# FirstGroup

## H1 2027 Results

**17 November 2026**



# Agenda

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

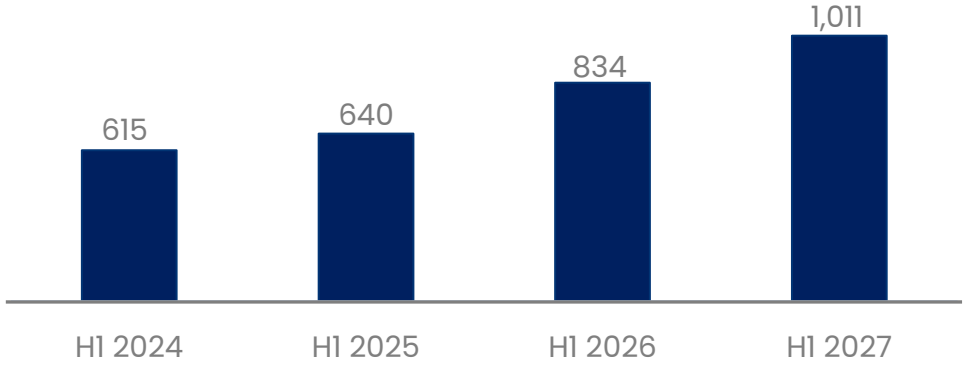


# On course to maintain adjusted earnings per share in FY 2027

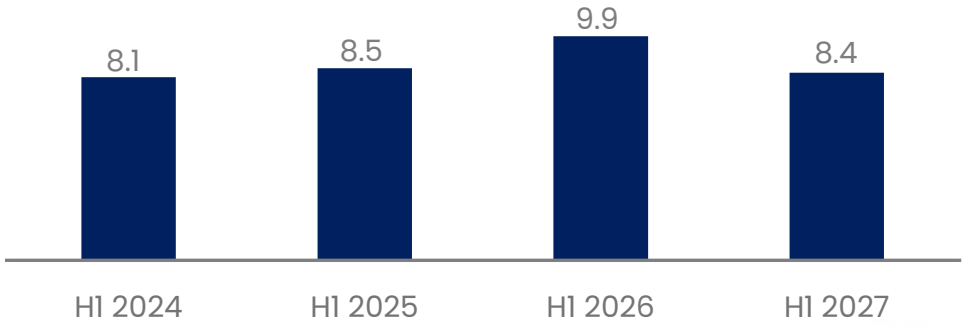
Strong progress in Bus in the first half but Open Access rail impacted by Stirling launch costs and sustained East Coast price competition

- **Group adjusted revenue +21% to** £1,011m
- **Group adjusted EPS** of 8.4p, down 15%
- **Progressive half year dividend up 5%** to 2.3p
- **£72m returned to shareholders** via dividends and £100m buyback programme
- **Further £50m share buyback programme announced**; expected to complete in FY 2028
- **Free cash generation of over £500m** now anticipated over three years to FY 2029
- Pipeline of inorganic **UK growth opportunities**

**Group Adjusted Revenue (£m)**




**Group Adjusted Earnings per Share (p)**



# Strategic execution continues to strengthen and diversify the Group



## Deliver, day in day out

- ✓ First Bus NPS improves to +25 (H1 2026: +15)
- ✓ Regional Bus operated mileage growth to 78.8m in H1 2027 (H1 2026: 76.8m)
- ✓ Hull Trains and Lumo continue with industry leading customer satisfaction scores



## Drive modal shift

- ✓ Regional Bus passenger volume decline has eased (0.6% lower yoy)
- ✓ Open Access passenger journeys up 31% to 1.87m
- ✓ c.50% increase in Open Access capacity over the last year



## Lead in sustainability

- ✓ First Bus fleet c.28% zero emission (London red bus: c.42%)
- ✓ Electrification of depots on behalf of South and West Yorkshire Combined Authorities
- ✓ Sustainability credentials include MSCI AAA ranking



## Diversify our portfolio

- ✓ Award of two West Yorkshire bus franchise contracts
- ✓ Sizewell C contract award in Business and Coach
- ✓ Four coach acquisitions completed since March 2026; revenues of £16m and EBIT of £3m

# Clear priorities as DfT TOCs transition and bus franchising continues

We enter H2 2027 with increased visibility and will continue to reposition the Group for sustainable growth supported by our strong balance sheet

- Complete DfT TOC exits and manage transition to bus franchising efficiently
- Improve the Group's cost base and operating model
- Enhance and improve portfolio performance
- Maintain strong balance sheet and continue track record of value accretive M&A and shareholder returns

£20m benefit from cost savings and portfolio margin improvements in FY 2028

FY 2027 – FY 2029 cash generation upgraded to over £500m

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# H1 2027 earnings decline but cash generation remains strong

| **£m** (from continuing operations) | H1 2027 | H1 2026 | Change |
|---|---|---|---|
| Adjusted revenue | 1,010.7 | 833.6 | +21.2% |
| Adjusted operating profit[1] | 110.5 | 103.6 | +6.7% |
| Adjusted earnings | 44.9 | 55.5 | (19.1)% |
| Adjusted earnings per share | 8.4p | 9.9p | (15.2)% |
| Dividend per share | 2.3p | 2.2p | +4.5% |
| Free cash flow | 36.0 | (35.6) | +71.6 |
| Adjusted net debt | 186.0 | 207.6 | +21.6 |
| Return on Invested Capital | 13.3% | 10.5% | +280bps |

