



FirstGroup

**First Bus
Leicester depot site visit**

Wednesday 18 October 2023



Agenda

1. Welcome & Introduction
2. Leicester City Enhanced Bus Partnership overview
3. First Bus decarbonisation overview
4. Decarbonisation programme delivery
5. Vehicles, engineering and operations
6. Summary

The visit and the team

Agenda

11:00	Welcome & Introductions Graham Sutherland, CEO
11:05	Leicester City Enhanced Bus Partnership Overview Andy Gibbons, Programme Manager Leicester City Council
11:30	Depot Tour
12:45	Presentation & Lunch
13:30	Q&A
14:30	Depart Depot

FirstGroup team:

Graham Sutherland Chief Executive Officer
Ryan Mangold Chief Financial Officer

First Bus team:

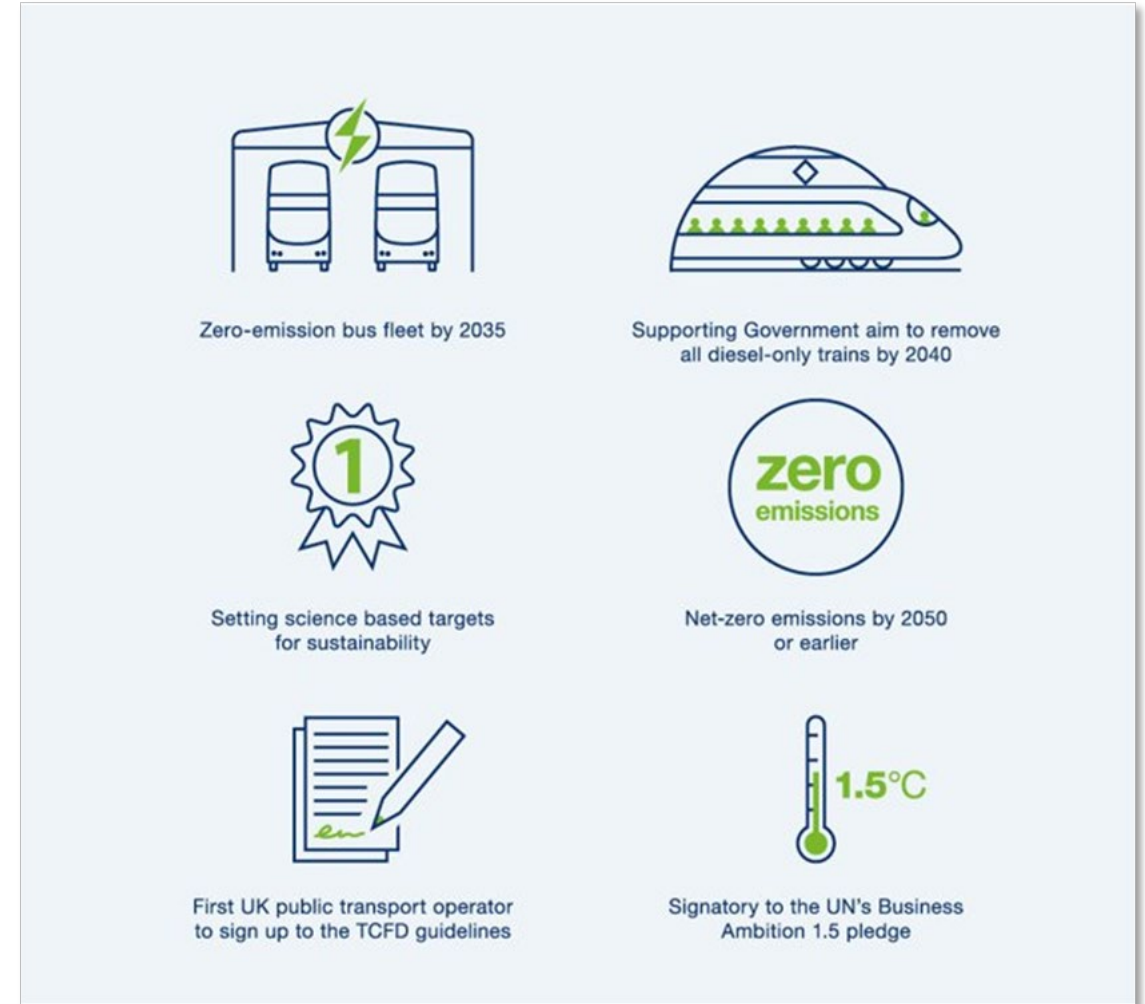
Janette Bell Managing Director
Colin Brown Chief Financial Officer
Andrew Jarvis Chief Operating Officer
Isabel McAllister Chief Sustainability & Compliance Officer
Faizan Ahmad Decarbonisation Programme Director



First Bus electrification is key to FirstGroup's journey to net zero

We have accelerated our investment in electrification as we progress towards our 2035 decarbonisation target and transform the First Bus business

- Our strong balance sheet, ownership of our depots and successful bidding for government co-funding has allowed us to **accelerate our investment in electrification**
 - FY 2023 net investment of £94.3m supported by government co-funding of £25m; 83 electric buses, 58 chargers installed, and solar panels installed at 20 depots
 - FY 2024 net investment of £105m committed supported by co-funding of £82m
- We will have **more than 600 electric buses**, (almost 15% of our fleet) and **four fully electric depots** in England by March 2024
- The electrification of our bus fleets and infrastructure **will transform our business and create new, adjacent revenue streams** creating value for all our stakeholders
- Within the First Bus business, **Leicester is an excellent example** of how we have delivered in partnership with our Local Authority and how to deliver a fully electric depot





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Leicester City's Enhanced Bus Partnership Plan

Successfully delivering an optimised and co-ordinated multi-operator network, with an ambition to make the whole city network electric by 2030

