

FirstGroup

H1 2026 Results

18 November 2025



Agenda

1. Headlines
2. Financial review
3. Business review
4. Summary

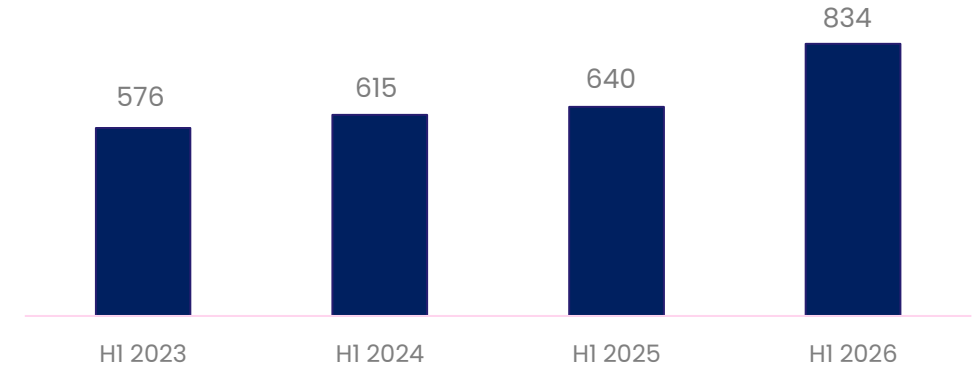


Strong growth in EPS despite economic and policy headwinds

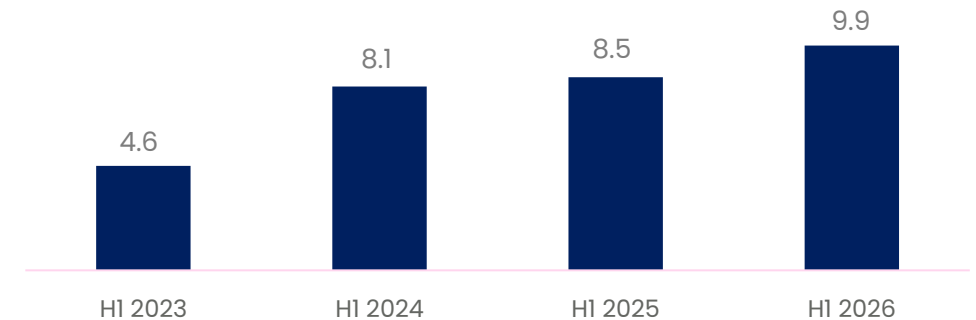
Strategic execution has driven further progress in earnings, portfolio growth, diversification and shareholder returns

- **Group Adjusted revenue +30%** to £834m
- **Adjusted EPS +16%** to 9.9p
- **Half year dividend +29%** to 2.2p
- **£76m returned to shareholders**
- **Growth in First Bus continues at pace;** revenue includes £150m from London
- **Further progress in First Rail and Rail Services;** offsetting nationalisation of SWR and Stirling open access mobilisation costs
- **On track to deliver modest growth in adjusted EPS in FY 2026** and to then at least maintain adjusted EPS in FY 2027
- Strategy remains **focused on UK growth and diversification**

Group Adjusted Revenue (£m)



Group Adjusted EPS (p)



Delivering against our four strategic pillars to drive growth



Deliver, day in day out

- ✓ First Bus NPS score improved to +15
- ✓ First Bus lost mileage down 24% to 1.3%
- ✓ Business restructure will deliver c.£15m of annualised overhead savings (fully effective H2 2026)



Drive modal shift

- ✓ Hull Trains and Lumo seat capacity utilisation of 67% in H1 2026, above industry average
- ✓ Rolling stock secured for new Stirling open access rail service
- ✓ First Bus roll out of new digital ticket machines to improve driver and customer experience



Lead in sustainability

- ✓ Largest UK electric bus fleet; c.23% of First Bus fleet zero emission
- ✓ Launch of First Charge providing third party access to chargers at 15 depots
- ✓ Investment in Palmer Energy Technology to bring innovative battery storage units to First Bus sites



Diversify our portfolio

- ✓ First Bus London contributes six months of earnings following February completion
- ✓ Further bolt-on acquisitions and contract wins in First Bus
- ✓ Award of extra paths and Glasgow extension in existing open access rail services and applications for new routes

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Strong H1 financial performance – 16% growth in Adjusted EPS

£m (from continuing operations)	H1 2026	H1 2025	Change %
Adjusted revenue	833.6	639.6	30.3%
Adjusted operating profit ¹	103.6	100.8	2.8%
Adjusted profit before tax ¹	76.3	70.8	7.8%
Adjusted earnings	55.5	51.8	7.1%
Adjusted earnings per share	9.9p	8.5p	16.5%
Dividend per share	2.2p	1.7p	29.4%
Free cash flow	(35.6)	2.6	–
Adjusted net debt	207.6	0.2	–

