FIRSTGROUP PLC

HALF-YEARLY REPORT FOR THE 26 WEEKS TO 28 SEPTEMBER 2024

A robust operational and financial performance in H1 2025 leaves the Group slightly ahead of full year expectations, with the Board announcing an additional buyback programme.
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Highlights
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â€¢ Adjusted revenue growth to Â£649.6m (H1 2024 Â£634.8m) reflecting strong underlying performance in
Â First Bus and good demand in First Rail open access
â€¢ Group adjusted operating profit Â£100.8m; H1 2024 was positively affected by an extra week of trading and a c.Â£13m uplift from higher than accrued final FY 2023 variable fee awards in the First Rail DfT Train Operating Companies (â€˜DfT TOCsâ€™)
â€¢ Adjusted EPS of 8.5p for continuing operations (H1 2024: 8.1p)
â€¢ Interim dividend of 1.7p per share declared (H1 2024: 1.5p per share)
â€¢ Additional on market share buyback programme of Â£50m announced
â€¢ Strong balance sheet maintained; adjusted net debt at period end of Â£0.2m
â€¢ Recent strategic acquisitions in both divisions that will grow First Bus Adjacent Services and increase First Railâ€™s open access capacity
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Â	**Â**	**Â**	**H1 2025 (Â£m)**	Â	Â	H1 2024 (Â£m) **Â**
Â	**Cont.**	**Disc.**	**Total**	Cont.	Disc.	Total **Â**
Adjusted revenue[1]	**649.6**	**-**	**649.6**	634.8	-	634.8 Â
Adjusted operating profit/(loss)[2]	**100.8**	**-**	**100.8**	100.6	(2.2)	98.4 Â
Adjusted operating profit margin	**15.5%**	**Â**	**15.5%**	15.8%	Â	15.5% Â
Adjusted profit/(loss) before tax[2]	**70.8**	**(0.1)**	**70.7**	73.5	(2.2)	71.3 Â
Adjusted EPS[3,4]	**8.5p**	**-**	**8.5p**	8.1p	(0.3)p	7.8p Â
Dividend per share	Â	Â	**1.7p**	Â	Â	1.5p Â
Adjusted net debt/(cash)[5]	**Â**	**Â**	**0.2**	Â	Â	(77.1) Â
Â	Â	Â	Â	Â	Â	Â Â
Â	**Â**	**Â**	**H1 2025 (Â£m)**	Â	Â	H1 2024 (Â£m) Â
Statutory	**Cont.**	**Disc.**	**Total**	Cont.	Disc.	Total Â
Revenue	**2,344.1**	**-**	**2,344.1**	2,207.0	-	2,207.0 Â
Operating profit/(loss)	**100.3**	**5.9**	**106.2**	(41.4)	0.1	(41.3) Â
Profit/(loss) before tax[6]	**70.3**	**5.8**	**76.1**	(68.5)	0.1	(68.4) Â
EPS[4]	**Â**	**Â**	**9.2p**	Â	Â	(7.9)p Â
Net debt	**Â**	**Â**	**977.1**	Â	Â	1,144.6 Â
- Bonds, bank and other debt net of (cash)	***Â***	***Â***	***(274.7)***	*Â*	*Â*	*(384.4) Â*
Â - IFRS 16 lease liabilities	***Â***	***Â***	***1,251.8***	*Â*	*Â*	*1,529.0 Â*

â€™Cont.' refers to the Continuing operations comprising First Bus, First Rail, and Group items. 'Disc.' refers to discontinued operations, being First Student, First Transit and Greyhound US.
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Key developments
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First Bus:
â€¢ Underlying[7] passenger volumes increased 4% vs. H1 2024, with operational improvements driving growth in both volumes and profitability
â€¢ Total of 83m service miles operated in H1 2025 (H1 2024: 80m on an underlying basis)
â€¢ Total revenue increased to Â£513.7m (H1 2024: Â£504.9m) despite a c.Â£12.4m reduction in government funding; underlying passenger revenue growth of 10%
â€¢ Adjacent Services revenue increased to Â£125.7m from Â£116.2m in H1 2024 due to contract wins and extensions and contribution of Ensignbus and York PullmanÂ
â€¢ Adjusted operating margin increased to 8.0% (H1 2024: 7.1%); on track for 10% in H2 2025
â€¢ Further progress in electrification of fleet and infrastructure:
Â - c.15% of the fleet is now zero emission, with three depots in England now fully electrified and a further five across the UK substantially electrified
Â - First Bus placed the UKâ€™s largest single repower order with Wrightbus for 32 diesel to electric bus conversions, scheduled for delivery in FY 2025
â€¢ Post period end acquisitions of Anderson Travel and Lakeside Group in England and new contract with Flixbus representing additional combined annual revenues of c.Â£25m

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First Rail:
â€¢ 132.3m passenger journeys in H1 2025 (H1 2024: 123.4m); DfT TOCs: 130.9m and open access 1.4m
â€¢ DfT TOCs financial performance in line with expectations; H1 2024 was positively affected by higher than accrued final variable fee payments for FY 2023. Focus remains on operational delivery for passengers across all our services
â€¢ Open access operations revenue growth of Â£5.6m (12%) in line with expectations
â€¢ First London Cableway successfully took over the operation of the London Cable Car on behalf of TfL in June (c.Â£60m revenue anticipated over the eight-year contract)
â€¢ Acquisition of track access rights for new rail open access service between London and Stirling
â€¢ Applications for the extension of Hull Trains to Sheffield and Lumo to Glasgow have been submitted, as well as for a new service to run between Rochdale and London; consultations are progressing, supported by detailed performance and business case analysisÂ Â
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Corporate:
â€¢ Appointment of Lena Wilson as Board Chair effective from 1 February 2025
â€¢ FirstGroup upgraded to MSCIâ€™s highest possible ESG ranking of AAA in July 2024

â€¢ Remainder of the Groupâ€™s September 2024 6.875% bonds repurchased
â€¢ Legacy US Greyhound pension obligations now fully discharged; one-off net settlement gain of Â£5.5m after related costs recognised in H1 2025

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Outlook

â€¢ Current trading and the Groupâ€™s outlook for FY 2025 is slightly ahead of our expectations as set out at the full year results in June:Â
  - Â First Bus: we expect to make further progress in H2 2025, reaching a 10% adjusted operating margin for the half, driven by operational improvements, efficiency initiatives and the newer fleet
  - Â First Rail: the divisionâ€™s financial performance in H2 2025 is anticipated to be slightly ahead of our prior expectations, reflecting growth in open access and a normal level of variable fee awards in the DfT TOCs (approximately two thirds of the maximum available)
  - Â Marginal adjusted net debt position expected at the end of FY 2025, assuming net cash capex of Â£125m in First Bus and after the deployment of announced growth capital and progression of the Â£50m buyback programme

â€¢ The Group expects to maintain its adjusted EPS in FY 2026 as we grow earnings in First Bus and open access railÂ
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Commenting, Chief Executive Officer Graham Sutherland said:

â€œWe have reported a robust set of results for the first half of our 2025 financial year and are on course to make further progress in the second half, reinforcing our strong track record for delivery. As a major bus and rail operator in the UK we have a critical role to play in supporting the countryâ€™s wider economic, social and environmental goals. We will continue to take a proactive approach, demonstrating our strengths as an experienced, trusted partner in public transport.â€

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Results presentation and webcast

A presentation and webcast for investors and analysts will be held at 09:00 (GMT) today in London. To register to join in person or to request the webcast details, please email corporate.comms@firstgroup.co.uk. To access the presentation to be discussed on the webcast, together with a pdf copy of this announcement, go to www.firstgroupplc.com/investors. A playback facility will also be available there in due course.

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Notes

[1] â€˜Adjusted revenueâ€™ is defined as 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.
[2] â€˜Adjusted operating profit/(loss)â€™ and â€˜Adjusted profit/(loss) before taxâ€™ are before adjusting items as set out in note 3 to the financial statements
[3] â€˜Adjusted earningsâ€™ are shown before net adjusting items and excludes IFRS 16 impacts in First Rail management fee operations. For definitions of alternative performance measures and other key terms, see the definitions section on pages 20-21.
[4â€] Adjusted EPSâ€™ and EPS based on weighted average number of shares in the period of 608.5m (H1 2024: 697.7m) reflecting the current year and prior year share buybacks.
[5â€] 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).
[6â€] H1 2024 statutory operating loss of Â£(41.4)m included predominantly non-cash charges of Â£142.3m relating to the Groupâ€™s termination of its participation in two Local Government Pension Schemes during the year with an offsetting Â£160.4m gain in the Condensed Consolidated Statement of Comprehensive Income.
[7] â€˜Underlyingâ€™ adjusts for certain items which distort period-on-period trends in our commercial bus business, described on page 21
Legal Entity Identifier (LEI): 549300DEJZCPWA4HKM93. Classification as per DTR 6 Annex 1R: 1.1.

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About FirstGroup

FirstGroup plc (LSE: FGP.L) is a leading private sector provider of public transport services. With Â£4.7 billion in revenue and around 30,000 employees, we transported almost 2m passengers a day in FY 2024. 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 one of the largest regional bus operators in the UK, serving more than 20% of the population in the UK with a fleet of around c.4,800 buses, and carrying more than a million passengers a day. First Rail is one of the UKâ€™s largest rail operators, with many years of experience running long-distance, commuter, regional and sleeper rail services. We operate a fleet of c.3,700 locomotives and rail carriages through three DfT contracted train operating companies: WCP (incorporating Avanti West Coast and West Coast Partnership Development), GWR and 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 Governmentâ€™s goal to remove all diesel-only trains from service by 2040. During FY 2024 FirstGroup was named as one of the worldâ€™s cleanest 200 public companies for the fifth consecutive year and achieved Industry Top-Rated status for the first time with Sustainalytics. 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.

CEO review

Introduction

I am pleased to report a robust performance during the first half of our 2025 financial year. We are reporting Group Adjusted operating profit of Â£100.8m compared to Â£100.6m in H1 2024 which was positively affected by an extra week of trading and higher than accrued final variable fee payments for FY 2023 in our DfT TOCs (a c.Â£13m uplift). Our Adjusted Earnings per share has increased to 8.5p from 8.1p in the prior year, reflecting the benefit of the buyback programme that was completed in August.

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Focus on operational delivery and modal shift
Operational excellence and driving modal shift from car and air travel to bus and train are key to our strategy. We strive to make use of our leading positions and expertise to ensure the best possible customer experience, to deliver reliable, cost efficient services, drive demand, add capacity, win key contracts and grow our businesses.
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In First Bus, we are benefiting from improved operational performance, efficiency initiatives and our newer electric fleet which have resulted in volume growth and lower costs. The division has again grown its revenues and profit, leaving it on track to achieve a 10% adjusted operating margin in the second half. Passenger volumes have seen some further recovery despite the seasonally quiet summer period. On an underlying basis[7], mileage increased by 4% compared to H1 2024, with revenue per mile improving by 5%, to Â£6.19 in H1 2025.
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First Bus's Adjacent Services revenues further increased due to contract wins and extensions and the contribution of Ensignbus and York Pullman. After the period end, we completed the acquisition of Anderson Travel and Lakeside Group, further growing our Adjacent Services portfolio and allowing us to enter new B2B and B2C coach services markets. We have also recently entered into a new five-year contract with Flix Bus to operate eight new or expanded coach routes. The acquisitions we have made in First Bus in the last few years are anticipated to contribute combined annual revenues of c.Â£100m and EBIT of c.Â£13m on a current run rate basis.
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In First Rail we reported a 7% increase in passenger journeys during the period, with a total of just over 132m journeys (H1 2024: 123m), 131m in the DfT TOCs and 1.4m in Hull Trains and Lumo, our successful open access operations. Financial performance has been in line with our expectations and our focus remains firmly on operational delivery for our customers and partners.
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We successfully took over the operation of the London Cable Car contract at the end of June following several months of mobilisation activity during which we have built a positive working relationship with TfL.Â We look forward to working with TfL to enhance the customer proposition and place the service at the heart of its local community.
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Leading in environmental and social sustainability
We were very pleased to announce in July that FirstGroup has achieved the highest possible ESG rating by MSCI, AAA, a further endorsement of our sustainability credentials.
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During H1 2025, we have continued to make good progress in our First Bus decarbonisation programme. Following successful applications with our local authority partners to secure Â£16m through the UK Governmentâ€™s ZEBRA 2 co-funding scheme earlier this year, we have been working hard to prepare our depots and infrastructure for the delivery of electric buses in the coming months. We now have eight fully or substantially electric depots across the UK and c.15% of our bus fleet is zero emission.
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We are also preparing to publish our first climate transition plan, in alignment with the Transition Plan Taskforce (TPT) Disclosure Framework, to further enhance transparency and accountability in our climate reporting practices. The plan, which will be published in early 2025, will outline our comprehensive strategy and pathway to achieve our climate transition goals, detailing our approach to reducing greenhouse gas emissions, managing climate-related risks and contributing to an economy-wide transition.
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A period of change in UK bus and rail
As a major public transport operator in the UK we have a critical role to play in the delivery of the countryâ€™s wider economic, social and environmental goals. Following the UK general election in July our teams have been engaging with the new government. We will continue to take a proactive approach, demonstrating our strengths as an experienced, trusted partner for the delivery of public transport services.
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The rail and bus industries in the UK are set to see considerable change over the next few years, with the National Rail Contracts set to move to public ownership and a number of regions outside London planning to adopt the franchising model in bus.

In rail, we have been one of the largest operators for more than 25 years, during which we have worked successfully with a wide range of partners under various contract types and delivered a number of significant rail infrastructure and fleet upgrade projects. Companies such as ours bring innovation, enhanced service delivery, private investment and focus on cost control to an industry that needs it â€“ our DfT TOCs have saved more than Â£300m for the DfT in their annual business plans over the last three years.

Open access has been a hugely successful aspect of rail policy, providing services to under-served communities, supporting local communities and suppliers, creating jobs and additional capacity on core routes which help drive modal shift away from more carbon-intensive modes of transport. It has great potential for helping to drive future social mobility and economic growth; any future rail policy must fully embrace open access. We know that growth and innovation are key for the future of the railway and are committed to working with our partners to provide competitive, sustainable and improved services for all passengers and communities. Furthermore, if the applications we have submitted to grow our open access portfolio are successful, the new services will not only benefit under-served communities and create operational jobs, they will also support the wider value chain through train manufacturing and associated jobs in the UK.

Likewise, as one of the largest regional bus companies in the UK, First Bus is the leading operator in the majority of its local areas, carrying more than a million passengers a day. First Bus is playing a leading role in the transformation of the bus sector, leveraging its proven capability and expertise to work in close partnership with national, regional and local governments, in every regulatory environment, to ensure the best outcomes for customers. We believe this can be achieved with a focus on bus priority and congestion tackling measures, â€˜bus firstâ€™ planning decisions, targeted fare initiatives, improved reliability, enhanced facilities and accessibility for customers, attracting workers to the bus sector and making bus a leading visible indicator in our green transition.Â
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Significant scope to grow and diversify our portfolio
With our cash generative businesses and considerable balance sheet capacity we are able to take advantage of value accretive opportunities to grow and diversify our portfolio and ensure we increase our profitability and remain a profitable, resilient business. When assessing any opportunity for the Group, we have a disciplined capital allocation policy and a strict set of criteria. We will always seek to ensure that the opportunities we explore are complementary to our existing portfolio and the Groupâ€™s strategy, thoroughly assessed for risks and opportunities and operated within a well-understood contractual, political and regulatory environment with an appropriate balance of risk and reward.
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In First Rail, we are focused on growing in open access, identifying where we can scale our Additional Services businesses, bidding for new contracts and identifying new open access opportunities in the UK, as well as monitoring open access opportunities in Europe as the market continues to liberalise.
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In August we acquired Grand Union Trains WCML Holdings Limited, which owns the track access rights granted by the Office of Rail and Road (â€˜ORRâ€™) to run a new open access rail service on the West Coast Mainline from London Euston to Stirling. The current track access agreement runs from May 2025 for a period of five years and includes four return services a day between London Euston and Stirling, and a fifth return service between Euston and Preston. The new service will call at a number of intermediate stations in England and Scotland, including Whifflet, Greenfaulds and Larbert which will have their first direct services to London. We look forward to providing further detail including on rolling stock and an operational start date in due course.