- eight-year **Enhanced Partnership Plan** and **three-year funded Scheme** launched in May 2022 following extensive consultation and research; legally binding Scheme includes **75 of 100 commitments delivered** in first 18 months
- Continuous programme of investment – **c.£100m of private and public funding** secured for 2022-25 EP Scheme, alongside ongoing Council revenue support
- **Optimised, multi operator, co-ordinated network with integrated timetables** ensures frequent and reliable services
 - nine shared, three co-ordinated and six single operator corridors
 - 24 frequent mainline commercial urban routes and a further 6 frequent strategic, subsidised Park & Ride, Hospital Hopper and orbital services
 - c.30m trips a year
- The Scheme also includes a range of **complementary projects** designed to make bus travel more reliable, frequent, easy and great value; these include:
 - a new central bus station, bus shelters with real time information displays and an integrated website
 - additional enforced bus lanes
 - Flexi Fare offers, 'best fare' multi-operator tap-on-tap-off ticketing to assist interchange and discounted tickets for students, health workers, elderly, unemployed and disabled passengers

"Make bus travel **electric**, **frequent**, **reliable**, **easy** and **great value**"

30
frequent
bus lines

1,000
real time
displays

12 bus
priority
schemes

network
'best fare'
promise

4
discount
fare
schemes



leicester buses
www.leicesterbuses.co.uk

Our targets are ambitious but realistic

Our aim is to make bus travel in Leicester **electric**, **frequent**, **reliable**, **easy**, and **great value**

The Enhanced Bus Partnership Scheme will deliver:

- a new central bus station
- an increase in bus use of 25% by 2025 and 40% by 2030
- an increase in modal share from 30% to 32% by 2025 and 34% by 2030.
- an increase in bus passenger satisfaction to over 85% by 2025 and 90% by 2030
- an increase in punctuality to 85% in 2025 and 90% in 2030
- that 50% of Leicester's buses will be **electric** by 2025 and 100% by 2030



Making progress against our targets

Reliable

- Significant **new bus priority lanes and junctions**
- **New city centre bus link** improving central area journey times and reliability and removing car parking
- **Camera enforcement system** for existing and bus lanes

Great Value

- **Contactless tap-on-tap-off ticketing with capping**, single and multi-operator, day and weekly 'best fare' capping
- **Multi-operator Flexi Tickets**
- **Discount ticketing** for students, health workers, unemployed, elderly and disabled customers

Frequent

- Optimised network: **co-ordinated timetables and routes between operators** removing duplication and simplifying services
- **Joint funding to maintain frequency** on the Mainline route groups
- New free, **Hop! city centre connection service**: every 10 minutes from 8am-6pm Mon-Sat
- **Greenline strategic network**: three Park & Ride services, an Hospital Hopper and an hourly Orbital service

Easy

- **St Margarets bus & coach station**, the first carbon neutral bus station in the UK: 24 covered bays, electronic passenger information, customer services, cafe, toilets and cycle storage
- **Totems at 1,200 bus stops**: real time information displays, text-to-speech audio facilities, printed integrated timetables and ticket information posters
- **New bus shelters at 500 stops**, some with 'living' roofs
- **Unified 'Leicester Buses' network branding**
- **Integrated website** with mapping and journey planning and a contactless personal ticketing portal



Targeting an entirely electric city network by 2030

By the end of 2023 over a third of the network will be electric and used by over 50% of passengers

- c.£60m invested in electric buses and infrastructure to date
- 116 electric buses will be in operation from four charging depots by the end of 2023, saving over 5,000 tonnes of CO₂
- by May 2024 over half of the city's network will be electric
- Leicester's electric networks include the **Greenlines network**, the **Hop!** city centre network and **electric buses run by other operators**, including First Bus



greenlines network
6 bus routes & 24 electric buses



Meynells P&R

every 15 mins
135 tonnes of CO₂ savings p.a.
133,372 trips p.a.

Enderby P&R

every 15 mins
135 tonnes of CO₂ savings p.a.
234,905 trips p.a.

Birstall P&R

every 15 mins
135 tonnes of CO₂ savings p.a.
115,747 trips p.a.

Hospital Hopper

every 30 mins
191 tonnes of CO₂ savings p.a.
635,462 trips p.a.

Orbital

every 60 mins
272 tonnes of CO₂ savings p.a.
196,258 trips p.a.

Hop!

every 10 mins
106 tonnes of CO₂ savings p.a.
204,213 trips p.a.





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First Bus Executive Team



Janette Bell
Managing Director



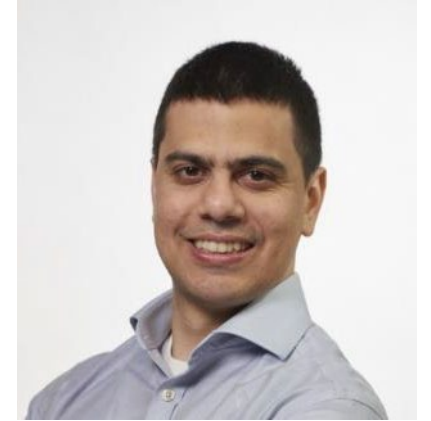
Colin Brown
Chief Financial Officer



Andrew Jarvis
Chief Operating Officer



Isabel McAllister
Chief Sustainability &
Compliance Officer



Faizan Ahmad
Decarbonisation
Programme Director

First Bus – a clear strategy on track to deliver medium term 10% target



12,800
employees across
the UK



1.1m
passenger journeys
a day in 2022/23



Fleet of more than
4,500
buses operated



20%
market share outside
of London



51
depots and outstations
across the UK

How we have transformed performance in the past three years

- **Reset of the business portfolio to post-covid demand** – routes, depots, businesses and associated management structure
- **Industry-leading digital transformation** using our **real-time data to implement smarter fares** and drive efficiencies across our operations
- **Delivering a focused set of people and customer actions** pivotal to **consistent service delivery**
- **Navigating inflation and the cost-of-living challenge**, whilst staying true to our principle of customer service delivery
- **Progressing towards our target of a 100% zero emission bus fleet by 2035**



Powering our operational transformation through decarbonisation

We are building our in-house capabilities to meet our 2035 zero emission fleet target, improve efficiency and unlock adjacent revenue streams

