

# Key Performance Indicators

The Group, its Executive Committee and divisional management focus on a range of financial and non-financial KPIs to measure progress and evaluate our performance over time.

Our financial KPIs include total revenue, adjusted operating profit, adjusted earnings per share (EPS), and return on capital employed (ROCE), which together drive our cash flow and value creation.

Non-financial KPIs include punctuality, safety, community investment and greenhouse gas (GHG) emissions.

During FY 2022, a number of our KPIs were affected by the consequences of the pandemic and these are highlighted below. Some were unable to be assessed at all, including the in-person surveys usually conducted by the independent body Transport Focus to measure customer satisfaction in the UK bus and rail sectors. As there has been no updated measurement of these KPIs in the year, they are not shown here. Customer satisfaction continues to be measured by our businesses using a variety of techniques and the results acted on as appropriate.

Following the sale of the North American divisions, please see the discontinued businesses section of the business review for a summary of their performance in the year.

## Financial KPIs

**Total revenue**  
(£m)

**£5,588.0m** ▼



Revenue from continuing operations increased to £4,591.1m (FY 2021: £4,318.8m), principally reflecting improving passenger volumes in First Bus partially offset by lower receipts from pandemic-related government grant funding and increased revenue in First Rail.

Revenue from discontinued operations was £996.9m (FY 2021: £2,526.0m), reflecting the trading results of First Student and First Transit in the stub period of FirstGroup's ownership to 21 July 2021 and Greyhound's US operations in the stub period of FirstGroup's ownership to 21 October 2021. Overall, total revenue reduced to £5,588.0m (FY 2021: £6,844.8m).

## Non-financial KPIs

### Punctuality

First Bus punctuality (%)

**91.3%** ▼



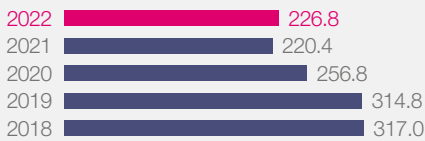
First Bus punctuality measures percentage of services no more than one minute early or five minutes late. Following a significant increase in overall punctuality in FY 2021, largely as a result of reduced on-road congestion during the pandemic-related travel restrictions, punctuality levels have normalised as traffic has increased. Further work is ongoing with local authorities and through insights gained from GPS data systems on board our buses to enhance punctuality going forward.

Although travel patterns have begun to normalise resulting in a reduction in the high average scores for the industry standard measure of punctuality and reliability (PPM) at the height of travel restrictions, they remain above pre-pandemic levels despite some train crew availability challenges during the year. We are committed to maintaining a high level of performance with action plans implemented across all operations to deliver further improvements in future.

**Financial performance**

Adjusted operating profit (£m)

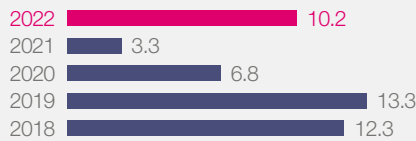
**£226.8m** ▲



Adjusted operating profit from continuing operations was £106.7m (FY 2021: £112.2m), with the impact of the Omicron-related restrictions on First Bus in the second half more than offset by a stronger First Rail performance than was expected at start of year and central cost reductions ahead of plan.

Adjusted EPS (pence)

**10.2p** ▲



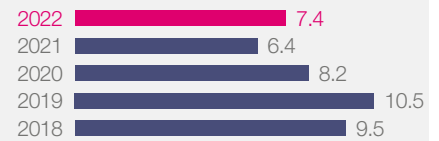
Adjusted operating profit from discontinued operations of £120.1m (FY 2021: £108.0m) relates to the part year contributions from the North American operations. Overall Group adjusted operating profit increased to £226.8m (FY 2021: £220.2m).

Adjusted EPS including discontinued operations increased considerably to 10.2p (FY 2021: 3.3p), reflecting higher adjusted operating profit and lower finance costs.

**ROCE**

(%)

**7.4%** ▲

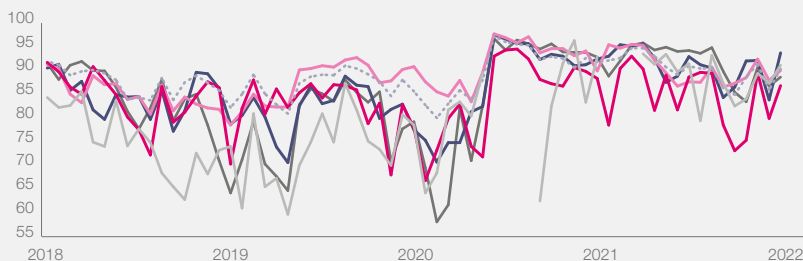


ROCE is a measure of capital efficiency and is calculated by dividing adjusted operating profit after tax by all year-end assets and liabilities excluding debt items.

Total ROCE for the continuing group was 7.4% (on a post-IFRS 16 basis).

ROCE for prior years above includes the North American businesses which were sold during the financial year.