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Earlier this year we submitted applications to the Office of Rail and Road (â€˜ORRâ€™) for a new Hull Trains London-Worksop-Sheffield service and a new Lumo Rochdale-London service, as well as for the extension of a number of Lumoâ€™s daily services to and from Glasgow and for additional paths on both Lumo and Hull Trains. Positive discussions on these applications continue with the ORR and Network Rail, supported by detailed business case and performance modelling conducted by our internal teams and third-party experts. We expect to start being notified of updates and decisions in the first half of next year.

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In addition to growing in open access we are bidding for new contracts, including TfLâ€™s upcoming Elizabeth Line contract, for which we submitted a joint bid in July 2024, ahead of the anticipated mobilisation start date in May 2025. The First Rail Consultancy team have also participated in a high-quality consortium bid for the consultancy services relating to the design, build and operation of a new high frequency electrified intercity rail service, a major infrastructure rail project between Quebec City and Toronto.

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In H1 2025 our First Rail Additional Services businesses, First Customer Contact, Mistral Data and First Rail Consultancy generated revenues of Â£20.0m (H1 2024: Â£18.2m). We are looking at ways to scale these businesses as we believe that private sector ancillary services suppliers will continue to be vital to the success of the rail industry, bringing experience, expertise and benefits to the sector.

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In First Bus, we have identified a clear plan to navigate the market transition, to grow and diversify our portfolio and steadily grow our earnings. To do this, we intend to win our fair share of the franchise market across the UK, develop our existing commercial bus business, grow our Adjacent Services earnings and market share, and we will continue to actively evaluate a pipeline of inorganic growth opportunities in existing and new areas across the UK. Coupled with this, we will make use of our property portfolio and decarbonisation credentials to drive innovation, leverage electrification efficiencies and generate new revenue streams in the energy sector.

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With regards to franchising, a number of Mayoral authorities have indicated that franchising is their preferred future option, representing an opportunity to gain market share by bidding for contracts in areas where we currently operate and entering new regions. Our mission is for more people to use the bus and we will participate in future franchise bids and partnership opportunities, positioning First Bus as the partner of choice, capable of consistent and competitive service delivery.

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In Adjacent Services, we have built an experienced business development team and are leveraging our operational strengths and decarbonisation capabilities to extend and win new contracts. We are also benefiting from the contribution of Ensignbus and York Pullman and continuing to grow our market share and geographical footprint, including through the recent acquisitions and contract wins mentioned above. We already have a strong regional footprint and a credible market position, but there is considerable scope for us to grow in this market, specifically in airport services, workplace shuttles and B2B and B2C coach services, which offer stable earnings with attractive margins.Â

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Board changes

At our AGM in July, David Martin announced his intention to retire from the Board. I thank David for his contribution to the Group and the strategic progress that he has overseen.

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We were pleased to announce in September that Lena Wilson CBE will be joining the Board as Chair on 1 February 2025. Lena is a highly experienced director and Chair, currently a Non-Executive Director at NatWest Group plc, and has held senior and Board roles at a number of listed and private companies including Scottish Power Renewables Limited, Intertek Group plc, AGS Airports Limited. Lena was also Chief Executive of Scottish Enterprise from 2009 to 2017 and prior to that, a Senior Investment Advisor to The World Bank in Washington DC. We are delighted that Lena will be joining us to chair our Board, bringing substantial experience from both the public and private sectors combined with a strong track-record as a Non-Executive Director.

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Corporate activity and capital allocation

Key corporate activity during the period has included the repurchasing the remainder of the Groupâ€™s 2024 bonds and we have now fully discharged the Groupâ€™s legacy Greyhound pension obligations which has resulted in a one-off gain of Â£5.5m in the profit and loss statement in H1 2025.

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We have maintained our strong balance sheet, reporting adjusted net debt of Â£0.2m at period end, having invested in the electrification of our bus fleet and infrastructure and returned c.Â£41m to shareholders via our buyback programme. In line with our disciplined capital policy and the Groupâ€™s continued strong financial performance, the Board has announced an additional Â£50m on market share buyback programme and declared an interim dividend of 1.7p per share (H1 2024: 1.5p per share). This will result in a dividend payment of c.Â£10m to be paid on 31 December 2024 to shareholders on the register at 29 November 2024.

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Outlook

Current trading and the Groupâ€™s outlook for FY 2025 is slightly ahead of the outlook set out in the full year results in June 2024. We expect to make further progress in First Bus, reaching a 10% adjusted operating margin in the second half. Financial performance in First Rail is anticipated to be slightly ahead of our prior expectations, reflecting growth achieved in open access and a normal level of variable fee awards in the DfT TOCs (approximately two thirds of the maximum available). Positive free cash generation, after c.Â£125m of net cash capital expenditure in First Bus, the deployment of our announced growth capital and progression of the Â£50m buyback programme, is expected to result in a marginal net debt position at the end of FY 2025.

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We anticipate that we will maintain our adjusted EPS in FY 2026 as we grow earnings from First Bus and open access rail. Furthermore, the Group has a strong pipeline of organic and inorganic growth opportunities, and the Board remains committed to returning surplus cash to shareholders.

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In First Bus we are well positioned to manage through the measures announced in the recent budget that will affect the bus sector. Our team has the experience to manage both the transition from the Â£2 fare cap to the new Â£3 cap in January 2025 and the impact of the increases in employersâ€™ national insurance, through the implementation of a combination of yield and operational efficiencies. We welcome the announcement of continued government support for the bus sector, with an extension to the Bus Service Improvement Plan (â€˜BSIPâ€™) and Bus Service Operators Grant (â€˜BSOGâ€™) funding packages, and the Â£200m increase in City Region Sustainable Transport Settlements (â€˜CRSTSâ€™) funding, as well as support for local transport beyond the city regions.

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In First Rail, the Governmentâ€™s announced policy is to bring the National Rail Contracts into public ownership at the earliest possible opportunity. As the contracts transition, we anticipate a cash inflow of c.Â£80m from the DfT TOCs, including any reorganisation costs the Group may incur, over a

three-year period from April 2025 with cash received from the management fees a year in arrears. This cash receipt includes the earnings from the divisionâ€™s Additional Services businesses that are expected to continue supporting the DfT TOCs after their contracts end, as required under the National Rail Contracts.
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Looking further ahead, First Bus and our First Rail open access businesses are expected to continue to grow from their existing strong bases. They are also expected to remain cash generative following a period of significant investment in the First Bus fleet and open access rail is capital light, with rolling stock funded through operating leases in line withÂ trackÂ access agreements.
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Conclusion
H1 2025 has been another strong period of delivery for the Group. We still have more to do, and as we enter a period of transition, we will continue to work with government and all our partners to make use of our extensive experience and expertise to deliver the best possible services and encourage more people to use bus and rail.
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There is no doubt that our businesses will change over the next few years, but our core strategy around operational excellence, encouraging modal shift and leading in environmental and social sustainability will underpin everything that we do. Furthermore, we have considerable growth opportunities which puts FirstGroup in a strong position. We will continue to invest, with strict discipline, to grow and diversify our portfolio and maintain our earnings trajectory as well as remaining focused on delivering potential further capital returns to shareholders.
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Graham Sutherland
Chief Executive Officer
14 November 2024
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Business Review

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First Bus

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Â	**Â Â£m**	Â£m	**Â**
Â	**H1 2025**	H1 2024	**Change**
Revenue	**513.7**	504.9	8.8
Adjusted operating profit	**41.1**	36.0	5.1
Adjusted operating margin	**8.0%**	7.1%	90bps
Adjusted EBITDA	**72.7**	68.8	3.9
Adjacent Services revenue	**125.7**	116.2	9.5
Passenger volumes (m)	**204**	210	(3)%
Operational mileage (m)	**83**	84	(1)%
Revenue per mile (Â£)	**6.19**	6.01	0.18
Net operating assets	**658.3**	512.4	145.9
Net capital expenditure	**52.4**	88.7	(36.3)
Return on Capital Employed[1]	**11.4%**	11.3%	10bps

ÂÂÂ1ÂÂÂ Return on capital employed is a measure of capital efficiency and is calculated by dividing adjusted operating profit after tax on a trailing 12-months basis using a normalised tax rate basis of 25% by average period-end assets and liabilities excluding debt items.
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First Bus generated revenue of Â£513.7m in H1 2025 compared to Â£504.9m in H1 2024, which had an extra week of trading and included the operation of the Oldham depot in Manchester, offsetting a Â£12.4m reduction in government funding. Total passenger revenue increased to Â£385.8m (H1 2024: Â£377.1m), with revenue per mile increasing from Â£6.01 in the prior period, to Â£6.19. Excluding the extra week in H1 2024 and the transfer of First Bus operations in Oldham to TfGM, underlying passenger volumes increased 4% compared with the prior period, with total mileage also up 4%.
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Passenger volumes have continued to be underpinned by our data-led service improvements, the free travel for under-22s scheme in Scotland, and the Â£2 fare cap in England that has grown patronage, mostly in markets with longer journey fares that were typically much more expensive previously.
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Under the Scottish Governmentâ€™s under-22s scheme, operators are reimbursed a proportion of the cost of a full adult fare. Under the Â£2 fare cap scheme in England, operators agree a reimbursement schedule in advance with the DfT based on the projected cost to the operator for charging a flat Â£2 fare for journeys that would otherwise have cost more.
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The Â£2 fare cap in England is due to be replaced by a Â£3 fare cap from 1 January to 31 December 2025. Whilst the terms and conditions have not yet been confirmed, we believe that the Â£3 cap will still protect the majority of our customers from the largest increases back to uncapped fares, and in turn, protect the passenger volume uplifts we have seen on these routes. We are currently reviewing our pricing strategy ahead of the introduction of the Â£3 cap.Â
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The extra week of trading in H1 2024 added c.Â£1.4m of adjusted operating profit. In H1 2025 adjusted operating profit increased to Â£41.1m (H1 2024: Â£36.0m), an adjusted operating profit margin of 8.0% (H1 2024: 7.1%), leaving the division on track to achieve a 10% margin in H2 2025.
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The return on capital employed increased to 11.4% during the period (H1 2024: 11.3%). This reflects the growth in the divisionâ€™s adjusted operating profit, substantially offset by the accelerated investment in the electrification of our fleet and infrastructure that is anticipated to increase future profitability due to lower operating costs and the benefits of adjacent revenue streams.
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Improved operational delivery
As a result of the actions we have taken, including the use of our industry-leading data tools, we are delivering better quality mileage, aligning services to demand, implementing smarter fares and driving operational and cost efficiencies throughout the division. During H1 2025 we made use of our granular data to implement a number of fare increases.
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We have also continued to invest in our workforce to provide enhanced benefits and learning opportunities and attract more people to work at First Bus. In H1 2025 this included a ground-breaking new learning agreement with our trade union partner, Unite the Union. Six new learning centre hubs will be created, offering all frontline colleagues a dedicated facility that puts continual learning opportunities outside of their day-to-day skillset at the forefront, equipping them with new skills to drive forward their careers and better support First Bus customers. Both vocational and non-vocational modules will be available to colleagues, alongside support from a trained and full-time Trade Union Learning Representative. We are very proud of this important initiative

which builds on the strong foundations of an ongoing education partnership with Unite the Union that has spanned over two decades.
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Thanks to our enhanced driver recruitment and training programmes, we now have more drivers (a net increase of 75 drivers in the period vs. the prior year) which contributed to us running 98.4% of our scheduled mileage (H1 2024: 98.0%). We are also benefiting from our newer electric fleet, with an average fleet age in H1 2025 of 9.0 years, down from 10.1 years in FY 2022.Â Â
Â
Inflationary pressures continued during the period. Costs increased due to inflation by c.3%, principally in wages where there was a 5% average increase in driver pay awards, much of which is carried over from agreements in the previous financial year; we have now settled over 80% of our pay awards for FY 2025. Pricing changes of c.Â£21m offset cost inflation during H1 2025. We have fuel and electricity hedging programmes in place to mitigate in-year cost inflation and overall volatility of fuel and energy costs and these programmes continue to evolve as we transition the First Bus fleet to zero emission.
Â
Growing our share of the Adjacent Services market
We have built an experienced business development team and are successfully leveraging our operational strengths, infrastructure and decarbonisation credentials to extend existing and win new contracts. This allows us to maximise commercial return through longer-term, higher value contracts and grow both our market share and geographical footprint.
Â
Revenue from Adjacent Services increased to Â£125.7m in H1 2025 (H1 2024: Â£116.2m). As well as benefiting from the contribution of Ensignbus and York Pullman, we have continued to win new contracts and successfully negotiate extensions to existing contracts. These have included contracts within our workplace shuttle services for a number of high-profile brands and Park & Ride contracts in Taunton, Portsmouth and Norwich.

Earlier this month we were also pleased to announce a new five-year contract with FlixBus to operate eight coach routes across the UK spanning from Penzance to Newcastle. As part of the Groupâ€™s investment in the partnership First Bus is purchasing 21 express coaches, with plans to recruit 65 new drivers across seven First Bus depots in three regions. The services are due to be launched from April to July 2025, with First Bus providing staff, all vehicle-related requirements and service delivery and FlixBus providing the platform for passengers. The coaches will be branded in the full FlixBus livery, including uniform for the drivers.

