

FirstGroup

FY 2026 Results

18 June 2026



Agenda

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

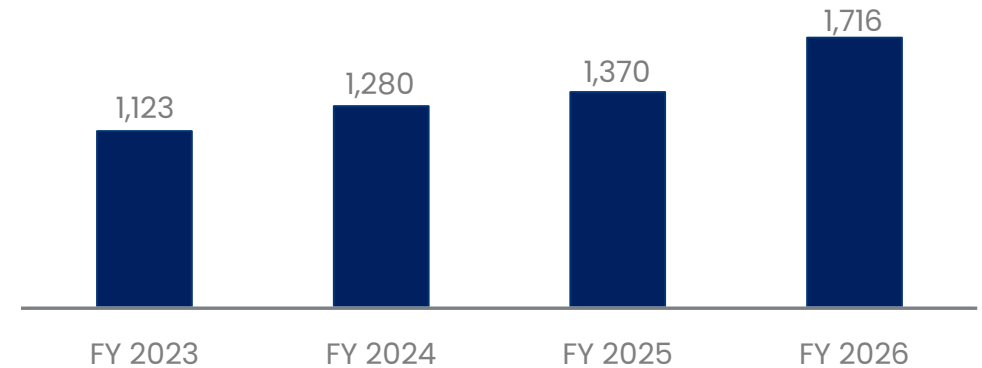


Strong track record of delivery and returns

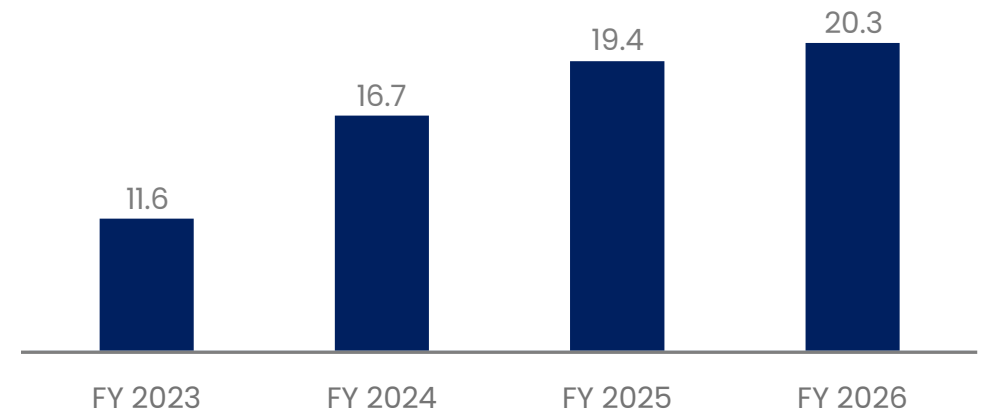
FY 2026 has seen further earnings momentum, with strategic progress on portfolio growth and diversification

- **Group adjusted revenue +25%** to £1,716m
- **Group adjusted EPS +5%** to 20.3p
- **Progressive full year dividend +11%** to 7.2p; **policy tightening towards 2.5x over time**
- **Further £100m share buyback programme** announced
- On course to **maintain FY 2027 adjusted EPS from a higher quality earnings base**
- Pipeline of inorganic **UK growth opportunities**

Group Adjusted Revenue (£m)



Group Adjusted Earnings per Share (p)



Proven UK focused growth strategy continues to deliver



Deliver, day in day out

- ✓ First Bus NPS score improves to +17
- ✓ First Bus lost mileage down to 1.5%
- ✓ Hull Trains top scoring operator in rail customer experience survey



Drive modal shift

- ✓ Growth in Regional Bus operated miles to 158m
- ✓ Open access rail timetabled seat miles up 8%
- ✓ c.160 vehicles added to Business and Coach fleet



Lead in sustainability

- ✓ First Bus fleet 26% zero emission (London red bus: 43%)
- ✓ Sustainability credentials enhanced: MSCI AAA ranking and fourth top UK company in Carbon Clean 200 list
- ✓ Third party charging at 15 and battery storage units at 5 First Bus depots



Diversify our portfolio

- ✓ c.£400m inorganic revenue growth from ten acquisitions in First Bus
- ✓ First full year of First Bus London; performance ahead of expectations
- ✓ London Overground mobilisation and Stirling open access service launch, in May 2026

Material cash generation ahead

We anticipate free cash generation of c.£400m over the next three years, providing scope for further growth, investment and shareholder returns

- **We have re-capitalised the business:**
 - bus fleet and infrastructure investment of c.£500m and c.£230m spend on value-accretive acquisitions over the last four years
- **Our balance sheet remains strong:**
 - FY 2026 leverage of 0.6x Adjusted net debt: Adjusted EBITDA
 - reduced balance sheet complexity post DfT TOCs transition
- **Capital expenditure will normalise from FY 2028:**
 - Bus annual capex spend (pre-franchising) expected to reduce to c.£80-100m
- **We are set to enter a phase of higher levels of free cash generation:**
 - Bus earnings growth, normalised level of capex and further growth from London and other acquisitions
 - DfT TOCs and Rail Services cash inflow of c.£90m and increased earnings from open access under capital light model



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Continued strong financial performance in FY 2026