**First Rail Public Performance Measure (PPM) Percentage of passenger trains punctual at final destination<sup>1</sup> by financial period and moving annual average (MAA)**



- Avanti West Coast
- Great Western Railway
- South Western Railway
- ..... UK average
- TransPennine Express
- Hull Trains

Source: Network Rail

<sup>1</sup> Punctual is defined as arriving at the final destination within five minutes of the planned timetable for London and South East, Regional and Scotland operators, or within ten minutes for long distance operators. A higher score is better. The moving annual average (MAA) reflects the proportion of trains on time in the past 12 months.

## Key Performance Indicators continued

### Non-financial KPIs continued

#### Safety

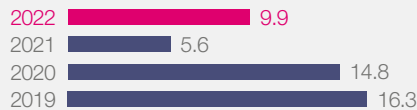
Lost Time Injury rate  
(per 1,000 employees)

9.5 ▲



Passenger injury rate  
(per million miles)

9.9 ▲



Note: Historical data is restated annually to incorporate the most accurate information for the previous 36 months.

Although we saw an increase in our lost time injury rate last year, this is against the backdrop of the second year of the pandemic. The pandemic changed our operating environment and we initially saw abnormal reductions in our lost time injury rate. During the year, as operational activity returned close to pre-pandemic levels, we have seen a year on year rise in lost time injuries of 23%. However, the rate was still 12% lower than pre-pandemic levels.

We have remained agile throughout the pandemic in implementing safety strategies to mitigate this risk within our environment. This remains an area of ongoing focus for our teams as well as managing our normal operational risk.

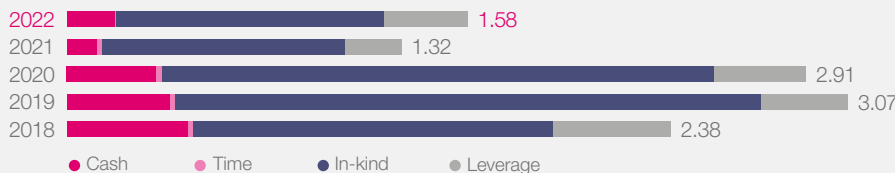
Passenger injuries per million miles had reduced significantly due to the changed operating environment during the pandemic. As passenger numbers increased last year our passenger injury rates were still 33% below pre-pandemic levels. We have implemented several strategies to help our passengers travel safely both during the pandemic and as passenger numbers recover.

This safety focus remains at the forefront of all our businesses' operational strategies to ensure continued safe operation.

#### Community investment

(£m measured using LBG model)

1.58 ▲



These current and prior year figures relate to our continuing operations in the UK.

This year we contributed £1.58m to the communities we serve across the UK. This was measured by using the method of the London Benchmarking Group (LBG) model, which tracks cash contributions made directly by the Group, time (employee volunteering), in-kind support (such as travel tickets, advertising space) and leverage (including contributions from other sources such as employees, customers and suppliers).

## Greenhouse gas (GHG) emissions

(Tonnes of carbon dioxide equivalent – tCO<sub>2</sub>e)

Tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e): Total by emission scope	2022	2021	2020	2019
<b>Scope 1:</b> Direct emissions from road and rail vehicle fuel, heating fuel, fleet fuel and fugitive refrigerant gas emissions	599,869	534,555	696,771	802,118
<b>Scope 2:</b> Indirect emissions from the generation of electricity purchased for buildings and to power electric road or rail vehicles (location-based)	221,420	239,844	221,018	217,277
<b>Scope 3:</b> Other indirect emissions inclusive of business travel, water use and downstream waste treatment and disposal	9,192	10,399	12,220	16,472
<b>Out of Scope:</b> Indirect emissions from biogenic content of our liquid and gas fuels	30,848	23,819	21,460	8,988
<b>Total</b> All scopes	861,330	808,617	951,469	1,044,855
% change YOY	7%	-15%	-9%	7%
% change (2018 baseline)	-12%	-17%	-2%	7%
<b>Adjusted<sup>1</sup> Total</b> All scopes	861,330	808,617	1,083,002	1,246,614
% change YOY	7%	-25%	-13%	-1%
% change (2018 baseline)	-32%	-36%	-14%	-1%
Per £m revenue (tCO <sub>2</sub> e/£m)	187	187	236	293
Sub-total UK (tCO <sub>2</sub> e)	861,330	808,617	951,469	1,044,855
Per £m revenue UK (tCO <sub>2</sub> e/£m)	188	187	236	293

<sup>1</sup> Adjusted total provides like-for-like comparison of our carbon emissions by adjusting for major changes in rail (inclusion of Avanti and SWR). Please see more detail in our methodologies section below.

The Group's overall carbon emissions increased by 7% from FY 2021 to FY 2022. This is primarily because FirstGroup service levels increased as travel restrictions were lifted post-pandemic. The data also includes emissions from Lumo, our new electric-only open access rail business. Despite an increase in our overall carbon emissions, we are continuing to pursue our goal to become a net-zero business by 2050 or sooner.

The primary factors impacting our FY 2022 performance are:

- First Rail and First Bus have increased service levels compared to FY 2021
- The incorporation of Lumo, our new electric-only open access rail business
- Electrification of rail routes and the use of bi-mode trains to where possible switch train operation from diesel to electric
- Increased use of low emission and zero emission buses
- A reduction in carbon emission factors for electricity purchased

For a more detailed analysis and an understanding of our Group carbon performance please see FirstGroup's Environmental Performance Report 2022.