We are also growing our business through strategic bolt-on acquisitions which in recent weeks has included Anderson Travel and Lakeside Group. These are all well established, profitable businesses that will grow our share of the B2B and B2C coach market and allow us to enter new markets. The acquisitions we have made in First Bus in the last few years will contribute combined annual revenues of c.Â£100m and EBIT of c.Â£13m.
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We have a strong regional footprint and a credible market position in adjacent services, but there is considerable scope for us to grow in this market, specifically in airport services, workplace shuttles and B2B and B2C coach services, which offer stable earnings with attractive margins.
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Franchising and partnerships
A number of Mayoral authorities outside London have indicated that franchising is their preferred future option, including in some areas where they currently operate, and some where we do not. We continue to build relationships and have a strong commercial team ready to take advantage of franchising opportunities as they develop, bidding for contracts in areas where we currently operate, and to enter new regions.
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We have experience of both the partnership and franchise models, as the key operator in the successful Enhanced Partnership Scheme in Leicester and through our Rochdale franchise contracts in Manchester. Our mission is for more people to use the bus, and we will participate in future franchise bids and partnership opportunities, positioning First Bus as the partner of choice, capable of consistent and competitive service delivery. We will continue to adapt our business to deliver great value, to shape networks to suit where and when people want to travel, to serve communities and grow local economies in a sustainable way. Regardless of the model, close partnerships with local government stakeholders are essential for the thriving local bus networks we all want to see, and we are committed to working with our partners locally and nationally to achieve this.
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Decarbonisation
Earlier this year we announced that we had worked successfully with our local authority partners to secure Â£16m through the UK Governmentâ€™s ZEBRA 2 co-funding scheme to support bus and fleet decarbonisation across four of our regions.
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We have made good progress in preparing our depots for the delivery of electric buses. In August 2024 we were pleased to announce that three of our depots, in Leicester, York and Norwich, had been officially verified as net zero emission depots, some of the first in the country to achieve this milestone. The depots have built on the progress of their fully electric commercial bus fleets by investing in the necessary additional carbon reduction requirements to claim net zero status.Â We have five further depots across the UK substantially electrified, and we have continued to grow our fleet of electric buses to over 650, c.15% of our fleet.Â
Â
We have more than 650 charging outlets and continue with our successful third-party charging arrangements, including with DPD, Openreach and various public services providers across multiple depots in England and Scotland. We also have a purpose-built hub at our Summercourt depot in Cornwall, providing direct access for the public to eight rapid charging outlets. In addition, we have recently announced a new agreement with Centrica for their drivers to use the chargers at our Leicester depot and have signed our first agreement with a customer operating an eHGV fleet and anticipate this being an area of focus going forwards.
Â
Another significant milestone for First Bus has been our entry into the â€˜repowersâ€™ market. A repowered bus is a mid-life diesel or hybrid bus that has been converted to run entirely on electricity. Along with all the regular benefits of electric buses such as reduced emissions and lower operating costs, repowered vehicles are cheaper, can extend the lifespan of buses and avoid the emissions of manufacturing new vehicles. In 2022 we partnered with Equipmake to upgrade twelve electric buses in York and more recently, we placed the UKâ€™s largest single repower order with Wrightbus for 32 electric conversions, scheduled for delivery in H2 2025. These orders are an important, incremental component of our decarbonisation strategy and if successful, we will consider opportunities to place further orders in the future.
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In addition to our recent orders for repowers, in H1 2025 we invested Â£1m into KleanDrive, a leader in the electric conversion of heavy vehicles, such as buses, coaches and trucks. KleanDriveâ€™s modular electric drivetrains combines next-generation technology from top tier suppliers with deep engineering expertise to provide a flexible, bespoke solution to quickly repower heavy duty vehicles to reduce emissions, extend vehicle life and materially lower costs. This is our first venture investment and is consistent with our focus on accessing new and innovative solutions in decarbonisation through targeted investments.
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We continue to play a leading role in bus and infrastructure electrification both through our programme and through sharing our learnings with other operators and local authorities, and we are now able to leverage our decarbonisation credentials when we bid for new contracts. Furthermore, thanks to the progress we have made to date, we can now see the benefits of operating fully electric bus depots and firmly believe that the electrification of our fleet and infrastructure will further transform our business and provide a number of value accretive adjacent revenue streams. It will allow us to standardise and reduce the size of our fleet to drive efficiency and lower engineering costs whilst delivering the same mileage, and by making use of smart charging software we will be able to optimise our energy use, increase battery efficiency and potentially extend battery life.
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Looking ahead

We expect to make further progress in H2 2025, reaching a 10% adjusted operating margin, driven by operational improvements, efficiency initiatives and the divisionâ€™s newer fleet.
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In First Bus we are well positioned to manage through the measures announced in the recent budget that will affect the bus sector. Our team has the experience to manage both the transition from the Â£2 fare cap to the new Â£3 cap in January 2025 and the impact of the increases in employersâ€™ national insurance, through the implementation of a combination of yield and operational efficiencies. We welcome the announcement of continued government support for the bus sector, with an extension to the Bus Service Improvement Plan (â€˜BSIPâ€™) and Bus Service Operators Grant (â€˜BSOGâ€™) funding packages, and the Â£200m increase in City Region Sustainable Transport Settlements (â€˜CRSTSâ€™) funding, as well as support for local transport beyond the city regions.
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In FY 2026 we anticipate growth in adjusted operating profit. We expect capital expenditure in the division will be lower than in FY 2025, reflecting depot build and continued electrification infrastructure investment, offset by a lower level of fleet capital expenditure following a period of higher capex which has resulted in the division lowering its average fleet age to c.9 years (from 10.1 years in FY 2022).
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Looking further ahead, we will navigate the market transition as the Government introduces new policies, grow and diversify our portfolio and steadily grow our earnings. To do this, we intend to win our fair share of the franchise market across the UK, develop our existing commercial bus business, grow our Adjacent Services earnings and market share, and we will continue to actively evaluate a pipeline of inorganic growth opportunities in existing and new areas across the UK. We will also make use of our property portfolio and decarbonisation credentials to drive innovation, leverage electrification efficiencies and generate energy-related revenue streams. Underpinning this, we firmly believe that government policy, favourable demographics and environmental and societal trends will support sustainable growth in the UK bus sector going forward.
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First Rail

Â	Â£m	Â£m	Â
Â	**H1 2025**	H1 2024	**Change**
Adjusted revenue from DfT TOCs [1]	**23.7**	34.7	(11.0)
Revenue from open access and additional services[2]	**112.3**	100.0	+12.3
First Rail Adjusted Revenue	**136.0**	134.7	+1.3
Adjusted operating profit from DfT TOCs	**44.1**	54.9	(10.8)
Adjusted operating profit from open access and additional services	**23.8**	22.1	+1.7
First Rail adjusted operating profit	**67.9**	77.0	(9.1)
Passenger journeys (m) â€“ DfT TOCs[3]	**130.9**	122.1	+8.8
Passenger journeys (m) â€“ open access operations	**1.4**	1.3	+0.1
Passenger journeys (m) â€“ Total	**132.3**	123.4	+8.9

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ÂÂ1ÂÂâ€˜Adjusted revenueâ€™ 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
ÂÂ2ÂÂIncludes intra divisional eliminations
ÂÂ3ÂÂTotals exclude TPE: H1 2024: 3.3m passenger journeys
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The First Rail division reported total adjusted revenue of Â£136.0m in H1 2024 (H1 2024: Â£134.7m). The divisionâ€™s open access operations contributed Â£51.9m in revenue for the period, up from Â£46.3m in the prior year. The divisionâ€™s Additional Services businesses delivered revenue of Â£60.4m (H1 2024: Â£54.0) and adjusted operating profit of Â£5.7m (H1 2024: Â£6.4m).
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The DfT TOCs reported adjusted operating profit for the period of Â£44.1m (H1 2024: Â£54.9m). As previously reported, during H1 2024 the final variable fee payments due for the DfT TOCs for the FY 2023 fiscal year were agreed with the DfT at a rate ahead of the amounts accrued in the Groupâ€™s FY 2023 financial statements, resulting in a c.Â£13m uplift in the divisionâ€™s adjusted operating profit in H1 2024.
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Rail attributable net income from the DfT TOCs â€“ being the Groupâ€™s share of the management fee income available for distribution from the GWR, SWR and WCP DfT contracts â€“ was Â£14.0m (H1 2024: Â£23.2m which included the final variable fee payments for FY 2023 mentioned above, as well as the contribution of TransPennine Express which was operated by the Group until 28 May 2023).
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The divisionâ€™s two open access operations Lumo and Hull Trains delivered further growth in adjusted operating profit in H1 2025, to Â£18.1m (H1 2024: Â£15.7m). This was due to robust passenger volumes and effective yield management, including some inflationary increases in fares, which helped offset higher costs.Â
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To address energy cost inflation, our DfT TOCs and open access operations are members of industry buying groups in order to mitigate the long-term impact of electricity costs. For our open access operations, total electricity costs represent a material proportion of their total costs; these costs decreased by c.25% in H1 2025 against H1 2024.Â
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Focused on operational delivery in our DfT TOCs
Our three DfT TOCs operate under National Rail Contacts (NRCs), under which the DfT retains substantially all revenue and cost risk (including for fuel, energy and wage increases). There is a fixed management fee and the opportunity to earn an additional variable fee. The punctuality and other operational targets required to achieve the maximum level of variable fee under the contracts are designed to incentivise service delivery for customers. During FY 2024 the DfT introduced some revenue upside potential for operators within the quantitative variable fee metrics, with a Revenue Outturn Mechanism (ROM), due to run until 31 March 2025. The ROM represents an incremental fee opportunity for the Group for FY 2025 if we are able to grow the revenues of the NRC contracts within certain thresholds.
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We are an experienced UK rail operator and we are focused on working collaboratively with the DfT and our industry partners and stakeholders to add value, innovate and enhance our service offering, alongside the execution of a number of major investment programmes.
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During H1 2025 Avanti West Coast started the roll out of its new Â£350m fleet of ten seven-car electric and 13 five-car bi-mode Hitachi trains across the network. The fleet upgrade will not only improve the customer experience, but it will also lower emissions compared to the trains that will be replaced. In addition, the Â£117m investment programme to refurbish Avantiâ€™s electric Pendolino fleet was completed and the final refurbished train went into service in June.Â
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Avanti West Coast also extended its Superfare ticket to more routes to mark the popular low-cost fareâ€™s first anniversary. In a survey of Superfare customers, the majority said they would have not travelled or would have done so by a different mode, demonstrating how the Superfare ticket is successfully attracting people to use our services.
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At SWR, the team started the phased introduction of its new fleet of Alstom Class 701 trains and aim to complete the full rollout of the fleet during the next financial year. In addition, a number of newly refurbished Class 458/4 trains entered service between London Waterloo, Hounslow, Weybridge and Twickenham, to improve the customer offering.Â
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GWR worked successfully with its partners to open Ashley Down station in Bristol at the end of September, connecting the local community to the wider rail network for the first time in sixty years. The project was part of a Â£300m investment by the West of England Mayoral Combined Authority, in partnership with GWR, Network Rail, and Bristol City Council, to bring rail travel within easy reach of more people than ever before.
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GWRâ€™s industry-first fast-charge battery-only train trial has now been running for more than six months, gathering insights to be shared with the DfT and wider industry to help shape the industryâ€™s future decarbonisation plans. More than 300 return trips have been completed between West Ealing and Greenford, testing the technologyâ€™s capability in all elements, from extreme heat to heavy rain. The work the team has done has successfully raised the profile of fast charge as part of the potential solution for the decarbonisation of lines that are difficult or expensive to reach through traditional electrification.Â
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Leveraging our expertise and capabilities in Additional Services

Our First Rail Additional Services businesses - First Customer Contact (â€˜FCCâ€™), Mistral Data and First Rail Consultancy, generated revenues of Â£20.0m in H1 2025, up from Â£18.2m in H1 2024, leveraging our extensive experience and expertise. We are looking at ways to scale these businesses as we believe that private sector ancillary services suppliers will continue to be vital to the success of the rail industry, bringing experience, expertise and benefits to the sector.
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FCC provides customer relations, delay repay services and fraud prevention and management services to a number of train operating companies including TPE. In H1 2025, working with technology partners, FCC implemented a number of artificial intelligence tools to further improve the customer handling experience.
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During H1 2025, the team at Mistral Data have continued to develop new modules and services and to market their range of products to UK and international industry participants. Products include cloud-based tools focused on transport operations, staff messaging, customer engagement, revenue management, business intelligence and remote asset management. New modules and services are being developed that will be available and marketed to both existing and potential new customers.
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First Rail Consultancy provides expertise in all the major facets of railway operations to a range of operating companies, addressing both current services and the cost-effective delivery of major infrastructure projects, rolling stock procurement and upgrades. During H1 2025, the team qualified to work under a number of industry-wide framework agreements and continued to support a wide range of clients in the UK, as well as working on an international consultancy project.
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Continued delivery in open access

First Railâ€™s two open access businesses, Lumo and Hull Trains, where we bear all revenue and cost risk and opportunity, have continued to perform well in H1 2025. Demand has remained strong, and they also remain two of the most reliable operators in the UK.Â
Â
Hull Trains has continued to run a ten-car service at peak demand times (typically a five-car service) to match demand; seat capacity has grown by 13%, with the seat utilisation remaining stable at 68%. Hull Trains reported a 15% increase in revenue, to Â£23.3m (H1 2024: Â£20.2m).
Â
At Lumo, profit is driven predominantly by improving demand and effective yield management, whilst still offering competitive prices. Revenue increased by 10% to Â£28.6m in H1 2025 (H1 2024: Â£26.1m), with further improvement in yields offsetting slightly higher costs. Seat capacity utilisation also rose, to 80% from 78% in the prior year.
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Growing our successful open access business

Growing our successful open access rail portfolio is a key priority for the Group and delivers against our strategic aims of driving modal shift, leading in social and environmental sustainability and growing and diversifying our businesses. We are growing through efficiency improvements, acquiring and applying for routes where we can connect under-served communities and add value for our stakeholders.
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In August we acquired Grand Union Trains WCML Holdings Limited, which owns the track access rights granted by the Office of Rail and Road (â€˜ORRâ€™) to run a new open access rail service on the West Coast Mainline from London Euston to Stirling. The current track access agreement runs from May 2025 for a period of five years and includes four return services a day between London Euston and Stirling, and a fifth return service between Euston and Preston. The new service will call at a number of intermediate stations in England and Scotland, including Whifflet, Greenfaulds and Larbert which will have their first direct services to London. The new service will provide more choice for passengers with significantly increased direct connections to and from London and central and southern Scotland, making use of available capacity on the network. We will provide further detail, including on rolling stock and an operational start date in due course.
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In January 2024, we announced that we had submitted an application for a new open access service to provide a fast link between London and Sheffield, comprising two return journeys a day from London Kingâ€™s Cross, calling at Retford, Worksop, Woodhouse and Sheffield. It would be the first regular service from London Kingâ€™s Cross to Sheffield since 1968 and Worksop in Nottinghamshire would have its first regular direct London train service in decades. The application is currently being reviewed as part of East Coast Mainline (â€˜ECMLâ€™) December 2025 timetable review process with an update anticipated in the first half of 2025.
Â
We also submitted an application to the ORR for a new open access service between Rochdale and London with a December 2027 start date. The application includes six return journeys a day, providing a direct Rochdale to London link via Manchester Victoria which last ran in 2000. The service would be operated under the successful Lumo brand, which has transformed long-distance connectivity between London and Edinburgh and helped support a growth in passenger numbers for all operators on the East Coast Mainline. It is anticipated that the trains on this new route will be new, UK manufactured, electric and battery powered trains.
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Following discussions with Network Rail Scotland and Transport Scotland, we also submitted an application for an extension of some of Lumoâ€™s services to Glasgow, the expansion of some of Lumoâ€™s services to ten car operations, as well as for a sixth return Lumo service between London and Newcastle and for Hull Trains, an eighth return service between London and Hull. These operations could commence in line with ECML timetable change.
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Positive discussions on these applications continue with the ORR and Network Rail, supported by detailed business case and performance modelling conducted by our internal teams and third-party experts.
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Transport for London contracts
Having operated London Trams on behalf of Transport for London (â€˜TfLâ€™) for a number of years, in March 2024, we were delighted to announce that we had been awarded the contract to operate the London Cable Car on behalf of TfL from the end of June 2024, with estimated revenues of c.Â£60m over the eight-year contract period. We successfully took over the operation at the end of June following several months of mobilisation activity. We look forward to working with TfL to enhance the customer proposition and place the service at the heart of its local community.
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As previously announced, in July 2024 we submitted a bid for the Elizabeth Line contract in partnership with Keolis SA.
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A period of transition in UK rail
The UK rail industry is set to see considerable change over the next few years. We have been one of the largest operators for more than 25 years, during which we have worked successfully with a wide range of partners under various forms of contract types and delivered a number of significant rail infrastructure and fleet upgrade projects. Companies such as ours bring innovation, enhanced service delivery, private investment and focus on cost control to an industry that needs it â€“ our businesses have saved more than Â£300m for the DfT in the last three years.

Furthermore, as we look to grow our open access portfolio, we recognise what successful open access services can achieve. They can provide new connections for under-served communities, add capacity on core routes to help drive modal shift away from more carbon-intensive modes of transport, support local businesses and suppliers, create jobs and help to drive social mobility and future economic growth.