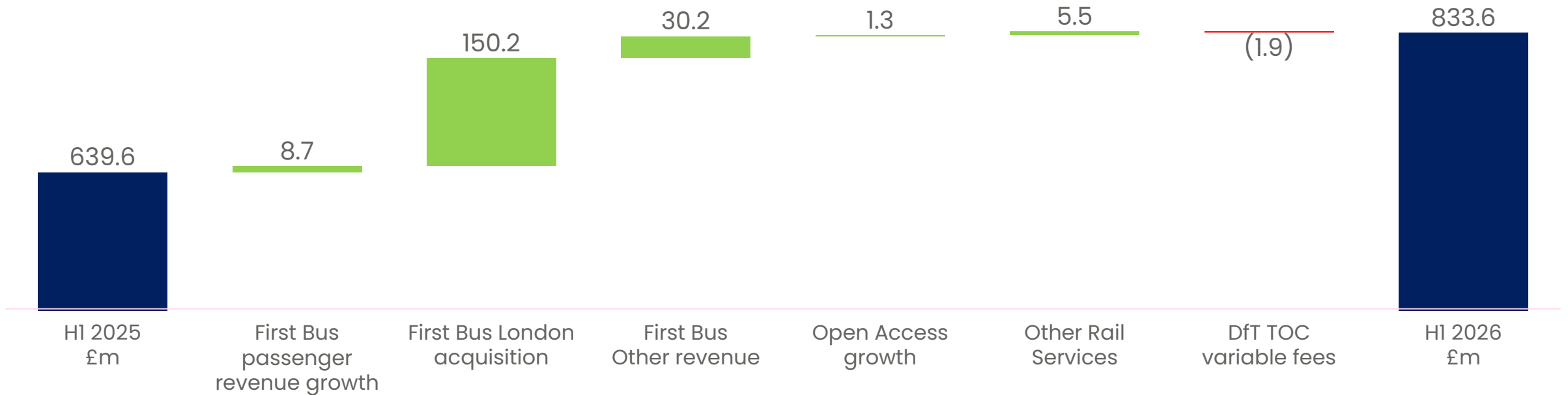
¹ Before net adjusting items

See slide 30 for definitions of Adjusted revenue, Adjusted earnings, Free cash flow and Adjusted net debt

- Adjusted operating profit marginally higher:
 - acquisitions +£7m; First Rail performance +£5m; decrease in Group costs +£3m; Bus passenger revenue +£8m; Bus efficiencies +£6m partially offset by:
 - increased NI contributions £(7)m; First Bus cost inflation £(14)m and IFRS 16 impact £(7)m
- Good progress on business restructuring; c.£6m of targeted £15m savings delivered in H1 2026
- Interim dividend of 2.2p per share in line with progressive dividend policy
- Free cash flow of £(36)m reflects timing of capex in H1 2026 and impact of RATP London acquisition
- First Bus post-tax ROCE 9.4% (H1 2025: 11.4%); includes impact of lower returning First Bus London acquisition
- Adjusted net debt at period end of £(207.6)m; H1-weighted accelerated decarbonisation capex of c.£105m, growth investment of c.£10m and £50m buyback programme

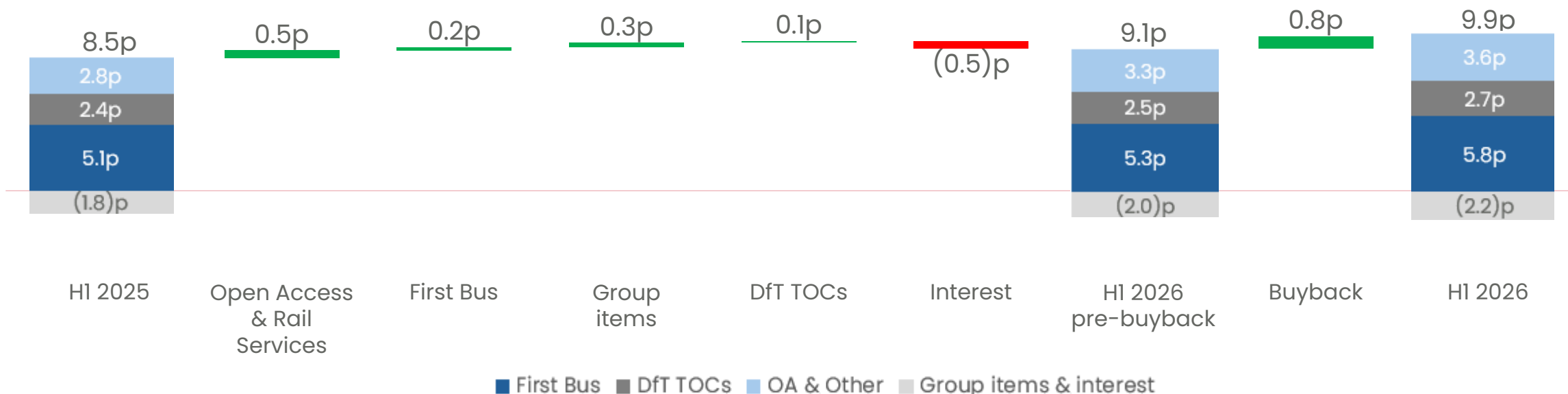


Strong growth in adjusted revenue – up 30%



- First Bus regional passenger revenue growth of 2.3% from yield improvements offset by softer commercial volumes and minor impact of industrial action
- First Bus London is performing ahead of our expectations
- First Bus other revenue includes coaching acquisitions, launch of Flix Bus services and tender wins and contract extensions in Business and Coach
- First Rail open access revenue growth of 2.4%
- Other Rail Services growth includes London Cable Car which commenced during FY25 (+£2m), and further contract progress in Rail Services
- DfT TOC variable fees marginally lower due to SWR NRC ending in May 2025

