FirstGroup

2025 Full Year Results

10 June 2025

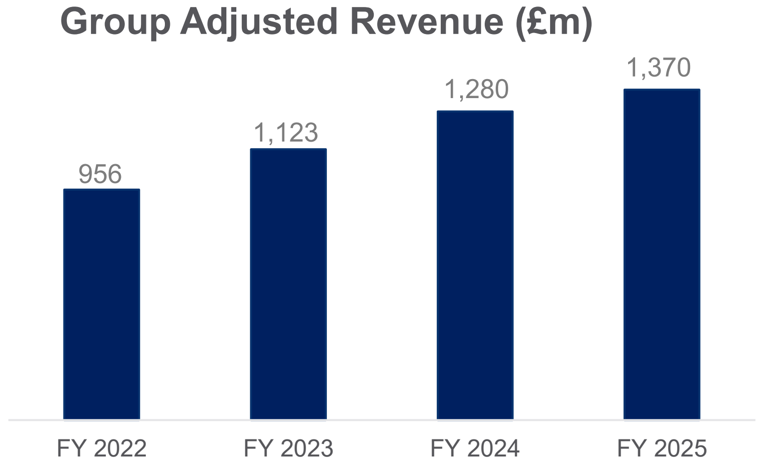
Agenda

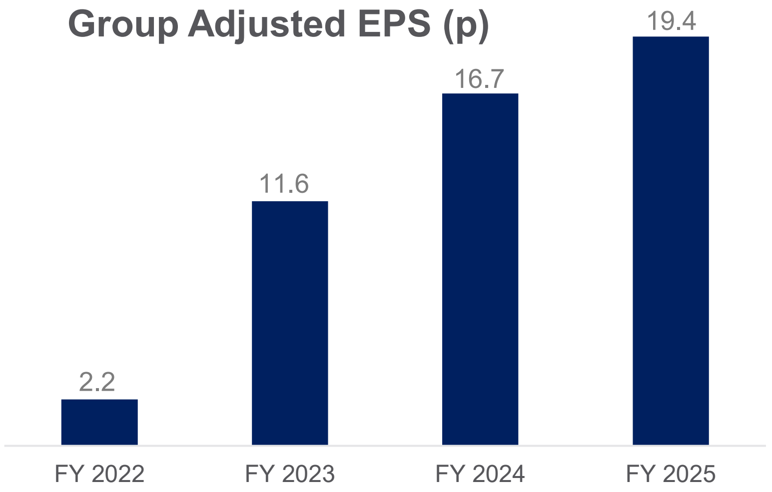
1. **Headlines**
2. Financial review
3. Business review
4. Summary

Another very strong year for FirstGroup

Strategic focus and operational delivery has driven further earnings growth in FY 2025 and positions us well for FY 2026

- **Group Adjusted revenue +7%** to £1.4bn
- **Adjusted EPS +16%** to 19.4p
- **Full year dividend of 6.5p** (FY 2024: 5.5p)
- **Additional £50m share buyback** programme
- **Portfolio diversification in Bus accelerates** with the RATP London acquisition
- **c.£500m order** for new, UK manufactured trains to facilitate rail open access growth
- **On course to at least maintain Adjusted EPS** in FY 2026





Successful execution of our strategy drives sustainable growth

Deliver, day in day out

- First Bus 10% adjusted operating margin in H2 2025[1]
- First Bus NPS score at +11
- First Rail DfT TOCs' FY 2025 variable fees ahead of expectation
- Restructure to deliver c.£15m of annualised overhead savings

Drive modal shift

- First Bus underlying[2] passenger revenue +7% and volumes +2%
- First Bus brand refresh focused on customer proposition
- Lumo and Hull Trains revenue +7%
- Open access rail applications submitted to further increase capacity

Lead in environmental and social sustainability

- FirstGroup upgraded to MSCI's highest possible ESG ranking of AAA
- Ranked among Corporate Knights' Europe 50 Most Sustainable Corporations
- Publication of the Group's first Climate Transition Plan
- c.20% of First Bus fleet now zero emission, with 3 fully and 10 substantially electrified depots outside London

Diversify our portfolio

- RATP London and Adjacent services acquisitions in First Bus
- Acquisition of track access rights for two new open access rail services
- First Rail successfully took over operation of the TfL London Cable Car
- Strong pipeline of growth opportunities

[1] Excludes First Bus London
[2] Excludes the impact of extra week in FY 2024 and transfer of operations in Oldham to TfGM

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Strong financial performance - 16% growth in Adjusted EPS

