicles, partially offset by acceptance of Class 720 vehicles. During the period, 125 new vehicles were delivered, with a further 95 vehicles in the process of being manufactured for future delivery.

Several leases were entered into or extended during the year and 99% of all vehicles with an economic value are on lease. In addition to the 52 vehicles marked for disposal, the Group has 10 vehicles off-lease with an economic value remaining for which re-lease opportunities are being sought and 17 vehicles which are off-lease but have no economic value and are to be retained for spares if no re-lease opportunity presents itself.



4,085

vehicles owned by the Group at 31 December 2023



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EBITDA during the period of

£456.7m

Revenue of

£600.2m

2. Significant Business Developments



2.1 New significant business developments to 31 December 2023

NEW TRAINS

Acceptance of Class 720 Bombardier Aventra vehicles continued during the year. At 31 December 2023, 570 of the 665 vehicles that were procured for use in the East Anglia rail contract had been delivered.

The new electric fleet will reduce the proportion of diesel trains that the Group owns, reduce the average age of the portfolio and provide a long-term revenue stream.

REFURBISHMENT PROJECTS AND FUTURE DEVELOPMENTS

Despite a number of challenges to the industry in general, our supply base has continued to support our maintenance requirements over the past year. To aid this, we are working closely with our strategic supply base to ensure continuity of supply through workload consolidation, whilst also ensuring retention of competencies and capacity within the rail industry. We continue to enjoy strong and positive relations with our suppliers and seek to identify further ways to develop these relationships for mutual gain.

In conjunction with Avanti West Coast, Angel Trains is funding a £125m refurbishment of the iconic Pendolino fleet with the works being undertaken at the Alstom facility in Widnes. This is the largest refurbishment programme ever undertaken in the UK and will result in a train fit for the future. This project won "Major Project of the Year" at the Rail Innovation Awards in June 2023.



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Angel Trains was also delighted to jointly win the award for “Innovation of the Year” at the prestigious Rail Business Awards in February 2023. We have been leading the way to transform railway infrastructure monitoring using technology fitted to our trains and this award was for the work to revolutionise overhead line condition monitoring. This was a true collaboration between Angel Trains, Network Rail, and SMEs Transmission Dynamics and One Big Circle.

CLASS 802 BATTERY TRIAL

In collaboration with Transpennine Trains Limited and manufacturer Hitachi Rail, Angel Trains entered into an agreement in December 2023 to undertake a trial of battery traction equipment on one of its Class 802 assets. The 12-month battery trial programme will evaluate the capability of a Tri-Mode Class 802 for use on non-electrified sections of rail infrastructure. The other key objectives of the battery traction trial will determine the reduction in noise and fuel usage as a consequence of the removal of a diesel engine from the unit, along with air quality improvements. These benefits will contribute towards the targets to decarbonise the railway.

TYSELEY DEPOT

In December 2023, Angel Trains secured a lease for Tyseley Depot with Network Rail and is working with West Midlands Trains to finance the delivery of a depot enhancement programme. Angel Trains will invest c.£51m in critical modifications and upgrades to the depot, which will support its Class 172 fleet and the new Class 197 fleet. The investment in the Tyseley Depot modernisation programme will support the long-term operation of these fleets and is an important step in the diversification of the Angel Trains business.



Angel Trains will invest c.£51m in critical modifications and upgrades to the Tyseley depot, which will support its Class 172 fleet.