Sustained growth in Group Adjusted EPS



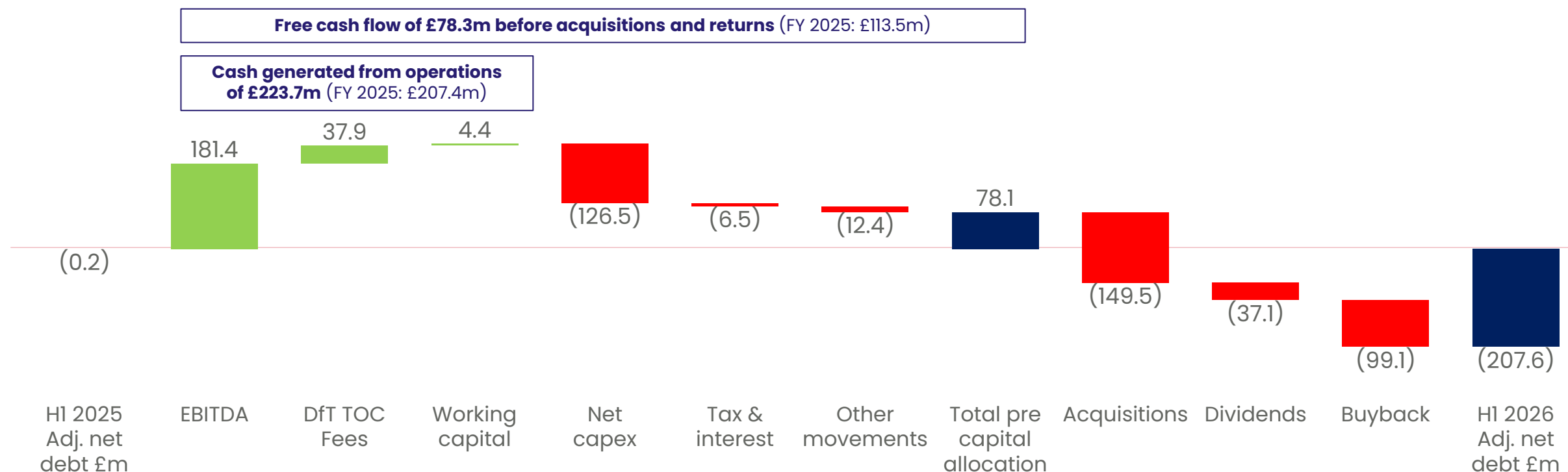
- First Rail open access & Rail Services: passenger revenue growth and provision releases partially offset by mobilisation costs for new Stirling open access service
- First Bus: passenger revenue growth and earnings from new acquisitions partially offset by inflation and increased Employer's National Insurance
- Lower central costs aided by business restructuring completed early in H1 2026. H1 adjusted profit benefit of +£3m.

- DfT TOCs¹: higher variable fee income partially offset transfer of SWR to DfTO in May 2025
- Higher interest charge reflects IFRS 16 lease interest for First Bus London and higher adjusted net debt
- c.53m shares repurchased since H1 2025 (£99m) via buyback programmes

¹ DfT TOCs: Pre-IFRS 16 basis net of tax and non-controlling interests (MTR is 30% shareholder of SWR, Trenitalia is 30% shareholder in WCP)



Continued investment in growth, fleet and returns



- £181.4m EBITDA +12% benefitting from First Bus +5%, Open Access and Rail Services +15% and lower central costs
- Post-tax DfT TOCs fee income received a year in arrears
- Working capital inflow due to management actions offset by the release of the London loss making contract provision

- Accelerated decarbonisation capex net of funding and disposal proceeds of battery sales to Hitachi JV
- Other movements include Employee Benefit Trust share purchases offset by non-cash share-based payments charges
- Acquisitions comprise First Bus London and several coaching acquisitions



Numbers shown on pre-IFRS 16 basis and excluding ring fenced cash

Our disciplined capital allocation policy remains unchanged

The Group's strong cash conversion and balance sheet strength enables investment in sustainable, value accretive growth and progressive shareholder returns

Maintain a strong balance sheet

- ✓ Leverage policy – less than 2.0x Adjusted net debt: Adjusted EBITDA
- ✓ First Bus: a younger fleet (8.8 years) and greater availability of EVs drives cost efficiencies
- ✓ First Bus London expected to be operating cash positive from FY 2027
- ✓ First Rail: anticipated cash inflow of c.£125m over three years from Oct 2025 as DfT TOCs transition; includes Rail Services profit

Invest in future growth

- ✓ Strong pipeline of value accretive organic and inorganic UK growth opportunities
- ✓ Acquisitions must exceed Group's post-tax WACC (c.9%) with appropriate further risk adjustment
- ✓ Strong cash conversion in First Bus and government co-funding support enables short-term accelerated investment in decarbonisation

Deliver progressive dividends

- ✓ Dividend policy – c.3x cover of Group adjusted earnings; paid c.1/3 interim and 2/3 final dividend
- ✓ Interim dividend of 2.2p proposed (H1 2025: 1.7p)

Return surplus cash to shareholders

- ✓ £49m returned to shareholders via buyback programmes in H1 2026
- ✓ c.£65m held in escrow for the Group's pension schemes until completion of 2030 valuation; further derisking of Group section under evaluation
- ✓ The Board remains committed to returning surplus cash to shareholders

Financial Outlook

We expect modest growth in adjusted EPS in FY 2026 and to at least maintain adjusted EPS in FY 2027

First Bus

- FY 2026 revenue of c.£1.4bn; includes c.£300m from First Bus London
- H2 EBIT margin in regional bus is expected to normalise to c.10% with further efficiencies and annualised cost savings from business restructure offsetting the impact of continued inflationary pressure and c.£15m annualised increase in NI contributions

First Rail

- Open access and Rail Services: revenue growth will offset mobilisation costs of c.£6m in new open access operations in FY 2026
- DfT TOCs: lower FY 2026 adjusted revenue and operating profit due to SWR transition in May 2025 and normalised level of variable fees

Group

- FY 2026 IFRS 16 EBIT impact from DfT TOCs: c.£36m in FY 2026
- Central costs: c.£8m lower than FY 2025 aided by business restructuring savings
- FY 2026 interest: c.£60m; includes DfT TOCs IFRS 16 interest of c.£34m

Balance sheet

- FY 2026 accelerated net capex of c.£180m, principally on First Bus decarbonisation net of c.£20m of co-funding; includes c.£30m for electric buses in London, where ownership model is being trialled on a specific route
- Year-end adjusted net debt: £125–135m reflects strong cash generation, accelerated investment in decarbonisation, and before any M&A spend
- £20m held in escrow in Bus Section returned to the Group in November; with £20m to the scheme, c.£65m retained in escrow with outcome dependent on 2030 valuations

