

FirstGroup upgrades profit targets as bus and train travel rebounds

Transport operator [FirstGroup](#) said profits for the year are set to surpass previous targets after a pick up in bus and train demand.

The firm, which runs TransPennine Express, saw shares edge higher after it said adjusted operating profits for the 2023 financial year will be above previous guidance.

It said this comes after increased passenger volumes on its buses since September, as it has also seen driver staffing pressure ease.

Recent [First Bus](#) passenger volumes have improved to 83% of pre-pandemic levels from 2023.

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It said the increase in people opting to use buses has partially been linked to the £2 bus fare cap which was introduced in January and was recently extended.

FirstGroup said the bus operation also saw increased recruitment help to improve driver numbers in certain locations, helping to support operations.

In rail, the London-listed company added that its Lumo and Hull Trains operations “experienced stronger than anticipated passenger demand” throughout the past six months.

Graham Sutherland, chief executive, 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.”

[Shares](#) were up 0.5% in early trading on Friday.