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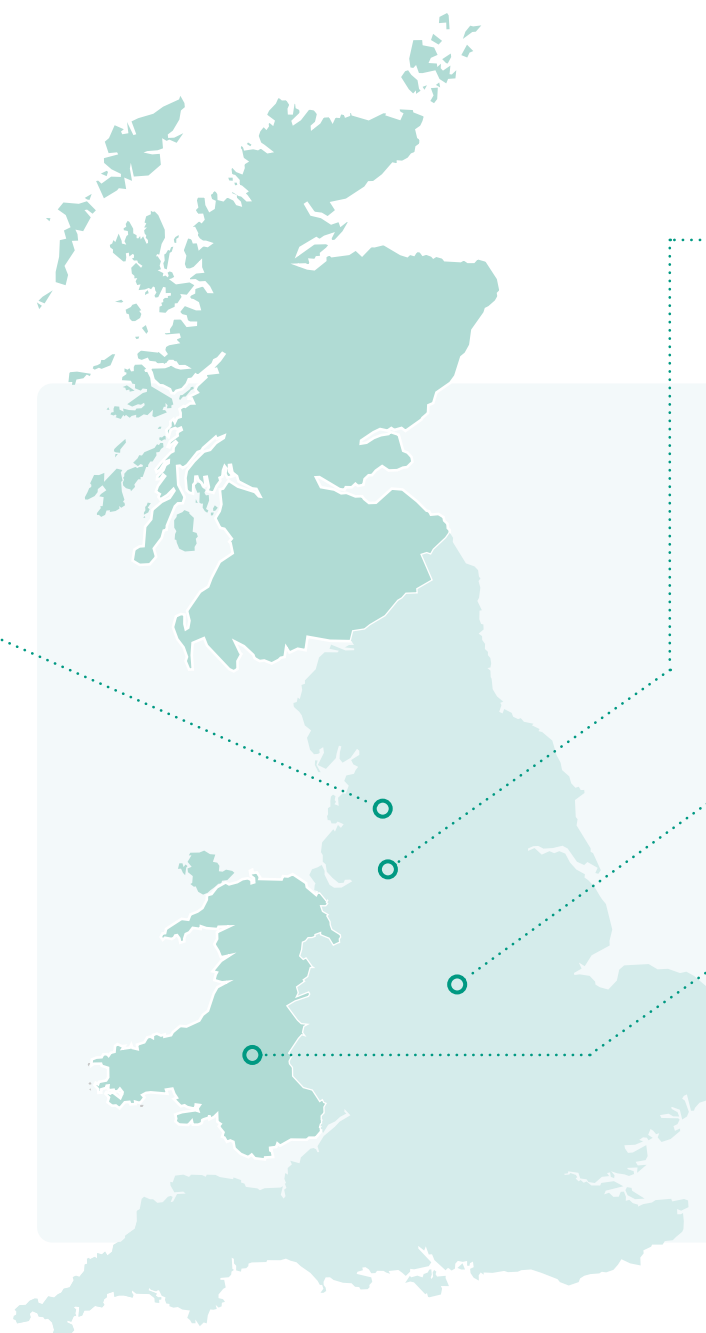
2.2 Re-leasing activity and current fleet utilisation

As at 31 December 2023, Angel Trains owned 4,085 rolling stock vehicles. 79 of these are presently off-lease, of which 69 are expected to be scrapped or held for spares.

The following leases were entered into during the period, as a result of NRC awards (unless specified otherwise):

West Coast Partnership

- The Emergency Recovery Measures Agreement ("ERMA") previously in place on the West Coast Main Line was replaced by a NRC on 15 October 2023. The NRC has a minimum core 3-year term to 18 October 2026, following which an extension may be granted for a further maximum of 6 years until 17 October 2032, subject to ongoing Department for Transport ("DfT") approval.



Transpennine Express

- As part of the new NRC (with operational management being undertaken by Department for Transport ("DfT") subsidiary Transpennine Trains Limited as Operator of Last Resort ("OLR")), a new 8 year lease was entered into for the Class 802 vehicles, securing them on lease until May 2031.

The following leases were entered into or extended during the year, outside of the rail contracting process;

Grand Central

- 10 Class 180 vehicles were leased to Grand Central after coming off-lease from East Midlands Railway.

Transport for Wales

- The lease for the 70 Class 175 vehicles was extended until March 2024.

An agreement was reached with Great Western Railway to terminate the HST vehicles ahead of lease expiry in June 2025. As per the lease conditions, Angel Trains was fully compensated.



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The table below summarises the Angel Trains fleet by lease counterparty as at 31 December 2023.