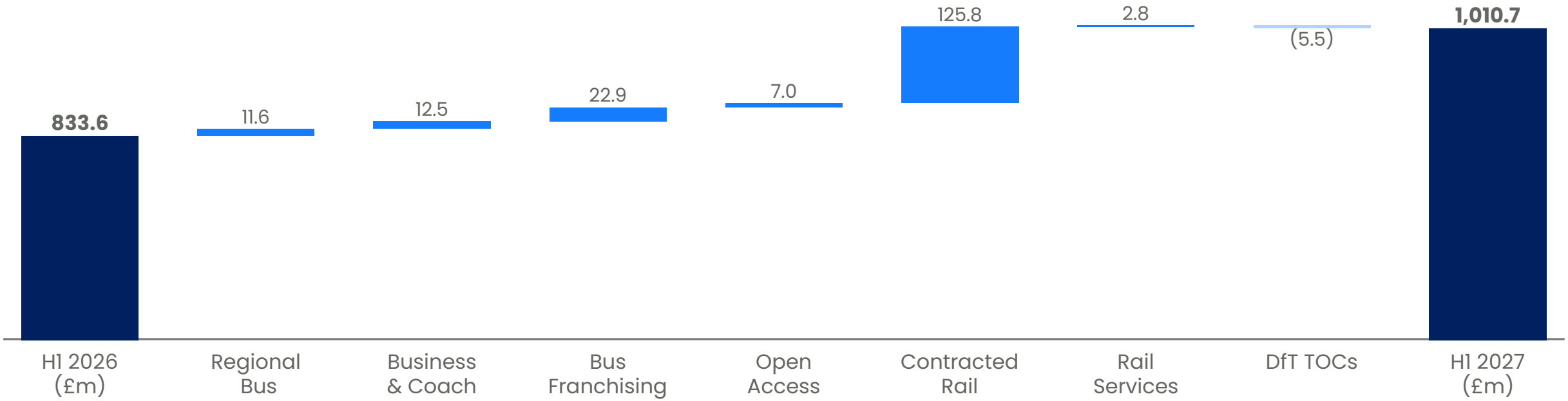
**1** Before net adjusting items

See slide 33 for definitions of Adjusted revenue, Adjusted earnings, Free cash flow, Return on Invested Capital (ROIC) and Adjusted net debt

- **Adjusted operating profit up 7% with further growth in Bus:**
  - First Bus +£7.5m; cost efficiencies, growth in Business and Coach and gain on Wales depot sale
  - First Rail in line with H1 2026; SWR nationalisation, £8m Stirling launch and ramp up costs, East Coast price competition and additional costs offset by DfT TOC IFRS 16 accounting adjustments
- **Adjusted EPS down 15%:**
  - growth in Bus earnings offset by Stirling costs and higher net effective interest costs
- **Dividend per share of 2.3p, up 4.5%:**
  - reflecting confidence in FY delivery and strong cash generation
- **H1 2027 adjusted net debt down to £186m:**
  - cash from operations of c.£240m generated over the last 12 months
  - disposals and the pension escrow has realised c.£120m

# Group adjusted revenue exceeds £1bn with growth in both divisions

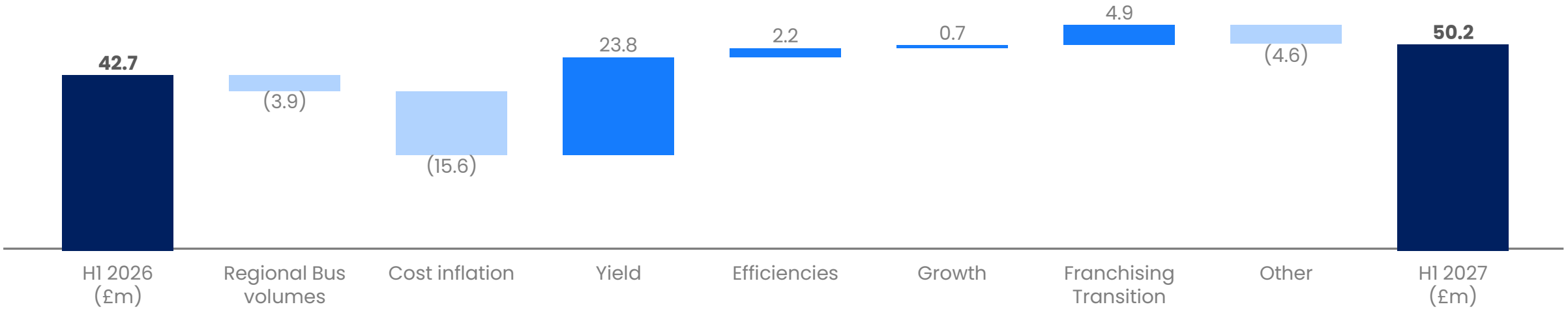
Around 50% of our revenues are now contracted, with inflation protections incorporated




- Regional Bus up 3% driven by yield improvements, growth in concession volumes and South Yorkshire electrification project
- Business and Coach up 11% due to new acquisitions, contract wins and FlixBus growth
- Franchising reflects 15% growth in First Bus London
- First Rail Open Access revenue up 13% thanks to addition of new Stirling service (August 2026)
- Contracted Rail mainly comprises London Overground
- DfT TOCs lower due to SWR transition in May 2025

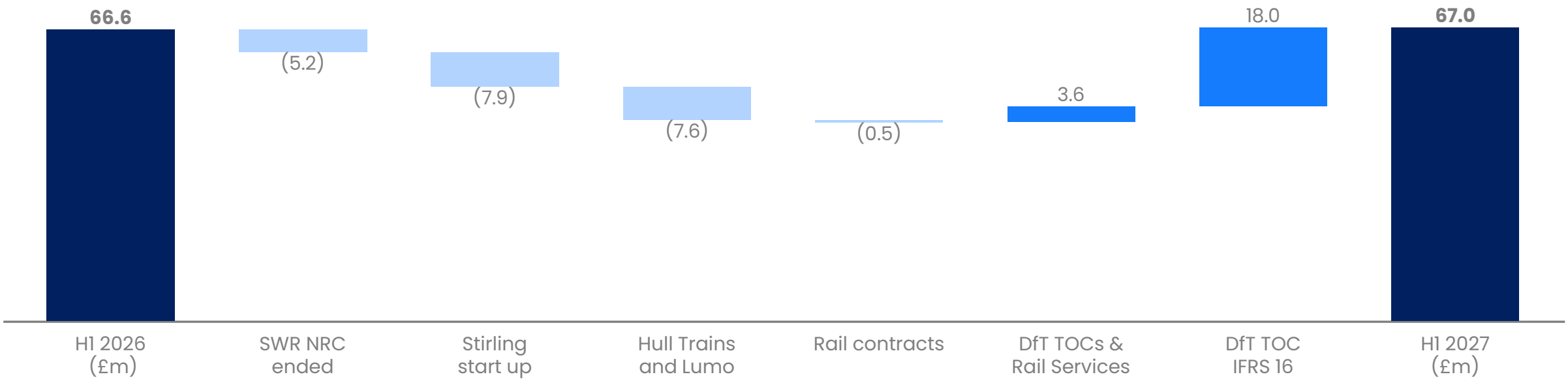
# Strong First Bus performance with adjusted operating profit up 18%