Delivering our decarbonisation strategy



1. Secure funding to accelerate decarbonisation



2. Decarbonise our bus fleet and depot infrastructure



3. Fully mitigate energy price & supply risk



4. Unlock efficiencies enabled by our net zero transition



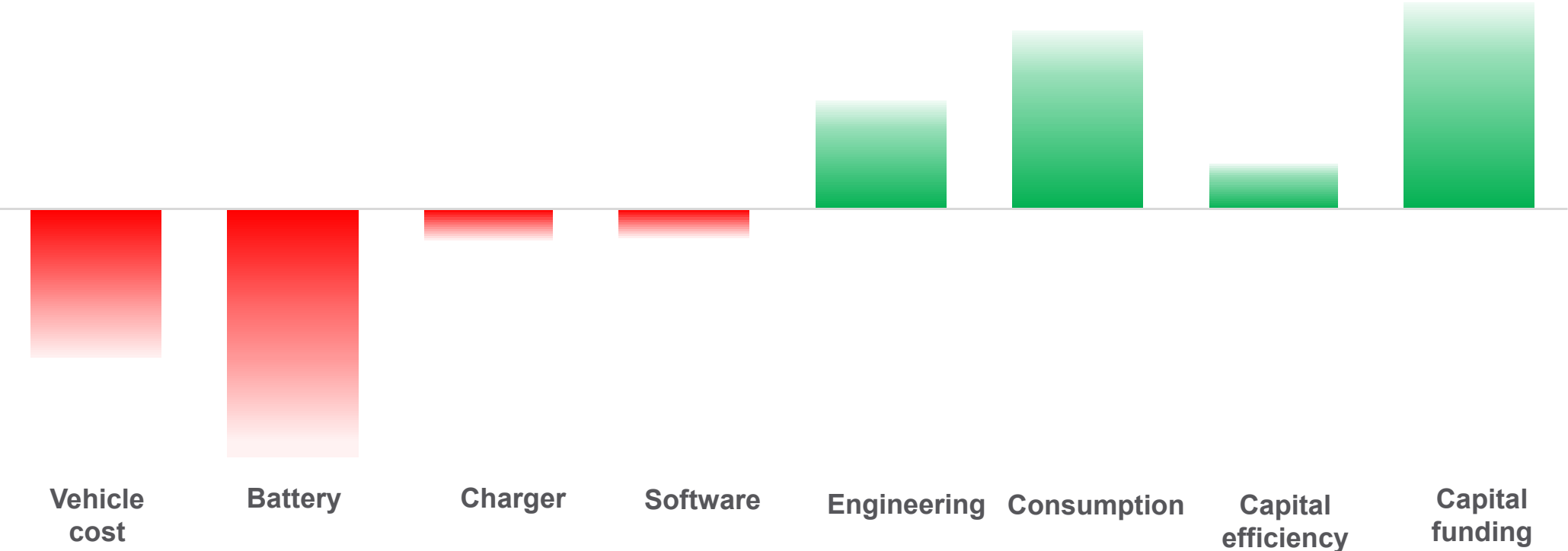
5. Grow new revenue streams enabled by electrification

...and driving the transformation of engineering and asset management

- **Standardising our fleet** to drive **efficiency** in our **core engineering processes**
- **Simplifying our operation** as we benefit from an all electric fleet vs. all diesel or mixed fleets
- **Reducing the size of our fleet** whilst delivering the same mileage due to **more efficient operations** compared to a diesel fleet
- **Optimising our asset utilisation**
 - optimisation of 'in day operated' mileage (Optibus)
 - smart charging software to optimise energy use
 - maximising utilisation of charging infrastructure
 - opportunities on residual battery value when batteries are taken off buses with c.75% capacity remaining

Total Cost of Ownership

Co-funding, strategic partnerships and leveraging operational efficiency gains and adjacent revenue streams remain crucial to bridge the diesel vs. electric total cost of ownership gap





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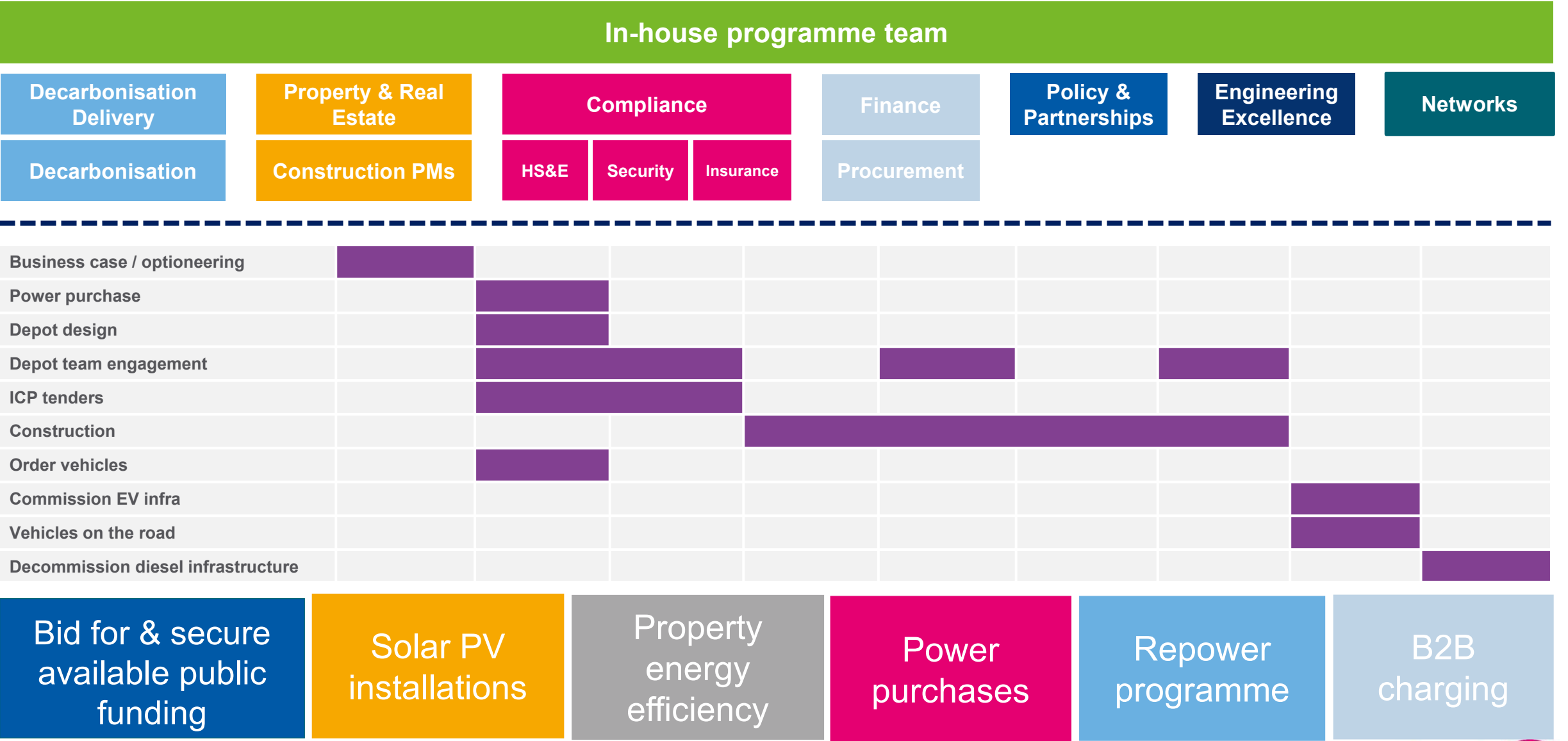
What is our zero emission mission & how will we achieve it?