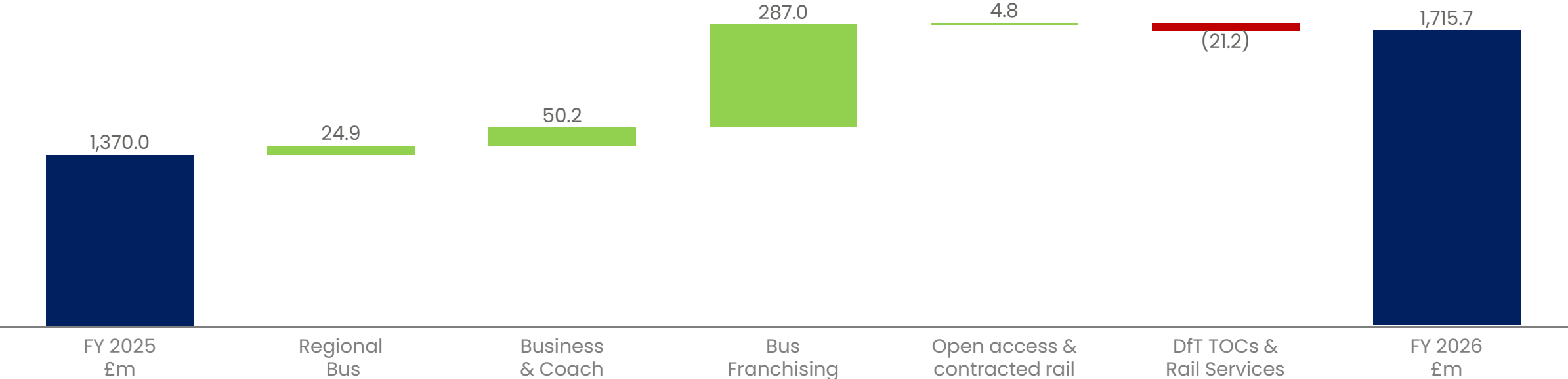
| £m (from continuing operations) | FY 2026 | FY 2025 | Change % |
|--|---------|---------|----------|
| Adjusted revenue | 1,715.7 | 1,370.0 | 25.2% |
| Adjusted operating profit ¹ | 219.4 | 222.8 | (1.5)% |
| Adjusted earnings | 112.6 | 115.8 | (2.8)% |
| Adjusted earnings per share | 20.3p | 19.4p | 4.6% |
| Dividend per share | 7.2p | 6.5p | 10.8% |
| Free cash flow | 73.8 | 113.5 | (35.0)% |
| Adjusted net debt | 137.7 | 86.9 | 58.5% |
| Return on Invested Capital | 10.7% | 9.9% | 80bps |

¹ Before net adjusting items

See slide 36 for definitions of Adjusted revenue, Adjusted earnings, Free cash flow, Return on Invested Capital (ROIC) and Adjusted net debt

- **Adjusted operating profit marginally lower than FY 2025:**
 - First Bus +£7m
 - First Rail £(19)m: SWR transition in May 2025, £7m lower IFRS 16 adjustment
 - Group cost savings of c.£9m delivered in FY 2026
- **Full year progressive dividend of 7.2p per share**
- **Year-end adjusted net debt of £138m:**
 - £266m cash from operations, up 25%
 - accelerated decarbonisation capex of c.£190m
 - £35m growth investment
 - £39m dividend
 - £50m of buyback programme executed
- **ROIC driven by improved quality of earnings**

Bus acquisitions drive 25% increase in Group adjusted revenue

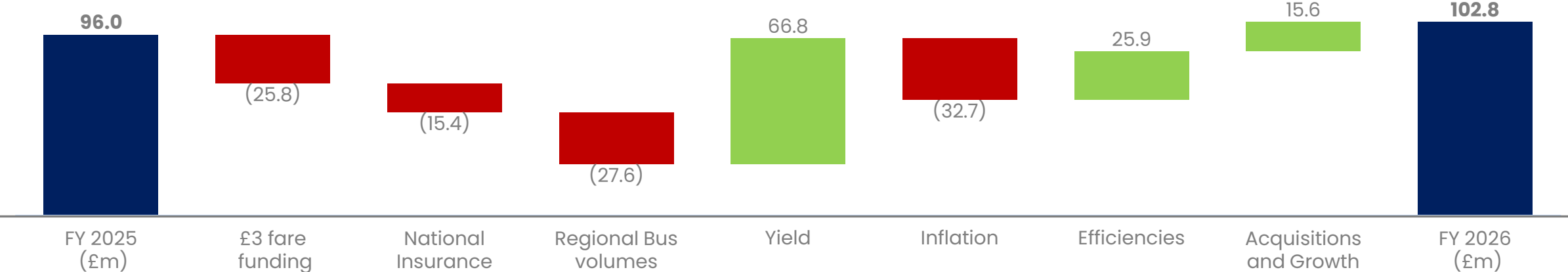


- Regional Bus up 2%: yield improvements and concession volume growth offset by lower fare funding and commercial volumes
- Business and Coach up 28%: coach acquisitions, contract wins and extensions and launch of Flix Bus services
- Franchising includes full year revenue of £310m from First Bus London
- First Rail open access revenue up 3% and contracted rail up 6%
- DfT TOCs lower, offset by progress in Rail Services



Profit growth continues in First Bus

First Bus adjusted operating profit up 7% despite significant step down in fare funding and c.£15m NI impact

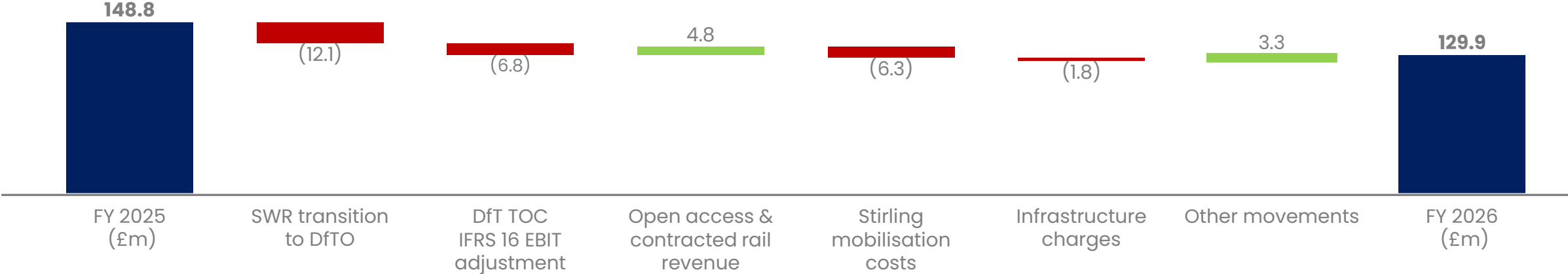


- Funding decreased following transition to £3 fare cap in Jan 2025
- Regional Bus passenger volumes declined 3%
- Yield includes fare and inflationary increases
- 76% of driver pay awards settled with multi-year awards; average increase of c.4%
- Other inflation broadly in line with CPI
- Efficiencies: overhead savings and portfolio and network optimisation, including Cornwall exit