## Bus volumes and fare funding have stabilised following the policy impacts in FY 2026




- Regional Bus passenger volumes, excluding the Cornwall closure, declined 0.6%
- Cost inflation includes £13m for wage inflation; 76% of driver pay awards settled with multi-year awards and an average increase of c. 4%
- Yield includes fare and inflationary increases of £15m and contracted revenue inflation of £9m
- Efficiencies: lower driver recruitment cost, reduced agency drivers, fuel cost savings and overhead efficiencies
- Growth comprises acquisitions in Business and Coach
- Franchising Transition includes gain from Wales depot sales and profit from depot electrification
- Other includes prior year non-recurring items and sightseeing business anticipated losses prior to restructuring

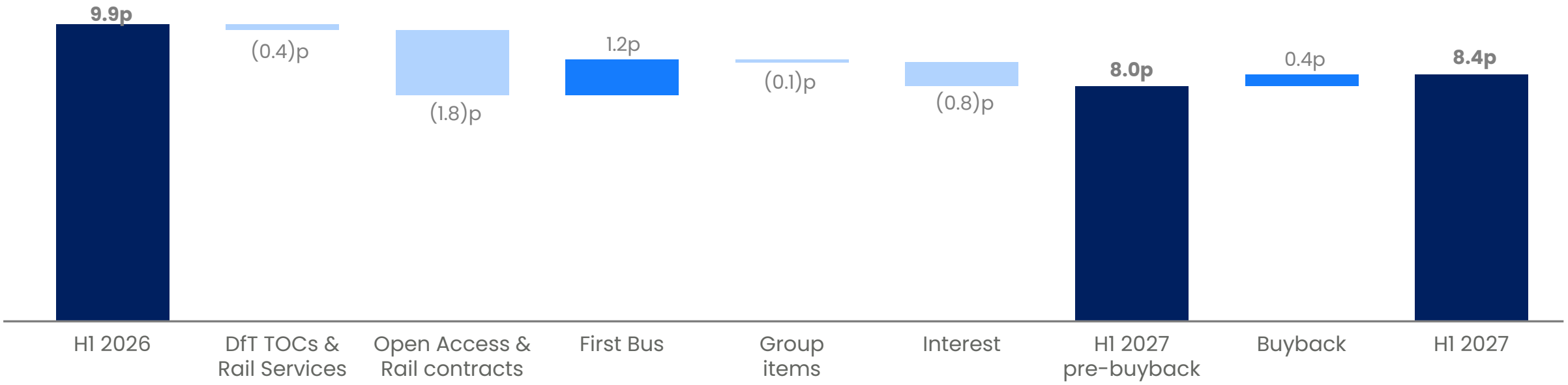
# Rail earnings impacted by Open Access launch costs and price competition




- SWR National Rail Contract ended in May 2025
- Lumo Stirling service fully operational in August, expanding the Open Access network
- East Coast Main Line open access yields impacted by sustained price competition

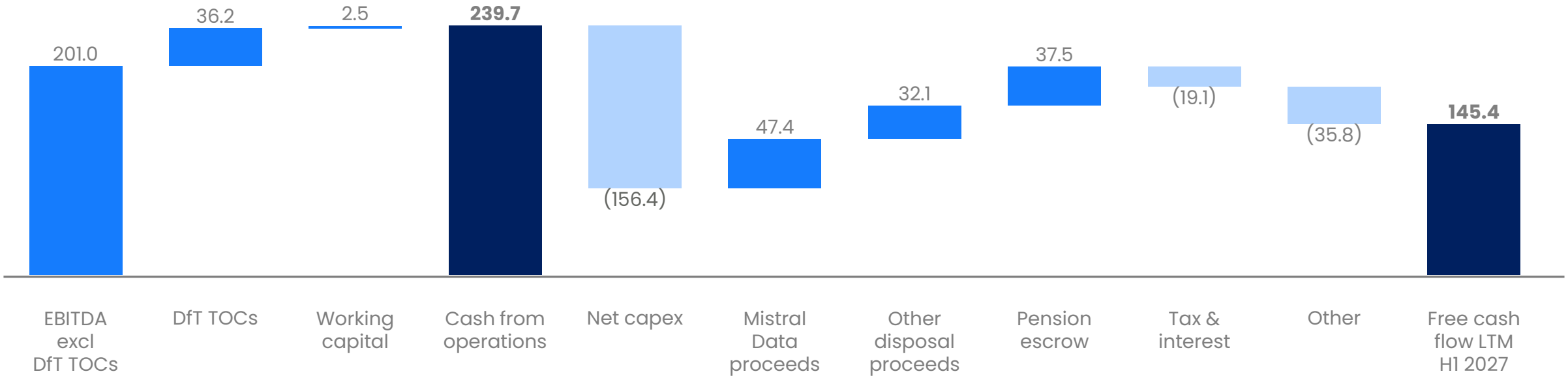
- Rail Contracts includes the London Overground contract mobilised in May, Tram and London Cableway
- DfT TOC adjusted operating profit IFRS 16 benefit following announcement of NRC end dates; no impact on adjusted earnings

