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REVIEW OF BUSINESS

Positive results

2018 was a record year for the Q-Park Group. We are pleased to report that the existing portfolio of parking facilities performed excellently with a solid like-for-like revenue growth of 2.2%. The transformation programme initiated after the Q-Park Group was acquired in 2017 has had a positive effect on the operational expenses which show a marginal increase of approximately 0.4% resulting in a high conversion of revenues into operating results.

In addition to existing business, the operating result was boosted by the positive contribution of well-performing new business. Important parking facilities added in 2018 were three car parks acquired in Venlo (Netherlands), Quartermile (United Kingdom), Boulogne-sur-Mer (France) and newly developed parking facilities Deansgate North (Manchester) and Bruul (Mechelen).

Transformation programme

In 2018 the Q-Park Group redefined its strategy and established the transformation programme to facilitate the transition from a decentralised organisation to one with a more centralised focus.

Due to developments such as digitisation, mobility as a smart service, smart city concepts and autonomous vehicles, the Q-Park Group has increased its focus on ICT and data analytics. In 2018, the Q-Park Group centralised its ICT operations and invested

substantial amounts in business intelligence and other systems to prepare Q-Park for further digitisation and other developments.

The Q-Park strategy is based on four pillars:

- | existing business growth
- | portfolio growth
- | transformation programme (to make the organisation more 'lean and mean')
- | top-line acceleration initiatives (for example revenue management).

Both the transformation programme and top-line acceleration initiatives will drive results from existing business and make the Q-Park Group more successful in acquiring new business.

Our focus on the quality of our investments, higher utilisation rates by optimising commercial opportunities, and our continuing attention to operational efficiency contribute to the financial and non-financial results.

Operating result

The operating result before depreciation came out at EUR 277.5 million (2017: EUR 261.5 million). This excellent performance is driven by a strong increase in total revenue of 2.7% from EUR 854.5 million in 2017 to EUR 877.9 million in 2018. This increase is supported by the like-for-like portfolio with a revenue growth of 2.2% and the good performance of new business.

Chart 1: Operating result

(x EUR million)