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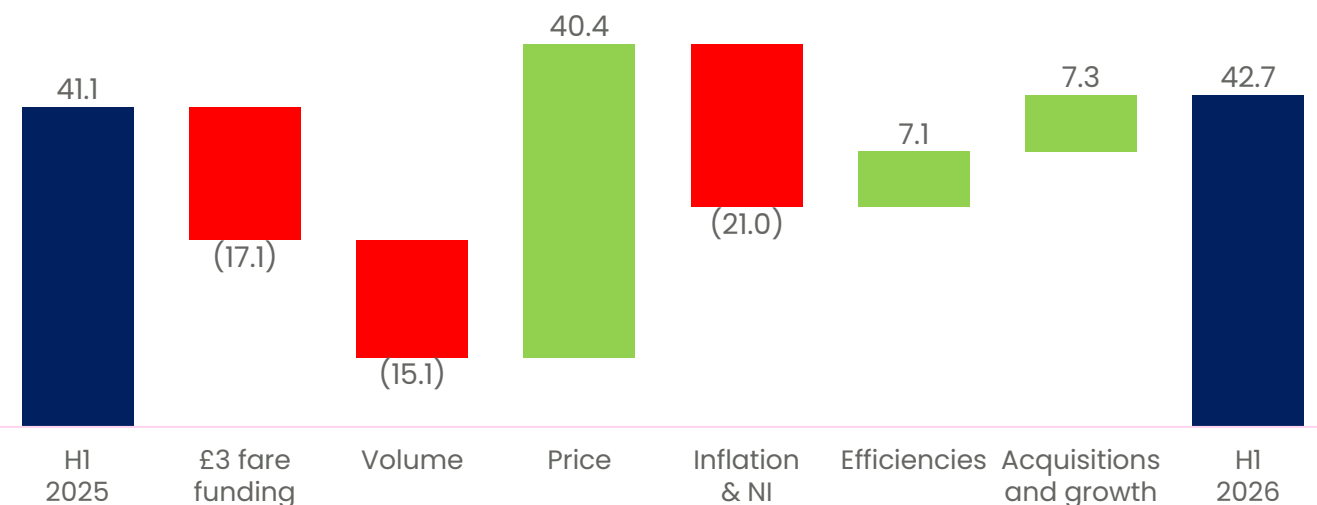
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Bus H1 adjusted operating profit up 4% in a challenging economic environment

Transition to the £3 fare cap and increased National Insurance contributions have had a significant impact

First Bus adjusted operating profit (£m)



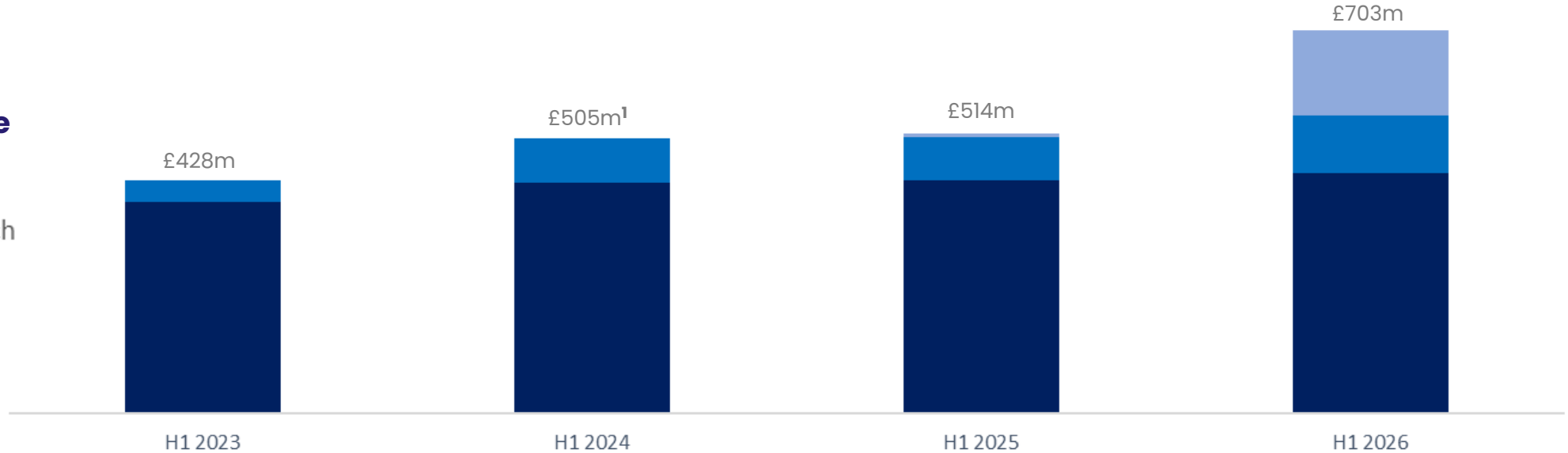
- **Adjusted operating profit margin of 6.1%** in H1 2026 (8.2% in regional bus); includes NIC margin impact: (1.4)%
- **Underlying¹ passenger volumes declined 4%**; concessions growth of 4% offset 7% decline in commercial volumes
- **Pricing** includes c.10% yield increase in regional bus with new fare structure introduced, offsetting £3 fare funding reduction of £17m
- **Cost inflation of c.3%**; driver cost inflation of 4%; majority of largest bargaining units settled in H1
- **Efficiencies** includes electrification, fuel and overhead savings
- **Acquisitions and growth** includes First Bus London, new coaching businesses, contract wins and contract extensions

¹ Volumes exclude London and other acquisitions completed since H1 2025

Growth and portfolio diversification in First Bus

First Bus Revenue

- Regional
- Business and Coach
- Franchising



Regional bus

Local tendered and contracted bus services with fare paying passengers

- H1 2026 revenue growth of 3.5%
- Further efficiencies have resulted in improved revenue per mile in H1 2026 of £5.60 (H1 2025: £5.46)
- H1 2026 lost mileage down 24%, to 1.3%