# Adjusted EPS impacted by Stirling mobilisation and higher interest costs




- SWR transferred in May 2025
- Open Access includes £8m of Stirling launch and ramp up costs and scheduled £1.8m increase in Lumo infrastructure charge
- Bus earnings increased, driven by strong growth in Business and Coach and First Bus London, cost efficiencies and gains on depot disposals
- Net interest expense increased, primarily due to higher lease related interest costs in First Bus and lower interest income earned on cash deposits

# Cash generation supports investment in fleet, growth and returns




**Cash generation shown on a trailing 12 months basis (£m)**

- Cash from operations up 7% vs. H1 2026 on trailing 12-month basis
- Accelerated decarbonisation capex is net of funding and proceeds of battery sales to the Hitachi JV
- Other disposal proceeds are mostly bus depot sales ahead of franchising
- Pension escrow includes £20.0m release from the Bus scheme and £17.5m release from the Group section
- Other movements is mostly Employee Benefit Trust share payments

# On course to maintain adjusted EPS in FY 2027

**First Bus**

- FY 2027 revenue of just over £1.5bn and further progress in adjusted operating profit
- c.£55m cash inflow from West Yorkshire depot sales in H2
- FY 2027 capex of c.£140m, net of c.£15m co-funding

**First Rail**

- Open Access: anticipated revenue of c.£130m, with lower Stirling ramp up losses in H2
- London Overground: anticipated revenue of c.£300m progressing to a mid-single digit operating profit as we improve performance over the next 12 months
- DfT TOCs: lower adjusted revenue following GWR transfer to DfTO 13 Dec 2026 and Avanti transition 7 Mar 2027; c.£70-80m cash inflow from DfT TOCs and Rail Services from Oct 2026

**Group**

- Interest: c.£30m in FY 2027 before DfT TOC IFRS 16 interest of c.£7m
- Further progress on Group ROIC
- Free cash generation of over £500m now anticipated over FY 2027–FY 2029

**Returns**

- Progressive growth in dividend per share
- Further £50m buyback programme expected to complete in FY 2028

# Portfolio evolution enhances cash generation and returns

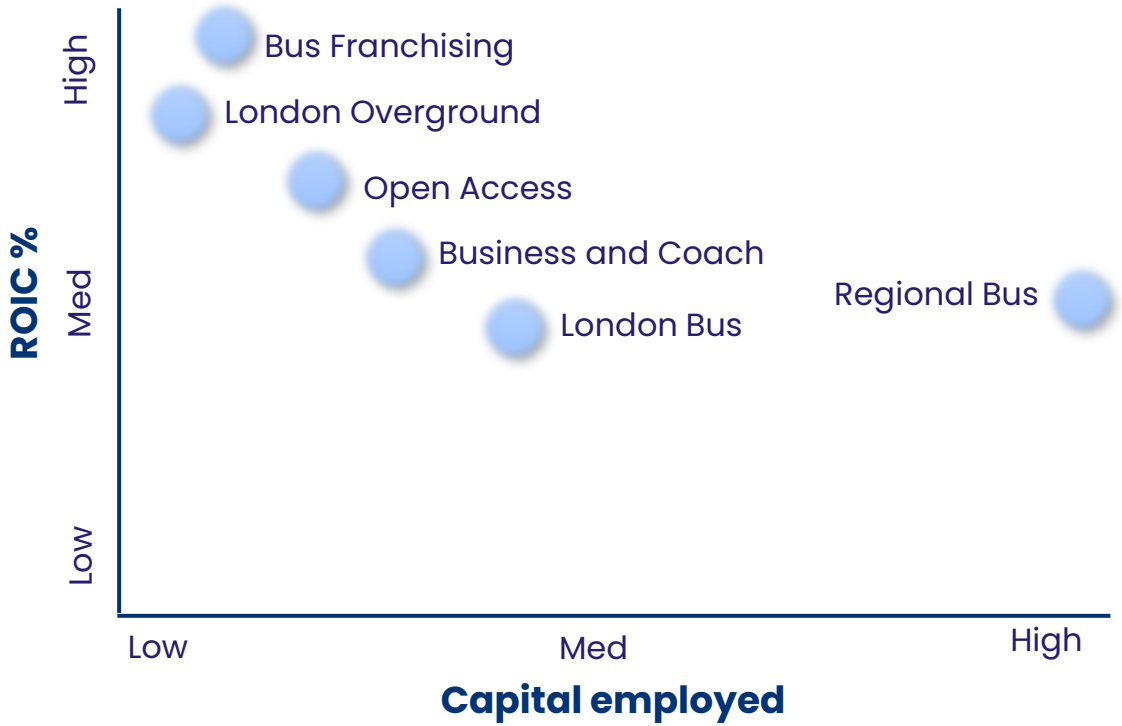
Transition to a more contracted, capital light model increases cash generation for disciplined deployment of capital to further enhance earnings and returns

- Regional Bus: higher margins reflect capital intensity, moving to reduced owned fleet and depot size under franchising
- Bus Franchising: mid-single digit margins with lower asset intensity, higher ROIC and inflation protections
- Business and Coach: a well-capitalised fleet, diverse contract portfolio with attractive margins and some inflation protection
- First Bus London: diverse contract base, revenue certainty with inflation protections, partial ownership model
- First Rail is mostly capital light

| Capital allocation pillars | FY 2024 | FY 2025 | FY 2026 | H1 2027 [1] |
|---|---|---|---|---|
| **Deliver progressive dividends** (£m paid) | £30m | £34m | £39m | £38m |
| **Invest in future growth** (inorganic growth investment) | £18m | £139m | £35m | £39m |
| **Return surplus cash** (buyback returns) | £118m | £92m | £50m | £47m |
| **Maintain a strong balance sheet** (<2x Adj. net debt: Adj. EBITDA) | (0.3)x | 0.4x | 0.6x | 0.8x |