First Rail's earnings decline as SWR transitions to public ownership

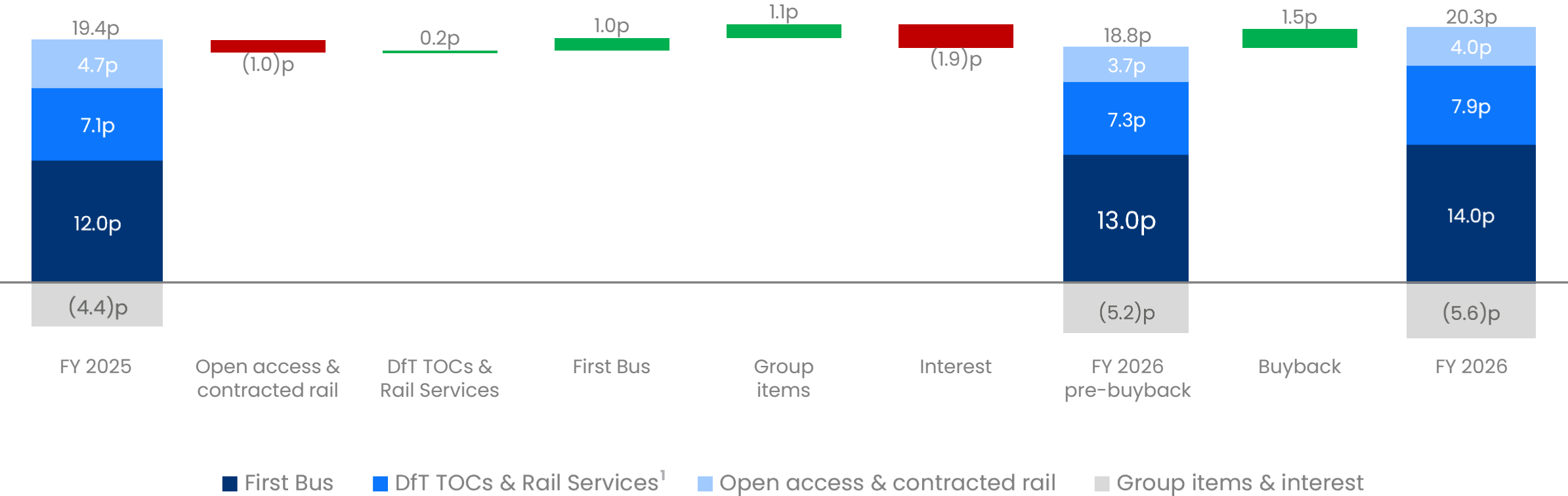
First Rail adjusting operating profit includes further growth in open access and Rail Services



- SWR National Rail Contract ended 25 May 2025
- Normalised level of DfT TOCs variable fees in FY 2026 following higher revenue incentives in FY 2025

- Net attributable income from DfT TOCs £29.3m (FY 2025 £39.0m)
- Further earnings growth in Rail Services – First Customer Contact, Mistral Data and First Rail Consulting

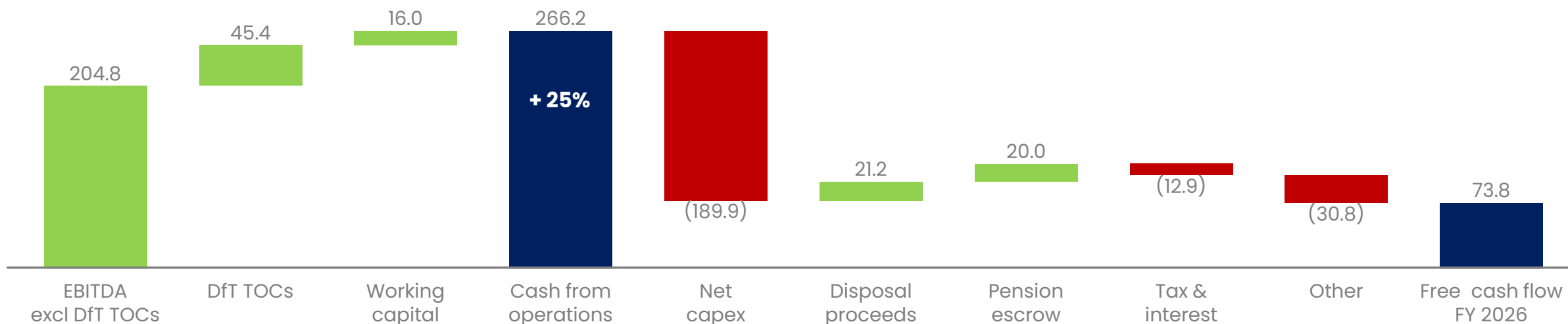
Continued growth in Group adjusted EPS, up 5%



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)



Cash generation enables investment in fleet, growth and returns



| Our disciplined capital allocation policy is based on four key pillars | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|---------|---------|---------|---------|
| Deliver progressive dividends (£m paid) | £15m | £30m | £34m | £39m |
| Invest in future growth (inorganic growth investment) | £37m | £18m | £139m | £35m |
| Return surplus cash (buyback returns) | £32m | £118m | £92m | £50m |
| Maintain a strong balance sheet (<2x Adj. net debt: Adj. EBITDA) | (0.7)x | (0.3)x | 0.4x | 0.6x |

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

Financial outlook for FY 2027

Following a stronger outturn for FY 2026, we expect to maintain adjusted EPS and progressive dividend in FY 2027, from a higher quality earnings base

First Bus

- Revenue growth to just over £1.5bn
- Further progress in adjusted operating profit

First Rail

- Open access: anticipated revenue of c.£130–150m; adjusted operating profit margin to progress to mid-teens following c.2-year Stirling and Carmarthen ramp up
- London Overground: anticipated revenue of c.£300m
- DfT TOCs: lower adjusted revenue following GWR to transfer to DfTO 13 Dec 2026; Avanti transition expected around the end of FY 2027
- DfT TOCs and Rail Services: c.£90m cash inflow expected over three-year period from Apr 2026 as GWR and Avanti transition

Group

- FY 2027 central costs in line with FY 2026
- Interest: c.£45m; includes DfT TOCs IFRS 16 interest of c.£14m

Balance sheet

- FY 2027 capex of c.£140m, net of c.£15m of co-funding; capex expected to normalise from FY 2028 to £80–100m following period of accelerated decarbonisation investment
- c.£65m of Group pension schemes retained in escrow with outcome dependent on 2030 valuations
- Further progress on Group ROIC