Business and Coach

Bus and coach services, large transport contracts and fleet sales

- Launch of Flixbus services
- Acquisition of Tetley's Coaches in Leeds
- Significant scope to grow our market share, with longer term contracts and attractive margins

Franchising

Transport for London and regional Mayoral franchise contracts

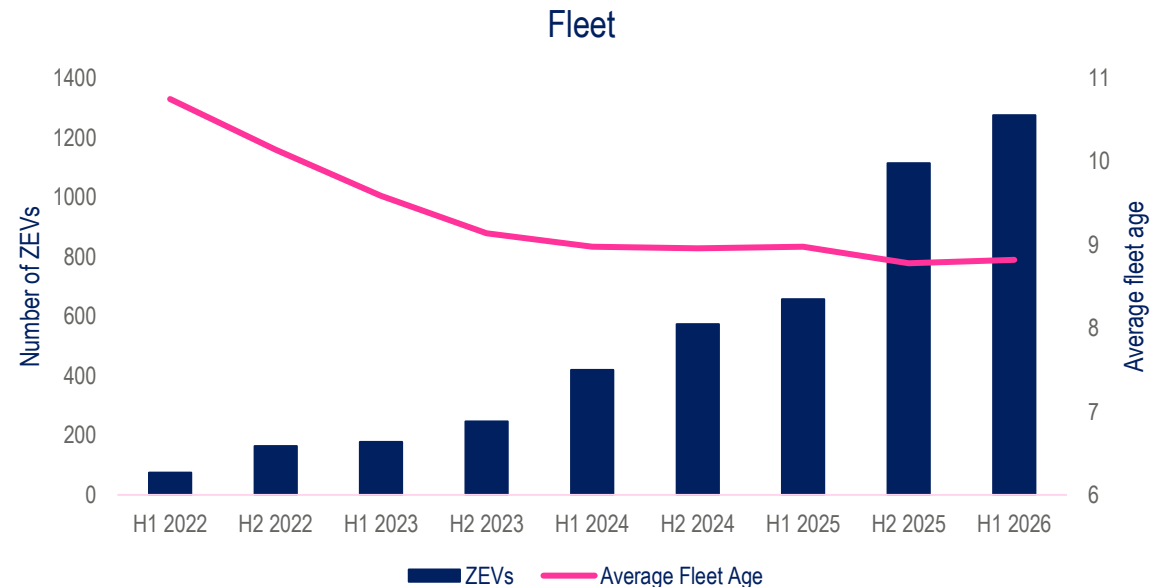
- First Bus London acquisition completed in Feb 2025
- Experienced bidding team focused on winning our fair share of the regional franchise market
- Service is core to our strategy; Rochdale and London top the operator league tables

¹ H1 2024 revenue includes an extra week of trading (c.£19m)

First Bus remains at the forefront of electrification

We are committing significant investment in our bus fleet and depot electrification, strengthening our asset base and unlocking future potential revenue streams

- **Group decarbonisation investment of c.£105m in H1 2026** alongside co-funding of c.£5m received in H1 2026 and c.£7m in FY 2025 for FY 2026 bus deliveries; balance of c.£15m co-funding anticipated in H2 2026
- **c.1,280 zero emission buses** at end of Sept, including in London; c.23% of our fleet;
- **3 fully electric depots and 17 partially electric depots** across the UK, and work underway at 4 more depots
- **40 'repowers'** in operation – an important strand of our decarbonisation strategy
- **Average net fuel cost per mile has reduced by 20%** over the last three years (£5m reduction in H1 2026)
- **Potential to further monetise our assets and manage power costs** through smart charging, third party charging, battery storage and capacity market trading; H1 2026 highlights include:
 - Launch of First Charge providing access to our charging infrastructure at 15 depots in Scotland and England
 - Investment in Palmer Energy Technology to bring battery storage units to our sites; will prove battery second life value over time

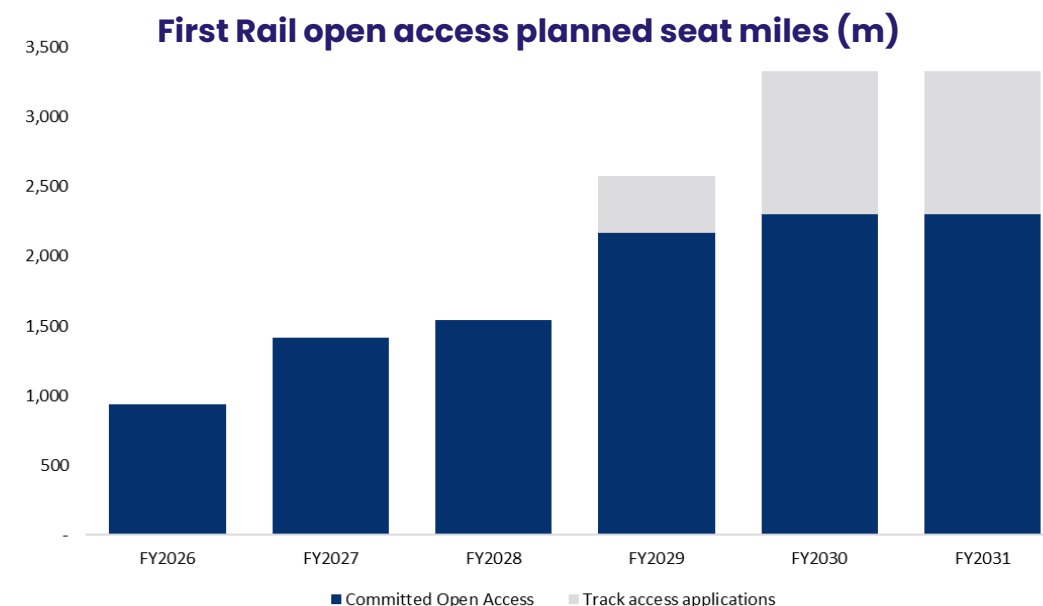


Solid performance in open access rail with material growth ahead

Hull Trains & Lumo	H1 2026	H1 2025	Change %
Revenue (£m)	53.2	51.9	3%
Adjusted operating profit (£m)	16.3	18.1	(10)%
Passenger journeys (m)	1.43	1.40	2%
Seat miles operated (m)	424	439	(3)%
Seat miles utilisation ¹ (%)	67%	67%	0bps