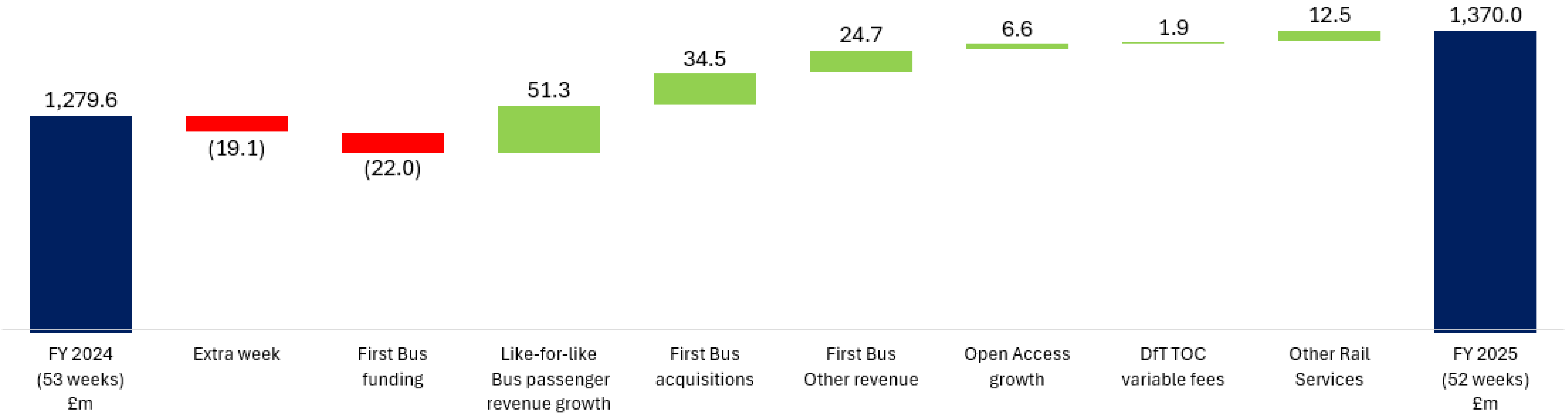
£m (from continuing operations)	FY 2025	FY 2024	Change %
Adjusted revenue	1,370.0	1,279.6	7.1%
Adjusted operating profit[1]	222.8	204.3	9.1%
Adjusted profit before tax[1]	165.1	139.0	18.8%
Adjusted earnings	115.8	110.7	4.6%
Adjusted earnings per share	19.4p	16.7	16.2%
Dividend per share	6.5p	5.5p	18.2%
Free cash flow	113.5	53.9	110.6%
Adjusted net debt/(cash)	86.9	(64.1)	-

[1]Before net adjusting items

See slide 29 for definitions of Adjusted revenue, Adjusted earnings, Free Cash Flow and Adjusted net debt/(cash)

- Adjusted revenue increased by £90m
- Adjusted operating profit £19m ahead of the prior year with strong performance in both First Bus and First Rail
- Final dividend of 4.8p per share proposed in line with progressive dividend policy
- Free Cash Flow before acquisitions, business disposals and shareholder returns more than doubled, to c.£114m
- c.£230m invested in capex and growth over the last 12 months
- First Bus post-tax ROCE 11.1% (FY 2024: 11.5%)
- c.£126m returned to shareholders via dividends and buyback programmes
- Additional £50m buyback announced today

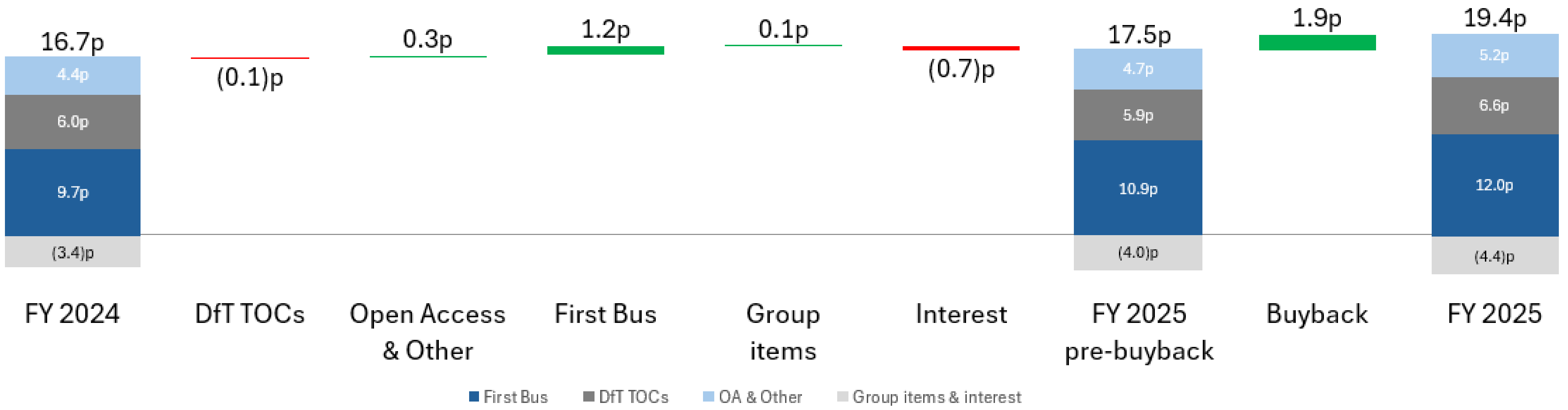
Robust adjusted revenue performance – up 7%



