

FIRSTGROUP PLC

PRE CLOSE TRADING UPDATE

FirstGroup plc ('FirstGroup' or the 'Group') today provides an update on trading since the half year results published on 23 November 2023.

First Rail overview

Trading in the First Rail division has been slightly ahead of the Group's expectations due to strong performance in the division's Open Access operations as a result of continued strong demand, effective yield management, and the settlement of certain one-off infrastructure and other claims during the period.

Open Access growth

On 5 January 2024, the Group submitted to the Office of Rail and Road ('ORR'), the first phase of an application for a new Open Access rail service between London and Sheffield. The proposed service would be part of the Group's Hull Trains business and comprises two return journeys a day from London King's Cross calling at Retford, Worksop, Woodhouse and Sheffield. A sizeable number of rail passengers currently drive to Doncaster station to pick up faster services to London rather than travelling via Sheffield; a new, convenient rail service from these local stations could help reduce the number of car journeys.

The ORR consultation with industry partners has concluded. Capacity and performance modelling is now underway. The Group is also working on the fleet strategy and is in discussions with rolling stock companies. It is anticipated that services could begin in the second half of the 2025 calendar year.

In addition, Lumo has identified opportunities to extend a number of its daily London to Edinburgh journeys to Glasgow. Discussions are in progress with Transport Scotland and Network Rail with regards to the final route options and timings, ahead of an application to the ORR for access rights. If successful, the new services will be operated with the existing Lumo fleet of all-electric trains and it is anticipated that they could begin in the second half of the 2025 calendar year.

Elizabeth Line bid

The Group has been shortlisted with its bid partner Keolis SA to participate in the competitive process to select an operator for the Elizabeth Line on behalf of Transport for London. We look forward to submitting a compelling bid which demonstrates our collective experience of running metro and heavy rail systems.

First Bus overview

Trading in the First Bus division is strong and in line with the Group's expectations. We continue to focus on commercial opportunities to drive growth, the delivery of operational efficiencies and our continued progress in the electrification of the First Bus fleet and infrastructure. The division is on track to have more than 600 electric buses (c.15% of its fleet) and three fully electric commercial bus networks in England by Spring 2024, building on the progress already made in Scotland.

Completion of acquisition of York Pullman Bus Company

Following the conclusion of a customary regulatory review, the Group completed the acquisition of York Pullman Bus Company Ltd ('York Pullman') on 23 February 2024. York Pullman is a high-performing business with five well-established coach services brands. It provides home-to-school and college contracted services and private hire operations including rail replacement services. It also operates a small number of local bus routes on behalf of several local authorities, complementary to the operations of First Bus in York. For the year ended 31 December 2022, York Pullman reported revenues of c.£10m and EBIT of c.£2m. The acquisition will provide profitable growth opportunities in adjacent contracted services and commercial markets, with the opportunity for development into other locations across the UK.

Corporate

Since the announcement of the H1 2024 results, the Group has continued to opportunistically purchase its September 2024 6.875% bonds. As a result of purchases totalling £75.9m since 23 November 2023, £96.1m of the bonds remain outstanding.

FY 2024 Guidance

Due to the slightly stronger performance in First Rail detailed above, the Group anticipates that its FY 2024 Group adjusted operating profit and Group adjusted earnings will be slightly ahead of the Board's previous expectations.

The Group anticipates to end its FY 2024 financial year in an adjusted net cash position of £60-70m, with c.£40m of the ongoing share buyback programme still to be completed post year-end.

Graham Sutherland, FirstGroup Chief Executive Officer, said:

"Our focus on operational delivery, driving demand for our services and growing and diversifying our portfolio has resulted in further progress in the second half of our financial year. This leaves us well positioned to create further sustainable value for all our stakeholders."

First Rail Teach-in for analysts and investors and notice of results

The Group will be hosting a First Rail Teach-in for analysts and investors tomorrow, Wednesday 13 March from 09:30-12:30 in London. The event will be hosted by Graham Sutherland, Chief Executive Officer, Ryan Mangold, Chief Financial Officer and the First Rail leadership team. To register to join in person or to request the webcast details, please email corporate.comms@firstgroup.co.uk.

No material new information will be provided at the event. Following the event, a copy of the presentation and recording of the webcast will be made available on the Group's website at:

www.firstgroupplc.com/investors/reports-and-presentations.aspx.

The Group expects to report its results for the year ended 30 March 2024 on 11 June 2024.

Contacts at FirstGroup:

Marianna Bowes, Head of Investor Relations
Stuart Butchers, Head of Corporate Communications
corporate.comms@firstgroup.co.uk
Tel: +44 (0) 20 7725 3354

Contacts at Brunswick Group:

Andrew Porter / Simone Selzer
Tel: +44 (0) 20 7404 5959

Contacts at Liberum Capital Limited:

Nicholas How / John Fishley
Tel: +44 (0) 20 3100 2000

Contacts at RBC Europe Limited:

James Agnew / Jamil Mah
Tel: +44 (0) 20 7653 4000

Notes to Editors

FirstGroup plc compiled analyst consensus estimates

A consensus of publicly available sell-side analyst forecasts compiled by the Group is available on the Group's website at www.firstgroupplc.com/investors/analyst-consensus.aspx.

Definitions

Adjusted operating profit is defined as operating profit from continuing operations excluding items which management has determined as not being relevant to an understanding of the Group's underlying business performance.

Group Adjusted earnings are reported before net adjusting items and excludes IFRS 16 impacts in First Rail management fee operations.

Adjusted net cash/(debt) excludes ring-fenced cash and IFRS 16 lease liabilities from net cash/(debt).

Forward-looking statements

Certain statements included or incorporated by reference within this announcement may constitute 'forward-looking statements' with respect to the business, strategy and plans of the Group and our current goals, assumptions and expectations relating to our future financial condition, performance and results. By their nature, forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors that cause actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No statement in this announcement should be construed as a profit forecast for any period. Shareholders are cautioned not to place undue reliance on the forward-looking statements. Except as required by the UK Listing Rules and applicable law, the Group does not undertake any obligation to update or change any forward-looking statements to reflect events occurring after the date of this announcement.

Legal Entity Identifier (LEI): 549300DEJZCPWA4HKM93. Classification as per DTR 6 Annex 1R: 3.1

About FirstGroup

FirstGroup plc (LSE: FGPL) is a leading private sector provider of public transport services. With £4.8 billion in revenue and around 30,000 employees, we transported more than 1.8m passengers a day in 2022/23. We create solutions that reduce complexity, making travel smoother and life easier. Our businesses are at the heart of our communities and the essential services we provide are critical to delivering wider economic, social and environmental goals. Each of our divisions is a leader in its field: First Bus is the second largest regional bus operator in the UK, serving two-thirds of the country's 15 largest conurbations with a fleet of more than 4,500 buses, and carrying more than a million passengers a day. First Rail is the UK's largest rail operator, with many years of experience running long-distance, commuter, regional and sleeper rail services. We operate a fleet of more than 3,500 locomotives and rail carriages through three management fee-based train operating companies (Avanti West Coast, GWR, SWR) and two open access routes (Hull Trains and Lumo). We are formally committed to operating a zero-emission First Bus fleet by 2035, and First Rail will help support the UK Government's goal to remove all diesel-only trains from service by 2040. In February 2023 FirstGroup was named as one of the world's cleanest 200 public companies for the fourth consecutive year by sustainable business media group Corporate Knights in partnership with US not-for-profit organisation, As You Sow. We provide easy and convenient mobility, improving quality of life by connecting people and communities. Visit our website at www.firstgroupplc.com and follow us @firstgroupplc on X.