- Hull Trains passenger revenue up 2% to £22.2m, includes impact of industrial action
 - softer leisure passenger volumes during summer offset by strong business traveller ramp up from Sept
 - use of ten car operations to maximise seat availability
- Lumo's passenger revenue grew 5% to £29.3m; revenue per seat mile up 7% reflecting good asset utilisation and yield optimisation
 - strong passenger demand during the summer
- Mobilisation costs of £1.3m for new Stirling service in H1 2026

- Track access rights for Lumo Edinburgh–Glasgow extension and additional paths on Lumo and Hull Trains from Dec 2025 awarded by ORR (c.118m seat miles)
- Stirling service expected to be fully operational from mid CY 2026
- FY 2029 sees step up from introduction of Carmarthen and additional 10 car operations
- Ongoing applications with ORR for new services – c.1bn seat miles



¹ Seat miles utilisation is calculated by comparing the total seat miles available for travel (the number of seats multiplied by the train miles travelled) with the actual seat miles occupied by passengers.

Delivering on our National Rail Contracts and growing Rail Services

Adjusted Revenue £m	H1 2026	H1 2025	Change
Adjusted revenue from DfT TOCs ¹	24.1	26.0	(1.9)
Open access revenue	53.2	51.9	1.3
Rail Services revenue	53.6	48.1	5.5
Total First Rail adjusted revenue	130.9	126.0	4.9

Adjusted operating profit £m	H1 2026	H1 2025	Change
Adjusted operating profit from DfT TOCs	39.7	44.1	(4.4)
Open access adjusted operating profit	16.3	18.1	(1.8)
Rail Services adjusted operating profit	10.6	5.7	4.9
Total First Rail adjusted operating profit	66.6	67.9	(1.3)
Attributable net income from DfT TOCs	15.3	14.0	1.3

¹ See slide 30 for definition of Adjusted revenue

DfT TOCs

- H1 2026 attributable net income of £15.3m
- SWR transferred to DfTO on 25 May 2025 (H1 2026 net attributable fees of £2.4m after non-controlling interest of £1.0m)

Growth in Rail Services continues

- First Customer Contact, Mistral Data and First Rail Consultancy:
 - revenue of £53.6m with growth in all services
 - continued support for TPE and SWR
 - almost a third of current contracted revenues from external customers



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A strong foundation for sustainable value accretive growth

As the UK bus and rail sectors transition, we are well positioned to leverage our strong asset base, drive further efficiencies and create further value for all our stakeholders

- We expect **modest growth in adjusted earnings per share in FY 2026 and to then at least maintain EPS in FY 2027**
- **First Bus:** we will continue to drive operational improvements, grow in attractive markets and leverage our strong asset base, well-capitalised fleet and decarbonisation credentials
- **First Rail:** focus remains on operational delivery, growing our successful open access business and participating in other contract opportunities, where we can apply our deep sector expertise
- Our strong balance sheet enables us to evaluate a **strong pipeline of strategic UK focused growth opportunities**
- We remain **committed to progressive shareholder dividends** and the return of surplus cash to shareholders



Appendix



Leading in Sustainability is one of our four strategic pillars

Investing in decarbonisation, enhancing our operations and driving modal shift reduces our environmental impact, supports growth and prosperity in our communities and is a key driver of our commercial success.



CLEAN200™

Top 200 cleanest publicly-listed firms worldwide



SUSTAINALYTICS

Included in the 2025 Top-Rated Companies List with a 'medium-risk' rating

S&P Global

Included in S&P's Sustainability Yearbook again in 2025 with a score of 61/100



Re-awarded London Stock Exchange's Green Economy Mark in 2024



Network UK

Proud member of UN Global Compact Network UK

MSCI

'AAA' ranking on MSCI ESG index



'B' Rating

ISS ESG

'ESG Prime' rating; ESG – top decile



FTSE4Good

First

Appendix: Our Climate Transition Plan

We have a comprehensive strategy to meaningfully reduce emissions, manage climate-related risks, drive modal shift and contribute to growth and prosperity in the communities we serve.

- Prepared in alignment with the Transition Plan Taskforce (TPT) Disclosure Framework, our Climate Transition Plan includes:
 - an analysis of the impact of climate and the transition plan on our business model and value chain
 - a review of levers, dependencies, and an engagement strategy for stakeholders to achieve our goals
 - our robust governance and financial planning crucial to the delivery of the plan
 - how we engage and upskill our workforce and other stakeholders to create a culture that can meet our strategic ambitions
- In addition to our commitment to reach net-zero emissions by 2050, we have science-based Group emissions targets validated by the Science Based Targets initiative (SBTi) including:
 - to reduce Scope 1 and 2 emissions by 63% by the end of FY 2035 from a FY 2020 base year
 - to achieve a 20% reduction in absolute Scope 3 emissions from fuel and energy-related activities
 - to ensure 75% of our suppliers by emissions covering purchased goods and services and capital goods will have targets aligned to the science-based approach by the end of FY 2028



Appendix: Group Adjusted revenue and earnings

Our revenue and earnings include underlying fees from rail contracts to reflect the Group's risk and adjust for TOC IFRS 16 leases where the Group has minimal risk.