We know that growth and innovation are key for the future of the railway and are committed to working with our government partners to provide competitive, sustainable and improved services for all passengers and communities. Furthermore, if the applications we have submitted to grow our open access portfolio are successful, they will not only create operational jobs, but it could also support the wider value chain through train manufacturing and associated jobs in the UK.

Looking ahead
Financial performance in H2 2025 is expected to be slightly ahead of our prior expectations, reflecting growth achieved in open access and a normal level of variable fee awards in the DfT TOCs (approximately two thirds of the maximum available).
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It is the Governmentâ€™s announced policy to bring the National Rail Contracts into public ownership at the earliest possible opportunity. As the contracts transition, we anticipate a cash inflow of c.Â£80m from the DfT TOCs, including any reorganisation costs the Group may incur, over a three-year period from April 2025 with cash received from the management fees a year in arrears. This cash receipt includes the earnings from the divisionâ€™s Additional Services businesses that are expected to continue supporting the DfT TOCs after their contracts end, as required under the National Rail Contracts.
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Our open access businesses are expected to continue to grow from their existing strong base and will remain capital light, with rolling stock funded through operating leases in line withÂ trackÂ access agreements. The addition of the London to Stirling service will add capacity, albeit with a lower operating profit margin than our existing services due to comparatively higher fleet costs.
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As the UK rail industry goes through this period of transition, we are focused on growing in open access, identifying where we can scale our Additional Services businesses, bidding for new contracts including upcoming TfL tenders, and identifying new open access opportunities in the UK, as well as monitoring open access opportunities in Europe as the market continues to liberalise.
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Financial review
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Adjusted revenue from continuing operations increased to Â£649.6m (H1 2024: Â£634.8m). First Bus revenue increased by 2% to Â£513.7m, principally reflecting underlying passenger revenue growth of 10% offset by reduced government funding and the additional week in H1 2024 that added Â£19m. First Rail saw increased revenue across its open access and additional services businesses, offset by lower management fees in the DfT TOCs as H1 2024 included an uplift for higher than accrued FY 2023 fees.
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Operating performance
Adjusted operating performance by division is as follows:
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Â	**26 weeks to 28 September 2024**			27 weeks to 30 September 2023			53 weeks to 30 March 2024		
Â	**Adjusted Revenue[1] Â£m**	**Adjusted operating profit[2] Â£m**	**Adjusted operating margin[2] %**	Adjusted Revenue Â£m	Adjusted operating profit[2] Â£m	Adjusted operating margin[2] %	Adjusted Revenue Â£m	Adjusted operating profit[2] Â£m	Adjusted operating margin[2] %
First Bus	**513.7**	**41.1**	**8.0**	504.9	36.0	7.1	1,012.2	83.6	8.3
First Rail	**136.0**	**67.9**	**49.9**	134.7	77.0	57.2	285.0	143.3	50.3
Group items/ eliminations[3]	**(0.1)**	**(8.2)**	**n/a**	(4.8)	(12.4)	n/a	(5.4)	(22.6)	n/a
Continuing operations	**649.6**	**100.8**	**15.5**	634.8	100.6	15.8	1,291.8	204.3	15.8
Â	**Â**	**Â**	**Â**	Â	Â	Â	Â	Â	Â
Discontinued operations[4]	**-**	**-**	**n/a**	-	(2.2)	n/a	**-**	(1.9)	n/a
Â	**Â**	**Â**	**Â**	Â	Â	Â	Â	Â	Â
Total	**649.6**	**100.8**	**15.5**	634.8	98.4	15.5	1,291.8	202.4	15.7

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Statutory operating performance by division is as follows:
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Â	**26 weeks to 28 September 2024**	27 weeks to 30 September 2023	53 weeks to 30 March 2024

Â	Revenue Â£m	Operating profit Â£m	Operating margin %	Revenue Â£m	Operating profit Â£m	Operating margin%	Revenue Â£m	Operating profit Â£m	Operating margin %
First Bus	**513.7**	**41.1**	**8.0**	504.9	(106.3)	(21.1)	1,012.2	(63.3)	(6.3)
First Rail	**1,843.0**	**67.9**	**3.7**	1,721.9	77.0	4.5	3,738.4	143.3	3.8
Group items[3]	**(12.6)**	**(8.7)**	**n/a**	(19.8)	(12.1)	n/a	(35.5)	(33.5)	n/a
Continuing operations	**2,344.1**	**100.3**	**4.3**	2,207.0	(41.4)	(1.9)	4,715.1	46.5	1.0
Â	**Â**	**Â**	**Â**	Â	Â	Â	Â	Â	Â
Discontinued operations[4]	**-**	**5.9**	**n/a**	-	0.1	n/a	**-**	(5.3)	n/a
Â	**Â**	**Â**	**Â**	Â	Â	Â	Â	Â	Â
Total	**2,344.1**	**106.2**	**4.5**	2,207.0	(41.3)	(1.9)	4,715.1	41.2	0.9

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1â€˜Â Â Â Â Adjusted revenueâ€™ is revenue excluding DfT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk

2â€˜Adjusted operating profitâ€™ and â€œAdjusted operating marginâ€ are before adjusting and certain other items as set out in note 3 to the interim financial statements.

[3]Includes elimination of intra-group trading between Bus and Rail divisions, and charges relating to central management and other items.

[4]Discontinued operations relates to the Groupâ€™s residual Greyhound US activities.

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Adjusted operating profit from continuing operations was Â£100.8m (H1 2024: Â£100.6m), reflecting growth in First Bus and lower central costs offset by First Rail. First Bus benefited from underlying passenger revenue growth of 10% and new acquisitions offset by reduced government funding, inflation and the impact of the extra week in H1 2024 (Â£1.4m). First Rail adjusted operating profit decreased by Â£9.1m reflecting the impact of higher than accrued final FY 2023 variable fees in the prior year of c.Â£13m and business development costs, offset by open access where strong demand and inflationary fare increases improved profitability. Central costs were Â£8.2m with the decrease due to continued efficiencies and a higher proportion of central costs allocated to the divisions.

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The Group's EBITDA adjusted for First Rail management fees performance measure were lower year-on-year driven mostly by the FY23 management fee recognised in First Rail in the prior year.

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Â	26 weeks to 28 September 2024 Â£m	27 weeks to 30 September 2023 Â£m	53 weeks to 30 March 2024 Â£m
First Bus EBITDA[1]	**63.9**	61.4	132.5
Attributable net income from First Rail DfT contracted TOCs[2]	**14.0**	23.2	39.5
First Rail â€“ open access and Additional Services EBITDA[1]	**22.6**	22.2	37.6
Group central costs (EBITDA basis[1])	**(8.0)**	(12.0)	(21.8)
Group EBITDA adjusted for First Rail DfT contracted TOCsâ€™ management fees	**92.5**	**94.8**	**187.8**

[1]Â Pre-IFRS 16 basis.

[2]Â A reconciliation to the segmental disclosures is set out in note 3.

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Adjusted earnings were Â£51.8m (H1 2024: Â£56.5m), driven by strong adjusted operating profit performance across the business, offset by the lower net attributable management fees at the DfT TOCs.

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Â	26 weeks to 28 September 2024 Â£m	27 weeks to 30 September 2023 Â£m	53 weeks to 30 March 2024 Â£m
First Bus adjusted operating profit	**41.1**	36.0	83.6
First Rail adjusted operating profit	**67.9**	77.0	143.3
Group central costs (operating profit basis)	**(8.2)**	(12.4)	(22.6)
Group adjusted operating profit	**100.8**	100.6	204.3
Interest	**(30.0)**	(27.1)	(65.3)
Profit before tax	**70.8**	73.5	139.0
IFRS 16 DfT contracted TOCs adjustment	**1.3**	5.3	10.2
Taxation	**(17.8)**	(18.4)	(32.0)
Non-controlling interest	**(2.5)**	(3.9)	(6.5)
Group adjusted earnings	**51.8**	**56.5**	**110.7**

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Reconciliation to non-GAAP measures and performance

Note 3 to the financial statements sets out the reconciliations of operating profit and profit before tax to their adjusted equivalents.

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The principal adjusting items in H1 2025 are as follows:

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Greyhound Canada

A net Â£0.5m charge was incurred in the period relating to the continued winding down of Greyhound Canada operations.

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The principal adjusting items in relation to the operating profit adjustments - discontinued operations were as follows:

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CARES receipt

A credit of Â£0.4m was recognised in the period on receipt of CARES funding in relation to the discontinued North American operations.

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Legacy US pensions scheme buy out

On 16 July 2024, the Group agreed terms with an insurance company to buy out the remaining liabilities of the legacy Greyhound US pension plan, with the plan being terminated thereafter. Following a Group contribution of 6m, gross liabilities valued at 155m (Â£123m) at the FY 2024 year-end were removed from the Group's balance sheet and the Group recognised a net settlement gain after related costs of Â£5.5m in the income statement as an adjusting item.

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The principal adjusting items in H1 2024 were as follows:

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First Bus pension settlement charge and related items

In September 2023, First Bus concluded a period of consultation with regards to its two Local Government Pension Funds and subsequently terminated its participation in these funds on 31 October 2023, with affected employees enrolled into the First Bus Retirement Savings Plan. Adjusting charges of Â£142.3m were recognised in the prior period for the settlement charge and related termination costs. A gain of Â£160.4m was recognised in Other comprehensive income in relation to the restricted accounting surplus.

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Adjusting items â€“ discontinued operations

An initial payment of the First Transit earnout consideration of 62.8m (Â£48.9m) was received during the first half of the prior year. At that time, an adjusting credit of Â£2.3m arose as a result of the hedging of the cash receipt and the retranslation of the US dollar asset into pounds sterling.

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Group statutory operating profit

Statutory operating profit (continuing basis) was Â£100.3m (H1 2024: loss of Â£(41.4)m reflecting the First Bus pension settlement charge and related costs).

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Finance costs and investment income

Net finance costs were Â£30.0m (H1 2024: Â£27.1m) with the increase principally due to additional PCV finance leases, lower interest receivable on deposits and lower IFRS 16 interest charge in the DfT TOCs.

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Profit before tax

Statutory profit before tax (continuing basis) was Â£70.3m (H1 2024: loss of Â£(68.5)m). Adjusted profit before tax (continuing basis) as set out in note 3 to the financial statements was Â£70.8m (H1 2024: Â£73.5m). Adjusting items (continuing basis) were a charge of Â£0.5m, relating to the continued winding down of Greyhound Canada operations. (H1 2024: charge of Â£142.0m, primarily reflecting the First Bus pension settlement charge and related costs).

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Tax

The tax charge on adjusted profit before tax on continuing operations was Â£17.8m (H1 2024: Â£18.4m), representing an effective tax rate of 25.1% (H1 2024: 25.0%). The effective rate remains broadly in line with the UK rate. There was no tax relating to adjusting items (H1 2024: credit of Â£35.6m). The total tax charge, including tax on discontinued operations, was Â£17.8m (H1 2024: credit of Â£(17.2)m). The actual tax paid during the period was Â£0.8m (H1 2024: Â£1.5m).

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The ongoing Group's effective tax rate is expected to be broadly in line with UK corporation tax levels (currently 25%).

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EPS

Adjusted continuing EPS was 8.5p (H1 2024: 8.1p). Basic continuing EPS was 8.2p (H1 2024: (7.9)p).

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Shares in issue

As at 28 September 2024 there were 598.6m shares in issue (H1 2024: 662.5m), excluding treasury shares and own shares held in trust for employees of 152.1m (H1 2024: 88.2m). The Companyâ€™s Â£115m share buyback programme completed on 5 August 2024 having repurchased 71,200,278 shares. The weighted average number of shares in issue for the purpose of basic EPS calculations (excluding treasury shares and own shares held in trust for employees) in the period was 608.5m (H1 2024: 697.7m).

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Capital allocation framework

The Group's capital allocation framework can be summarised as follows:

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Investment	â€¢Â Â First Bus: Â£125m net cash capex for FY2025, mostly on electrification â€¢Â Â First Rail: continues to be cash capital-light, with any capital expenditure required by the management fee-based operations fully funded under the new contracts and open access rolling stock operating leases in line with the track access agreements
Growth	â€¢Â Â Actively reviewing adjacent organic and inorganic opportunities where this creates value for shareholders and exceeds the Groupâ€™s pre-tax WACC (c.10%)
Returns for shareholders	â€¢Â Â Progressive dividend policy currently around 3x cover of Group adjusted earnings; paid c.1/3 interim and 2/3 final dividend â€¢Â Â Interim dividend of 1.7p per share declared â€¢Â Â Additional Â£50m buyback announced â€¢Â Â The Board remains committed to returning surplus cash to shareholders
Balance sheet	â€¢Â Â Less than 2.0x Adjusted Net Debt: rail management fee-adjusted EBITDA target in the medium term

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Dividend

The Board has declared an interim dividend of 1.7p per share (c.Â£10m in aggregate), to be paid on 31 December 2024 to shareholders on the register at 29 November 2024.

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Adjusted cash flow

The Group's adjusted cash outflow of Â£(7.8)m (H1 2024: outflow of Â£(108.0)m) in the period reflects strong underlying cash generated by operations offset by capital outflows relating to investment in First Bus, the impact of the share buyback programmes, lease payments and movement in First Rail ring-fenced cash (Â£25.3m outflow since FY 2024). The adjusted cash flow is set out below:

Â

Â	Â	**26 weeks to 28 September 2024 Â£m**	27 weeks to 30 September 2023 Â£m	53 weeks to 30 March 2024 Â£m
Adjusted EBITDA	Â	**362.0**	342.3	748.6
Other non-cash income statement charges	Â	**6.4**	(134.3)	13.7
Working capital	Â	**19.1**	(74.9)	(117.0)
Movement in other provisions	Â	**(31.3)**	(18.8)	(30.2)
Movement in financial assets/contingent consideration receivable	Â	**(1.0)**	26.0	23.7

Settlement of foreign exchange hedge	Â	**-**	(1.1)	(1.1)
Pension payments lower than income statement charge	Â	**(4.7)**	113.1	(9.3)
Cash generated by operations	Â	**350.5**	252.3	626.6
Capital expenditure and acquisitions	Â	**(74.0)**	(115.6)	(236.0)
Proceeds from disposal of property, plant and equipment	Â	**10.1**	17.2	42.8
Proceeds from capital grant funding	Â	**23.8**	55.3	94.8
Proceeds from contingent consideration	Â	**-**	48.9	65.3
Interest and tax	Â	**(31.6)**	(31.4)	(67.6)
Shares purchased for Employee Benefit Trust	Â	**(9.3)**	(6.1)	(16.5)
Share repurchases from buyback programmes, including costs	Â	**(41.4)**	(66.6)	(117.6)
External dividends paid	Â	**(24.0)**	(19.7)	(29.5)
Dividends paid to non-controlling interests	Â	**-**	-	(6.5)
Settlement of foreign exchange hedge	Â	**-**	4.2	4.1
Lease payments now in debt	Â	**(211.9)**	(246.5)	(526.2)
Fees for finance facilities	Â	**-**	-	(1.4)
Adjusted cash flow	Â	**(7.8)**	(108.0)	(167.7)
Foreign exchange movements	Â	**1.5**	0.8	3.4
Net inception of leases	Â	**(37.9)**	(14.8)	(237.5)
Lease payments in debt	Â	**211.9**	246.5	526.2
Other non-cash movements	Â	**-**	-	(0.1)
Movement in net debt in the period	Â	**167.7**	124.5	124.3

Â

Capital expenditure

Non-First Rail cash capital expenditure was Â£60.1m, which related to First Bus and Group items (H1 2024: Â£95.2m). First Rail cash capital expenditure was Â£12.4m (H1 2024: Â£20.4m) and is typically matched by receipts from the DfT under current contractual arrangements or other funding.