[1] Numbers shown on a trailing 12 months basis

## Medium-term ROIC and capital employed



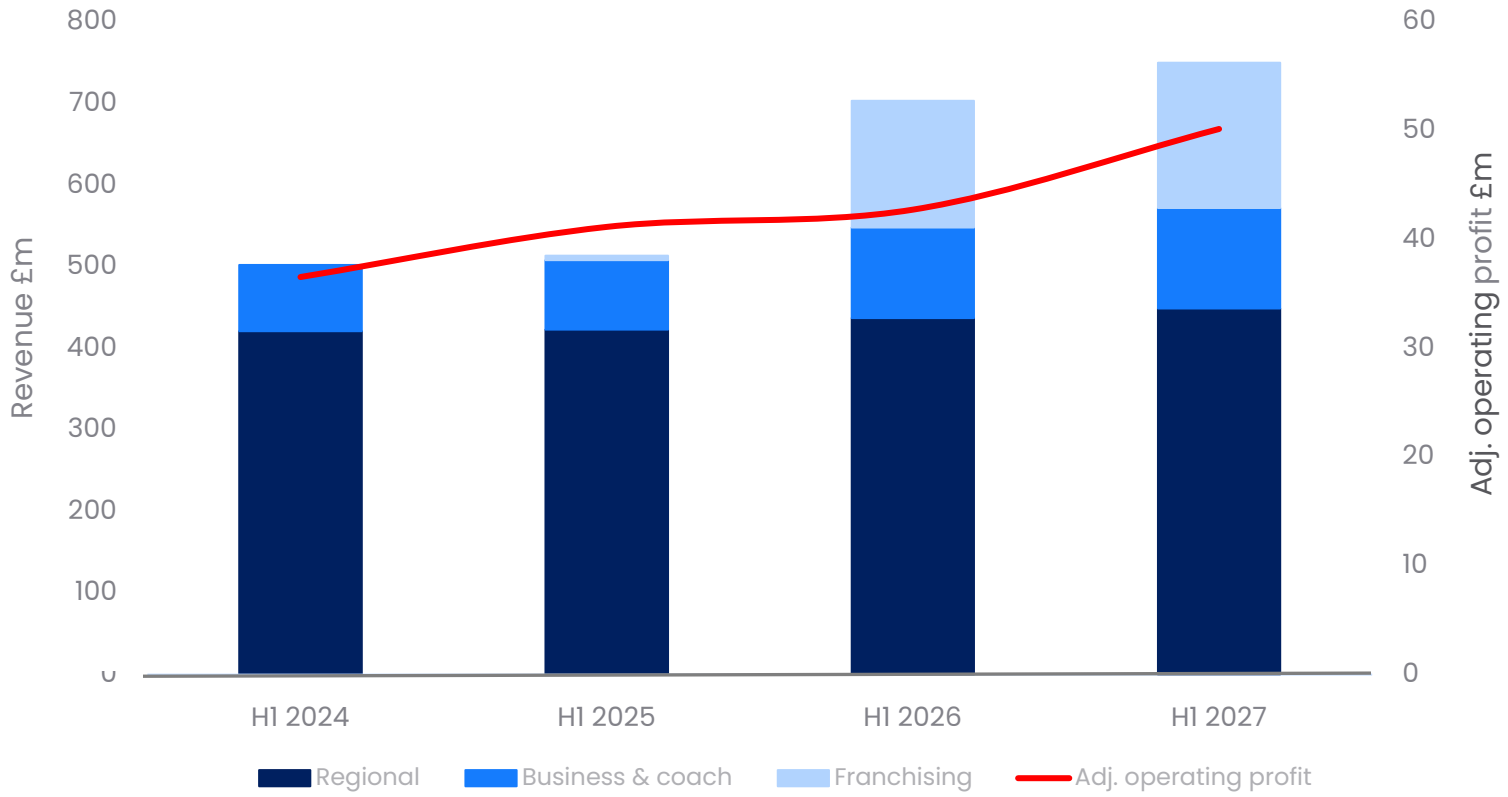
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# First Bus transformation continues at pace

H1 2027 has seen continued earnings momentum, material contract wins, asset sales and further coach acquisitions, with a medium-term overall profit margin target of 8-9%




### Regional Bus

- Revenue increased 3%, with recovery in passenger volumes (0.6)% (H1 2026: (4)%)

### Business and Coach

- H1 2027 revenue up 11% to £123m; 65% contracted

### Franchising

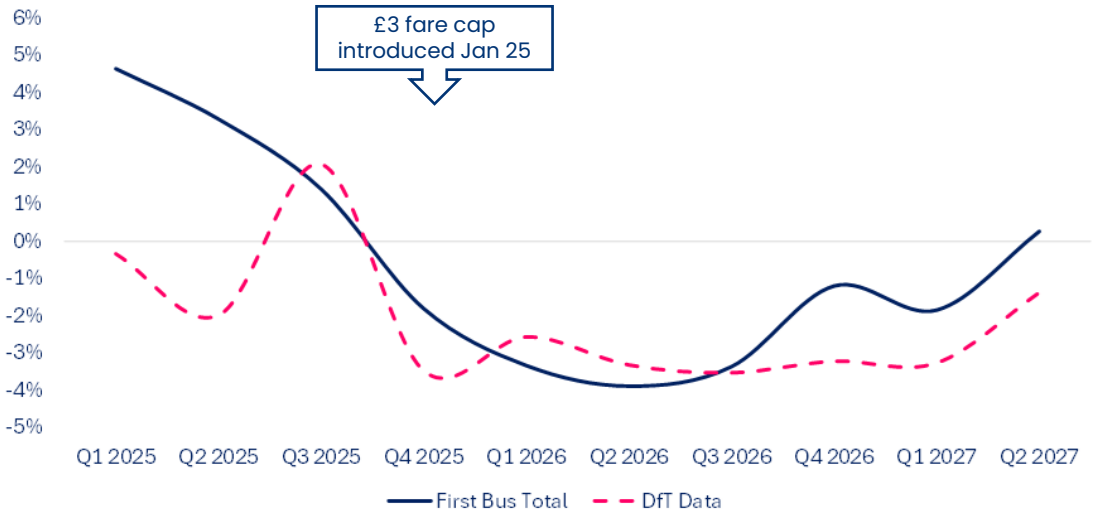
- Revenue up 15%, with further contract progress in First Bus London