- FY 2024 included an extra week of trading
- Like-for-like First Bus passenger revenue growth of 7.0% generated from volume growth and yield improvements
- First Bus acquisitions: RATP London, Anderson Travel, Lakeside Coaches and Matthews Coach Hire
- Other First Bus revenue includes B2B growth and Manchester franchise changes
- First Rail open access revenue growth of 6.7%
- Other Rail Services include the London Cable Car which commenced during FY25, and increased affiliate services

Sustained growth in Group adjusted EPS

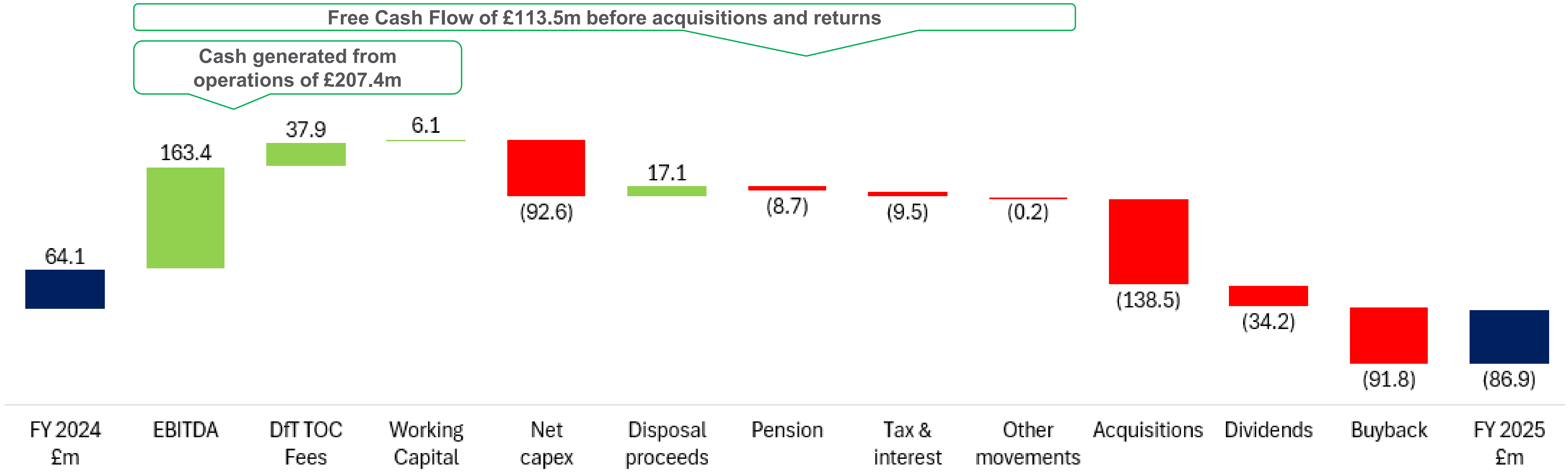
Strong financial performance in FY 2025 as we continue to grow, diversify our earnings and return capital to shareholders



- DfT TOCs[1]: higher variable fees in FY 2024 and FY 2025 than forecast
- First Rail open access & Additional services: open access yield growth partially offset by higher business development costs
- First Bus: growth offset inflation and lower funding (FY 2024 included an additional week of trading)
- Lower central costs: continued efficiencies offset by acquisition and restructuring costs
- Higher interest charge reflects vehicle finance leases in First Bus and lower interest receivable on deposits
- 55m shares repurchased, totalling £92m in FY 2025 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).