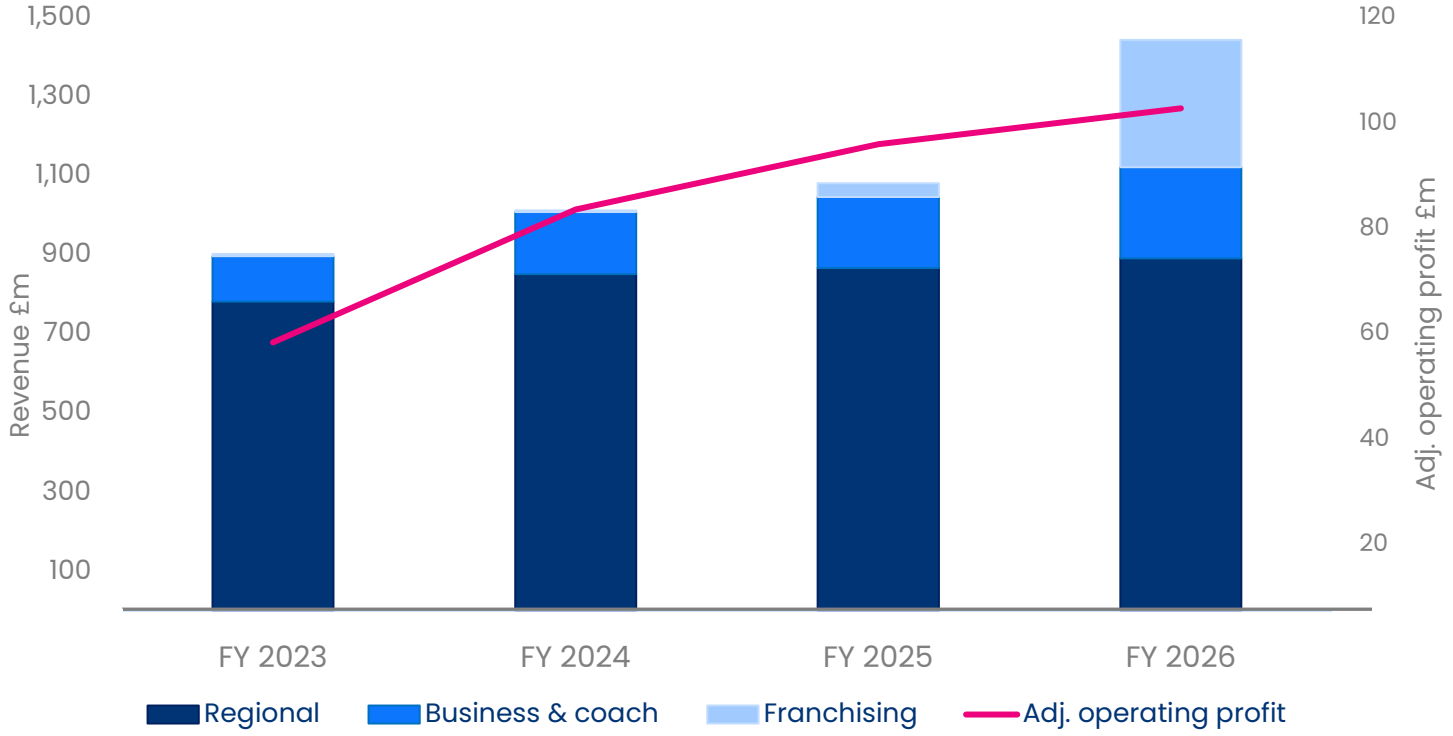
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Transformation of First Bus continues

First Bus revenues have grown from c.£800m in FY 2022 to £1.4bn in FY 2026 and we have scope to grow further, with a medium-term adjusted operating profit margin of 8-9%



First Bus Revenue (£m)

Regional bus

Local tendered and contracted bus services with fare-paying passengers

- Focus on continuous customer experience, service improvement and efficiencies

Business and Coach

Bus and coach services, large transport contracts

- Building a diverse portfolio and operational footprint in key markets

Franchising

Transport for London and regional Mayoral bus franchise contracts

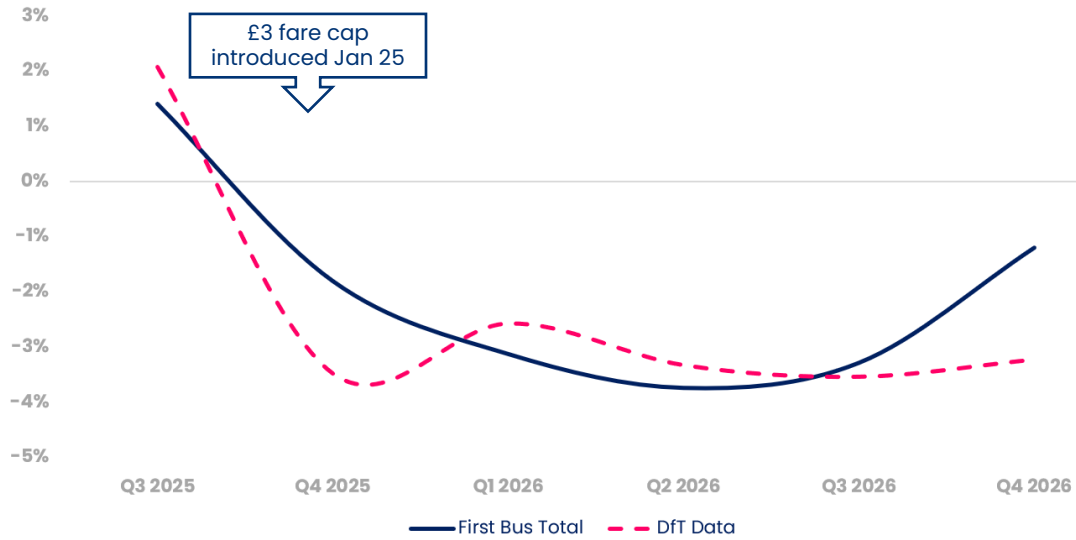
- Service is core to our strategy to maximise contract performance awards and position First Bus for regional franchise opportunities