# Consistent delivery is driving growth in Regional Bus

We are benefitting from actions taken to consistently improve performance as material prior year headwinds ease

| Regional Bus | H1 2027 | H1 2026 | Change |
|---|---|---|---|
| Revenue (£m) | 448.6 | 437.0 | 2.7% |
| Passenger volumes[1] (m) | 187.9 | 189.1 | (0.6)% |
| Operated mileage[1] (m) | 78.8 | 76.8 | 2.6% |
| Revenue per mile[1] (£) | 5.69 | 5.55 | 2.5% |

**1** Operated mileage, RPM and passenger volumes exclude the Cornwall operations closed in Feb 2026




**Regional Bus volumes vs. industry data**

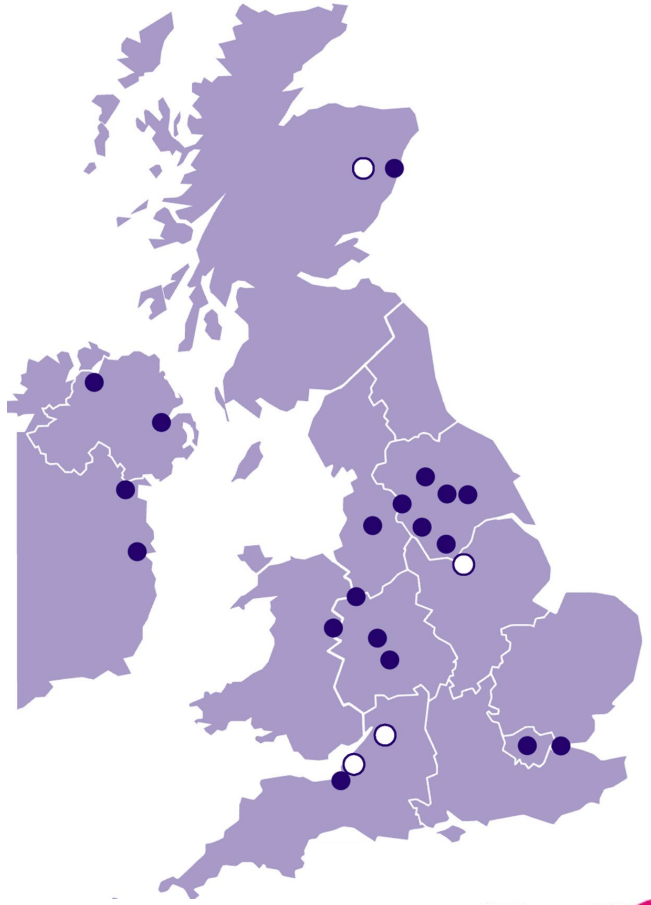
- 9.7% Adjusted operating profit margin (H1 2026: 8.0%)
- Continued progress in service delivery and customer experience:
  - revenue per mile up 2.5%
  - First Bus NPS up to +25 (H1 2026: +15)
- Passenger volumes have stabilised following impact of transition to £3 fare cap from £2:
  - overall volumes (0.6)% lower than prior year
  - 2.4% growth in concessions offset 2.4% decline in commercial volumes (H1 2026: decline of 7%)
- Cost inflation managed with multi-year wage settlements and hedging programme
- Post period end purchase of small depot and routes in Colchester

# Strong organic and inorganic growth in Business and Coach

Our portfolio continues to expand with c.65% of our £123 million H1 2027 revenue contracted

- 29 depots and a fleet of c.1,040 vehicles (includes c.640 coaches with an average age of eight years) enables synergies in asset purchase, insurance and fuel
- H1 2027 organic growth includes:
  - Sizewell C contract award; five-year contract, c.150 buses with c.400 new jobs (c.40 buses operational)
  - further growth in Flixbus operations; 36 coaches in operation
- Inorganic growth includes acquisition of four, well established coach businesses adding revenues of c.£16m and EBIT of c.£3m:
  - Eagle Coaches in Bristol, 19 vehicles
  - Wilfreda Beehive in Doncaster, 45 vehicles
  - Peace Coaches in Aberdeenshire, 20 vehicles
  - KB Coaches in Gloucestershire, 30 vehicles
- Strong pipeline of opportunities to grow our share of this attractive market

**First Bus coach businesses**



*Businesses acquired since March 2026*

# Growing our contract base and realising value in Franchising

H1 2027 has been pivotal, with new London route contracts and West Yorkshire contract awards and agreed asset sales

**First Bus London highlights**

- H1 2027 revenue £173m, up 15%; on course to deliver revenue of c.£350m in FY 2027
- Contract wins include new Superloop 15 route out of Wandsworth depot
- 100% of contract revenue secured for FY 2027, 96% for FY 2028 and 81% for FY 2029
- Westbourne Park charging gantry completed with capacity to charge 150+ buses

**West Yorkshire £109m asset sales and franchise contracts**

- Sale of five depots and 330 buses for c.£109m
- First Bus to electrify Bradford and Huddersfield depots on behalf of WYCA
- Award of two franchise contracts in Bramley and Huddersfield from May 2027; 5+2 years optional extension with combined annual revenues of c.£40m

**c.£1.5bn annual revenues anticipated to be competitively franchised in England and Wales over the next five years**

- Over 40 contracts with 5–7 year maturity
- Tender processes underway in areas where we do not operate: Liverpool and West Midlands



# First Rail transition continues and significant value realised in Mistral Data

H1 2027 has seen the mobilisation of the London Overground, the launch of the Stirling service, the sale of Mistral Data and continued delivery in our DfT TOCs