Strong cash generation enabling investments and returns



- £163.4m EBITDA up £15.1m YoY benefitting from First Bus +7% and open access rail +14%
- Post-tax DfT TOCs fees received a year in arrears
- Working capital inflow reflects management actions
- Net Capex principally the electrification of buses and depots net of funding
- Disposal proceeds comprise battery sales to Hitachi JV
- Acquisitions include c.£90m for First Bus London and three coaching operators and investment in open access track access rights
- Pension comprises buyout of legacy Greyhound US Pension Plan and cash cost of existing LGPS in FY 2024
- Other movements includes EBT share scheme purchases (c.20m shares held) and legacy North America cash flows

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

Disciplined capital allocation to drive further growth and returns

Over the last three years we have generated over £750m of cash, invested over £320m mainly in First Bus decarbonisation, c.£190m in value accretive acquisitions and returned c.£320m to shareholders

Maintain a strong balance sheet

- Leverage policy - less than 2.0x Adjusted net debt: Rail adjusted EBITDA
- First Bus: a younger fleet (8.8 yrs) and greater availability of EVs will drive cost efficiencies and mean fewer buses are required
- First Bus London will be cash generative from FY 2027
- First Rail: anticipated cash inflow of c.£120m over three years from April 2025 as DfT TOCs transition; includes Additional services profit

Invest in future growth

- Strong pipeline of value accretive organic and inorganic growth opportunities
- Acquisitions must exceed the Group's post-tax WACC (8-9%)
- Strong cash conversion in First Bus enables accelerated decarbonisation investment supported by government co-funding

Deliver progressive dividends

- Dividend policy - c.3x cover of Group adjusted earnings; paid c.1/3 interim and 2/3 final dividend
- Total dividends have increased from 3.8p in FY 2023 to 6.5p FY 2025
- FY 2025 final dividend of 4.8p proposed; dividends paid in FY 2025 total £34m

Return surplus cash to shareholders

- £92m returned to shareholders via buyback programmes in FY 2025; additional £50m buyback announced
- c.£77m held in escrow for Bus section of the Group's pension scheme; July 2025 triennial valuation deadline
- c.£23m held in escrow for Group section; 2030 valuation
- The Board remains committed to returning surplus cash to shareholders

FY 2026 financial outlook

We expect to at least maintain Adjusted EPS in FY 2026 from a stronger, more diverse earnings base

- **First Bus:** anticipated revenue of c.£1.4bn, including c.£300m from First Bus London and further operating profit progress; further efficiencies and annualised cost savings from business restructure will offset inflationary pressures and c.£15m NI impact
  - cash outflow of £10-12m to fund First Bus London loss making contracts covered by onerous contract provision (excludes vehicle capex where we are evaluating the optimal capital structure going forward)

- **First Rail open access and Additional services:** revenue growth will offset mobilisation costs in new open access operations

- **First Rail DfT TOCs:** lower adjusted revenue and operating profit due to SWR transition and normalised level of variable fees; IFRS 16 EBIT impact from DfT TOCs of c.£40m in FY 2026

- **Interest:** c.£60m includes DfT TOCs IFRS 16 interest of c.£38m

- **Central costs:** c.£7m lower; aided by annualised cost savings from business restructuring

- **Net Capex:** c.£150m principally on First Bus decarbonisation net of funding - includes £20m supported by additional ZEBRA 2 funding, £40m for property and electrification infrastructure projects

- **Year-end adjusted net debt:** £120-130m reflects strong cash generation, investment in decarbonisation, £50m share buyback and before deployment of growth capital