Regional Bus – an agile business focused on delivery and customer experience

A pivotal year as we managed the transition to the £3 fare cap, increased NI contributions and ongoing industry wide inflationary pressures

| Regional Bus | FY 2026 | FY 2025 | Change |
|-----------------------|---------|---------|--------|
| Revenue (£m) | 891.3 | 866.4 | 3% |
| Operated mileage (m) | 157.5 | 155.2 | 1% |
| Revenue per mile (£) | 5.66 | 5.58 | 1% |
| Passenger volumes (m) | 390.4 | 403.3 | (3)% |



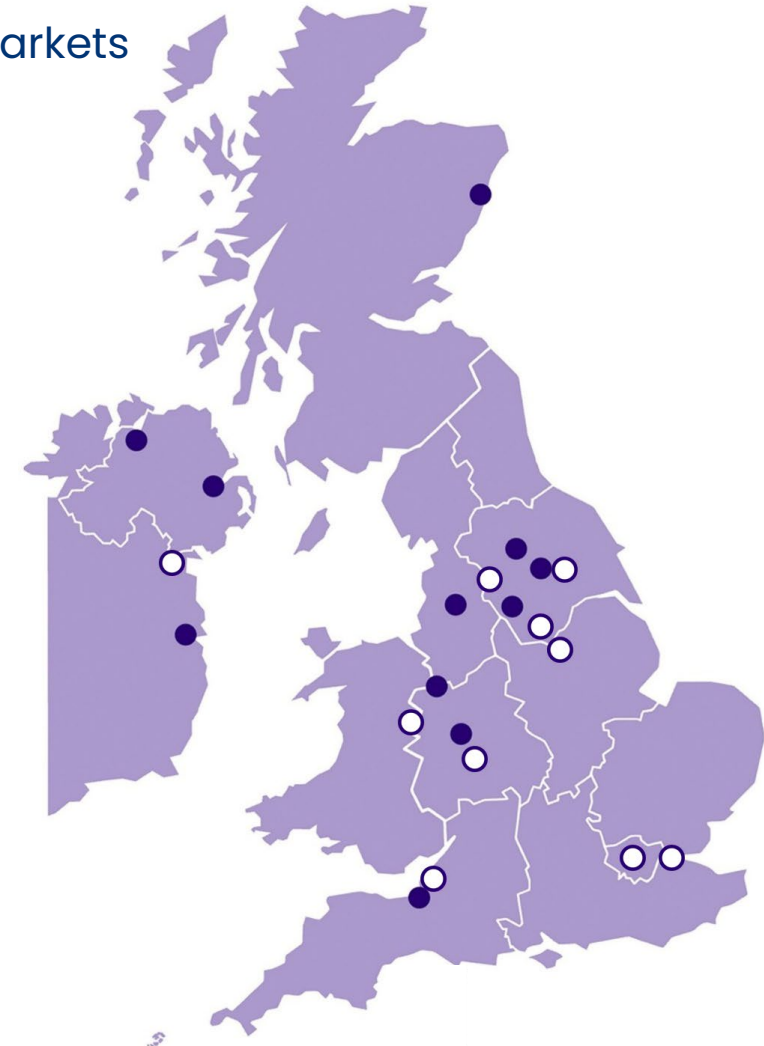
Regional Bus volumes vs. industry data

- FY 2026 revenue up 3% despite significant headwinds
- 8.8% Adj. operating profit margin (FY 2025: 9.7%) – NI impact: (1.7)%
- Operated mileage up 1% with further portfolio optimisation
- Progress in key service delivery and customer experience metrics:
 - revenue per mile up 1.4%
 - lost mileage down to 1.5% (FY 2025: 1.8%)
 - NPS up to +17 (FY 2025: +11)
- 3% passenger volumes decline reflects increase in fare cap in England to £3 and lower consumer confidence:
 - 4% growth in concessions offset 6% decline in commercial volumes
 - rate of decline has eased in Q1 2027
- Cost inflation managed with multi-year wage settlements and hedging programme (c.88% of FY 2027 fuel and c.77% of electricity consumption)

Growing our market share and national footprint in Business and Coach

We are building a portfolio of well-established businesses and assets in key markets

- FY 2026 revenue up 28% to £230m; 63% contracted
- Our fleet of c.1,000 vehicles, (including nearly 600 coaches – av. age 8 years) will enable efficient asset cascade across our businesses
- FY 2026 acquisitions: J&B Travel and Tetley's Coaches in Leeds and Hills Coaches in Wolverhampton bolstering our position in West Yorkshire and West Midlands (annual revenues of c.£9m and EBIT of c.£1.4m)
- Five-year Flixbus contract launched in 2025 and extended in Spring 2026; 36 coaches now in operation
- FY 2026 contract wins and extensions include: Glasgow 2026 Commonwealth Games and Scottish Citylink
- Q1 2027 acquisitions: Eagle Coaches in Bristol and Wilfreda Beehive in Doncaster, South Yorkshire (annual revenues of c.£11m and EBIT of c.£2m)
- Strong pipeline of opportunities to grow our share of this attractive market



○ *Businesses acquired since FY 2023*



Driving operational excellence in franchise operations

Our proven expertise and London performance position us well to support the transition to franchising

First Bus London

- FY 2026 revenue of £310m supported by disciplined contract bidding and strong operational performance
- 99% of contract revenue secured for FY 2027 and 77% for FY 2028
- FY 2027 revenue of c.£350m anticipated
- Addition of Wandsworth depot provides further scope to grow; first stage of electrification will be completed by end of FY 2027