We are fully committed to decarbonisation and meeting our Science Based Targets initiative (SBTi) approved Scope 1, 2 and 3 Science Based targets

Science Based Targets (Scope 1, 2 & 3) approved by SBTi	Dedicated zero-emission buses delivery team & template
100% zero emission fleet by 2035	Current electric buses: ~9% of fleet
Net zero by 2050	March 2024 electric buses: 14.6% of fleet
	FY25 and beyond: Continued investment in 300-400 new electric buses & infrastructure every year



Decarbonisation transformation: programme delivery

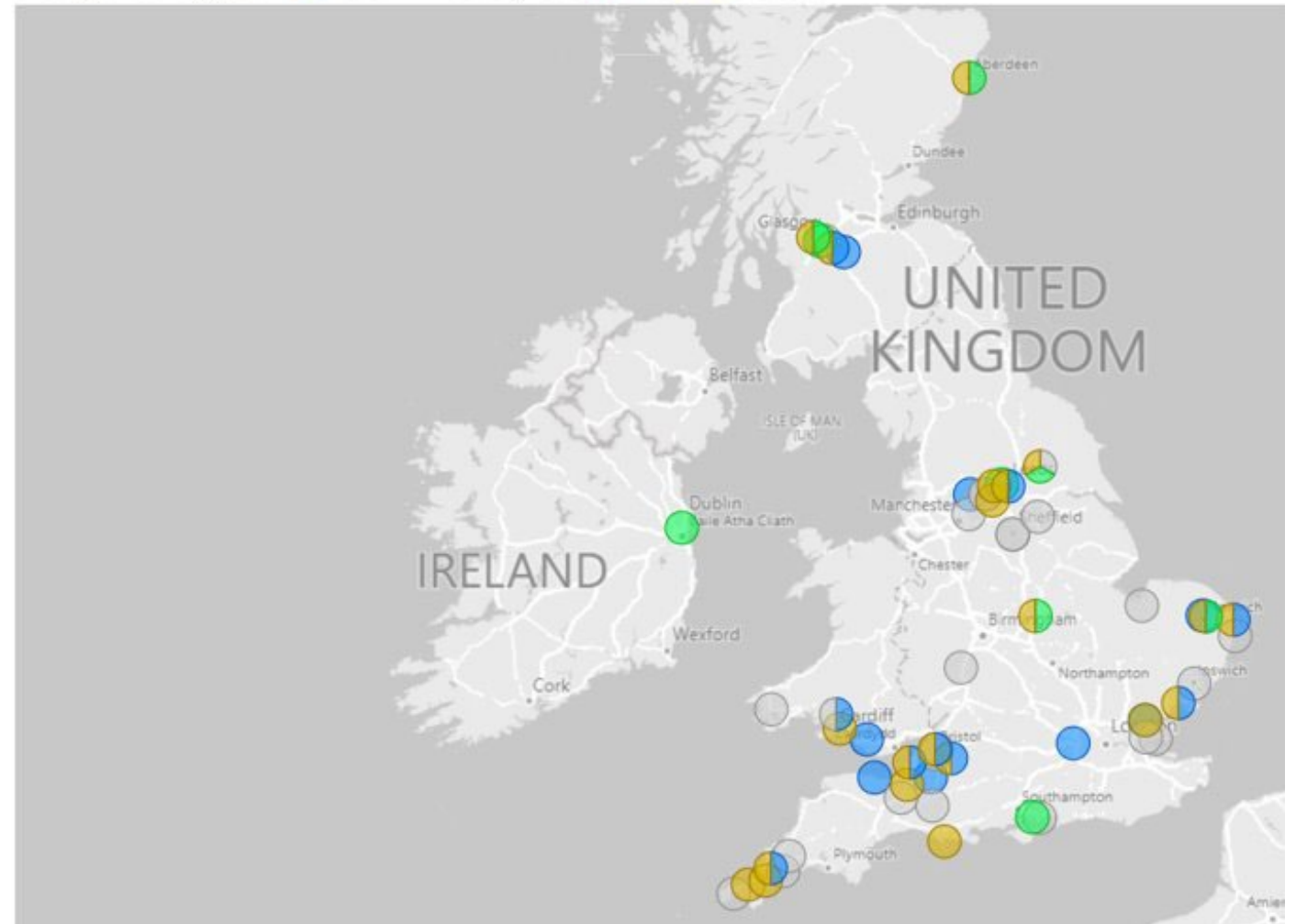


Electric vehicle, Solar and Advanced Power Purchase projects

We have a UK wide decarbonisation investment programme for our bus fleets and infrastructure

- First Bus has **51 depots** across the UK
- We have **almost 400 electric buses** in service **across eight sites**
- We have installed **solar panels** on 21 of our depots to power lighting, heating and engineering bays, while reducing costs and demands on the local grid
- We have **advanced power purchase (APP) agreements in progress** for c.40% of our sites to secure power ahead of electrifying the depot bus fleet in the future
- Capacity market trading agreement in place at Caledonia depot in Glasgow

Project Type ● APP ● Depot ● EV ● Solar



How do we measure success?