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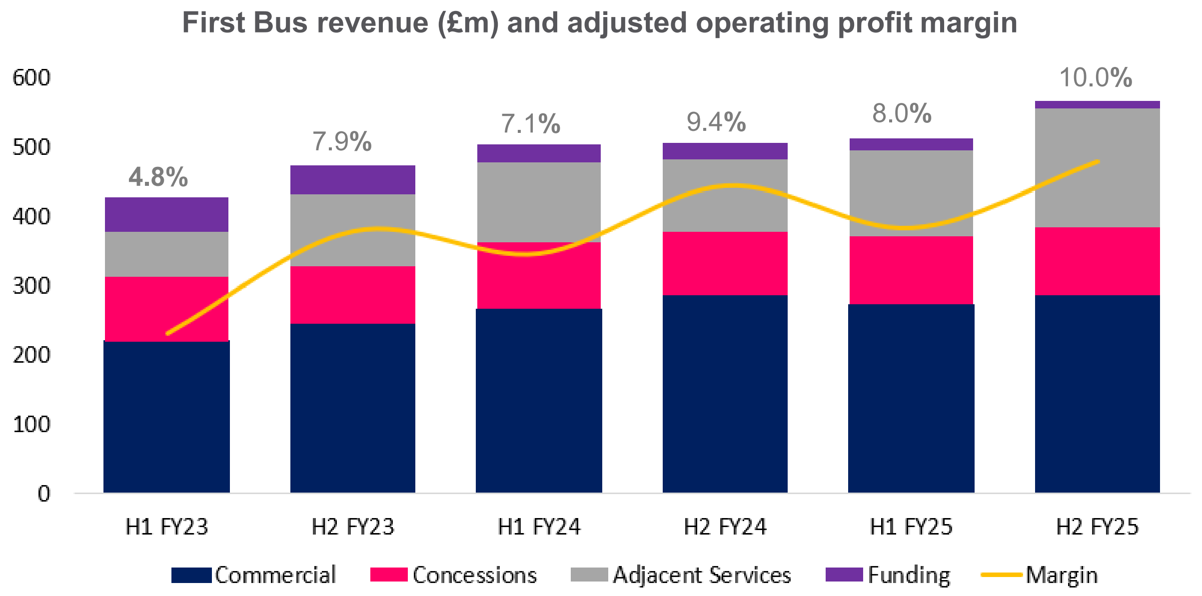
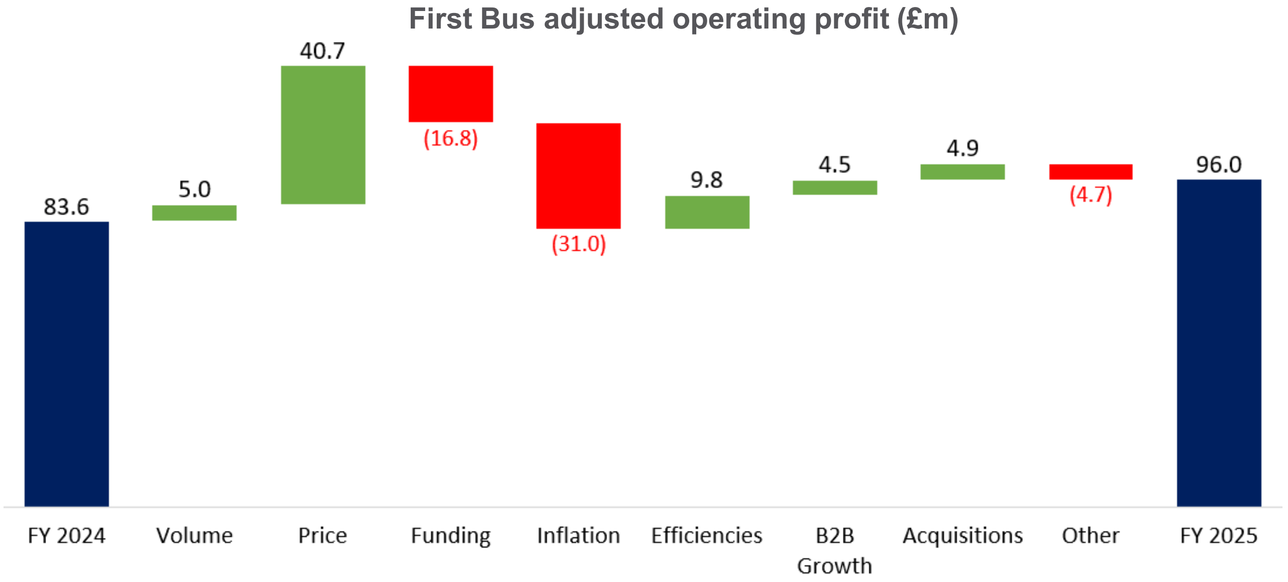
Bus delivers 10% margin in H2 and FY 2025 adjusted operating profit up 15%





- **Revenue** of £1.1 billion, 7% ahead of FY 2024 (which included an extra week of trading)
- **Long-term Bus margin target of 10% achieved** in H2 2025
- **Pricing** benefited from 6% increase in commercial yields
- **Government funding** reduced by £16.8m to £21.9m, impacted by transition to £3 fare cap
- **Cost inflation** of c.3.5% includes average driver cost inflation of 5% and other cost inflation of 2%
- **Other** includes impact of extra week in FY 2024 and costs related to implementation of strategic projects
- **c.£15m NIC impact for FY 2026 mitigated** by yield management and business restructuring

Growth and operational improvements continue in First Bus

	Passenger volumes[2] (m)	Regional bus revenue per mile (£)	Adjacent services revenue (£m)	Franchise Revenue[3] (£m)
FY 2025	**412**	**5.58**	**270.8**	**34.8**
FY 2024[1]	404	5.38	219.8	0.2
Change	+2%	+4%	+23%	-

- **Passenger volumes +2%;** new fare structure introduced to manage transition to £3 fare cap in H2 2025
- **Regional bus revenue per mile +4%** reflecting yield improvements supported by some passenger growth
- **Adjacent services revenue increased +23%;** contract wins, extensions and contribution of recently acquired businesses
- **Franchise revenue** includes First Bus London contribution of £23.2m in March 2025

