



# Press Release

Utrecht, August 16, 2019

## Growth continues, track availability reaches its maximum

**Many train passengers were satisfied with their journeys in the first half of 2019: 88% gave a score of 7 out of 10 or higher, as opposed to 84% a year previously. 60% gave even 8 out of 10 or higher. NS announced this with the publication of the six-monthly figures. The high score and economic growth mean that more people in the Netherlands are choosing to travel by train: the number of kilometres travelled increased by 4.6% in the first half of the year. This growth means that the maximum track availability is being reached years early. NS is expanding its capacity in the short term with new trains, in order to be able to carry more passengers. However, track capacity will be too limited from 2027. NS can scarcely extend the timetable and trains on the busiest routes can no longer be lengthened.**

Roger van Boxtel, CEO of NS: "It's good that more passengers are choosing the train as a sustainable means of transport, bearing the climate agreements in mind. Now that the maximum track availability is being reached early, we urgently need more capacity to enable us to run more trains. NS is therefore calling, together with the Mobiliteitsalliantie, for the budget for ProRail to become available more quickly in order to resolve the bottlenecks in the infrastructure before 2027."

### Latest forecasts

The latest forecasts from NS show that railways in the Netherlands will have reached their maximum track availability in 2027. That is three years earlier than was expected in the Nationale Markt en Capaciteits Analyse [National Market and Capacity Analysis] (NMCA) that is used by the State in determining the necessary infrastructure. If the trend in the first six months continues, the maximum track availability for the railway will already have been reached in 2025.

### New trains and seat availability

NS is taking this rapid growth into account in the purchasing of trains and in developing the timetable. It is happening more and more often that there is insufficient track capacity for running even more journeys or for making trains longer. There are too few necessary platforms to allow this. It is already impossible to make trains on the busiest routes longer. Partly because of this, the chance of getting a seat at peak periods fell to 94.9% in the first half of the year, as opposed to 95.5% a year previously.

### Faster growth than expected

When deciding on infrastructure the State is using the NMCA forecasts with a base year of 2014 – the end of the economic crisis. It is therefore assuming an annual growth in the number of passengers of between 1.4 and 1.9%. The number of passenger-kilometres grew nationally by 2.2% annually between 2014 and 2018, however. Growth was even higher in the first half of 2019: 4.6%. The growth in the number of trains to stations such as Rotterdam Centraal, Schiphol Airport and Leiden Centraal was even greater.



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The popularity of the train increased internationally as well. The number of passengers to cities such as Brussels, Paris, Frankfurt and London grew by between 10 and 20%.

### On course for the midterm review

In the first half of 2019 92.9% of passengers arrived on time, including at transfer stations, compared with 93.1% in the first half of 2018. Punctuality on the high-speed line is slightly below the level for 2018, partly because of software problems in the first few months. Taking measures for improvement has resulted in less inconvenience for passengers and it appears that NS will fulfil the agreements for the high-speed line for the third year in succession. The performance of the HSL demands the full attention of NS and ProRail.

The six-monthly figures show that NS is on course for meeting the requirements for the midterm review set down by the Ministry of Infrastructure and Water Management.

Table of main KPIs

	Actual, H1 2019	Actual, H1 2018	Minimum value for 2019	Target value for 2019
Customer satisfaction	<b>88%</b>	84%	74%	80%
Passenger punctuality	<b>92.9%</b>	93.1%	88.9%	91.1%
Passenger punctuality, HSL	<b>82.6%</b>	84.8%	82.1%	84.1%
Seat availability at peak times	<b>95.0%</b>	95.5%	94.3%	95.5%
Seat availability at peak times, HSL	<b>96.9%</b>	93.7%	91.2%	94.9%

### Finances

Revenue for the NS Group rose by € 285 million to € 3,156 million in the first half of 2019. Revenue in the Netherlands grew from €1,523 million to € 1,582 million. This increase was driven in particular by the growth in the number of passenger-kilometres of 4.6%.

The revenue at Abellio United Kingdom grew to € 1,322 million (2018: € 1,180 million). This was generated in particular by the autonomous growth in existing British franchises such as ScotRail, West Midlands and East Anglia. NS is continuing to closely monitor Brexit and any impact it might have on the British railway market.

The revenue at Abellio Deutschland grew to € 252 million (2018: € 168 million). This was achieved by the start of the franchises of DISA in Mittel Deutschland and RRX in Nordrhein-Westfalen on 8 December 2018.

The result from operating activities (EBIT) was € 120 million in the first half of 2019 (2018: € 34 million). The underlying result from operating activities, the result excluding incidental income and expenditure, was € 96 million in the first half of 2019, compared with € 50 million in the same period in 2018. NS has made an arrangement for the payments recommended by the Commissie Individuele Tegemoetkoming Slachtoffers WOII Transporten NS [Committee for the Individual Compensation of Victims of Transportation by NS in WWII] (€ 42.5 million). NS also received a supplementary payment from AnsaldoBreda for the final sale of the V250 to Trenitalia (€ 21 million). An adjustment to the franchise settlement mechanism for East Anglia (CLE) for past years had a positive impact of € 4 million on the result. Finally, NS received reimbursement of the € 41 million penalty from the ACM, after the court in Rotterdam annulled the ACM's decision. The ACM has appealed and has asked for time to supplement its arguments.

NS reports a net profit of € 94 million for the first half of 2019, compared with a net result of € 21 million in 2018.



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### Financial challenge

The improved operational performance for passengers — such as the high level of punctuality and customer satisfaction — was made possible in part by the substantial investments made by NS in recent years for the benefit of passengers. These include better customer service, improvements in IT and the continuing investment programme of approximately € 3.8 billion in the modernisation and purchasing of trains. This also presents a financial challenge. NS expects on the basis of the group plan and the initiatives for improving the result to continue generating sufficient results in the coming years to enable it to carry on making these investments. In this way NS can continue to invest in the accessibility of the Netherlands and at the same time keep train tickets affordable in the future.

### Key financial figures for NS, first half of 2019 versus 2018

(in millions of euros)

	H1 2019	H1 2018
Revenue from passenger and station activities in the Netherlands	1,582	1,523
Revenue from Abellio United Kingdom	1,322	1,180
Revenue from Abellio Deutschland	252	168
<b>Total revenue</b>	<b>3,156</b>	<b>2,871</b>
<b>Underlying result from operating activities</b>	<b>96</b>	<b>50</b>
Exceptional items	24	-16
<b>Result from operating activities (EBIT)</b>	<b>120</b>	<b>34</b>
<b>Net result</b>	<b>94</b>	<b>21</b>
<b>Investments</b>	<b>320</b>	<b>349</b>

Underlying result

	H1 2019	H1 2018
<b>Underlying result from operating activities</b>	<b>96</b>	<b>50</b>
Provision for WWII	-42	-
Release of various provisions	-	3
Final agreement for Fyra trains	21	-
Pension accounting Abellio	-	-
ACM penalty reimbursed	41	-
CLE	4	-19
<b>Exceptional items</b>	<b>24</b>	<b>-16</b>
<b>Result from operating activities (EBIT)</b>	<b>120</b>	<b>34</b>

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