Regional franchising

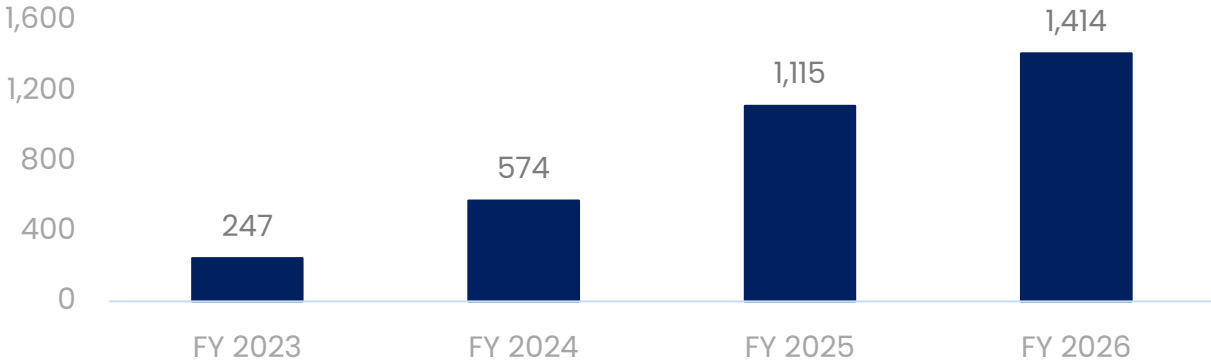
- c.£1bn annual revenues and over 40 contracts with 5–7 year maturity expected to be competitively franchised in England and Wales over next five years
- Tender processes underway in Liverpool, South Yorkshire and West Yorkshire
- Current First Bus revenues of c.£250m and fleet of c.1,150 buses in proposed franchise areas
- Depot sales to local authorities closed in South Yorkshire and Wales in recent months
- We will make use of our decarbonisation credentials to support depot electrification for regions investing in ZEV



Leading in Bus electrification and unlocking value

Targeted investment, alongside available co-funding is strengthening our asset base and unlocking future revenue opportunities

- 26% of our bus fleet zero emission at end of March (43% of red buses in London)
- Four fully and 17 partially electric First Bus depots
- Accelerated decarbonisation spend has reduced average fleet age from 10.1 years in FY 2022 to 8.8 years in FY 2026
- Supporting SYMCA with electrification of two depots ahead of franchising – design, tendering and project management service
- Third party charging underway at 15 First Bus depots
- £6m of ScotZEB3 co-funding secured for 37 vehicles at Scotstoun (FY 2028 delivery)



First Bus EV Fleet



Progress in Rail diversification as TOC nationalisation commences

FY 2026 was an important year for First Rail with the award of the London Overground contract and growth in open access

FY 2026 Highlights

- Award of London Overground contract (revenues of c.£3bn over eight-year contract and two-year optional extension)
- 8% increase in open access weekly timetabled seat miles through additional paths and Lumo Glasgow extension
- Launch of Lumo's Stirling service on the West Coast Main line
- Rail Services earnings growth continues with contract extensions and new external customers
- Successful handover of SWR in May 2025
- GWR to transition on 13 Dec 2026 and Avanti transition anticipated around the end of FY 2027



Good performance in open access as we invest for new route growth

| Hull Trains & Lumo | FY 2026 | FY 2025 | Change % |
|---|---------|---------|----------|
| Revenue (£m) | 109.3 | 106.4 | 3% |
| Pence per seat mile (p) | 11.1 | 11.1 | - |
| Adjusted operating profit (£m) | 25.6 | 34.1 | (25)% |
| Passenger journeys (m) | 3.08 | 2.95 | 4% |
| Seat miles operated (m) | 926 | 921 | 1% |
| Seat miles utilisation ¹ (%) | 65% | 65% | - |



- H2 yield impacted by increased LNER capacity, price competition on East Coast Main line and lower leisure passenger demand
- Operating profit impacted by c.£6m Stirling mobilisation cost and c.£2m increase in Lumo's ICC charge to the maximum level, having reached its fifth year in operation (Oct 2025)
- 65% seat miles utilisation remains above long-distance industry average of c.48%
- Launch of Lumo's new Stirling service and HQ in Preston in Q1 2027; 95 local jobs created including 16 apprentice drivers

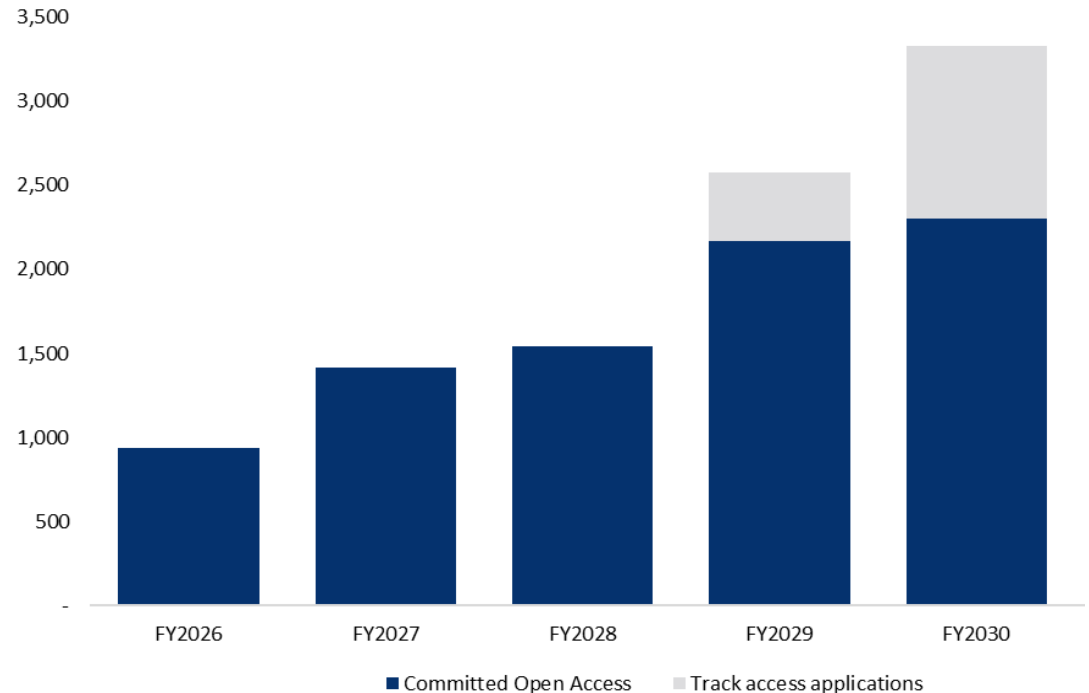
¹ Seat miles utilisation is calculated by comparing the total seat miles available for travel (the number of seats multiplied by the train miles travelled) with the actual seat miles occupied by passengers.