Owner Operating Group	TOC	Total Vehicles	Lease End Dates	Vehicles Leased %	Contract Type
Abellio	Abellio East Anglia Ltd	570	Oct 25	13.95	NRC
	Abellio East Midlands Ltd	116	Aug 27 / Oct 30	2.84	NRC
	Total	686		16.79	
Abellio, JR East and Mitsui	West Midlands Trains Ltd	224	Mar 26 / Sep 26	5.48	NRC
Arriva	Chiltern Railways	89	Dec 27	2.18	NRC
	Grand Central Railway Company Ltd	60	Dec 26	1.47	Open Access
	Total	149		3.65	
First Group	Great Western Railway Ltd	179	Jun 25 / Jun 27 / Jun 28	4.38	NRC
	Hull Trains	25	Dec 29	0.61	Open Access
	Total	204		4.99	
First Group / MTR	First MTR South Western Trains Ltd	733	Aug 24	17.94	NRC
GB Railfreight	GB Railfreight Ltd	4	May 25 / Jul 25	0.10	Freight
Transport for Wales	Transport for Wales Rail Ltd	118	Mar 24 / Oct 24	2.89	OLR
Transport Scotland	ScotRail Trains Ltd	258	Mar 26 / Mar 27	6.32	OLR
Rail Operations Group	Rail Operations Group Ltd	6	Jul 24	0.15	Hauler
Serco / Abellio	Merseyside Passenger Transport Ltd	75	Jul 24	1.84	Franchise
Trenitalia	Trenitalia C2C Ltd	112	Nov 29	2.74	NRC
Department for Transport	Northern Trains Ltd	332	Mar 25	8.13	OLR
	SE Trains Ltd	436	Oct 24	10.67	OLR
	TransPennine Trains Ltd	95	May 31	2.33	OLR
	Total	863		21.13	
First Group / Trenitalia	First Trenitalia West Coast Rail Ltd	574	Mar 26	14.05	NRC
	Off lease with future rent expectations	10		0.24	*
	Off lease with no future rent expectations	17		0.42	*
	Marked for disposal**	52		1.27	**
	Total	79		1.93	
GRAND TOTAL		4,085			

* Opportunities are being explored. ** Off lease, life expired with no future identifiable opportunities to release



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2.3 Significant Board/Management changes for the period ending 31 December 2023

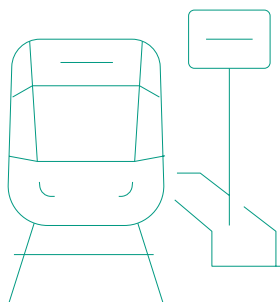
In June 2023, Arjun Infrastructure Partners completed the acquisition of a 10% stake in Angel Trains from PSP Investments. It is a testament to the strength of the business that the sale generated interest from a large number of investors.

PSP Investments remains Angel Trains' majority shareholder with 64.25% and Richard Chang, PSP Managing Director and Head of Europe, took the opportunity to restate PSP's commitment to long-term investment in Angel Trains.

Arjun is an independent asset management firm dedicated to identifying, executing and managing mid-market infrastructure investments. It manages over €5.3 billion of capital on behalf of prominent institutional investors and has a strong focus on ESG as part of a long-term, responsible asset management approach.

The following significant changes of directors and officers in the Angel Trains Group of companies also took place during the period:

- T Mercado (resigned on 24 January 2023)
- R Py (appointed on 29 June 2023)
- F Feghoul (appointed on 15 September 2023)
- JB Auger (resigned on 27 September 2023)



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During the period

125

new vehicles delivered

95

vehicles in the process of being manufactured

3. Regulatory / Governmental Developments



3.1 Significant announcements / publications by any regulator or relevant government department

The table below summarises the recent and forthcoming contract awards:

Franchise	Contract Commencement Date	Expiry Date	Extension Option (up to)
TransPennine	May 2023	May 2027	May 2031
West Coast Partnership	October 2023	October 2026	October 2032
Cross Country*	October 2023	October 2027	October 2031
Northern	May 2025	TBA	TBA
South Western	May 2025	TBA	TBA
Essex Thameside	July 2025	TBA	TBA

*No Angel Trains assets are included in this franchise

The Group's pre-existing contracts with train operators continue in force, notwithstanding the amended contract expiry dates described above.