Â

During the period leases in the non-First Rail divisions were entered into with capital values in First Bus of Â£9.2m and Group items of Â£0.7m (H1 2024: Bus Â£5.5m and Group items Â£1.3m). First Rail entered into leases with a capital value of Â£21.8m (H1 2024: Â£9.0m). During the period asset backed financial liabilities were entered into in First Bus of Â£35.1m (H1 2024: Â£nil).

Â

Non-First Rail gross capital investment (fixed asset and software additions, plus the capital value of new leases) was Â£53.1m and comprised First Bus Â£52.4m and Group items Â£0.7m (H1 2024: Â£88.8m, comprising First Bus Â£88.7m, Group items Â£0.1m). First Rail gross capital investment was Â£35.8m (H1 2024: Â£35.2m). The balance between cash capital expenditure and gross capital investment represents new leases, creditor movements and the recognition of additional right of use assets in the period.

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Funding

As at the period end, the Group had Â£532.7m of undrawn committed headroom and free cash (FY 2024: Â£705.2m), being Â£300.0m (FY 2024: Â£300.0m) of committed undrawn headroom on the RCF, Â£97.7m (FY 2024: Â£129.8m) committed undrawn headroom on the Green Hire Purchase facility, Â£42.2m (FY 2024: Â£54.9m) committed undrawn headroom on the NextGen battery finance facility and Â£92.8m (FY 2024: Â£220.5m) of net free cash after offsetting overdraft positions.

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Net debt/(cash)

As at 28 September 2024 the Groupâ€™s adjusted net debt, which excludes IFRS 16 lease liabilities and ring-fenced cash, was Â£0.2m (FY 2024: adjusted net cash of Â£(64.1)m). Reported net debt was Â£977.1m (FY 2024: Â£1,144.8m) after IFRS 16 and including ring-fenced cash of Â£(274.9)m (FY 2024: Â£(249.6)m), as follows:

Â

Analysis of net debt	Â	**28 September 2024 Â£m**	30 September 2023 Â£m	30 March 2024 Â£m
Sterling bond (2024)	Â	**-**	172.0	96.2
Bank loans and overdrafts	Â	**70.6**	96.4	27.8
Lease liabilities	Â	**1,251.8**	1,529.0	1,458.5
Asset backed financial liabilities	Â	**72.1**	32.1	45.6
NextGen (Hitachi JV) facility	Â	**19.4**	-	13.2
Loan notes	Â	**-**	0.6	-
Gross debt excluding accrued interest	Â	**1,413.9**	1,830.1	1,641.3
Cash	Â	**(161.9)**	(378.2)	(246.9)
First Rail ring-fenced cash and deposits	Â	**(271.2)**	(303.2)	(245.6)
Other ring-fenced cash and deposits	Â	**(3.7)**	(4.1)	(4.0)
Net debt excluding accrued interest	Â	**977.1**	1,144.6	1,144.8
Â	Â	Â	Â	Â
IFRS 16 lease liabilities â€“ rail	Â	**1,198.7**	1,492.2	1,408.9
IFRS 16 lease liabilities â€“ non-rail	Â	**53.1**	36.8	49.6
IFRS 16 lease liabilities â€“ total	Â	**1,251.8**	1,529.0	1,458.5
Â	Â	**Â**	Â	Â
Net cash excluding accrued interest (pre-IFRS 16)	Â	**(274.7)**	(384.4)	(313.7)
Â	Â	**Â**	Â	Â
Adjusted net debt/(cash) (pre-IFRS 16 and excluding ring-fenced cash)	Â	**0.2**	(77.1)	(64.1)

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Under the terms of the First Rail contractual agreements with the DfT, cash can only be distributed by the TOCs either up to the lower amount of their retained profits or the amount determined by prescribed liquidity ratios. The ring-fenced cash represents that which is not available for distribution or the amount required to satisfy the liquidity ratios at the balance sheet date.

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Interest rate risk

Exposure to floating interest rates is managed to ensure that at least 50% (but at no time more than 100%) of the Group's pre-IFRS 16 gross debt is fixed rate for the medium term.

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Fuel and electricity price risk

We use a progressive forward hedging programme to manage commodity risk. As at November 2024, 86% of our â€˜at riskâ€™ UK crude requirements for H2 2025 (38.4m litres, which is all in First Bus) was hedged at an average rate of 48.7p per litre, 62% of our requirements for the year to the end of March 2026 at 49.3p per litre, and 25% of our requirements for the year to the end of March 2027 at 45.7p per litre. We also have an electricity hedge programme in place, with 78% of our consumption (based on current consumption forecasts) hedged for H2 2025 at Â£137/MWh, 68% for FY 2026 at Â£73/MWh and 33% for FY 2027 at Â£70/MWh.

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Foreign currency risk

â€˜Certainâ€™ and â€˜highly probableâ€™ foreign currency transaction exposures (including fuel purchases for the UK divisions) may be hedged at the time the exposure arises for up to two years at specified levels, or longer if there is a very high degree of certainty. The Group does not hedge the translation of earnings into the Group reporting currency but accepts that reported Group earnings will fluctuate as exchange rates against pounds Sterling fluctuate for the currencies in which the Group does business, although this exposure is materially reduced following the sales of the North American divisions. During the year, the net cash generated in each currency may be converted by Group Treasury into pounds Sterling by way of spot transactions in order to keep the currency composition of net debt broadly constant.

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Foreign exchange

The most significant exchange rates to pounds Sterling for the Group are as follows:

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Â	**28 September 2024**		30 September 2023		30 March 2024	
Â	**Closing rate**	**Effective rate**	Closing rate	Effective rate	Closing rate	Effective rate
US Dollar	**1.34**	**1.32**	1.22	1.26	1.26	1.26
Canadian Dollar	**1.81**	**1.80**	1.66	1.70	1.71	1.77

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Pensions

We have updated our pension assumptions for the defined benefit schemes in the UK and North America. The net pension deficit of Â£25.3m at the beginning of the reporting period moved to a net surplus of Â£32.9m as at 28 September 2024, with the movement principally due to increased discount rate and lower inflation rate assumptions reducing scheme liabilities, as well as lower scheme commutation factors. The main factors that influence the balance sheet position for pensions and the principal sensitivities to their movement at 28 September 2024 are set out below:

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Â	**Movement**	**Impact**
Discount rate	-0.1%	Decrease surplus by Â£14m
Inflation	+0.1%	Decrease surplus by Â£10m
Life expectancy	+1 year	Â Decrease surplus by Â£48m

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Legacy Greyhound pension obligations in the USA have been fully discharged. An adjusting item gain of Â£5.5m has been recognised in the income statement.

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Following the transfer of the majority of assets and liabilities from The First UK Bus Pension Scheme to the FirstGroup Pension Scheme in May 2024, the former Bus Scheme is being wound up. Payment of winding-up lump sums to eligible members is well under way and winding up is expected to be completed during 2025.

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The FirstGroup Pension Scheme Trustee and the Company are focused on completing the Schemeâ€™s funding valuation by the statutory deadline of 5 July 2025, which will determine how the Â£79m from the Limited Partnership held in escrow is to be distributed between the Scheme and the Company. It is unlikely that the outcome will be known until shortly before the funds are to be distributed in July 2025.

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Balance sheet

Net assets have increased by Â£59.6m since 30 March 2024.

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Balance sheets â€“ net assets/(liabilities)	Â	**As at 28 September 2024 Â£m**	As at 30 September 2023 Â£m	As at 30 March 2024 Â£m
First Bus	Â	**658.3**	512.4	580.2
First Rail	Â	**968.3**	1,240.0	1,169.2
Greyhound (retained)	Â	**(11.4)**	(24.8)	(24.7)
Divisional net assets	Â	**1,615.2**	1,727.6	1,724.7
Group items	Â	**101.6**	57.3	60.7
Borrowings and cash	Â	**(977.1)**	(1,145.0)	(1,148.3)
Taxation	Â	**(38.5)**	(6.9)	4.0
Held for sale assets	Â	**0.1**	0.7	0.6
Total	Â	**701.3**	633.7	641.7

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Post-balance sheet events

On 21 October, the Group announced its acquisition of Anderson Travel, a coach operator providing contracted school, private hire, mini coach and tour services in and around London. The acquisition will extend First Busâ€™ operational footprint and forms part of the Groupâ€™s strategy of targeted acquisitions to grow its share of the UK adjacent services market.

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On 25 October, the Group announced its acquisition of Lakeside Group, a Shropshire and Cheshire-based company that provides school, B2B and B2C private hire services, with a fleet of around 145 buses and coaches. The acquisition will grow the Groupâ€™s coaching business and offers the potential to increase our presence in the West Midlands.

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Going concern

The Board carried out a review of the Groupâ€™s financial projections for the 18 months to 31 March 2026 and having regard to the risks and uncertainties to which the Group is exposed, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the condensed consolidated financial statements in the half-yearly report have been prepared on the going concern basis.

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Definitions

Unless otherwise stated, all financial figures for the 26 weeks to 28 September 2024 (the 'first half', the 'period' or 'H1 2025') include the results and financial position of the First Rail business for the period ended 14 September 2024 and the results of all other businesses for the 26 weeks ended 28 September 2024. The figures for the 27 weeks to 30 September 2023 (the 'prior period' or 'H1 2024') include the results and financial position of the First Rail business for the period ended 16 September 2023 and the results of all other businesses for the 27 weeks ended 30 September 2023. Figures for the 53 weeks to 30 March 2024 ('FY 2024') include the results and financial position of the First Rail business for the year ended 31 March 2024 and the results of all other businesses for the 53 weeks ended 30 March 2024.
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'Cont.' or the 'Continuing operations' refer to First Bus, First Rail, Group items and Greyhound Canada.
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'Disc.' or the 'Discontinued operations' refer to First Student, First Transit and Greyhound US.
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References to 'adjusted operating profit', 'adjusted profit before tax', â€˜adjusted earningsâ€™ and 'adjusted EPS' throughout this document are before the adjusting items as set out in note 3 to the financial statements, and in the case of â€˜adjusted earningsâ€™ and â€˜adjusted EPSâ€™, excluding the impact of IFRS 16 for the Groupâ€™s management fee-based Rail operations.
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â€˜Adjusted revenueâ€™ 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.
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'EBITDAâ€™ is adjusted operating profit less capital grant amortisation plus depreciation.
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The Group's 'EBITDA adjusted for First Rail management fees' 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.
Â
â€˜Adjusted earnings' is the Groupâ€™s statutory profit for the period attributable to equity holders of the parent, excluding adjusting items as detailed in note 3, and also excluding the impact of IFRS 16 for the Groupâ€™s management fee-based Rail operations.
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'Net debt/(cash)' is the value of Group external borrowings, excluding accrued interest, less cash balances.
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'Adjusted net debt/(cash)' excludes ring-fenced cash and IFRS 16 lease liabilities from net debt/(cash).
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References to â€˜underlying' adjust for the impact of the additional week in H1 2024 and the transfer of First Bus operations in Oldham to TfGM franchising.
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Forward-looking statements

Certain statements included or incorporated by reference within this document may constitute â€˜forward-looking statementsâ€™ 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 document should be construed as a profit forecast for any period. Shareholders are cautioned not to place undue reliance on the forward-looking statements.
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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 document.
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Principal risks and uncertainties

The Board has conducted a thorough assessment of the principal risks and uncertainties facing the Group for the remainder of the financial year, including those that would threaten the successful and timely delivery of its strategic priorities, future performance solvency and liquidity.Â
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There are a number of risks and uncertainties facing the Group in the remaining six months of the financial year in addition to those mentioned in the Business and Financial Reviews. The underlying principal risks and uncertainties in our operating businesses remain broadly consistent with those set out in detail on pages 86 to 95 of the Annual Report and Accounts 2024, with â€œHuman Resourcesâ€ re-termed â€œPeopleâ€ and â€œContracted Businessâ€ and â€œGrowth within the Sectorâ€Â changed to â€œGrowth and Diversificationâ€, aligning strategic principal risks with the Groupâ€™s four strategic pillars.
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Several of the principal risks remain more elevated currently given the wider geopolitical and related economic backdrop. The Principal Risks are:
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â€¢ Economic conditions
â€¢ GeopoliticalÂ
â€¢ Climate changeÂ
â€¢ Growth and Diversification
â€¢ Financial resourcesÂ
â€¢ SafetyÂ
â€¢ Pension scheme fundingÂ
â€¢ Regulatory complianceÂ
â€¢ Information Security, including Cyber-security
â€¢ PeopleÂ
Â
Risks that are of particular focus to monitor in the second half of the year and going forwards include the anticipated changes in the UK bus and rail sectors as a result of the Governmentâ€™s announced transport policies, and developments in the wider geopolitical backdrop which may affect the UK economy.
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For a full summary of the Principal Risks and Uncertainties facing the Group, please refer to the Annual Report and Accounts 2024 at Annual Report 2024 â€“ FirstGroup plc annual-report-2024.pdf (firstgroupplc.com)
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Graham Sutherland Â	**Ryan Mangold**
Â	
Chief Executive Officer Â	Chief Financial Officer
14 November 2024 Â	14 November 2024

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Â

CONDENSED CONSOLIDATED INCOME STATEMENT

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Â	Notes	Â	Unaudited 26 weeks to 28 September 2024 Â£m	Unaudited 27 weeks to 30 September 2023 Â£m
Revenue	2, 4	Â	**2,344.1**	2,207.0
Operating costs before LGPS pension settlement and related charges	Â	Â	**(2,243.8)**	(2,106.1)
LGPS pension settlement and related charges	Â	Â	**-**	(142.3)
Total operating costs	Â	Â	**(2,243.8)**	(2,248.4)
Operating profit/(loss)	Â	Â	**100.3**	(41.4)
Investment income	5	Â	**4.7**	11.0
Finance costs	5	Â	**(34.7)**	(38.1)
Profit/(loss) before tax	Â	Â	**70.3**	(68.5)
Tax	6	Â	**(17.8)**	17.2
Profit/(loss) from continuing operations	Â	Â	**52.5**	(51.3)
Profit from discontinued operations	4	Â	**5.8**	0.1
Profit/(loss) for the period	Â	Â	**58.3**	(51.2)
Attributable to:	Â	Â	Â	Â
Equity holders of the parent	Â	Â	**55.8**	(55.1)
Non-controlling interests	Â	Â	**2.5**	3.9
Â	Â	Â	**58.3**	(51.2)
Â	Â	Â	Â	Â
Earnings per share				
Â	Â	Â	Â	Â
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company	Â	Â	Â	Â
Basic	Â	Â	**8.2p**	(7.9)p
Diluted	Â	Â	**7.8p**	(7.9)p
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company	Â	Â	Â	Â
Basic	7	Â	**9.2p**	(7.9)p
Diluted	7	Â	**8.8p**	(7.9)p
Â	Â	Â	Â	Â
Adjusted results (from continuing operations)[1]	Â	Â	Â	Â
Adjusted operating profit	3	Â	**100.8**	100.6
Adjusted profit before tax	Â	Â	**70.8**	73.5
Adjusted EPS	7	Â	**8.5p**	8.1p
Adjusted diluted EPS	Â	Â	**8.1p**	7.5p