- **First Bus London**
  - Integration progressing well; trading ahead of acquisition expectations
  - Strong management team delivering market-leading operational performance
  - Leading positions in TfL bus operator league tables
- **Further Adjacent services portfolio growth**
  - Acquisitions in FY 2025 to grow market share and operational footprint: Anderson Travel, Lakeside Coaches, Matthews Coach Hire in Ireland and Flixbus contract – combined annual revenues of c.£37m
- **Customer-focused brand refresh** and launch of 'Everyday Actions' internal programme to drive service improvements

[1] FY 2024 numbers exclude impact of extra week in FY 2024 and transfer of Oldham operations to TfGM
[2] Excludes First Bus London and coach volumes
[3] Franchise revenue includes revenue from TfGM and First Bus London

First

Well placed to grow as the UK bus market presents opportunities

Franchising

- Estimated revenues in excess of £250m will be awarded in next 2-3 years: Liverpool City Region, West Yorkshire, Cambridgeshire and Peterborough, South Yorkshire and West Midlands
- Fleet and depot ownership models not yet fully confirmed – potential capex savings and property disposals
- First Bus is well placed to participate - leading operator with a large, well-capitalised fleet, extensive depot footprint and strong decarbonisation credentials

Partnerships

- Largest operator in successful Enhanced Partnerships, including Leicester and Portsmouth, where investments of c.£100m and £76m respectively in 2022-25 have resulted in passenger growth of 26% and 41%

Adjacent services

- Large UK market with significant scope to grow our share - in airport services, workplace shuttles and B2B and B2C coach services, with longer term contracts and attractive margins

Electrification

- Net investment of £88m in First Bus in FY 2025, mostly on electrification, alongside co-funding of £22m
- We continue to secure advance grid connections to our depots and further third-party charging contracts
- Potential adjacent revenue streams: capacity market trading, on-site battery storage, opportunities on residual battery capacity and efficient battery recycling post commercial use

Rail delivers another year of strong financial performance

Adjusted Revenue £m	FY 2025	FY 2024	Change
Adjusted revenue from DfT TOCs	**71.7**	69.8	1.9
Open access revenue	**106.4**	99.8	6.6
Additional services revenue	**110.7**	98.2	12.5
Total First Rail adjusted revenue[1]	**288.8**	267.8	21.0

Adjusted operating profit £m	FY 2025	FY 2024	Change
Adjusted operating profit from DfT TOCs	**107.3**	105.6	1.7
Open access adj. op profit	**34.1**	30.0	4.1
Additional services adj. op profit	**7.4**	7.7	(0.3)
Total First Rail adjusted operating profit[1]	**148.8**	143.3	5.5
Attributable net income from DfT TOCs	**39.0**	39.5	(0.5)

DfT TOCs

- FY 2025 attributable net income of £39.0m broadly flat as expected
- Successful hand over of SWR to DfT Operator on 25 May 2025 (FY 2025 attributable net income from SWR of £9.2m after non-controlling interest of £4m)

Additional services

- First Customer Contact, Mistral Data and First Rail Consultancy revenues of £110.7m (FY 2024: £98.2m) with growth in all services offsetting higher business development costs
- Continued support for TPE and SWR

London Cable Car

- First Rail successfully took over London Cable Car operation; positive working relationship with TfL

Strong performance and growth opportunities in open access

Hull Trains and Lumo continue to grow their earnings, and open access platform for growth established

Hull Trains & Lumo	FY 2025	FY 2024	Change
Revenue (£m)	**106.4**	99.8	7%
Adjusted operating profit (£m)	**34.1**	30.0	14%
Passenger journeys (m)	**2.9**	2.7	9%
Seat miles operated (m)	**921**	900	2%
Seat miles utilisation[1] (%)	**65**	63	2bps

- Hull Trains passenger revenue increased 12% in FY 2025, with revenue per service up 11%
- Hull Trains have continued to run a ten-car service at peak demand
- Lumo's passenger revenue grew 8% in FY 2025, with revenue per seat mile up 12%
- Very high levels of customer satisfaction on both services; joint NPS score of 60 for CY 2024

Track access rights for two new services acquired in FY 2025:

- **Stirling - London Euston**: (c.447m seat miles); mid 2026 start date
- **Carmarthen - London Paddington**: (c.312m seat miles); Dec 2027 start date

£500m train order to facilitate significant growth in capacity

- 10-year lease agreement for 14 new, UK-manufactured Hitachi trains; includes option to lease 13 additional trains (c.£460m) if ongoing applications successful

Applications in progress

- **Additional paths on Lumo and Hull Trains** (c.123m seat miles)
- **Expansion of Lumo services to ten car operations** where required (c.446m seat miles)
- **Hull Trains Sheffield - London** (c.92m seat miles)
- **Lumo Edinburgh - Glasgow extension** (c.38m seat miles)
- **Lumo Rochdale - London** (c.355m seat miles); track access application start date of Dec 2027
- **Paignton - London Paddington** (c. 343m seat miles); five return services a day
- **Hereford - London Paddington** (c.100m seat miles); two return services a day

[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.

