

# National Express

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## National Express buys controlling stake in US employee-shuttle firm WeDriveU for US\$84mln

National Express PLC (LON:NEX) is to buy a 60% stake in US employee-shuttle bus operator WeDriveU Holdings Inc. for US\$84.4mln in cash.

The UK transport company will an option to buy the remaining shares, held by WeDriveU chief executive Dennis Carlson and the management team, in tranches over the next three years.

**READ:** National Express hikes dividend after record year of profits  
WeDriveU provides employee shuttle services to Fortune 500 companies based in Silicon Valley and the wide San Francisco Bay Area.

Following the acquisition, National Express plans to form a new shuttle division within its North American business to provide transport for employees, hospitals and universities.

The FTSE 250 firm expects the deal to be earnings accretive from completion.

Last year WeDriveU generated revenue of US\$139.9mln, normalised earnings (EBITDA) of US\$21.1mln, normalised operating profit of US\$15.4mln and had gross assets of US\$80mln.

"I am delighted WeDriveU are joining National Express as part of our strategic acquisition programme," said National Express chief executive Dean Finch.

"As the premier operator in Silicon Valley and the wider San Francisco Bay Area, WeDriveU provides the opportunity for expansion into a fast-growing market."

In a note to clients, analysts at Liberum Capital said: "Overall, this appears to be an attractive acquisition consistent with the group's strategy and areas of expertise. We increase our EPS estimates by 3% for 2020E and 4% for 2021E, raise our SOTP-based target price to 480p from 470p and reiterate our BUY recommendation."

In afternoon trading, shares in National Express increased 1% to 415.60p.

-- Adds price target, estimates change, updates share price --

**Price:** 387.4p

**Market Cap:** £1982.48M

### 1 Year Share Price Graph



### Share Information

**Code:** NEX

**Listing:** LSE

**52 week High Low**  
438.00p 356.00p

**Sector:** Transportation

**Website:** www.nationalexpressgroup.com

### Company Synopsis:

*National Express Group is a public transport company with operations in United Kingdom, Spain and North America. The Company's divisions include trains, buses and coaches. Its trains business operates a range of inter-city, commuter, rural and airport passenger train services under franchise agreements with Department for Transport Rail Division.*

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