[1]Â *Adjusted for certain items as set out in note 3 and note 7.*

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The accompanying notes form an integral part of this consolidated income statement.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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Â	Â	Unaudited 26 weeks to 28 September 2024 Â£m	Unaudited 27 weeks to 30 September Â 2023 Â£m
Profit/(loss) for the period	Â	**58.3**	(51.2)
Â	Â	Â	Â
Items that will not be reclassified subsequently to profit or loss	Â	Â	Â
Actuarial gains/(losses) on defined benefit pension schemes	Â	**43.0**	(70.7)
Gain on termination of LGPS participation from restricted accounting surplus	Â	**-**	160.4
Deferred tax on actuarial losses on defined benefit pension schemes	Â	**(10.2)**	(22.3)
Â	Â	**32.8**	67.4
Items that may be reclassified subsequently to profit or loss	Â	Â	Â
Hedging instrument movements	Â	**(7.2)**	11.2
Deferred tax on hedging instrument movements	Â	**1.8**	(2.2)
Cumulative profit on hedging instruments reclassified to the income statement	Â	**-**	(2.9)
Exchange differences on translation of foreign operations â€“ continuing operations	Â	**(1.8)** Â	(0.6) Â
Exchange differences on translation of foreign operations â€“ discontinued operations	Â	**2.2**	(1.9)
Â	Â	**(5.0)**	3.6
Â	Â	Â	Â
Other comprehensive income for the period	Â	**27.8**	71.0
Â	Â	Â	Â
Total comprehensive income for the period	Â	**86.1**	19.8
Attributable to:	Â	Â	Â
Equity holders of the parent	Â	**83.6**	15.9
Non-controlling interests	Â	**2.5**	3.9
Â	Â	**86.1**	19.8
	Â	Â	Â
Total comprehensive income/(loss) for the period attributable to owners of FirstGroup plc arises from:			
Â	Â	Â	Â
Continuing operations	Â	**77.5**	24.5
Discontinued operations	Â	**8.6**	(4.7)
Â	Â	**86.1**	19.8

Â

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

CONDENSED CONSOLIDATED BALANCE SHEET

Â

Â	Note	Â	Unaudited 28 September 2024 Â£m	Audited 30 March 2024 Â£m
Non-current assets	Â	Â	Â	Â
Goodwill	8	Â	**112.5**	111.0
Other intangible assets	Â	Â	**8.8**	10.4
Property, plant and equipment	9	Â	**1,956.5**	2,155.4
Deferred tax assets	Â	Â	**13.4**	39.6
Retirement benefit assets	18	Â	**35.7**	6.4
Derivative financial instruments	13	Â	**-**	0.4
Financial asset	13	Â	**101.9**	99.6
Investments	Â	Â	**2.9**	2.6
Â	Â	Â	**2,231.7**	2,425.4
Current assets	Â	Â	Â	Â
Inventories	Â	Â	**29.0**	25.9
Trade and other receivables	10	Â	**837.9**	852.6
Current tax assets	Â	Â	**4.1**	4.4
Cash and cash equivalents	17	Â	**436.8**	496.5
Derivative financial instruments	13	Â	**-**	2.0
Â	Â	Â	**1,307.8**	1,381.4
Assets held for sale	Â	Â	**0.1**	0.6
Total assets	Â	Â	**3,539.6**	3,807.4
Current liabilities	Â	Â	Â	Â
Trade and other payables	Â	Â	**1,198.7**	1,258.6
Tax liabilitiesâ€" Current tax liabilities	Â	Â	**0.1**	0.4
Â Â â€" Other tax and social security	Â	Â	**55.9**	39.6
Borrowings	11	Â	**548.2**	626.5
Derivative financial instruments	13	Â	**6.1**	3.4
Provisions	14	Â	**64.9**	74.6
Current liabilities	Â	Â	**1,873.9**	2,003.1
Net current liabilities	Â	Â	**(566.1)**	(621.7)
Non-current liabilities	Â	Â	Â	Â
Borrowings	11	Â	**865.7**	1,018.3
Retirement benefit liabilities	18	Â	**2.8**	31.7
Derivative financial instruments	13	Â	**2.4**	1.3
Provisions	14	Â	**93.5**	111.3
Â	Â	Â	**964.4**	1,162.6
Total liabilities	Â	Â	**2,838.3**	3,165.7
Net assets	Â	Â	**701.3**	641.7
Â **Equity**	Â	Â	Â	Â
Â	Â	Â	Â	Â
Share capital	15	Â	**37.5**	37.5
Share premium	Â	Â	**693.3**	693.3
Hedging reserve	Â	Â	**(6.0)**	(1.8)
Other reserves	Â	Â	**22.4**	22.4
Own shares	Â	Â	**(26.4)**	(20.4)
Translation reserve	Â	Â	**(22.5)**	(22.9)
Retained earnings	Â	Â	**(7.9)**	(74.8)
Equity attributable to equity holders of the parent	Â	Â	**690.4**	633.3
Non-controlling interests	Â	Â	**10.9**	8.4
Total equity	Â	Â	**701.3**	641.7

Â

The accompanying notes form an integral part of this consolidated balance sheet.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Â	Share capital Â£m	Share premium Â£m	Hedging reserve Â£m	Other reserves Â£m	Own shares Â£m	Translation reserve Â£m	Retained earnings Â£m	Total Â£m	Non-controlling interests Â£m	Total equity Â£m
Balance at 30 March 2024	**37.5**	**693.3**	**(1.8)**	**22.4**	**(20.4)**	**(22.9)**	**(74.8)**	**633.3**	**8.4**	**641.7**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**55.8**	**55.8**	**2.5**	**58.3**
Other comprehensive income/(loss) for the period	**-**	**-**	**(5.4)**	**-**	**-**	**0.4**	**32.8**	**27.8**	**-**	**27.8**
Total comprehensive income/(loss) for the period	**-**	**-**	**(5.4)**	**-**	**-**	**0.4**	**88.6**	**83.6**	**2.5**	**86.1**
Derivative hedging instrument movements transferred to balance sheet (net of tax)	**-**	**-**	**1.2**	**-**	**-**	**-**	**-**	**1.2**	**-**	**1.2**
Transactions with owners in their capacity as owners	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**
Movement in EBT and treasury shares	**-**	**-**	**-**	**-**	**(6.0)**	**-**	**(3.2)**	**(9.2)**	**-**	**(9.2)**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**6.0**	**6.0**	**-**	**6.0**
Deferred tax on share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**	**-**	**(0.5)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(24.0)**	**(24.0)**	**-**	**(24.0)**
Balance at 28 September 2024 (unaudited)	**37.5**	**693.3**	**(6.0)**	**22.4**	**(26.4)**	**(22.5)**	**(7.9)**	**690.4**	**10.9**	**701.3**
Â	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**
Balance at 25 March 2023	37.5	693.2	(0.7)	22.4	(15.4)	(16.3)	19.5	740.2	10.6	750.8
(Loss)/profit for the period	-	-	-	-	-	-	(55.1)	(55.1)	3.9	(51.2)
Other comprehensive income/(loss) for the period	-	-	6.1	-	-	(2.5)	67.4	71.0	-	71.0
Total comprehensive income/(loss) for the period	-	-	6.1	-	-	(2.5)	12.3	15.9	3.9	19.8
Hedging instrument movements transferred to balance sheet (net of tax)	-	-	(1.5)	-	-	-	-	(1.5)	-	(1.5)
Transactions with owners in their capacity as owners	Â	Â	Â	Â	Â	Â	Â	Â	Â	Â
Shares issued	-	0.1	-	-	-	-	-	0.1	-	0.1
Movement in EBT and treasury shares	-	-	-	-	4.0	-	(10.0)	(6.0)	-	(6.0)
Share-based payments	-	-	-	-	-	-	6.6	6.6	-	6.6
Deferred tax on share-based payments	-	-	-	-	-	-	(0.6)	(0.6)	-	(0.6)
Shares bought back but not yet cancelled	-	-	-	-	-	-	(22.7)	(22.7)	-	(22.7)
Liability for shares not yet bought back	-	-	-	-	-	-	(93.1)	(93.1)	-	(93.1)
Dividends paid	-	-	-	-	-	-	(19.7)	(19.7)	-	(19.7)
Balance at 30 September 2023 (unaudited)	37.5	693.3	3.9	22.4	(11.4)	(18.8)	(107.7)	619.2	14.5	633.7

The accompanying notes form an integral part of this consolidated statement of changes in equity.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Â

Â	Note	Unaudited 26 weeks to 28 September 2024 Â£m	Unaudited 27 weeks to 30 September 2023 Â£m
Cash generated by operations	Â	**350.5**	252.3
Tax paid	Â	**(0.8)**	(1.5)
Interest paid	Â	**(35.6)**	(39.4)
Net cash from operating activities	16	**314.1**	211.4
Â	Â	**Â**	Â
Investing activities	Â	**Â**	Â
Interest received	Â	**4.8**	9.5
Proceeds from disposal of property, plant and equipment	Â	**10.1**	17.2
Purchases of property, plant and equipment	Â	**(71.7)**	(113.9)
Purchases of software	Â	**(0.8)**	(1.7)
Proceeds from capital grant funding	Â	**23.8**	55.3
Proceeds from contingent consideration	Â	**-**	48.9
Acquisitions of businesses	Â	**(1.5)**	-
Settlement of foreign exchange hedge	Â	**-**	4.2
Net cash from investing activities	Â	**(35.3)**	19.5
Financing activities	Â	**Â**	Â
Shares purchased by Employee Benefit Trust		**(9.3)**	(6.1)
Treasury shares purchased via share buyback schemes and directly associated costs	Â	**(41.4)**	(66.6)
External dividends paid	Â	**(24.0)**	(19.7)
Repayment of bond issues	Â	**(96.2)**	(12.2)
Repayment of asset backed financial liabilities	Â	**(5.3)**	(12.1)
Â Proceeds from asset backed financial liabilities	Â	**31.6**	-
Â Repayment of NextGen facility	Â	**(3.0)**	-
Proceeds from NextGen facility	Â	**8.1**	-
Repayment of lease liabilities	Â	**(243.3)**	(234.4)
Net cash flow used in financing activities	Â	**(382.8)**	(351.1)
Net decrease in cash and cash equivalents before foreign exchange movements	Â	**(104.0)**	(120.2)
Cash and cash equivalents at beginning of period	Â	**468.7**	708.5
Foreign exchange movements	Â	**1.5**	0.8
Cash and cash equivalents at the end of the period	**Â**	**366.2**	589.1

Â

Cash flow from discontinued operations	Â	**Â**	Â
Net cash outflow from operating activities	Â	**(1.2)**	(3.7)
Net cash inflow from investing activities	Â	**-**	53.1
Net cashflow from financing activities	Â	**-**	-
Net cash flow from discontinued operations	Â	**(1.2)**	49.4

Â

Cash and cash equivalents are included within current assets on the consolidated balance sheet. Cash and cash equivalents includes ring-fenced cash of Â£274.9m in H1 2025 (full year 2024: Â£249.6m). The most significant ring-fenced cash balances are held by the Groupâ€™s First Rail subsidiaries. All non-distributable cash in franchised Rail subsidiaries is considered ring-fenced under the terms of the National Rail Contracts.

Â

Reconciliation to cash flow statement **Â** **Â** **Â**	Note	Unaudited 28 September 2024 Â£m	Audited 30 March 2024 Â£m
Cash and cash equivalents â€“ balance sheet	17	**436.8**	496.5
Bank overdraft	17	**(70.6)**	(27.8)
Balances per consolidated cash flow statement	**Â**	**366.2**	468.7

Â

Note to the condensed consolidated cash flow statement â€“ reconciliation of net cash flow to movement in net debt

Â	Note	Unaudited 26 weeks to 28 September 2024 Â£m	Unaudited 27 weeks to 30 September 2023 Â£m
Net decrease in cash and cash equivalents in period	**Â**	**(104.0)**	(120.2)
Decrease in debt excluding leases	**Â**	**90.0**	12.2
Adjusted cash flow	**Â**	**(14.0)**	(108.0)
Repayment of lease liabilities and asset backed financial liabilities	**Â**	**248.6**	246.5
Inception of leases and asset backed financial liabilities	**Â**	**(68.4)**	(14.8)
Foreign exchange movements	**Â**	**1.5**	0.8
Other non-cash movements	**Â**	**-**	-
Movement in net debt in period	**Â**	**167.7**	124.5
Net debt at beginning of period	**Â**	**(1,144.8)**	(1,269.1)
Net debt at end of period	17	**(977.1)**	(1,144.6)

Â

Management considers that adjusted cash flow is an appropriate measure for assessing the Group cash flow as it is the measure that is used to assess both Group and divisional cash performance against budgets and forecasts. Adjusted cash flow is stated prior to cash flows in relation to debt excluding leases.

Â
The accompanying notes form an integral part of this consolidated cash flow statement.
Â

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Â

1Â Basis of preparation

Â

The half yearly results for the 26 weeks to 28 September 2024 include the results and financial position of the First Rail division for the period ended 14 September 2024 and the results and financial position for the other divisions for the 26 weeks ended 28 September 2024. The comparative figures for the 27 weeks to 30 September 2023 include the results of the First Rail division for the period ended 16 September 2023 and the results of the other divisions for the 27 weeks ended 30 September 2023. The comparative figures for the 53 weeks ended 30 March 2024 include the financial position of the First Rail division at 31 March 2024 and the financial position of the other divisions at 30 March 2024.

Â

These half yearly results do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 March 2024 were approved by the board of directors on 11 June 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

Â

These condensed consolidated interim financial statements for the half year reporting period for the 26 weeks to 28 September 2024 have been prepared in accordance with the UK-adopted International Accounting Standard 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority.

Â

The interim condensed consolidated interim financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 March 2024, and any public announcements made by FirstGroup plc during the interim reporting period.

Â

The accounting policies applied are consistent with those described in the Groupâ€™s latest annual audited financial statements, except for income tax which at the interim is based on applying expected full year effective tax rates to the interim results. There has been no material change as a result of applying these amendments. We have also included certain non-GAAP measures in order to reflect managementâ€™s reported view of financial performance excluding certain other items.

Â

These results are unaudited but have been reviewed by the auditor. The comparative figures for the 27 weeks to 30 September 2023 are unaudited and are derived from the condensed consolidated interim financial statements for that period, which was also reviewed by the auditor.

Going concern â€“ basis of preparation

The Directors have carried out a review of the Groupâ€™s financial projections for the 18 months to 31 March 2026, with due regard for the risks and uncertainties to which the Group is exposed, the uncertain economic climate and the impact that this could have on trading performance. The review also considered the Groupâ€™s net current liabilities position at 28 September 2024. Based on this review, the Directors believe that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the half yearly results have been prepared on the going concern basis in preparing this report.

Â

Evaluation of going concern

The Board evaluated whether it was appropriate to prepare the half yearly results in this report on a going concern basis and in doing so considered whether any material uncertainties exist that cast doubt on the Groupâ€™s and the Companyâ€™s ability to continue as a going concern over the going concern period.

Â

Consistent with prior years, the Boardâ€™s going concern assessment is based on a review of future trading projections, including whether banking covenants are likely to be met and whether there is sufficient committed facility headroom to accommodate future cash flows for the going concern period.

Â

Divisional management teams prepared detailed, bottom-up projections for their businesses reflecting the impact of the macroeconomic considerations on the operating environment, assumptions on passenger volumes and government support, and the potential impact of the policy changes which may arise with the new UK government. Projections also considered the impact of actions required to address the Groupâ€™s climate-related targets and ambitions, and also took into account the risks and uncertainties to which the Group is exposed.

Â

Base case scenario Â

These projections were the subject of a series of executive management reviews and were used to update the base case scenario that was used for the purposes of the going concern assessment at the 2024 year end. The base case assumes a continuing recovery in passenger volumes and yields in FY2025, with some offset from a reduction in direct government funding. The base case assumes the three TOC rail contracts run to their earliest expiry date (South Western Railway in May 2025, Great Western Railway in June 2025, West Coast Partnership in October 2026). The macro projections in the updated base case assume that the UK operates in a low-growth, cautiously recovering economy. The projections also capture the expected financial impact of the actions required to support the Groupâ€™s climate-related targets and ambitions, and the cash flow impact of other capital allocation decisions which the Group may consider.