## H1 2027 Highlights

- Mobilisation of London Overground in May 2026; highly experienced team in place, working to restore and improve operational performance levels
- 31% increase in Open Access passenger journeys due to Stirling launch, Glasgow extension and additional paths on East Coast Main Line
- Sale of Mistral Data for £48m (FY 2026 adjusted operating profit of c.£4m)
- Remaining Rail Services (First Customer Contact and First Rail Consultancy) continue to grow earnings through contract extensions and new external customers
- GWR and Avanti transition dates confirmed



# Open Access capacity grows with Stirling service launch

## Financial performance impacted by Stirling launch and ramp up costs and sustained price competition from LNER on the East Coast Main Line

| Open Access | H1 2027 | H1 2026 | Change % |
|---|---|---|---|
| Revenue (£m) | 60.2 | 53.2 | 13% |
| Adjusted operating profit (£m) | 0.8 | 16.3 | (95)% |
| Passenger journeys (m) | 1.87 | 1.43 | 31% |
| Seat miles operated (m) | 590 | 423 | 39% |
| Seat miles utilisation[1] (%) | 68% | 67% | +100bps |
| Pence per seat mile (p) | 10.0 | 11.8 | (15)% |

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. H1 2027 utilisation excludes the Stirling service that was fully operational in August 2026

- Adjusted operating profit impacted by Stirling launch and ramp up costs of £8m and scheduled c.£1.8m increase in Lumo's infrastructure charge, now at the maximum level
- 18% adjusted operating profit margin in East Coast Main Line operations despite sustained price competition and extreme heat during the summer constraining passenger demand
- Seat miles utilisation remains above long-distance industry average of c.45%
- Stirling launched in May and fully operational in August; revenue of £6.3m, 0.24m passenger journeys and seat miles utilisation of c.45% in H1 2027
- c.50% of capacity has been added in the last year; FY 2029 will see a step up from introduction of Carmarthen service (summer 2028) and ten-car operations on certain Lumo East Coast services
- Mid-teen total adjusted operating profit margin anticipated following c.two-year Stirling and Carmarthen ramp up periods

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# A clear path to continued growth and returns

- **On course to maintain adjusted EPS in FY 2027** from an increasingly high-quality earnings base
- Our business model is evolving, with a **greater proportion of contracted revenues and lower capital intensity**
- Focus on operational delivery and cost control underpins earnings growth; **£20m from cost savings and portfolio margin improvement in FY 2028**
- Our **strong cash generation and balance sheet provide strategic optionality**, with a 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




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 2026 (4th consecutive year)

Network UK

Proud member of UN Global Compact Network UK

MSCI

'AAA' ranking on MSCI ESG index

CDP

DISCLOSURE INSIGHT ACTION

'B' Rating

ISS ESG

'ESG Prime' rating; ESG – top decile

FTSE4Good



First

# Adjusted Results

| £m | H1 2027 | | | H1 2026 | | | FY 2026 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Cont. Excl DfT TOCs | DfT TOCs & Disc. | Total | Cont. Excl DfT TOCs | DfT TOCs & Disc. | Total | Cont. Excl DfT TOCs | DfT TOCs & Disc. | Total |
| Adjusted revenue | 992.1 | 18.6 | **1,010.7** | 809.4 | 24.2 | **833.6** | 1,671.3 | 44.4 | **1,715.7** |
| Adjusted operating profit | 56.6 | 53.9 | **110.5** | 63.9 | 39.5 | **103.4** | 136.3 | 85.2 | **221.5** |
| Adjusted operating profit margin | 5.7% | - | **10.9%** | 7.9% | - | **12.4%** | 8.2% | - | **12.9%** |
| Adjusted profit before tax | 41.5 | 47.7 | **89.2** | 53.6 | 22.5 | **76.1** | 108.7 | 50.1 | **158.8** |
| Adjusted earnings per share | 6.0p | 2.4p | **8.4p** | 7.2p | 2.7p | **9.9p** | 15.0p | 5.7p | **20.7p** |
| Dividend per share | | | **2.3p** | | | **2.2p** | | | **7.2p** |
| Adjusted net debt | | | **186.0** | | | **207.6** | | | **137.7** |

# 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' before net adjusting items and excluding IFRS 16 impacts in the DfT TOCs

| £m | H1 2027 | H1 2026 |
|---|---|---|
| **Group Adjusted earnings comprise:** | | |
| First Bus adjusted operating profit | 50.2 | 42.7 |
| First Rail adjusted operating profit | 67.0 | 66.6 |
| Group central costs | (6.7) | (5.7) |
| **Adjusted operating profit** | **110.5** | **103.6** |
| Interest | (21.3) | (27.3) |
| **Adjusted profit before tax** | **89.2** | **76.3** |
| IFRS 16 DfT TOCs adjustment | (21.4) | 0.6 |
| Tax | (21.3) | (19.1) |
| Non-controlling interests | (1.6) | (2.3) |
| **Adjusted earnings** | **44.9** | **55.5** |
| No. of shares (weighted average) | 533.7 | 559.7 |
| **Adjusted EPS** | **8.4p** | **9.9p** |