4. Capital Expenditure

4.1 Material matters of capital expenditure including future commitments made during the relevant period

During the period the Group incurred capital expenditure of £188m, mainly comprising of:

- Stage payments and capitalised interest for Class 720 vehicles.
- Refresh and modifications for Class 165/166, Class 15x, HSTs, Class 17x, Class 333, Class 350, Class 360 and Class 390 vehicles.
- Continued Service Operation work on HSTs.

The Group had total capital commitments of £261m as at 31 December 2023, mainly comprising of:

- Stage & delivery payments and capitalised interest for Class 720 vehicles.
- Retention payments for Class 802 vehicles.
- Modifications to several fleets including the Pendolino fleet for First Trenitalia West Coast.



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*Capital expenditure
during the period of*

£188m

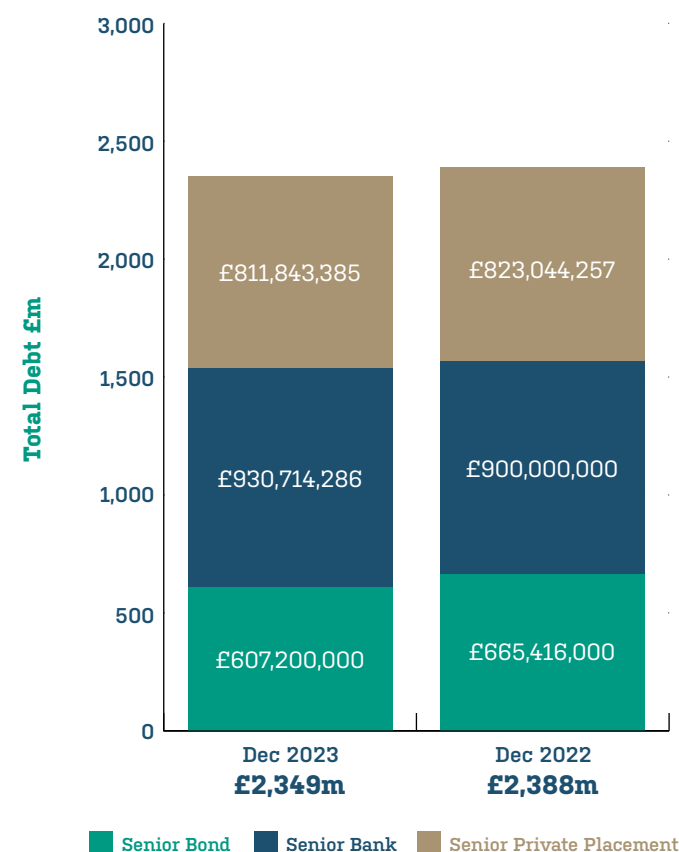
5. Financing

5.1 Total Senior debt outstanding at 31 December 2023

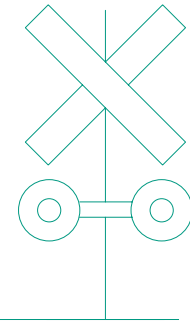
Group Entity: The Great Rolling Stock Company PLC

Debt Type	Debt Facility	Balance Outstanding	Issue / Facility Limit	Maturity Date
Senior Bond	20-yr Amortising Bond	335,800,000	460,000,000	Apr 31
	25-yr Amortising Bond	271,400,000	500,000,000	Jul 35
	Total for Debt Type	607,200,000	960,000,000	
Senior Private Placement	US Senior Private Placement	30,000,000	30,000,000	Jun 31
	US Senior Private Placement	85,000,000	85,000,000	Nov 32
	US Senior Private Placement	200,000,000	200,000,000	Sep 34
	US Senior Private Placement	100,000,000	100,000,000	Nov 37
	Senior Private Placement	396,843,385	437,534,052	Nov 27
	Total for Debt Type	811,843,385	852,534,052	
Senior Bank	Revolving Credit Facility	45,000,000	500,000,000	Aug 28
	15-yr Amortising Debt	285,714,286	300,000,000	Oct 33
	10-yr Amortising Debt	450,000,000	450,000,000	Dec 31
	10-yr Amortising Debt	150,000,000	150,000,000	Dec 31
	10-yr Amortising Debt	0	250,000,000	Aug 33
	Total for Debt Type	930,714,286	1,650,000,000	
Grand Total		2,349,757,671	3,462,534,052	

5.2 Senior Debt Facilities: December 2023 v December 2022



6. Historical Financial Performance and Ratios



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DEC 2023

£2,349.8m

DEC 2022

£2,388.5m

Group's total external
senior debt at 31 Dec 2023

6.1 Update on financial performance for the year including ratios

EBITDA, the Group's key measure, for the period ending 31 December 2023 was £456.7m (2022: £452.2m).