Â

Â

1Â Basis of preparation (continued)

Â

Severe, plausible downside scenario

In addition, a severe but plausible downside case was also modelled which assumes a more adverse macroeconomic recovery profile. In First Bus the severe but plausible downside case assumes a reduction in passenger volumes driving a 25% reduction in Bus profitability, as well as the impact of other unexpected cost inflation. In First Rail, the downside case assumes reduced TOC performance fee awards and lower revenues in Hull Trains and Lumo open access. The downside case also considered potential downsides of a significant climate-related event or unbudgeted decarbonisation costs, as well as the risk of one-off safety, regulatory non-compliance or technology events.

Â

Mitigating actions

If the future operating environment of the Group were to be more challenging than assumed in the base case or downside case scenarios, the Group would reduce and defer planned growth capital expenditure and further reduce costs in line with a lower-volume operating environment, to the extent that the essential services we operate in First Bus are not required to be run for the governments and communities we support.

Â

Going concern statement

Based on the scenario modelling undertaken, and the potential mitigating actions referred to above, the Board is satisfied that the Groupâ€™s liquidity and covenant headroom over the going concern period is sufficient for the business needs.

Â

Operating and financial review

The operating and financial review considers the impact of seasonality on the Group and also the principal risks and uncertainties facing it in the remaining six months of the financial year.

Â

Summary of significant events in the Group

Significant events in relation to the change in the financial position and performance of the Group:

Â

Following the UK general election in July, the rail and bus industries in the UK are set to see considerable change over the next few years, with the National Rail Contracts set to move to public ownership, and a number of regions outside London planning to adopt the franchising model in Bus.

Â

In First Rail, adjusted operating profit was lower than the prior year, with H1 2024 benefiting from a Â£13m uplift as a result of FY2023 variable fees for DfT TOCs

having been agreed.
Â
First Railâ€™s open access operations Lumo and Hull Trains delivered further growth in adjusted operating profit due to robust passenger volumes and effective yield management, which helped offset slightly higher costs.
Â
In the First Bus division, first half performance benefited from higher passenger volumes and revenue per mile, which offset a reduction in government funding. The prior year included a week of extra trading as well as the operation of the Oldham depot in Manchester.
Â
On 28 June 2024, the Group successfully took over the operation of the IFS Cloud London Cable Car on behalf of Transport for London (`TfL'). The contract has an initial core five-year term with the option to extend for a further three years, with anticipated revenues of c.Â£60m over the eight-year period.
Â
In August, the Group acquired Grand Union Trains Wcml Holdings Limited, which owns the track access rights granted by the ORR to run a new open access rail service on the West Coast Mainline from London Euston to Stirling.
Â
In September, the Groupâ€™s 6.875% bond matured and was repaid from the Groupâ€™s existing financial resources. The Group continues to make use of its Green Hire Purchase Facility and NextGen Battery Facility to support Bus electrification.
Â
The Group has a Â£300m sustainability-linked Revolving Credit Facility (â€˜RCFâ€™) with a group of its relationship banks. This committed RCF remains undrawn and matures in August 2026.
Â
The Companyâ€™s Â£115m share buyback programme completed on 5 August 2024 having repurchased 71,200,278 shares.
Â
On 16 July 2024, the Group agreed terms with an insurance company to buy out the remaining liabilities of the legacy Greyhound US pension plan, with the plan being terminated thereafter. Following a Group contribution of 6m, gross liabilities valued at 155m (Â£123m) at the FY 2024 year-end were removed from the Group's balance sheet and the Group recognised a net settlement gain after related costs of Â£5.5m in the income statement as an adjusting item.
Â
Key sources of estimation uncertainty and significant accounting judgements
The preparation of these half yearly results requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Although these estimates are based on managementâ€™s best knowledge, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.
Â
In preparing these half yearly results, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 March 2024.
Â
This half yearly report has been prepared in respect of the Group as a whole and accordingly matters identified as being significant or material are so identified in the context of FirstGroup plc and its subsidiary undertakings taken as a whole.
Â
These condensed consolidated interim financial statements were approved by the Board on 14 November 2024.

2Â Revenue

Â
Passenger revenue in First Bus was Â£385.8m (H1 2024: Â£377.1m) with the increase mainly due to higher passenger volumes and increased revenue per mile. First Rail passenger revenue was Â£1,512.8m (H1 2024: Â£1,405.6m).
Â
The principal direct fiscal support recognised during the period comprised Â£13.9m (H1 2024: Â£24.5m) of funding and concessions in First Bus. These are recognisedÂ within revenue in accordance with IFRS 15 (as per our policy on revenue recognition in the 2024 Annual Accounts), when control of the good or service is transferred to the customer and the Group is entitledÂ to the consideration.Â
Â
The main direct fiscal support recognised in revenue over time for each division has been as follows:
Â
First Bus: The English, Scottish and Welsh Governments have each supported bus operators, through a variety of funding schemes since March 2020. In England the BSOG+ scheme provides funding through enhanced BSOG rates per litre and an additional payment per km operated for eligible miles. In addition to this the DfT implemented a Â£2 cap on all single fares across the country in January 2023 and is currently reimbursing operators for any revenue foregone as a result of the reduced ticket prices. The scheme will run to December 2024, whereupon the fare cap will increase to Â£3. In Scotland, funding is provided by the NSG scheme which replaced their BSOG scheme. In Wales funding is provided through BSSG and the tendering of routes which are no longer commercially viable.
Â
First Rail: The Emergency Measures Agreements (EMAs), the Emergency Recovery Measures Agreement (ERMAs) and the National Rail Contracts (NRCs) transferred substantially all revenue and cost risk to the government and for the current year and prior year periods, our First Rail franchises were operated under the terms of these arrangements.
Â
Â·ÂÂÂÂ GWR operated under an NRC, with a core period to June 2025 and an option for the DfT to extend by a further three years to June 2028
Â·ÂÂÂÂ WCP/Avanti were awarded a nine-year NRC in September 2023, with a minimum core three-year term to October 2026
Â·ÂÂÂÂ SWR operated under an NRC throughout both periods, with an expiry date of May 2025
Â·ÂÂÂÂ On 11 May 2023 the DfT confirmed that it would not exercise its option to extend FirstGroupâ€™s TPE NRC, and the contract expired on 28 May 2023. On that date the DfT appointed its Operator of Last Resort to take over delivery of passenger services on the TPE network
Â
Under the arrangements, our franchised TOCs are paid a fixed management fee to continue to operate the rail network at a service level agreed with the government. Performance based fees are earned through a combination of scorecards and quantified target methodologies benchmarked off this agreed service level. Net DfT funding including the management and performance fee is recognised as revenue in Rail franchise subsidy receipts, in line with the revenue recognition policy for franchise subsidy receipts from the DfT.
Â
Disaggregated revenue by operating segment is set out in note 4.
Â

3Â Reconciliation to non-GAAP measures and performance

Â
In measuring the Group and divisional adjusted operating performance, additional financial measures derived from the reported results have been used by management in order to eliminate factors which distort year-on-year comparisons, and to enable the like-for-like monitoring of the Groupâ€™s recurring operations over time. The Groupâ€™s adjusted performance is used to explain year-on-year changes when the effect of certain items is significant, including strategic items (including material M&A and group restructuring projects), costs of acquisitions including aborted acquisitions, and impairment of assets. Other items below Â£5.0m would not normally be considered as adjusting items unless part of a larger strategic project, but items which distort year-on-year comparisons that exceed this amount could potentially be classified as an adjusting item and are assessed on a case-by-case basis. Such potential adjusting other items include: restructuring and reorganisation costs; property gains or losses; aged legal and self-insurance claims; movements on insurance discount rates; onerous contract provisions; pension settlement gains or losses; and other items which management has determined as not being relevant to an understanding of the Groupâ€™s underlying business performance. Subsequent remeasurements of adjusting items are also recognised as an adjusting item in the future period in which the remeasurement occurs.
Â
In light of the recently-announced government policy to take National Rail Contracts back into public ownership and the potential future impact on the Groupâ€™s statutory revenue, the Group has identified Adjusted revenue as a new performance measure, to provide an indication of the Groupâ€™s revenue excluding that

from NRCs. Adjusted revenue is defined as 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.

3Â Reconciliation to non-GAAP measures and performance (continued)

Â

Reconciliation of operating profit/(loss) to adjusted operating profit on a continuing basis	Â	**26 weeks toÂ 28 September 2024 Â£m**	27 weeks to 30 September 2023 Â£m
Operating profit/(loss) on a continuing basis	**Â**	**100.3**	(41.4)
Adjustments for:	**Â**	**Â**	Â
LGPS pension settlement and related charges	**Â**	**-**	142.3
Greyhound Canada	**Â**	**0.5**	(0.3)
Total adjusting operating profit items on a continuing basis	**Â**	**0.5**	142.0
Adjusted operating profit on a continuing basis	**Â**	**100.8**	100.6

Â
Â

Reconciliation of operating profit to adjusted operating loss on a discontinued basis	Â	**26 weeks toÂ 28 September 2024 Â£m**	27 weeks to 30 September 2023 Â£m
Operating profit from discontinued operations	**Â**	**5.9**	0.1
Adjustments for:	**Â**	**Â**	Â
CARES receipt	**Â**	**(0.4)**	**-**
Legacy US pensions scheme buy out	**Â**	**(5.5)**	**-**
Transit earnout credit	**Â**	**-**	(2.3)
Total adjusting operating profit items from discontinued operations	**Â**	**(5.9)**	(2.3)
Adjusted operating loss from discontinued operations	**Â**	**-**	(2.2)

Â
Â

Reconciliation of profit/(loss) before tax to adjusted earnings	Â	**26 weeks toÂ 28 September 2024 Â£m**	27 weeks to 30 September 2023 Â£m
Profit/(loss) before tax (including discontinued operations)[1]	**Â**	**76.1**	(68.4)
Adjusting operating profit items â€“ continuing operations	**Â**	**0.5**	142.0
Adjusting operating profit items â€“ discontinued operations	**Â**	**(5.9)**	(2.3)
Adjusting operating profit items â€“ total operations	**Â**	**(5.4)**	139.7
Adjusted profit before tax including discontinued operations	**Â**	**70.7**	71.3
Rail management fee-based operations â€“ IFRS 16 adjustment	**Â**	**1.3**	5.3
Adjusted tax charge	**Â**	**(17.8)**	(18.4)
Non-controlling interests[2]	**Â**	**(2.5)**	(3.9)
Adjusted earnings including discontinued operations	**Â**	**51.7**	54.3

ÂÂÂ1ÂÂÂ *See note 4.*

ÂÂÂ2ÂÂÂ *Statutory non-controlling interests principally reflects Avanti West Coast and South Western Railway.*

Â

Adjusting items

Â

The principal adjusting items in relation to the operating profit adjustments - continuing operations were as follows:

Â

Greyhound Canada

A net Â£0.5m charge was incurred in the period relating to the continued winding down of Greyhound Canada operations.

Â

The principal adjusting items in relation to the operating profit adjustments - discontinued operations were as follows:

Â

CARES receipt

A credit of Â£0.4m was recognised in the period on receipt of CARES funding in relation to the discontinued North American operations.

Â

Legacy US pensions scheme buy out

On 16 July 2024, the Group agreed terms with an insurance company to buy out the remaining liabilities of the legacy Greyhound US pension plan, with the plan being terminated thereafter. Following a Group contribution of 6m, gross liabilities valued at 155m (Â£123m) at the FY 2024 year-end were removed from the Group's balance sheet and the Group recognised a net settlement gain after related costs of Â£5.5m in the income statement as an adjusting item.

3Â Reconciliation to non-GAAP measures and performance (continued)

Â

First Bus EBITDA comprises:	Â	**26 weeks to 28 September 2024 Â£m**	27 weeks to 30 September 2023 Â£m
Pre-IFRS 16 EBITDA	**Â**	**63.9**	61.4
IFRS 16 adjustments[1]	**Â**	**8.8**	7.4
First Bus adjusted EBITDA per segmental results (note 4)	**Â**	**72.7**	68.8
Â			
First Rail EBITDA comprises:			
Non-management fees based TOCs	**Â**	**22.6**	22.2
Groupâ€™s share of management fee income available for dividends	**Â**	**14.0**	23.2
Non-controlling interest	**Â**	**3.0**	3.9
Tax at 25% (H1 2024: 25%)	**Â**	**5.7**	8.7
IFRS 16 adjustments[1]	**Â**	**251.0**	228.8
First Rail adjusted EBITDA per segmental results table (note 4)	**Â**	**296.3**	286.8
Â			
Group items EBITDA comprises:			
Pre-IFRS 16 EBITDA	**Â**	**(8.0)**	(12.0)
IFRS 16 adjustments[1]	**Â**	**1.0**	0.9
Group items adjusted EBITDA per segmental results table (note 4)	**Â**	**(7.0)**	(11.1)
Â			
First Rail adjusted operating profit comprises:			
Non-management fees based TOCs	**Â**	**22.3**	21.6
Groupâ€™s share of management fee income available for dividends	**Â**	**14.0**	23.2

(net of tax and non-controlling interest)			
Non-controlling interest	Â	**3.0**	3.9
Tax at 25% (H1 2024: 25%)	Â	**5.7**	8.7
IFRS 16 adjustments[1]	Â	**22.9**	19.6
First Rail adjusted operating profit per segmental results table (note 4)	Â	**67.9**	77.0

Â

Reconciliation of pre-IFRS 16 adjusted operating profit to post-IFRS 16 adjusted operating profit:

Pre-IFRS 16 adjusted EBIT	Â	**76.7**	80.2
IFRS 16 adjustments[1]	Â	**24.1**	20.4
Post-IFRS 16 adjusted EBIT	Â	**100.8**	100.6

Â

Reconciliation of statutory revenue to adjusted revenue[2]:

Revenue â€“ statutory basis	Â	**2,344.1**	2,207.0
Deduct: DfT TOC revenue	Â	**(1,774.5)**	(1,662.1)
Add back: DfT TOC management and performance fees	Â	**23.7**	34.7
Intercompany eliminations related to DfT TOCs	Â	**56.3**	55.2
Adjusted revenue	Â	**649.6**	634.8

Â

Reconciliation of reported net debt to adjusted net debt/(cash):	Â	**28 September 2024 Â£m**	30 March 2024 Â£m
Reported net debt	Â	**977.1**	1,144.8
IFRS 16 lease liabilities	Â	**(1,251.8)**	(1,458.5)
Ring-fenced cash	Â	**274.9**	249.6
Adjusted net debt/(cash)	Â	**0.2**	(64.1)

Â

Â1Â Â IFRS 16 adjustments to EBITDA principally reflect the add back of operating lease rental costs charged to the income statement before the adoption of IFRS 16. IFRS 16 adjustments to operating profit reflect operating lease rental costs less depreciation charges on right of use assets.

Â2Â Â Adjusted revenue is revenue excluding 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.

4Â Business segments information

Â

For management purposes, the Group is organised into three operating divisions â€“ First Bus, First Rail and Greyhound. Greyhound Canada is categorised as a Continuing Operation, although trading operations have ceased. The divisions are managed separately in line with the differing services that they provide and the geographical markets which they operate in. There is a clear distinction between each division and no judgement is required to identify each reportable segment.