Our KPIs are evolving to capture the benefits for our business and stakeholders as we electrify our fleet and infrastructure

Our electric fleet today

	FY23	FY24
York	33	53
Leeds (Hunslet)	21	21
Aberdeen	25	49
Glasgow (Caledonia)	150	150
Didcot	2	2
Cymru	8	8
Leicester	-	86
Norwich	-	70
Hoeford	-	62
Leeds (Bramley)	-	57
Glasgow (Scotstoun)	-	50
Total EVs	263	641
Total (% of fleet)	6.1%	14.6%*
*reflects September 2023 total fleet		

Future measures of success

Well-to-wheel CO₂e emissions

EV vs diesel mileage

EV vs diesel vehicle availability (spare fleet)

Vehicle efficiency: kWh/mile

Total available battery capacity

Engineering costs per EV mile

Capital efficiency

Customers carried per EV mile

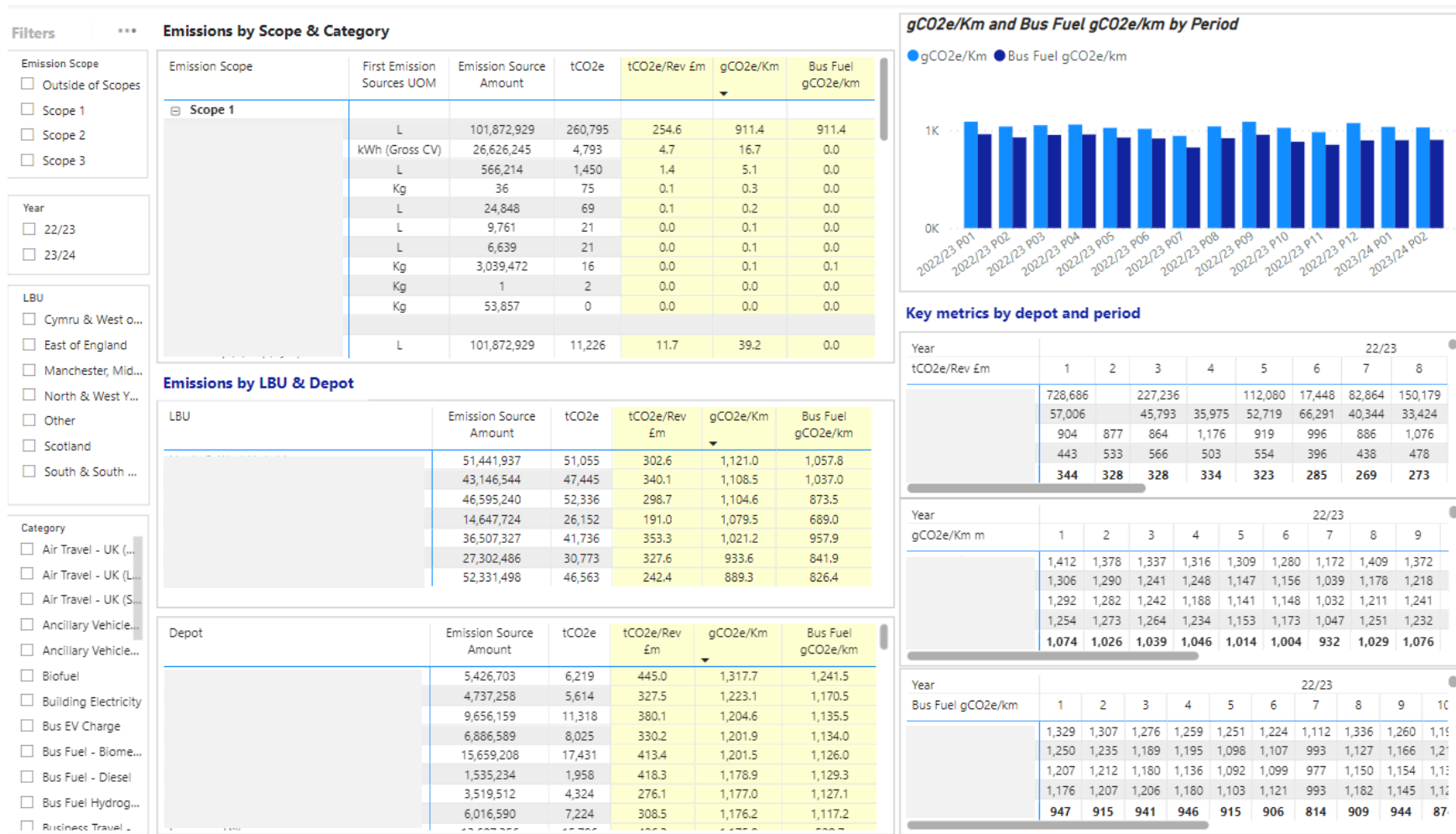
Carbon data capture and reporting

We have accurate third party assured data to inform non-financial disclosures and business KPIs

Scope 1, 2 and partial
3 data captured
centrally and digitally

PowerBI dashboard
allows us to
cut/carve, analyse
data and identify
trends

Improves third party
assurance and data
transparency for
operational leaders





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Almost 15% of our commercial fleet will be electric by March 2024

We are moving at pace, pushing suppliers on price, delivery and product support

- Using three manufacturers nationwide for the majority of bus deliveries to keep operations simple and keep parts to a minimum
- Standardising our fleet - Leicester had five variations from three suppliers, we will have two variations from one supplier
- Enhancing design for cost effectiveness - simplified livery design, no mirrors, segregated panels, charger points on both sides
- Improving internal design and accessibility for our customers

