
FIRSTGROUP PLC TRADING UPDATE

FirstGroup plc ('FirstGroup' or 'the Group') today reports an update on trading since the half-year results for the 26 weeks to 24 September 2022, published in November 2022.

- First Bus improved performance driven by higher passenger volumes in H2 2022 and driver resource pressures easing in certain locations
- First Rail open access operations benefiting from stronger than anticipated passenger demand over the winter months
- Acquisition of Ensign Bus Company Limited ('Ensignbus') completed
- Sale of First Transit by EQT Infrastructure completed with final earnout consideration anticipated later in 2023

First Bus

Recent First Bus passenger volumes have increased to 83% of 2020 equivalent levels, with commercial and concessionary volumes at 87% and 75% respectively. The increase in demand has partially resulted from the £2 bus fare cap scheme introduced in England in January 2023, recently extended to the end of June 2023, and the Scottish Government's funding for free bus travel for all under-22s that has been in place since January 2022.

First Bus has also benefited from improved driver resources in certain locations, with increased recruitment largely due to a number of initiatives introduced across the business, with more drivers completing their training and lower rates of attrition.

In addition, we welcomed the Government's extension of the Bus Recovery Grant in February 2023, which will help protect vital services for passengers for a further three months. We continue to work with our government and industry partners on long-term funding arrangements for the sector.

First Rail

Our open access operations Lumo and Hull Trains, which are the only segment of the First Rail division where the Group takes full passenger revenue risk, have experienced stronger than anticipated passenger demand throughout H2 2022. The First Rail division has also benefited from the settlement of one-off claims relating to prior reporting periods.

FY 2023 Guidance

As a result of the factors detailed above, the Group anticipates that the FY 2023 Group adjusted operating profit and Group adjusted attributable profit will be ahead of the Group's previous expectations. The Group's expectations for FY 2024 remain unchanged.

The Group expects to report its results for the year ended 25 March 2023 on 8 June 2023.

Completion of acquisition of Ensignbus

Following the conclusion of a customary regulatory review, the Group completed the acquisition of Ensignbus on 9 March 2023. The Ensignbus business includes commercial bus operations in Essex, a vehicle refurbishment and re-sale operation, and a high value depot. The acquisition of this long-established, high-performing business will not only provide a number of synergies and value accretive growth opportunities in the B2B and bus vehicle dealership markets, but it will also enhance the Group's local commercial bus operations in Essex.

Update on First Transit Earnout

Further to the Group's announcement on 26 October 2022, the Group notes that EQT Infrastructure's sale of First Transit to Transdev North America, Inc. has now completed.

FirstGroup is entitled to an earnout consideration which is calculated as a percentage of the realised equity value on the disposal and contemplating the cash flows generated by First Transit since March 2021 to completion. As previously announced, the Group currently estimates the earnout consideration to be approximately £74m. The Group anticipates confirmation of the earnout consideration and subsequent receipt of proceeds later in 2023.

Graham Sutherland, FirstGroup Chief Executive Officer, said:

“I am pleased by the Group’s progress in the second half of our 2023 financial year, which has been driven by increased passenger volumes and improved operational performance in bus and stronger than anticipated demand for our open access operations in rail. We remain committed to working closely with our partners to deliver successful bus and rail networks that serve the needs of our customers and communities and to playing a central role in achieving many of society’s economic, social and environmental aims.”

Contacts at FirstGroup:

Marianna Bowes, Head of Investor Relations
Stuart Butchers, Head of Corporate Communications
corporate.comms@firstgroup.co.uk
Tel: +44 (0) 20 7725 3354

Contacts at Brunswick PR:

Andrew Porter / Simone Selzer
Tel: +44 (0) 20 7404 5959

Contacts at Liberum Capital Limited:

Nicholas How / John Fishley / William Hall
Tel: +44 (0) 20 3100 2000

Contacts at RBC Europe Limited:

James Agnew / Jonathan Hardy / Jack Wood
Tel: +44 (0) 20 7653 4000

FirstGroup plc compiled analyst consensus estimates for FY 2023

The Group’s compiled consensus estimates for FY 2023 Group adjusted operating profit and Group adjusted attributable profit are currently £137.4m and £58.6m respectively. These estimates are an aggregation of five sell side analysts’ forecasts, based on publically available information, published following the announcement of the Group’s half-yearly results for the 26 weeks to 24 September 2022 on 9 November 2022.

FirstGroup plc does not endorse or approve the analysts’ consensus estimates or any underlying estimates that may have formed part of the analysts’ consensus estimates. FirstGroup plc provides no assurance with regards to the accuracy or correctness of the analysts’ consensus estimates.

Forward-looking statements

Certain statements included or incorporated by reference within this announcement may constitute ‘forward-looking statements’ with respect to the business, strategy and plans of the Group and our current goals, assumptions and expectations relating to our future financial condition, performance and results. By their nature, forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors that cause actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No statement in this announcement should be construed as a profit forecast for any period. Shareholders are cautioned not to place undue reliance on the forward-looking statements. Except as required by the UK Listing Rules and applicable law, the Group does not undertake any obligation to update or change any forward-looking statements to reflect events occurring after the date of this announcement.

Notes

Legal Entity Identifier (LEI): 549300DEJZCPWA4HKM93. Classification as per DTR 6 Annex 1R: 2.2 and 3.1

This announcement contains inside information. The person responsible for making this announcement is David Blizzard, Company Secretary.

FirstGroup plc (LSE: FGP.L) is a leading private sector provider of public transport services. With £4.6 billion in revenue and more than 30,000 employees, our UK divisions transported nearly 1.5m passengers a day in the last financial year. First Bus is the second largest regional bus operator in the UK, serving two-thirds of the UK’s 15 largest conurbations with a fleet of c.4,900 buses. First Rail is the UK’s largest rail operator, with many years of experience running long-distance, commuter, regional and sleeper rail services. We operate a fleet of c.3,800 rail vehicles through four management fee-based train operating companies (Avanti West Coast, GWR, SWR, TPE) and two open access routes (Hull Trains and Lumo). We create solutions that reduce complexity, making travel smoother and life easier. Our businesses are at the heart of our communities and the essential services we provide are critical to delivering wider economic, social and environmental goals. We no longer purchase new diesel buses and are formally committed to operating a zero-emission First Bus fleet by 2035; and First Rail will help support the UK Government’s goal to remove all diesel-only trains from service by 2040. In February 2023 FirstGroup was named as one of the world’s cleanest 200 public companies for the fourth consecutive year by sustainable business media group Corporate Knights in partnership with US not-for-profit organisation, As You Sow. Visit our website at www.firstgroupplc.com and follow us @firstgroupplc on Twitter.