£m	H1 2026	H1 2025
Adjusted revenue reconciliation:		
Statutory revenue	2,297.6	2,373.5
Deduct:		
DfT TOC revenue	(1,526.1)	(1,803.9)
Add back:		
DfT TOC management and performance fees	23.0	23.7
Intercompany eliminations related to DfT TOCs	39.1	46.3
Adjusted revenue	833.6	639.6

- FirstGroup reports 'Adjusted revenue' which excludes DfT TOC revenue, and related intercompany eliminations, where the Group has substantially no revenue risk
- FirstGroup reports 'Adjusted earnings' shown before net adjusting items and excluding IFRS 16 impacts in the DfT TOCs

£m	H1 2026	H1 2025
Group Adjusted earnings comprise:		
First Bus adjusted operating profit	42.7	41.1
First Rail adjusted operating profit	66.6	67.9
Group central costs	(5.7)	(8.2)
Adjusted operating profit¹	103.6	100.8
Interest	(27.3)	(30.0)
Adjusted profit before tax¹	76.3	70.8
IFRS 16 DfT TOCs adjustment	0.6	1.3
Tax	(19.1)	(17.8)
Non-controlling interests	(2.3)	(2.5)
Adjusted earnings	55.5	51.8
No. of shares (weighted average)	559.7	608.5
Adjusted EPS	9.9p	8.5p

From continuing operations
¹ Before net adjusting items

Appendix: Cash flow by division

£m	H1 2026					H1 2025				
	Open Access & Other Rail	DfT TOCs	First Bus	Group items	Total	Open Access & Other Rail	DfT TOCs	First Bus	Group items	Total
EBITDA	28.9	-	73.3	(5.7)	96.5	22.5	-	63.9	(7.9)	78.5
DfT TOC Management fees	-	9.2	-	-	9.2	-	9.2	-	-	9.2
Working capital	(5.0)	-	(11.7)	(0.6)	(17.3)	5.5	-	(20.4)	(0.7)	(15.6)
Cash flow from operations	23.9	9.2	61.6	(6.3)	88.4	28.0	9.2	43.5	(8.6)	72.1
Capex	(0.4)	-	(114.8)	-	(115.2)	(8.4)	-	(51.5)	(0.4)	(60.3)
Disposal proceeds	0.3	-	11.0	0.1	11.4	-	-	9.8	0.7	10.5
Pension cash (higher)/lower than P&L	(0.6)	-	(0.7)	0.2	(1.1)	(3.0)	-	(2.0)	(4.5)	(9.5)
Interest & Tax	(0.1)	-	(3.3)	(0.6)	(4.0)	0.2	-	(2.9)	(4.3)	(7.0)
Other movements	2.4	-	1.6	(19.1)	(15.1)	-	-	-	(3.2)	(3.2)
Free cash flow	25.5	9.2	(44.6)	(25.7)	(35.6)	16.8	9.2	(3.1)	(20.3)	2.6
Acquisitions					(9.5)					(1.5)
Dividends					(26.9)					(24.0)
Share buyback					(48.7)					(41.4)
Movement in adjusted net debt					(120.7)					(64.3)
Opening adjusted net (debt)/cash					(86.9)					64.1
Closing adjusted net debt					(207.6)					(0.2)

Appendix: Reconciliation of Statutory to Adjusted cash flows

£m	Statutory	Ring fenced cash movements	IFRS 16	Other movements	Adjusted
EBITDA	341.6	(23.5)	(221.8)	0.2	96.5
Management fees	-	9.2	-	-	9.2
Working capital	(119.4)	75.9	(1.1)	27.3	(17.3)
Cash flow from operations	222.2	61.6	(222.9)	27.5	88.4
Capex	(98.1)	21.3	-	(38.4)	(115.2)
Disposal proceeds	11.4	-	-	-	11.4
Pension cash higher than Income Statement	(1.1)	-	-	-	(1.1)
Interest & Tax	(25.6)	-	21.6	-	(4.0)
Leasing	(25.9)	-	14.9	11.0	-
Other	(15.0)	-	-	(0.1)	(15.1)
Free cash flow	67.9	82.9	(186.4)	-	(35.6)
Acquisitions	(9.5)	-	-	-	(9.5)
Dividends	(26.9)	-	-	-	(26.9)
Share buyback	(48.7)	-	-	-	(48.7)
Other cash flows	(85.1)	-	-	-	(85.1)
Movement in net (debt)/cash	(17.2)	82.9	(186.4)	-	(120.7)
Net (debt) / cash at 29 March 2025	(974.8)	(315.7)	1,203.6	-	(86.9)
Net (debt) / cash at 27 September 2025	(992.0)	(232.8)	1,017.2	-	(207.6)

- Adjusted net debt of £207.6m at 27 September 2025 comprises cash (+£188.2m) less bank borrowings (£127.2m), bank overdrafts (£97.8m), finance leases (£147.2m) and NextGen battery debt (£23.6m)

Appendix: IFRS 16 (leases) and First Rail DfT TOCs earnings

- As at 27 September 2025, £1.0bn of leased assets were recognised as Right of Use assets on the balance sheet
- As at the H1 2026 balance sheet date, £1,017.2m of IFRS 16 lease liabilities were recognised in reported net debt, of which £877.7m or 86% related to the First Rail division (principally rolling stock associated with the management fee-based rail operations)

Adjusted and Continuing £m	H1 2026			H1 2025
	Under IAS17	IFRS 16 effect	Under IFRS 16	Under IFRS 16
EBITDA	120.0	+221.8	341.8	362.0
Operating profit	84.4	+19.2	103.6	100.8
Net finance costs	(5.7)	(21.6)	(27.3)	(30.0)
Reported net debt/(cash) - total business	(25.2)	+1,017.2	992.0	977.1
Adjusted net debt - total business	207.6			

DfT TOC attributable earnings reconciliation £m	H1 2026	H1 2025	Change
Adjusted operating profit from DfT TOCs ¹	39.7	44.1	(4.4)
Less IFRS 16 impact	(16.2)	(21.4)	5.2
Less tax and non-controlling interests	(8.2)	(8.7)	0.5
Attributable net income from DfT TOCs	15.3	14.0	1.3