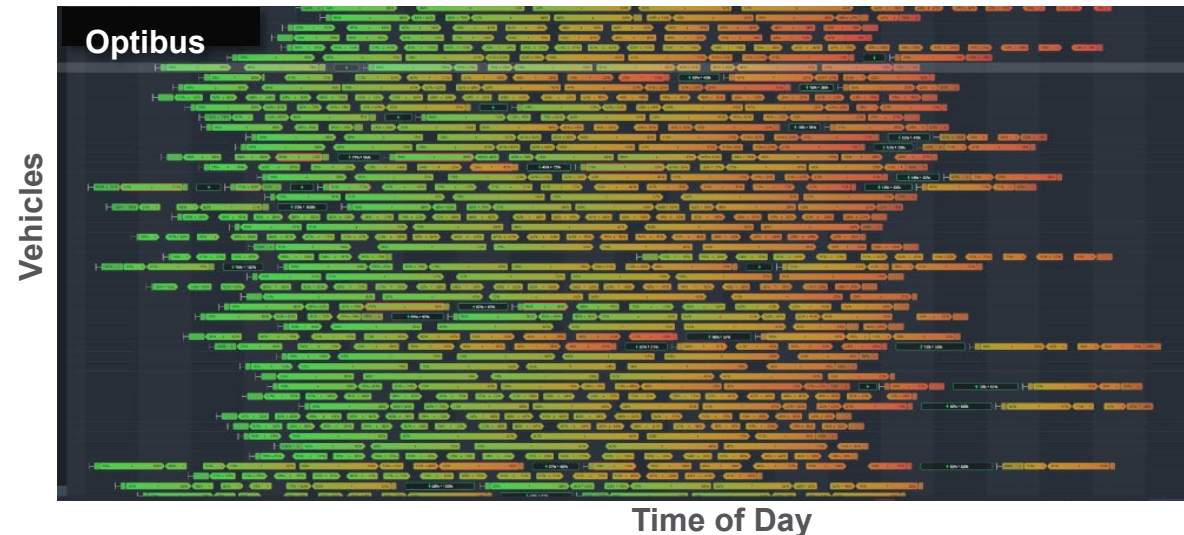
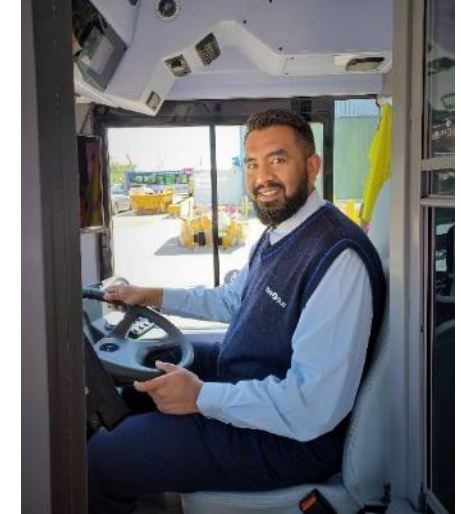


Operational excellence and future evolution

Training our drivers and planning our operations around our electric fleet

- Test vehicle delivered early to facilitate engineering and driver training ahead of bulk deliveries
- Supervisors are trained to make sure we get the best out of the new fleet
- Drivers receive tailored training focused on driving an EV efficiently, EV design features and the benefits to customers of whole fleet decarbonisation
- Updated risk assessments surrounding EV operation are conducted
- Our cleaning team receive training and updated task lists given the removal of diesel related tasks
- Services are planned using Optibus software which feeds to our operational systems, informs drivers, provides data for our customer apps and real time screens, and tracking data that allows us to analyse and improve performance

Our driver Abubaker Vantra drove our first EV out of Leicester in May 2023



Engineering excellence and future evolution

The electrification of our fleet is resulting in a once-in-a-generation engineering transformation

- We are developing new in-house skills through upskilling of our engineering team
- Next generation of telematics are helping us to understand and pinpoint issues
- Improved partnership working with smaller number of key suppliers
- Improved warranty terms positively affecting costs
- Reduced amount of servicing and repair requirements
- Our daily vehicle servicing is more efficient
- We have fewer building services requirements (such as ventilation, heating of engineering spaces, removal of bulk oil tanks)