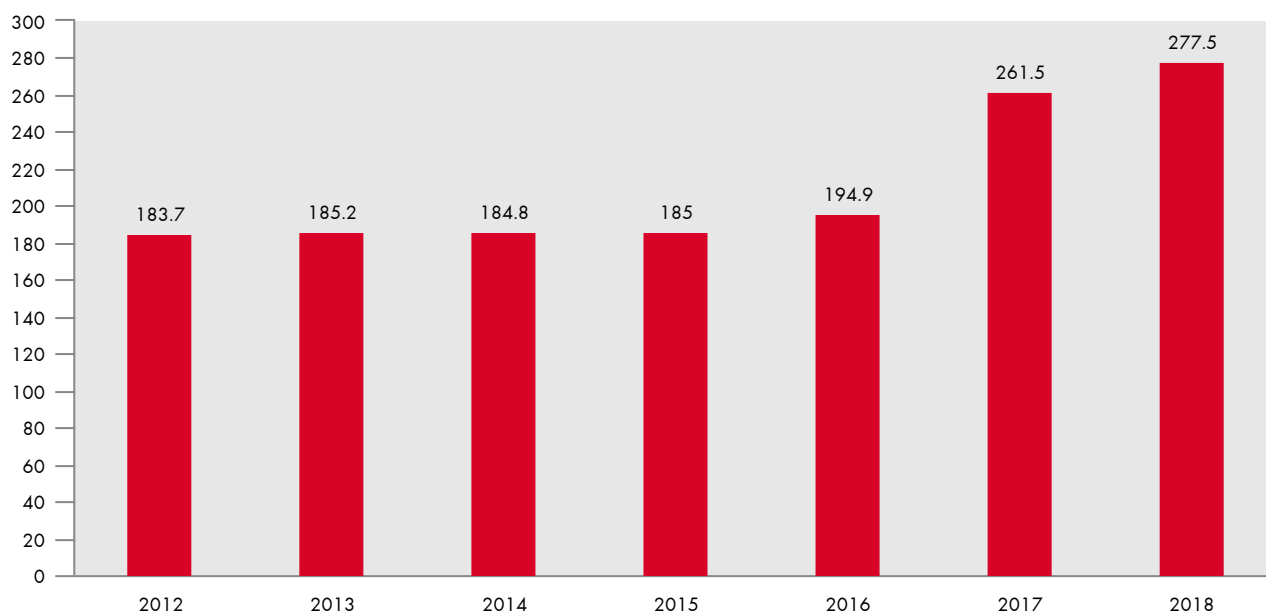
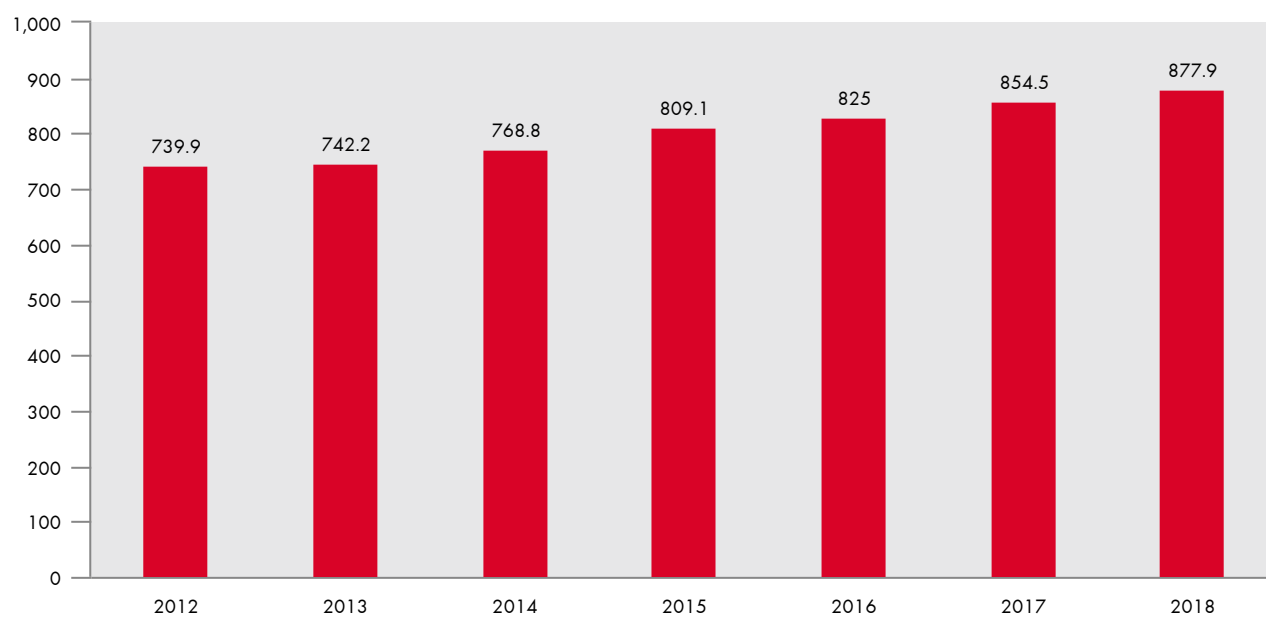


Chart 2: Net revenue

(x EUR million)



Our non-financial performance

In 2018 our LED transformation project was given new impetus with additional investment to fit an additional 260 parking facilities with energy-saving LED lighting and smart lighting controls before the end of 2019. After several months of planning and preparations, the roll out across the Netherlands (72 sites), Germany (32 sites), France (50 sites), Belgium (22 sites), United Kingdom (47 sites), Ireland (10 sites) and Denmark (15 sites) began in September.

Thanks to the LED transformation project and our other energy-saving efforts, the average carbon footprint per parking space in owned and long-leased facilities continued to decrease in 2018.

The average carbon footprint per parking space is now 21% lower than in 2017. We have achieved this through the LED transformation project and our other energy-saving efforts. All this is demonstrating clear benefits in financial terms as well as in our environmental impact.

Acknowledgements

We would also like to take this opportunity to thank all our employees in the country organisations and at head office. Without their commitment and dedication, we would not be able to deliver a quality parking experience to our customers or achieve such positive operational and sustainable results.

Chart 3: Carbon footprint (kg) per parking space per type of structure