Revenue for the period was £600.2m (2022: £578.4m). The increase from 2022 is mainly due to revenue associated with Readypower and capital revenue from the new Class 720s as they are introduced into passenger service, partly offset by a reduction in non-capital deferred income and older life expired fleets coming off lease.

The Group's total external senior debt at 31 December 2023 was £2,349.8m, compared to £2,388.5m at 31 December 2022. The net decrease of £38.7m was due to £83.7m of scheduled debt repayments, partly offset by Revolving Credit Facility drawdowns of £45.0m.

All senior floating rate debt remained economically hedged and no speculative derivatives were executed.

The Senior Interest Cover ratio for the period to 31 December 2023 was 4.0, compared to the financial covenant requirement of at least 1.5:1.

The Senior Leverage ratio for the year ending 31 December 2023 was 5.1, compared to the financial covenant requirement of no greater than 8.5:1.

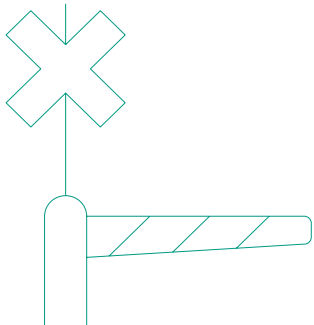
The Group remains insulated from the direct impact of foreign exchange volatility and the senior debt is hedged for interest rates. All of our revenues are generated within the United Kingdom and they are denominated in Sterling.

6.2 Credit ratings

Moody's completed its annual review for 2023 and reaffirmed the Baa2 stable credit rating in March 2024, again noting "strong operational performance since privatisation", and "the protective features of Angel Trains' ring-fenced finance structure."

Moody's commented that the stable outlook reflected its' "expectation of strong cash flow generation supported by rolling stock lease renewals at lease rates that are, at a minimum, in line with base case forecast and that Angel Trains will continue to implement conservative financial policies. The stable outlook also reflects our expectation of continued stable and supportive regulation in the UK passenger rail sector."

The review acknowledged that during 2024 and 2025 "around 42% of vehicles are expected to come off-lease, however 14% of these are at the end of their useful economic lives. Therefore, re-leasing risk during this period is limited, reflecting Angel Trains' strong recent re-leasing performance, with higher risk fleets having already been cascaded."



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7. Other Business Matters

7.1 Other business matters

Angel Trains retained its Global Real Estate Sustainability Benchmark (“GRESB”) rating as a 5-star rated business, with a score of 95/100 for the second year running.

The business had a successful audit by LRQA on its Quality (ISO 9001) Management System. The ISO 9001 approval, together with our RISAS approval, provides assurance to our customers in the QMS processes used to provide our engineering services.

During the period, Angel Trains was recognised by Effectory as a World Class Workplace. Angel Trains has worked with Effectory on employee surveys for over a decade. They survey over a million employees globally and award the “World-class Workplace” label to organisations that score above the national benchmark for “Employership”, which takes into account employee engagement, the level of employee commitment, and how successful businesses are at enabling employees to reach their potential.

Not only did Angel Trains meet the criteria for a World-Class Workplace but received two awards - “Best in UK” and “B2B Supplier” - in the industry category. Our annual employee survey also resulted in a response rate of 95% and an Net Promoter Score 68, significantly above the benchmark.



Angel Trains retained its Global Real Estate Sustainability Benchmark (GRESB) rating



Not only did Angel Trains meet the criteria for a **World-Class Workplace** but received two awards - **“Best in UK”** and **“B2B Supplier”** in the industry category.

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www.angeltrains.co.uk

communications@angeltrains.co.uk

ANGEL TRAINS
123 Victoria Street
London
SW1E 6DE