Team Engagement

We are using fleet electrification to help transform our engagement and culture



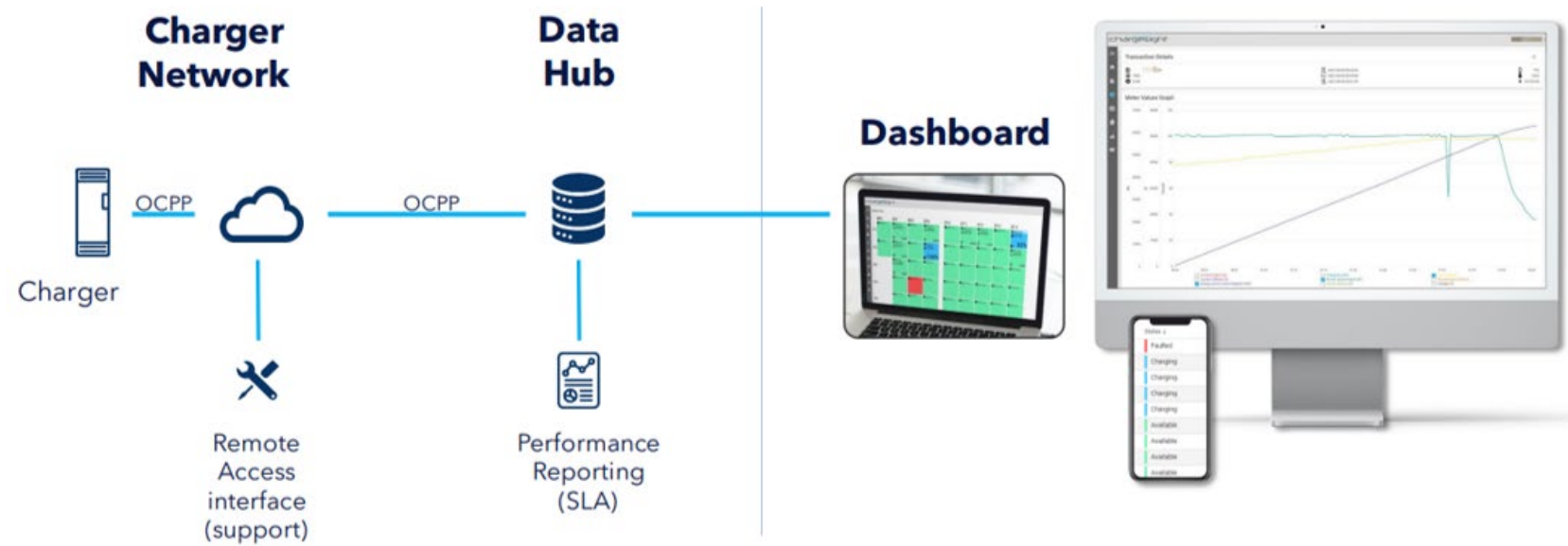
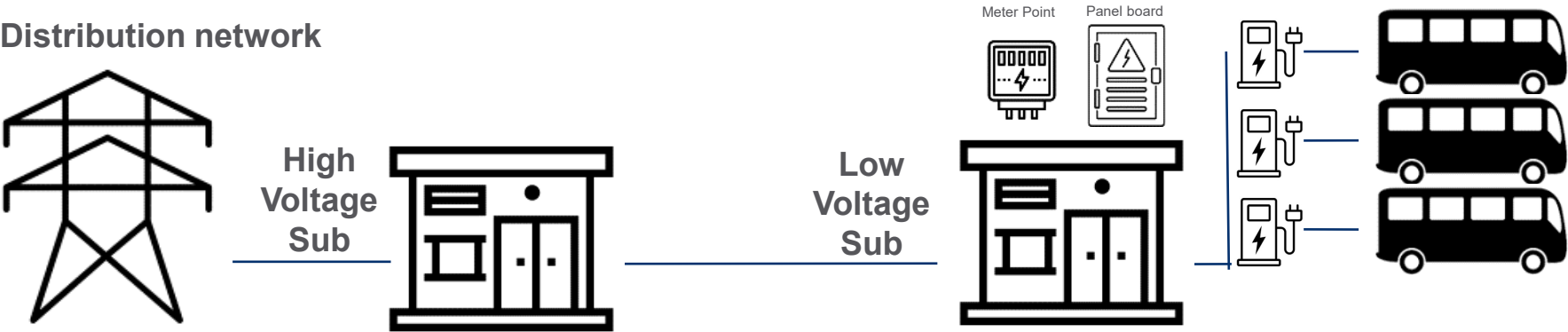
Getting Leicester ready to be
plugged in!

**ZERO
EMISSION
MISSION
2035**
First Bus



Electric buses arriving in Leicester **March 2023**

What happens when you plug in?

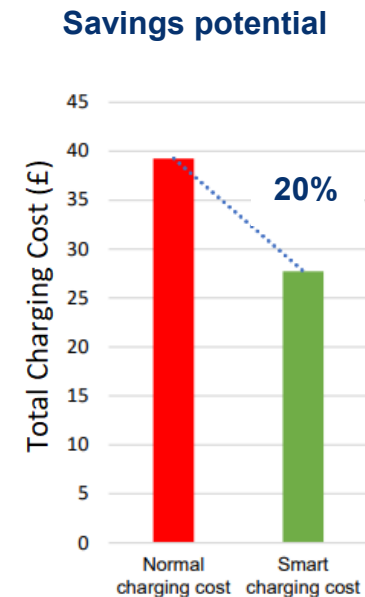
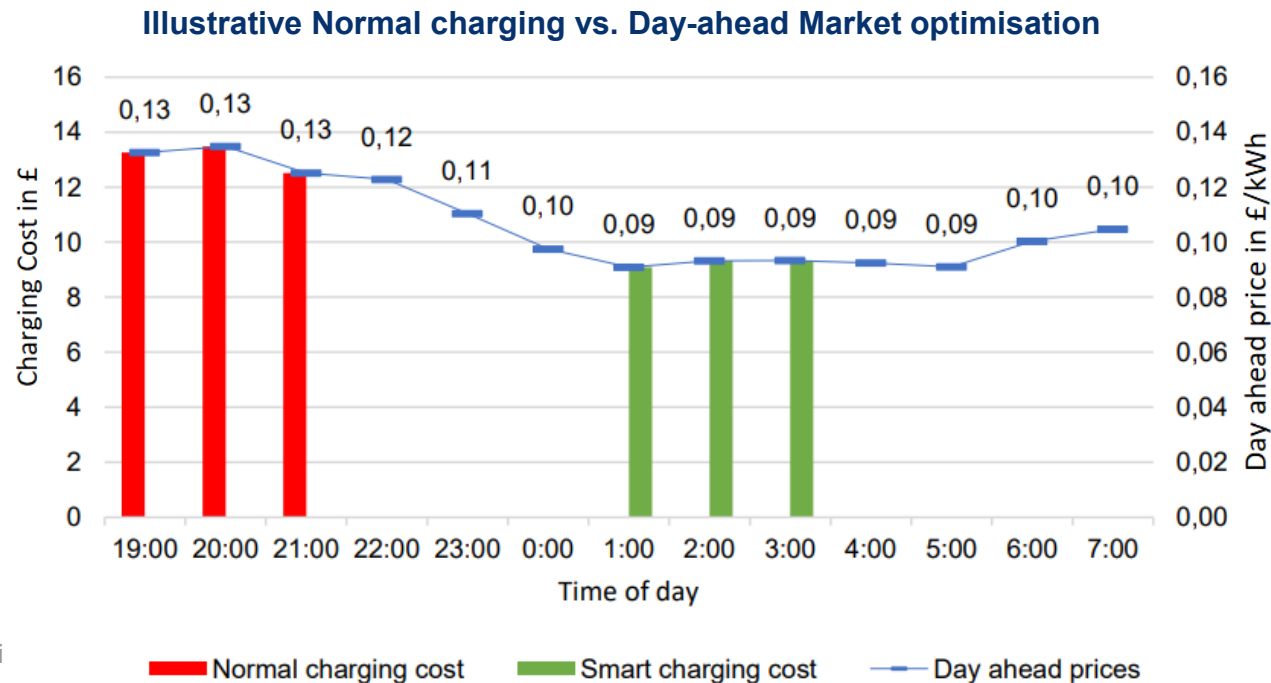