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Further growth ahead

The successful execution of our strategy and our strong balance sheet will allow us to capitalise on opportunities ahead to further grow and strengthen our business

- We expect to at least maintain adjusted earnings per share in FY 2026
- First Bus: as we continue to strengthen the business we will actively participate in franchising and partnership opportunities and continue to grow and diversify our portfolio
- Leading in decarbonisation: we will continue to unlock the benefits of electrification and leverage our expertise and capabilities when bidding for new contracts
- First Rail: we will maintain our focus on operational delivery, expanding our open access business, optimising Additional services and bidding for new contracts
- Our strong balance sheet provides flexibility as we evaluate a broad pipeline of growth opportunities
- We remain committed to progressive shareholder dividends and will return 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

FTSE4Good – Top performing bus and rail operator in our sector

SUSTAINALYTICS – Included in the 2025 Top-Rated Companies List with a 'Low-risk' rating

S&P Global – Included in S&P's Sustainability Yearbook again in 2024 with a score of 59/100

ISS ESG – 'ESG Prime' rating; ESG – top decile

MSCI – 'AAA' ranking on MSCI ESG index

UN Global Compact Network UK – Proud member of UN Global Compact Network UK

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

CDP – Disclosure Insight Action – 'B' Rating

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

First

Appendix: Group Adjusted revenue and earnings

Our revenue and earnings include underlying fees from rail contracts to reflect the Group's risk and to look through IFRS 16 distortions

£m	FY2025	FY2024
Adjusted revenue reconciliation:		
Statutory revenue	**5,066.3**	**4,715.1**
Deduct:		
DfT TOC revenue	(3,862.8)	(3,609.2)
Add back:		
DfT TOC management and performance fees	71.7	69.8
Intercompany eliminations related to DfT TOCs	94.8	103.9
Adjusted revenue	**1,370.0**	**1,279.6**

- 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	FY 2025	FY 2024
Group Adjusted earnings comprise:		
First Bus adjusted operating profit	96.0	83.6
First Rail adjusted operating profit	148.8	143.3
Group central costs	(22.0)	(22.6)
Adjusted operating profit[1]	**222.8**	**204.3**
Interest	(57.7)	(65.3)
Adjusted profit before tax[1]	**165.1**	**139.0**
IFRS 16 DfT TOCs adjustment	(1.1)	10.2
Tax	(41.1)	(32.0)
Non-controlling interests	(7.1)	(6.5)
Adjusted earnings	**115.8**	**110.7**
No. of shares (weighted average)	597.7	662.9
Adjusted EPS	**19.4p**	**16.7p**

From continuing operations
[1] Before net adjusting items

Appendix: Cash flow by division

£m	FY 2025					FY 2024				
	Open Access & Other Rail	DfT TOCs	First Bus	Group items	Total	Open Access & Other Rail	DfT TOCs	First Bus	Group items	Total
EBITDA	40.8	-	144.0	(21.4)	**163.4**	37.6	-	132.5	(21.8)	**148.3**
DfT TOC Management fees	-	37.9	-	-	**37.9**	-	38.2	-	-	**38.2**
Working capital	19.1	-	(7.4)	(5.6)	**6.1**	(8.8)	-	(28.5)	(5.5)	**(42.8)**
Cash flow from operations	**59.9**	**37.9**	**136.6**	**(27.0)**	**207.4**	**28.8**	**38.2**	**104.0**	**(27.3)**	**143.7**
Capex	(3.9)	-	(88.2)	(0.5)	**(92.6)**	-	-	(134.7)	-	**(134.7)**
Disposal proceeds	0.7	-	16.2	0.2	**17.1**	-	-	35.8	-	**35.8**
Pension cash (higher)/lower than P&L	(3.0)	-	(2.0)	(3.7)	**(8.7)**	-	-	17.2	-	**17.2**
Interest & Tax	-	-	-	(9.5)	**(9.5)**	-	-	-	(5.3)	**(5.3)**
Other movements	-	-	-	(0.2)	**(0.2)**	-	-	-	(2.8)	**(2.8)**
Free Cash Flow	**53.7**	**37.9**	**62.6**	**(40.7)**	**113.5**	**28.8**	**38.2**	**22.3**	**(35.4)**	**53.9**
Acquisitions					**(138.5)**					(17.9)
Business disposals - Transit Earnout					**-**					65.3
Dividends					**(34.2)**					(29.5)
Share buyback					**(91.8)**					(117.6)
Movement in adjusted net (debt) /cash					**(151.0)**					**(45.8)**
Opening adjusted net (debt)/cash					64.1					109.9
Close adjusted net (debt)/cash					**(86.9)**					**64.1**