Appendix: Open access rail applications in progress

- **Paignton – London Paddington**
(c. 312m seat miles); 5 return services a day
- **Hereford – London Paddington**
(c.100m seat miles); 2 return services a day
- **Extension of Stirling service**
to c.510m seat miles, with 5 new battery electric trains from December 2028
- **Rochdale – London**
(c.203m seat miles); 3 return services on weekdays and Sundays (4 on Saturdays)
- **Cardiff – York**
(c.316m seat miles); 6 return services on weekdays (5 on Saturdays; 4 northbound on Sundays, with three southbound)



Appendix: Group accounting for the DfT TOCs and SWR transition

- Although the Group has very limited revenue, cost and contingent capital risk under the DfT National Rail Contracts, under IFRS 16 disclosure requirements, we are required to recognise right of use assets and lease liabilities for all leases with terms over 12 months
- Management fee-based DfT TOCs, where the Group earns a small margin as set out in their NRCs, are fully consolidated into the Group's results. Shareholdings by MTR in SWR and Trenitalia in WCP, both 30%, are recorded as non-controlling interests
- DfT TOC full year revenue of c.£3bn is reported although revenue exposure is limited to management fees of up to c.£40m
 - management fees comprise fixed fee and variable fees. Variable fees are scored against three categories evaluated on a bi-annual basis by the DfT: operational performance (including punctuality), customer measures and financial measures

£m	GWR	WCP (70% share)
Fixed annual management fee	6.9	3.6
Variable fees (as previously announced)	Up to 17.8	Up to 11.1
Annual fee opportunity range (net of WCP minority, pre-tax)	6.9 – 24.7	3.6 – 14.7

- The Group's balance sheet includes right of use asset and liabilities balances of c.£0.9bn relating to rolling stock leases recognised under IFRS 16; however, the Group does not bear any risk from these lease contracts which is reflected in our alternative measures
- Ring-fenced cash (pre-funded capex and working capital) in the DfT TOCs is reported on the Group's balance sheet but is controlled by the DfT; the Group's Adjusted net (debt)/cash measure excludes ring-fenced cash to reflect that the cash does not belong to the Group
- South Western Railway was transferred to public ownership on 25 May 2025:
 - in FY 2025, SWR contributed revenue of £1,178m and adjusted operating profit of £25.2m; the IFRS 16 impact comprises operating profit benefit of £7.6m and interest cost of £4.5m (H1 2026: revenue of £176m and adjusted operating profit of £5.2m; IFRS 16 impact of operating profit of £0.6m and interest cost of £0.1m)
 - attributable net income earned by the Group for SWR for FY25 was £9.2m after the non-controlling interest of £4.0m (H1 2026 net income £2.4m after the non-controlling interest of £1.0m)
 - IFRS 16 leases recognised on the balance sheet at the end of FY25 were £23.1m (FY24: £160.5m), and SWR had £88.1m of ring-fenced cash (FY24: £30.0m).

Appendix: DfT-Contracted TOCs transition to public ownership

- The Government’s announced policy is to bring the National Rail Contracts into public ownership at the earliest possible opportunity
- The Government announced that SWR would be the first DfT TOC to transition on 25 May 2025, with subsequent contracts transferring at intervals of approximately three months in the order that their current core contractual terms expire

Train Operating Company	Operator	NRC Core Term expiry	NRC final expiry date	Announced transfer date
South Western Railway	FirstGroup / MTR	28 May 2023	25 May 2025	25 May 2025
C2C	Trenitalia	23 Jul 2023	20 Jul 2025	20 Jul 2025
Greater Anglia	Transport UK	15 Sept 2024	20 Sept 2026	12 Oct 2025
West Midlands	Transport UK	15 Sept 2024	20 Sept 2026	1 Feb 2026
GTR	Go Ahead / Keolis	1 Apr 2025	12 Dec 2027	31 May 2026
Chiltern	Arriva	1 Apr 2025	12 Dec 2027	–
Great Western Railway	FirstGroup	22 Jun 2025	25 Jun 2028	–
East Midlands	Transport UK	18 Oct 2026	13 Oct 2030	–
WCP (Avanti West Coast)	FirstGroup / Trenitalia	18 Oct 2026	17 Oct 2032	–
Cross Country	Arriva	17 Oct 2027	12 Oct 2031	–

Appendix: Definitions

- **'Adjusted revenue'** is revenue excluding that element of DfT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk. The Adjusted revenue measure includes management and performance fee income earned by the Group from its DfT TOC contracts
- **'Adjusted operating profit'** is operating profit before net adjusting items
- **'Adjusted earnings'** are shown before net adjusting items and excludes IFRS 16 impacts in First Rail management fee operations
- **'Adjusted EPS'** is adjusted earnings divided by the weighted average number of shares in the period of 559.7m (H1 2025: 608.5m) reflecting the current year and prior year share buybacks
- **'Adjusted net debt/(cash)'** is bonds, bank and other debt net of free cash (i.e. excludes IFRS 16 lease liabilities and ring-fenced cash)
- **'Free cash flow'** is the movement in adjusted net debt excluding proceeds from business disposals and cash outflows from dividends, share buybacks and business acquisitions.
- The Group's **'Rail adjusted EBITDA'** is First Bus and First Rail EBITDA from open access and Additional services on a pre-IFRS 16 basis, plus First Rail attributable net income from management fee-based operations, minus central costs
- **'Return on Capital Employed'** (ROCE) is a measure of capital efficiency and is calculated by dividing adjusted operating profit after tax, on a last-twelve-months basis using a normalised tax rate of 25%, by average period-end assets and liabilities excluding debt items adjusted for M&A timing
- **'Net Promoter Score'** (NPS) is a measure of customer satisfaction that is used across a number of industries
- **'Employee Benefit Trust'** (EBT) is the Group's employee benefit trust that holds shares to facilitate the delivery of shares under the Group's share plans

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