The future role of smart charging

We are making use of smart charging software to optimise our energy use and increase battery efficiency and battery life

There are various ways to optimise charging and energy use and in turn, generate capital savings and adjacent revenue streams:

- **Peak shaving:** Bus charge rates are limited based on transformer/power upgrade limitations
- **Scheduled charging (peak shifting):** Bus charging is deferred to cheaper hours (eg.11pm to 7am)
- **Dynamic scheduled charging:** Bus charging hours are dynamically changed based on day-ahead energy price forecasts
- **Route-aware scheduled charging:** Bus charging is informed by next-day route requirements, allowing for very specific charge schedules per bus / route
- **Energy trading / grid support services:** Bus batteries generate revenue by trading in energy markets and/or providing grid support services



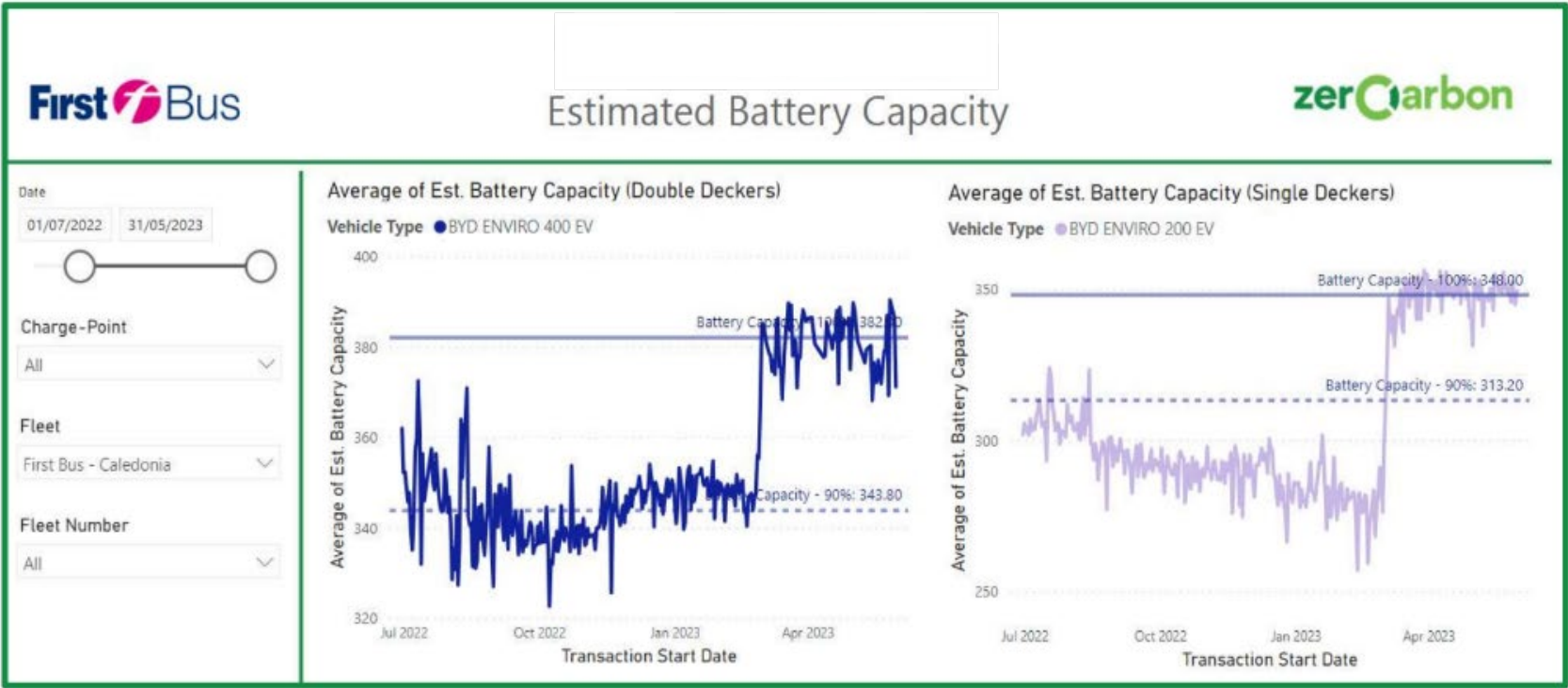
Charger infrastructure and telematics

We are making data-driven decisions to driver better performance

Operational Dashboard



Telematics in action



Third party charging opportunities

Optimising adjacent revenue streams to improve our asset utilisation

- We have successful pilot schemes running with DPD and various public service providers in Glasgow and Leicester who are paying to use our chargers while our buses are out in service
- Our chargers have convenient pay as you go payment mechanisms for B2B customers
- We are engaging with a number of logistics and public service providers to identify matches between their geographical needs and our services
- We are currently focusing on B2B charging but will move to B2C when B2B is fully established





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Summary

We are rapidly establishing ourselves as leaders in decarbonisation, transforming our business and unlocking adjacent revenue streams to create further value for our stakeholders

- We have **reset the First Bus business** and **significantly improved performance** in the past 2-3 years, leaving us on track to achieve our 10% margin target
- We continue to commit **significant investment in decarbonisation alongside successful co-funding applications**: net investment of £105m committed in FY 2024 supported by £82m of co-funding
- **The electrification of our bus fleet and infrastructure will further transform our business** through:
 - standardising our fleet to drive efficiency and lower engineering costs
 - simplifying our operations
 - reducing the size of our fleet whilst delivering the same mileage due to greater operational efficiency
 - making use of smart charging software to optimise energy use and increase battery efficiency and extend battery life
- We are **identifying and unlocking adjacent revenue streams to bridge the TCO gap and create further value** as we electrify our fleets and infrastructure through our own assets and in-house expertise and with strategic partnerships:
 - B2B and B2C third party charging
 - opportunities on residual battery value when batteries are taken off buses with c.75% capacity remaining
 - on-site battery storage: standalone batteries to make use of power arbitrage opportunities and utilise residual capacity
 - efficient battery recycling post commercial use
 - consultancy capabilities: ability to monetise our expertise as leading bus company in decarbonisation

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