Our open access capacity is set to more than double

Expanding our open access capacity is a key strategic priority for the Group

- We will more than double our open access capacity in the next two to three years
- Track access rights awarded for Lumo Edinburgh-Glasgow extension and additional paths on Lumo and Hull Trains from Dec 2025
- Lumo's West Coast Stirling service fully operational July 2026
- FY 2029 sees step up from introduction of Carmarthen and ten-car operations on Lumo (c.769m seat miles)
- Following a two-year ramp up period, we anticipate both Stirling and Carmarthen services to contribute annual revenues of c.£50m with a mid-teen adjusted operating profit margin
- Ongoing applications with ORR for new services - c.1bn annual seat miles:
 - Paignton-London Paddington
 - Hereford-London Paddington
 - Rochdale-London Euston
 - Cardiff-York

First Rail open access planned seat miles (m)



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Positioned for growth and long-term value creation

Our focus on delivery, portfolio growth and diversification, positions the Group for sustained value creation and further material returns

- **On course to maintain adjusted EPS** in FY 2027 from higher-quality earnings base
- **First Bus:** further scope to develop commercial businesses, grow Business and Coach market share and leverage our scale, expertise and substantial asset base as franchise market develops
- **First Rail:** focus remains on growth in open access capacity and identifying further adjacent opportunities where we can apply our deep sector expertise
- Our **strong balance sheet provides strategic optionality**, with a strong pipeline of value-accretive UK bus and rail 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

Lead in environmental & social sustainability

Support prosperity, growth and green jobs in the communities we serve

Secure innovative financing and continue First Bus fleet and infrastructure decarbonisation

Build out electrification adjacent revenue opportunities

Deliver our net zero commitments and support prosperity, growth and green jobs in the communities we serve



CLEAN200™

Top 200 cleanest publicly-listed firms worldwide



SUSTAINALYTICS

Included in the 2025 Top-Rated Companies List with a 'Strong' ESG Risk Management rating

S&P Global

Included in S&P's Sustainability Yearbook again in 2026 with a score of 60/100



Re-awarded London Stock Exchange's Green Economy Mark in 2025



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



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 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



London Overground contract

The award of the London Overground contract recognises our rail expertise and in-house delivery capability

- Suburban rail network spanning six routes, 100 miles of railway, 113 stations, 111 electric trains and carrying c.4m passengers a week
- Initial eight-year contract from 3 May 2026 with an option to extend for up to two additional years at TfL's discretion
- Estimated contract value of c.£3bn over the eight years and optional two-year extension period
- TfL retains all revenue risk and will specify the service levels, with First responsible for the delivery of train services and management of stations
- Deliverables include service increases, customer experience improvements including information and accessibility
- Bid and mobilisation process managed in-house by First Rail Consultancy
- New First Rail London executive team in place, with appointments from both First Rail and senior management from previous concession



Group Adjusted earnings

Our 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.

- FirstGroup reports 'Adjusted earnings' shown before net adjusting items and excluding IFRS 16 impacts in the DfT TOCs

| £m | FY 2026 | FY 2025 |
|---|--------------|--------------|
| Group Adjusted earnings comprise: | | |
| First Bus adjusted operating profit | 102.8 | 96.0 |
| First Rail adjusted operating profit | 129.9 | 148.8 |
| Group central costs | (13.3) | (22.0) |
| Adjusted operating profit¹ | 219.4 | 222.8 |
| Interest | (62.7) | (57.7) |
| Adjusted profit before tax¹ | 156.7 | 165.1 |
| IFRS 16 DfT TOCs adjustment | (2.8) | (1.1) |
| Tax | (37.3) | (41.1) |
| Non-controlling interests | (4.0) | (7.1) |
| Adjusted earnings | 112.6 | 115.8 |
| No. of shares (weighted average) | 553.4 | 597.7 |
| Adjusted EPS | 20.3p | 19.4p |

¹ Before net adjusting items

Cash flow by division

| £m | FY 2026 | | | | | FY 2025 | | | | |
|--|-------------------------------|--------------------------|--------------|---------------|----------------|-------------------------------|--------------------------|--------------|---------------|----------------|
| | Open access & contracted rail | DfT TOCs & Rail Services | First Bus | Group items | Total | Open access & contracted rail | DfT TOCs & Rail Services | First Bus | Group items | Total |
| EBITDA | 27.9 | 23.3 | 164.7 | (11.1) | 204.8 | 37.0 | 3.8 | 144.0 | (21.4) | 163.4 |
| DfT TOC Management fees | - | 45.4 | - | - | 45.4 | - | 37.9 | - | - | 37.9 |
| Working capital | 5.2 | (3.3) | 19.0 | (4.9) | 16.0 | (2.5) | 17.4 | (10.6) | 7.5 | 11.8 |
| Cash flow from operations | 33.1 | 65.4 | 183.7 | (16.0) | 266.2 | 34.5 | 59.1 | 133.4 | (13.9) | 213.1 |
| Capex | (0.8) | (0.9) | (188.2) | - | (189.9) | (0.8) | (3.2) | (88.2) | (0.5) | (92.7) |
| Disposal proceeds | - | 1.2 | 20.0 | - | 21.2 | 0.5 | 0.2 | 16.2 | 0.2 | 17.1 |
| Pension receipts higher/(lower) than P&L | (1.0) | - | - | 16.1 | 15.1 | (3.0) | - | (2.0) | (3.7) | (8.7) |
| Interest & Tax | - | - | - | (12.9) | (12.9) | - | - | - | (9.5) | (9.5) |
| Other movements | 0.9 | 1.8 | (5.0) | (23.6) | (25.9) | 0.9 | 3.4 | 3.2 | (13.3) | (5.8) |
| Free cash flow | 32.2 | 67.5 | 10.5 | (36.4) | 73.8 | 32.1 | 59.5 | 62.6 | (40.7) | 113.5 |
| Acquisitions | | | | | (35.3) | | | | | (138.5) |
| Dividends | | | | | (38.9) | | | | | (34.2) |
| Share buyback | | | | | (50.4) | | | | | (91.8) |
| Movement in adjusted net debt | | | | | (50.8) | | | | | (151.0) |
| Opening adjusted net (debt)/cash | | | | | (86.9) | | | | | 64.1 |
| Closing adjusted net debt | | | | | (137.7) | | | | | (86.9) |