Appendix: Reconciliation of Statutory to Adjusted cash flows

£m	Statutory	*Ring fenced cash movements*	*IFRS 16*	*Other movements*	Adjusted
EBITDA	**785.1**	(61.6)	(555.8)	(4.3)	**163.4**
Management fees	**-**	37.9	-	-	**37.9**
Working capital	**47.1**	(61.5)	2.7	17.8	**6.1**
Cash flow from operations	**832.2**	**(85.2)**	**(553.1)**	**13.5**	**207.4**
Capex	**(90.0)**	-	-	(2.6)	**(92.6)**
Disposal proceeds	**17.9**	(0.1)	-	(0.7)	**17.1**
Pension cash higher than Income Statement	**(14.0)**	-	-	5.3	**(8.7)**
Interest & Tax	**(66.3)**	15.8	49.6	(8.6)	**(9.5)**
Leasing	**(288.2)**	-	248.6	39.6	**-**
Other	**(5.7)**	-	-	5.5	**(0.2)**
Free Cash Flow	**385.9**	**(69.5)**	**(254.9)**	**52.0**	**113.5**
Acquisitions	**(86.5)**	-	-	(52.0)	**(138.5)**
Dividends	**(37.6)**	3.4	-	-	**(34.2)**
Share buyback	**(91.8)**	-	-	-	**(91.8)**
Other cash flows	**(215.9)**	**3.4**	**-**	**(52.0)**	**(264.5)**
Movement in net (debt) /cash	**170.0**	**(66.1)**	**(254.9)**	-	**(151.0)**
Net (debt) / cash at 30 March 2024	**(1,144.8)**	**(249.6)**	**1,458.5**	-	**64.1**
Net (debt) / cash at 29 March 2025	**(974.8)**	**(315.7)**	**1,203.6**	-	**(86.9)**

- Adjusted net debt of £86.9m at 29 March 2025 comprises cash (+£171.4m) less bank borrowings (£66.7m), bank overdrafts (£56.4m), finance leases (£115.3m) and NextGen battery debt (£19.9m)

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 revenue of c.£3.9bn is reported although revenue exposure is limited to management fees of up to c.£60m
  - 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
  - attributable net income earned by the Group for SWR were £9.2m after the non-controlling interest of £4.0m
  - IFRS16 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) that is anticipated to be returned following the handover of the contract in May 2025

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

- As at 29 March 2025, £1.1bn of leased assets were recognised as Right of Use assets on the balance sheet
- As at the FY 2025 balance sheet date, £1,203.6m of IFRS 16 lease liabilities were recognised in reported net debt, of which £1,074.4m or 89% related to the First Rail division (principally rolling stock associated with the management fee-based rail operations)

Adjusted and Continuing £m	**FY 2025**			FY 2024
	Under IAS17	IFRS 16 effect	**Under IFRS 16**	Under IFRS 16
EBITDA	225.0	+555.4	**780.4**	748.6
Operating profit	173.4	+49.4	**222.8**	204.3
Net finance costs	(8.1)	(49.6)	**(57.7)**	(65.3)
Reported net debt/(cash) - total business	(228.8)	+1,203.6	**974.8**	1,144.8
Adjusted net debt - total business	86.9			

DfT TOC attributable earnings reconciliation £m	**FY 2025**	FY 2024	Change
Adjusted operating profit from DfT TOCs[1]	**107.3**	**105.6**	**1.7**
Less IFRS 16 impact	**(45.7)**	(44.6)	(1.1)
Less tax and non-controlling interests	**(22.6)**	(21.5)	(1.1)
Attributable net income from DfT TOCs	**39.0**	39.5	(0.5)

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 has announced that SWR would be the first DfT TOC to transition, followed by c2c on 20 July and Greater Anglia on 12 October 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
South Western Railway	FirstGroup / MTR	28 May 2023	25 May 2025
C2C	Trenitalia	23 Jul 2023	20 Jul 2025
East Anglia	Abellio	15 Sept 2024	20 Sept 2026
West Midlands	Abellio	15 Sept 2024	20 Sept 2026
Chiltern	Arriva	1 Apr 2025	12 Dec 2027
GTR	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 adjusted 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 597.7m (FY 2024: 662.9m) 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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