Financial summary

(Percentage changes in constant currency[1] unless otherwise stated)

- Group revenue in constant currency[1] +7.2% or +2.6% excluding the West Coast Partnership franchise (now branded Avanti West Coast) that started in December 2019; reported Group revenue +8.8%
- Excluding the coronavirus impact, the Group's adjusted[2] operating profit performance was broadly comparable to the prior year, with revenue growth, first time contribution of Avanti and management action broadly offsetting labour cost pressures and increases to the self-insurance cost in the North American divisions, two adverse legal judgements in First Transit, Greyhound revenue reductions and cost pressures, and poor UK summer weather and slower cost efficiency programme progress in First Bus
- Statutory operating loss of £(152.7)m (2019: profit of £9.8m) and statutory EPS of (27.0)p (2019: (5.5)p) include the Greyhound impairment charge of £186.9m (of which £124.4m was in the first half), North American self-insurance provision of £141.3m, restructuring and reorganisation costs of £58.2m, and coronavirus-related charges of £21.5m
- The North American self-insurance provision reflects the hardening motor claims environment impacting historic claims together with a significant change in the market-based discount rate used. The self-insurance charge to operating profit for the year to March 2020 reflects this revised environment and the businesses continue to build the higher costs into their bidding processes and hurdle rates for investment
- Adjusted[2] operating profit decline of (20.1)% principally reflects the sudden and substantial reductions in service volumes and revenue due to the coronavirus outbreak in the final weeks of our financial year, which the Group was successful in partially offsetting through initial cost savings and the start of fiscal and contractual support. March is traditionally a significant trading period for the Group
- Several of the funding measures with governments were only concluded at the end of the financial year, and in most divisions we continue to negotiate further funding and support from governments or customers
- Adjusted[2] profit before tax and adjusted[2] EPS decreased by (48.2)% and (49.6)% respectively, reflecting the lower adjusted[2] operating profit and first-time adoption of IFRS 16 (lease accounting) on finance costs
- Pre-IFRS 16 net debt[3] was essentially flat in the year at £896.2m (2019: £903.4m). As expected, first time adoption of IFRS 16 resulted in £2,381.9m of leased liabilities (mainly Rail rolling stock) being recognised, increasing reported net debt[3] to £3,278.1m (2019: £903.4m)
- Net debt: EBITDA ratio on the 'frozen accounting standards' basis[4] relevant to the bank covenant requirement of less than 3.75 times was 1.4 times (2019: 1.3 times) at year end. Adjusted net debt[5]: EBITDA (excluding Rail ring-fenced cash and the IFRS 16 leased assets) was 2.4 times (2019: 2.1 times)
- Broadly flat net pension deficit £313.4m (2019: £307.2m) reflects actions taken to derisk the scheme and improved investment strategy
- As at 31 March 2020 the Group's undrawn committed headroom and free cash was £585.7m (2019: £520.6m). Subsequent to the year end, the Group issued £300m in commercial paper through the UK Government's Covid Corporate Financing Facility (CCFF) scheme and entered into a committed £250m undrawn bridging loan for redemption of the £350m bond maturing in April 2021. The Group also has an uncommitted £150m accordion facility to the Revolving Credit Facility (RCF), as well as further lines of uncommitted leasing facilities and more than $100m of uncommitted supplier credit

	Change	Change in constant currency[1]		Change
Revenue **£7,754.6m** 2019: £7,126.9m	+8.8%	+7.2%		
Adjusted[2] operating profit **£256.8m** 2019: £314.8m	(18.4)%	(20.1)%	**Statutory operating (loss)/profit** **£(152.7)m** 2019: £9.8m	n/m[6]
Adjusted[2] operating profit margin **3.3%** 2019: 4.4%	(110)bps	(110)bps	**Statutory operating (loss)/profit margin** **(2.0)%** 2019: 0.1%	n/m[6]
Adjusted[2] profit before tax **£109.9m** 2019: £208.2m	(47.2)%	(48.2)%	**Statutory loss before tax** **£(299.6)m** 2019: £(97.9)m	+206.0%
Adjusted[2] EPS **6.8p** 2019: 13.3p	(48.9)%	(49.6)%	**Statutory EPS** **(27.0)p** 2019: (5.5)p	+390.9%
Adjusted net debt[5] **£1,508.1m** 2019: £1,428.1m	+5.6%	+3.9%	**Net debt[3]** **£3,278.1m** 2019: £903.4m	+262.8%

1 Changes 'in constant currency' throughout this document are based on retranslating 2019 foreign currency amounts at 2020 rates.

2 'Adjusted' figures throughout this document reflect the adoption of IFRS 16 in the period and are before the Greyhound impairment charges, North American self-insurance provisions, restructuring and reorganisation costs, other intangible asset amortisation charges and certain other items as set out in note 4 to the financial statements.

3 Net debt is stated excluding accrued bond interest, as described on page 35.

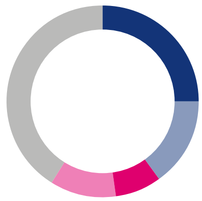
4 Net debt: EBITDA on the 'frozen accounting standards' basis refers to the methodology required for calculating the Group's compliance with the covenants on its banking facilities.

5 Adjusted net debt is stated after excluding cash ring-fenced in the Rail division and IFRS 16 operating leases.

6 Not meaningful.

Revenue

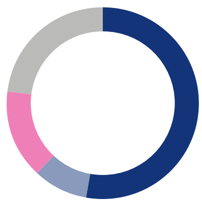
(as % of Group)



First Student	25%
First Transit	15%
Greyhound	8%
First Bus	11%
First Rail	41%

Adjusted[2] operating profit

(as % of Group)

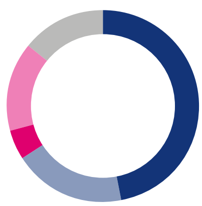


First Student	53%
First Transit	9%
Greyhound	0%
First Bus	15%
First Rail	23%

Note: Greyhound adjusted operating loss of £(11.6)m in 2020; Group items of £(33.7)m allocated to divisions.

Number of employees

(as % of Group)



First Student	47%
First Transit	19%
Greyhound	5%
First Bus	15%
First Rail	14%