First Bus brought into service 34 low emission buses and 106 zero emission buses during FY 2022. This has increased our zero emission vehicles proportion to 3.3% (1.1% in FY 2021).

## Total energy use (kWh)

Kilowatt-hours of energy (kWh HHV): Total by energy source and renewable content	2022	2021	2020	2019
Non-renewable sources	3,378,894,410	3,102,497,653	3,499,209,894	3,763,697,692
Renewable energy sources	309,115,330	304,782,436	627,153,709	80,185,975
<b>Total All</b>	3,688,009,740	3,407,280,089	4,126,363,602	3,843,883,667
% change (year-on-year)	8%	-17%	7%	8%
% change (2018 baseline)	4%	-4%	16%	8%
<b>Per £m revenue</b> (MWh/£m)	803	789	1,021	1,080
<b>Sub-total UK</b> (kWh)	3,688,009,740	3,407,280,089	4,126,363,602	3,843,883,667
<b>Per £m revenue</b> (MWh/£m) UK only	803	789	1,021	1,080

## First Bus

Percentage of low and zero emission passenger fleet – First Bus	2022	2021	2020
<b>Low emission bus</b> defined as a diesel or biomethane powered bus with a 15% or greater carbon saving from a standard alternative	23.4%	21.6%	20.2%
<b>Zero emission bus</b> electric or hydrogen powered	3.3%	1.1%	0.3%
<b>Total passenger fleet</b>	4,974	5,189	5,619

## Key Performance Indicators continued

Monitoring our underlying energy use ensures we are focusing on energy efficiency as well as switching to low and zero carbon energy choices. The underlying energy use which effects our carbon footprint has increased 8% since last year, resulting from an increase in service levels post pandemic.

This year the proportion of renewable energy we used was 8%. For a more detailed analysis and understanding of our Group energy performance please see FirstGroup's Environmental Performance Report 2022.

Group revenues increased 6% compared to FY 2021. This, coupled with a 7% increase in carbon emissions and an 8% increase in energy use, has led to minimal change in our carbon per £m revenue and a 2% increase in our energy per £m revenue.

### Energy efficiency initiatives

FirstGroup tracks and monitors energy-saving initiatives to ensure we continue to focus on energy efficiency alongside switching to low and zero carbon energy choices. The following examples are significant, approved initiatives in the short to medium term which will be driving our continued energy and carbon performance:

- 148 electric buses entering service in Glasgow are expected to reduce overall energy intensity per vehicle kilometres and significantly reduce carbon emissions in First Glasgow between 2021-2023
- The completion of the Caledonia depot with the introduction of a significant number of electric vehicles and associated charging infrastructure
- Our First Bus fleet rationalisation programme has removed 311 of our oldest vehicles permanently from service last year.

### Methodologies and calculations

Our carbon and energy reporting approach is prepared in accordance with the following standards and guidelines:

- Greenhouse Gas Protocol (GHG Protocol) for Corporate Accounting and Reporting Standard
- UK Government Streamlined Energy and Reporting (SECR) Guidelines.

FirstGroup has an operational control boundary covering 100% of its business activities with a materiality reporting threshold of 5%.

The term 'carbon emissions' in this report refers to GHG emissions as required for a GHG inventory. This includes carbon dioxide alongside six other GHGs calculated in mass of carbon equivalent (CO<sub>2</sub>e).

Our GHG inventory is reported in four categories or 'scopes', listing our direct and indirect emissions in accordance with the GHG Protocol:

**Scope 1:** Direct emissions from road and rail vehicle fuel, heating fuel and fugitive refrigerant gas emissions

**Scope 2:** Indirect emissions from the generation of electricity purchased for buildings and to power electric road or rail vehicles (location-based)

**Scope 3:** Other indirect emissions inclusive of business travel, waste disposal, water supply and water treatment

**Out of Scope:** relating to the combustion of biofuels

Our reported total carbon figure is inclusive of our reported 'Scope 3' and 'Out of scope' emissions.

Our gross carbon emissions are also provided with an adjusted total to account for the incorporation of SWR and Avanti in previous reported years. It applies the equivalent emissions of these businesses to prior reported years to better compare our performance free from the impacts of major business change. This is calculated in accordance with Appendix E of the GHG Protocol.

Our UK carbon and energy emissions are calculated using Government-issued emission factors:

- UK Government GHG conversion factors for company reporting: BEIS, 2021.

There are limited examples where emission factors have been developed as 'bespoke'.

To calculate underlying energy use, liquid and gaseous fuels have been converted from a volume to kWh (Gross Calorific Value). The following sources have been used to derive fuel energy properties for these calculations:

- UK Government GHG conversion factors for company reporting: BEIS, 2021.

A detailed understanding of our calculation methodologies is available within FirstGroup's Environmental Performance Report 2022, which can be found on our website at [www.firstgroupplc.com](http://www.firstgroupplc.com).