# Cash flow by division

| £m | H1 2027 | | | | | H1 2026 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 2.5 | 12.9 | 84.2 | (6.9) | **92.7** | 17.1 | 11.8 | 73.3 | (5.7) | **96.5** |
| DfT TOC Management fees | – | – | – | – | **–** | – | 9.2 | – | – | **9.2** |
| Working capital | 9.1 | (3.1) | (32.4) | (5.2) | **(31.6)** | 5.6 | (10.6) | (11.7) | (0.6) | **(17.3)** |
| **Cash flow from operations** | **11.6** | **9.8** | **51.8** | **(12.1)** | **61.1** | **22.7** | **10.4** | **61.6** | **(6.3)** | **88.4** |
| Capex | (1.2) | (0.7) | (68.4) | – | **(70.3)** | – | (0.4) | (114.8) | – | **(115.2)** |
| Disposal proceeds | – | – | 10.9 | – | **10.9** | – | 0.3 | 11.0 | 0.1 | **11.4** |
| Pension receipts higher than P&L | – | – | (3.1) | 17.3 | **14.2** | (0.6) | – | (0.7) | 0.2 | **(1.1)** |
| Proceeds from disposal of business | – | 47.4 | – | – | **47.4** | – | – | – | – | **–** |
| Interest & Tax | 0.3 | – | (4.7) | (5.0) | **(9.4)** | (0.1) | – | (3.3) | (0.6) | **(4.0)** |
| Other movements | – | – | (1.2) | (16.7) | **(17.9)** | 1.0 | 1.4 | 1.6 | (19.1) | **(15.1)** |
| **Free cash flow** | **10.7** | **56.5** | **(14.7)** | **(16.5)** | **36.0** | **23.0** | **11.7** | **(44.6)** | **(25.7)** | **(35.6)** |
| Acquisitions | | | | | **(12.0)** | | | | | **(9.5)** |
| Dividends | | | | | **(26.8)** | | | | | **(26.9)** |
| Share buyback | | | | | **(45.5)** | | | | | **(48.7)** |
| **Movement in adjusted net debt** | | | | | **(48.3)** | | | | | **(120.7)** |
| Opening adjusted net debt | | | | | **(137.7)** | | | | | **(86.9)** |
| **Closing adjusted net debt** | | | | | **(186.0)** | | | | | **(207.6)** |

# Reconciliation of Statutory to Adjusted cash flows

| £m | Statutory | *Ring fenced cash movements* | *IFRS 16* | *Other movements* | Adjusted |
|---|---|---|---|---|---|
| EBITDA | 366.8 | (19.0) | (211.5) | (43.6) | 92.7 |
| Working capital | 76.2 | (83.5) | (6.0) | (18.3) | (31.6) |
| **Cash flow from operations** | **443.0** | **(102.5)** | **(217.5)** | **(61.9)** | **61.1** |
| Capex | (87.5) | 17.2 | - | - | (70.3) |
| Disposal proceeds | 11.6 | (0.7) | - | - | 10.9 |
| Pension cash higher than Income Statement | (0.6) | - | - | 14.8 | 14.2 |
| Proceeds from sale of business | 47.4 | - | - | - | 47.4 |
| Interest & Tax | (22.7) | - | 13.3 | - | (9.4) |
| Leasing | 316.6 | - | (319.3) | 2.7 | - |
| Other | (65.0) | - | - | 47.1 | (17.9) |
| **Free cash flow** | **642.8** | **(86.0)** | **(523.5)** | **2.7** | **36.0** |
| Acquisitions | (9.3) | - | - | (2.7) | (12.0) |
| Dividends | (26.8) | - | - | - | (26.8) |
| Share buyback | (45.5) | - | - | - | (45.5) |
| **Other cash flows** | **(81.6)** | **-** | - | (2.7) | (84.3) |
| **Movement in net (debt)/cash** | **561.2** | **(86.0)** | **(523.5)** | **-** | **(48.3)** |

- Adjusted net debt of £186.0m at 26 September 2026 comprises cash (+£137.9m) less bank borrowings (£102.4m), bank overdrafts (£39.5m), finance leases (£154.7m) and NextGen battery debt (£27.3m)

# First Rail H1 2027 earnings

| Adjusted Revenue £m | H1 2027 | H1 2026 | Change |
|---|---|---|---|
| DfT TOCs and Rail Services[1] | 59.9 | 62.9 | (3.0) |
| Open Access and contracted rail | 201.0 | 68.0 | 133.0 |
| **Total First Rail adjusted revenue** | **260.9** | **130.9** | **130.0** |

| Adjusted operating profit £m | H1 2027 | H1 2026 | Change |
|---|---|---|---|
| DfT TOCs and Rail Services[2] | 64.1 | 49.0 | 15.1 |
| Open Access and contracted rail | 2.9 | 17.6 | (14.7) |
| **Total First Rail adjusted operating profit** | **67.0** | **66.6** | **0.4** |

| | | | |
|---|---|---|---|
| **Attributable net income from DfT TOCs** | **12.8** | **15.3** | **(2.5)** |

**1** See slide 33 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 26 September 2026, £292.5m of leased assets were recognised as Right of Use assets on the balance sheet and £326.5m of IFRS 16 lease liabilities were recognised in reported net debt, of which £183.9m or 56% related to the First Rail division (principally rolling stock associated with the DfT TOCs)
- GWR will transition on 13 Dec 2026 and WCP on 7 March 2027 – leases will transfer to the DfTO
- 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 | H1 2027 | | | H1 2026 |
|---|---|---|---|---|
| | Under IAS17 | IFRS 16 effect | **Under IFRS 16** | Under IFRS 16 |
| EBITDA | 111.8 | +211.5 | **323.3** | 341.8 |
| Operating profit | 71.3 | +39.2 | **110.5** | 103.6 |
| Net finance costs | (8.0) | (13.3) | **(21.3)** | (27.3) |
| Reported net debt/(cash) - total business | (162.4) | +326.5 | **164.1** | 725.3[1] |
| Adjusted net debt - total business | 186.0 | | | |

| DfT TOC attributable earnings reconciliation £m | H1 2027 | H1 2026 | Change |
|---|---|---|---|
| **Adjusted operating profit from DfT TOCs** | **53.9** | **39.7** | **14.2** |
| Less IFRS 16 impact | **(34.8)** | (16.2) | (18.6) |
| Less tax and non-controlling interests | **(6.3)** | (8.2) | 1.9 |
| **Attributable net income from DfT TOCs** | **12.8** | **15.3** | **(2.5)** |

1. FY 2026 net debt

# DfT 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 |
| **WCP (Avanti West Coast)** | FirstGroup / Trenitalia | 18 Oct 2026 | 17 Oct 2032 | 7 Mar 2027 |
| **East Midlands** | Transport UK | 18 Oct 2026 | 13 Oct 2030 | - |
| **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 533.7m (H1 2026: 559.7m) 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 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 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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