Reconciliation of Statutory to Adjusted cash flows

| £m | Statutory | Ring fenced cash movements | IFRS 16 | Other movements | Adjusted |
|---|----------------|----------------------------|----------------|-----------------|----------------|
| EBITDA | 702.9 | (44.3) | (453.8) | - | 204.8 |
| Management fees | - | 45.4 | - | - | 45.4 |
| Working capital | 53.3 | 6.9 | (5.7) | (38.5) | 16.0 |
| Cash flow from operations | 756.2 | 8.0 | (459.5) | (38.5) | 266.2 |
| Capex | (253.0) | 48.1 | - | 15.0 | (189.9) |
| Disposal proceeds | 45.7 | (9.5) | - | (15.0) | 21.2 |
| Pension cash higher than Income Statement | (23.4) | - | - | 38.5 | 15.1 |
| Interest & Tax | (61.0) | - | 48.1 | - | (12.9) |
| Leasing | (48.1) | - | 47.0 | 1.1 | - |
| Other | (24.8) | - | - | (1.1) | (25.9) |
| Free cash flow | 391.6 | 46.6 | (364.4) | - | 73.8 |
| Acquisitions | (35.3) | - | - | - | (35.3) |
| Dividends | (45.6) | 6.7 | - | - | (38.9) |
| Share buyback | (50.4) | - | - | - | (50.4) |
| Other cash flows | (131.3) | 6.7 | - | - | (124.6) |
| Movement in net (debt)/cash | 260.3 | 53.3 | (364.4) | - | (50.8) |

- Adjusted net debt of £137.7m at 28 March 2026 comprises cash (+£169.6m) less bank borrowings (£102.1m), bank overdrafts (£25.5m), finance leases (£152.3m) and NextGen battery debt (£27.4m)

1 Before net adjusting items

Group accounting for the DfT TOCs

- 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 (Avanti West Coast) 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.£30m
 - 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 | 5.3 | 3.6 |
| Variable fees (as previously announced) | Up to 13.3 | Up to 11.1 |
| FY 2026/27 fee opportunity range (net of WCP minority, pre-tax) | 5.3 – 18.6 | 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
- **FY 2027 Guidance:**
 - DfT TOCs adjusted operating profit will comprise management fees earned and an expected IFRS 16 adjustment of c.£23m (FY 2026: £39m)
 - GWR will transition on 13 Dec 2026 and WCP is expected to transition around the end of FY 2027 – leases will transfer to the DfTO

First Rail FY 2026 earnings

| Adjusted Revenue £m | FY 2026 | FY 2025 | Change |
|--|--------------|--------------|---------------|
| DfT TOCs and Rail Services ¹ | 130.6 | 151.8 | (21.2) |
| Open access and contracted rail | 141.8 | 137.0 | 4.8 |
| Total First Rail adjusted revenue | 272.4 | 288.8 | (16.4) |

| Adjusted operating profit £m | FY 2026 | FY 2025 | Change |
|---|--------------|--------------|---------------|
| DfT TOCs and Rail Services ² | 62.2 | 65.5 | (3.3) |
| Open access and contracted rail | 28.9 | 37.7 | (8.8) |
| DfT TOC IFRS 16 EBIT adjustment | 38.8 | 45.6 | (6.8) |
| Total First Rail adjusted operating profit | 129.9 | 148.8 | (18.9) |

| | | | |
|--|-------------|-------------|--------------|
| Attributable net income from DfT TOCs | 29.3 | 39.0 | (9.7) |
|--|-------------|-------------|--------------|

¹ See slide 36 for definition of Adjusted revenue

² DfT TOC Adjusted operating profit on a pre-IFRS 16 basis

IFRS 16 (leases) and First Rail DfT TOCs earnings

- As at 28 March 2026, £782.2m of leased assets were recognised as Right of Use assets on the balance sheet and £850.0m of IFRS 16 lease liabilities were recognised in reported net debt, of which £702.4m or 83% related to the First Rail division (principally rolling stock associated with the management fee-based rail operations)
- Looking ahead, following the transfer of the DfT TOCs lease liabilities for open access rail and First Bus are expected to be c.£200m in FY 2027

| Adjusted and Continuing £m | FY 2026 | | | FY 2025 |
|---|-------------|----------------|---------------|---------------|
| | Under IAS17 | IFRS 16 effect | Under IFRS 16 | Under IFRS 16 |
| EBITDA | 247.0 | +453.8 | 700.8 | 780.4 |
| Operating profit | 173.8 | +45.6 | 219.4 | 222.8 |
| Net finance costs | (14.6) | (48.1) | (62.7) | (57.7) |
| Reported net debt/(cash) - total business | (124.7) | +850.0 | 725.3 | 985.6 |
| Adjusted net debt - total business | 137.7 | | | |

| DfT TOC attributable earnings reconciliation £m | FY 2026 | FY 2025 | Change |
|--|---------------|--------------|---------------|
| Adjusted operating profit from DfT TOCs¹ | 83.1 | 107.2 | (24.1) |
| Less IFRS 16 impact | (38.8) | (45.6) | 6.8 |
| Less tax and non-controlling interests | (15.0) | (22.6) | 7.6 |
| Attributable net income from DfT TOCs | 29.3 | 39.0 | (9.7) |

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 | 20 Sept 2026 |
| Great Western Railway | FirstGroup | 22 Jun 2025 | 25 Jun 2028 | 13 Dec 2026 |
| 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 | - |

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 553.4m (H1 2025: 597.7m) 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)
- **'Commercial bus fleet'** All operational single-deck and double-deck buses certified to carry standing passengers, deployed on the company's commercial bus network, operating on a mix of commercial, supported and closed services.
- **'Commercial bus passengers'** passengers who travel on a commercially operated bus service whose journey generates fare revenue for First Bus. This includes journeys subject to the £3 national fare cap in England but excludes concessionary travel and tendered service funding.'
- **'Commercial bus businesses'** regulated, open bus services for the general public, provided without any dedicated financial support for that discrete service.
- **'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 Invested Capital'** (ROIC) is calculated using reported Group operating profit after tax divided by average invested capital, comprising the sum of shareholder equity, borrowings less cash and cash equivalents
- **'Net Promoter Score'** (NPS) is a measure of **'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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