The segment results for the 26 weeks to 28 September 2024 are as follows:

Â

Â	Continuing Operations					Discontinued Operations	Â
Â	First Bus Â£m	First Rail Â£m	Greyhound Â£m	Group Items[1] Â£m	Total Â£m	Greyhound Â£m	Total Â£m
Passenger revenue	385.8	1,512.8	-	-	1,898.6	-	1,898.6
Contract revenue	104.5	-	-	(12.6)	91.9	-	91.9
Rail franchise subsidy receipts	-	211.6	-	-	211.6	-	211.6
Other	23.4	118.6	-	-	142.0	-	142.0
Revenue	513.7	1,843.0	-	(12.6)	2,344.1	-	2,344.1
Rail TOC revenue adjustments	-	(1,707.0)	-	12.5	(1,694.5)	-	(1,694.5)
Adjusted revenue[2]	513.7	136.0	-	(0.1)	649.6	-	649.6
Â	Â	Â	Â	Â	Â	Â	Â
Adjusted EBITDA[3]	72.7	296.3	-	(7.0)	362.0	-	362.0
Depreciation	(37.0)	(248.6)	-	(1.0)	(286.6)	-	(286.6)
Software amortisation	(0.4)	(0.4)	-	(0.2)	(1.0)	-	(1.0)
Capital grant amortisation	5.8	20.6	-	-	26.4	-	26.4
Segment results	41.1	67.9	-	(8.2)	100.8	-	100.8
Other adjustments (note 3)	-	-	(0.5)	-	(0.5)	5.9	5.4
Operating profit/(loss)	41.1	67.9	(0.5)	(8.2)	100.3	5.9	106.2
Investment income	-	0.1	-	4.6	4.7	0.1	4.8
Finance costs	(4.1)	(25.1)	-	(5.5)	(34.7)	(0.2)	(34.9)
Profit/(loss) before tax	37.0	42.9	(0.5)	(9.1)	70.3	5.8	76.1
Tax	Â	Â	Â	Â	Â	**Â**	(17.8)
Profit after tax	Â	Â	Â	Â	Â	**Â**	58.3

1Â Group items comprise the elimination of intra-group trading between Bus and Rail divisions and charges relating to central management and other items.
2Â Â Â Â Adjusted revenue is revenue excluding DfT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk.
3Â Adjusted EBITDA is adjusted operating profit less capital grant amortisation plus depreciation plus software amortisation.

Â

Â

Balance sheet at 28 September 2024	**Total assets Â£m**	**Total liabilities Â£m**	**Net assets/(liabilities) Â£m**
Greyhound retained	**36.0**	**(47.4)**	**(11.4)**
First Bus	**923.5**	**(265.2)**	**658.3**
First Rail	**1,982.5**	**(1,014.2)**	**968.3**
Â	**2,942.0**	**(1,326.8)**	**1,615.2**
Group items	**143.2**	**(41.6)**	**101.6**
Borrowings and cash	**436.8**	**(1,413.9)**	**(977.1)**
Taxation	**17.5**	**(56.0)**	**(38.5)**
Total	**3,539.5**	**(2,838.3)**	**701.2**
Greyhound (held for sale)	**0.1**	-	**0.1**
Grand total	**3,539.6**	**(2,838.3)**	**701.3**
Â	**Â**	**Â**	**Â**

Â

4Â Business segments information (continued)

Â

The segment results for the 27 weeks to 30 September 2023 were as follows:

Â

Â	Continuing Operations					Discontinued Operations		Â
Â	First Bus Â£m	First Rail Â£m	Greyhound Â£m	Group Items[1] Â£m	Total Â£m	Greyhound Â£m	Group Items[1] Â£m	Total Â£m
Passenger revenue	377.1	1,405.6	-	-	1,782.7	-	-	1,782.7
Contract revenue	94.2	-	-	(19.8)	74.4	-	-	74.4
Rail franchise subsidy receipts	-	204.9	-	-	204.9	-	-	204.9
Other	33.6	111.4	-	-	145.0	-	-	145.0
Revenue	504.9	1,721.9	-	(19.8)	2,207.0	-	-	2,207.0
Rail TOC revenue adjustments	-	(1,587.2)	-	15.0	(1,572.2)	-	-	(1,572.2)
Adjusted revenue[2]	504.9	134.7	-	(4.8)	634.8	-	-	634.8
Â	Â	Â	Â	Â	Â	Â	Â	Â
Adjusted EBITDA[3]	68.8	286.8	-	(11.1)	344.5	(1.1)	(1.1)	342.3
Depreciation	(36.6)	(229.2)	-	(1.0)	(266.8)	-	-	(266.8)
Software amortisation	(0.7)	(1.1)	-	(0.3)	(2.1)	-	-	(2.1)
Capital grant amortisation	4.5	20.5	-	-	25.0	-	-	25.0
Segment results	36.0	77.0	-	(12.4)	100.6	(1.1)	(1.1)	98.4
Other adjustments (note 3)	(142.3)	-	0.3	-	(142.0)	-	2.3	(139.7)
Operating (loss)/profit	(106.3)	77.0	0.3	(12.4)	(41.4)	(1.1)	1.2	(41.3)
Investment income	1.2	1.3	-	8.5	11.0	-	-	11.0
Finance costs	(1.3)	(28.2)	-	(8.6)	(38.1)	-	-	(38.1)
(Loss)/profit before tax	(106.4)	50.1	0.3	(12.5)	(68.5)	(1.1)	1.2	(68.4)
Tax	Â	Â	Â	Â	Â	Â	Â	17.2
Loss after tax	Â	Â	Â	Â	Â	Â	Â	(51.2)

1Â Group items comprise the elimination of intra-group trading between Bus and Rail divisions and charges relating to central management and other items.
2Â Â Â Â Adjusted revenue comment is revenue excluding DfT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk.
3Â Adjusted EBITDA is adjusted operating profit less capital grant amortisation plus depreciation plus software amortisation.

Balance sheet at 30 March 2024	Total assets Â£m	Total liabilities Â£m	Net assets/(liabilities) Â£m
Greyhound retained	**54.2**	**(78.9)**	**(24.7)**
First Bus	**895.5**	**(315.3)**	**580.2**
First Rail	**2,164.1**	**(994.9)**	**1,169.2**
Â	**3,113.8**	**(1,389.1)**	**1,724.7**
Group items	**152.5**	**(91.8)**	**60.7**
Borrowings and cash	**496.5**	**(1,644.8)**	**(1,148.3)**
Taxation	**44.0**	**(40.0)**	**4.0**
Total	**3,806.8**	**(3,165.7)**	**641.1**
Greyhound (held for sale)	**0.6**	**-**	**0.6**
Grand total	**3,807.4**	**(3,165.7)**	**641.7**

Segment assets and liabilities are determined by identifying the assets and liabilities that relate to the business of each segment but excluding intercompany balances, borrowings and cash and taxation.

5Â Investment income and finance costs

Â	Â	26 weeks toÂ 28 September 2024 Â£m	27 weeks to 30 September 2023 Â£m
Investment income	Â	Â	Â
Bank interest receivable	Â	**(4.7)**	(9.5)
Interest on pensions	Â	**(0.1)**	(1.5)
Total investment income (including discontinued operations)	Â	**(4.8)**	(11.0)
Finance costs	Â	Â	Â
Bonds	Â	**3.1**	6.5
Bank interest and facility fees	Â	**5.0**	3.2
Finance charges payable in respect of lease liabilities	Â	**24.4**	27.8
Finance charges payable in respect of asset backed financial liabilities	Â	**1.6**	0.6
Interest on long-term provisions	Â	**0.4**	-
Interest on pensions	Â	**0.4**	-
Total finance costs (including discontinued operations)	Â	**34.9**	38.1
Â	Â	Â	Â
Total finance costs	Â	**34.9**	38.1
Investment income	Â	**(4.8)**	(11.0)
Net finance costs (including discontinued operations)	Â	**30.1**	27.1

Investment income relating to discontinued operations was Â£0.1m (H1 2024: Â£nil) and finance costs relating to discontinued operations were Â£0.2m (H1 2024: Â£nil).

6Â Tax on profit on ordinary activities

Â	Â	26 weeks to 28 September 2024 Â£m	27 weeks to 30 September 2023 Â£m
Current tax charge	Â	**0.9**	0.7
Deferred tax charge/(credit)	Â	**16.9**	(17.9)
Total tax charge/(credit) (including discontinued operations)	Â	**17.8**	(17.2)
Â			
Tax (credit)/charge attributable to:	Â	Â	Â
Profit/(loss) from continuing operations	Â	**17.8**	(17.2)
Profit from discontinued operations	Â	**-**	-

The tax effect of the adjustments disclosed in note 3 was Â£nil in H1 2024 (H1 2024: credit of Â£35.6m).
Â
Â
7Â Earnings per share (EPS)
Â
Basic EPS is calculated by dividing the profit attributable to equity shareholders of Â£55.8m in H1 2025 (H1 2024: Â£(55.1)m) by the weighted average number of ordinary shares in issue of 608.5m (H1 2024: 697.7m). The number of ordinary shares used for the basic and diluted calculations is shown in the table below.
Â
The difference in the number of shares between the basic calculation and the diluted calculation represents the weighted average number of potentially dilutive ordinary share options.
Â

Â	Â	**28 September 2024 number m**	30 September 2023 number m
Weighted average number of shares used in basic calculation	**Â**	**608.5**	697.7
Executive share options	**Â**	**29.0**	26.0
Weighted average number of shares used in the diluted calculation	**Â**	**637.5**	723.7

Â
7Â Earnings per share (EPS) (continued)
Â
The adjusted EPS is intended to highlight the results of the Group before certain other adjustments as set out in note 3, and before IFRS 16 charges relating to the Groupâ€™s management fee-based Rail operations. A reconciliation is set out below:
Â

Â	**26 weeks to 28 September 2024**		27 weeks to 30 September 2023	
Â	**Â£m**	**EPS (p)**	Â£m	EPS (p)
Basic profit/(loss) / EPS	**55.8**	**9.2**	(55.1)	(7.9)
Management fee-based Rail operations â€“ IFRS 16 adjustments	**1.3**	**0.2**	5.3	0.8
Other adjustments (note 3)	**(5.4)**	**(0.9)**	139.7	20.0
Tax effect of other adjustments	**-**	**-**	(35.6)	(5.1)
Adjusted profit and EPS attributable to the ordinary equity holders of the company	**51.7**	**8.5**	54.3	7.8
Add back: Adjusted loss from discontinued operations	**(0.1)**	**-**	(2.2)	(0.3)
Adjusted profit and EPS from continuing operations	**51.8**	**8.5**	56.5	8.1

Â

Â	**26 weeks to 28 September 2024 pence**	27 weeks to 30 September 2023 pence
Diluted EPS	**8.8**	(7.9)
Adjusted diluted EPS[1]	**8.1**	7.5

Â
1Â Adjusted diluted EPS for the prior period reflects the amended definition of adjusted earnings, where it excludes certain adjustments as set out in note 3, and before IFRS 16 charges relating to the Groupâ€™s management fee-based Rail operations.
Â
Â
8Â Goodwill and impairment of assets

Â	**Â£m**
Cost	Â
At 31 March 2024	**111.0**
Additions[1]	**1.5**
At 28 September 2024	**112.5**
Â	**Â**
Accumulated impairment losses	**Â**
At 31 March 2024	**-**
At 28 September 2024	**-**
Â	**Â**
Carrying amount	**Â**
At 28 September 2024	**112.5**
At 30 March 2024	111.0

1Â Additions of Â£1.5m relates to goodwill on the acquisition of Grand Union Trains WCML Holdings Ltd (subsequently renamed as First Rail Stirling Holdings Ltd) and Grand Union Trains Ltd (subsequently renamed as First Rail Stirling Ltd).
Â
Disclosures including goodwill by cash generating unit (CGU), details of impairment testing and sensitivities thereon are set out on page 201 of the 2024 Annual Report.
Â
At 28 September 2024, a review for indicators of impairment was undertaken for each of the First Bus, Hull Trains and Lumo CGUs. For each of these, it was concluded that there had been no indicators of impairment since March 2024, therefore no impairment assessment was performed at 28 September 2024.
9Â Property, plant and equipment
Â
Owned assets

Â	Land and buildings Â£m	Passenger carrying vehicle fleet Â£m	Other plant and equipment Â£m	Total Â£m
Cost	Â	Â	Â	Â
At 31 March 2024	235.1	828.3	689.6	1,753.0
Additions	3.8	30.5	31.3	65.6
Transfers to right of use assets	-	-	(8.2)	(8.2)
Disposals	(1.4)	(26.6)	(1.4)	(29.4)
Reclassifications[1]	16.3	-	(13.9)	2.4
Foreign exchange movements	-	(0.3)	-	(0.3)
At 28 September 2024	**253.8**	**831.9**	**697.4**	**1,783.1**
Â	Â	Â	Â	Â
Accumulated depreciation and impairment	Â	Â	Â	Â
At 31 March 2024	62.9	426.8	515.2	1,004.9
Charge for period	5.7	26.1	19.2	51.0

Disposals	(0.7)	(25.5)	(1.1)	(27.3)
Reclassifications[1]	-	-	1.6	1.6
Foreign exchange movements	-	(0.2)	-	(0.2)
At 28 September 2024	**67.9**	**427.2**	**534.9**	**1,030.0**
Â	Â	Â	Â	Â
Carrying amount	**Â**	**Â**	**Â**	**Â**
At 28 September 2024	**185.9**	**404.7**	**162.5**	**753.1**
At 30 March 2024	172.2	401.5	174.4	748.1

1Â As part of the Groupâ€™s continuing efforts to streamline reporting processes, it was identified that Â£16.3m of assets had been incorrectly classified between Land and buildings and Other plant and equipment, and Â£2.4m had been incorrectly classified between cost and accumulated depreciation.

Â

Â

Right of use assets

Â	Rolling stock Â£m	Land and buildings Â£m	Passenger carrying vehicle fleet Â£m	Other plant and equipment Â£m	Total Â£m
Cost	Â	Â	Â	Â	Â
At 31 March 2024	3,743.4	65.1	60.4	25.6	3,894.5
Additions and modifications	20.7	1.0	-	0.8	22.5
Transfers from owned assets	-	-	-	9.2	9.2
Disposals	(0.2)	-	-	-	(0.2)
At 28 September 2024	**3,763.9**	**66.1**	**60.4**	**35.6**	**3,926.0**
Â	Â	Â	Â	Â	Â
Accumulated depreciation and impairment	Â	Â	Â	Â	Â
At 31 March 2024	2,395.6	33.2	50.2	8.2	2,487.2
Charge for period	226.1	3.8	3.7	2.0	235.6
Disposals	(0.2)	-	-	-	(0.2)
At 28 September 2024	**2,621.5**	**37.0**	**53.9**	**10.2**	**2,722.6**
Â	Â	Â	Â	Â	Â
Carrying amount	**Â**	**Â**	**Â**	**Â**	**Â**
At 28 September 2024	**1,142.4**	**29.1**	**6.5**	**25.4**	**1,203.4**
At 30 March 2024	1,347.8	31.9	10.2	17.4	1,407.3

Â

The discounted lease liability relating to the right of use assets included above is shown in note 12.

Â

As at 28 September 2024 the Group had entered into contractual capital commitments amounting to Â£150.2m principally representing purchase of PCVs and TOC commitments.

9Â Property, plant and equipment (continued)

Owned assets and right of use assets	Rolling stock Â£m	Land and buildings Â£m	Passenger carrying vehicle fleet Â£m	Other plant and equipment Â£m	Total Â£m
Carrying amount	**Â**	**Â**	**Â**	**Â**	**Â**
At 28 September 2024	**1,142.4**	**215.0**	**411.2**	**187.9**	**1,956.5**
At 30 March 2024	1,347.8	204.1	411.7	191.8	2,155.4

Â

The maturity analysis of lease liabilities is presented in note 12.

Â

Â

Amounts recognised in income statement	Â	**26 weeks to 28 September 2024 Â£m**	27 weeks to 30 September 2023 Â£m
Depreciation expense on right of use assets	**Â**	**235.6**	216.8
Interest expense on lease liabilities	**Â**	**24.4**	27.8
Impairment charge	**Â**	**-**	1.6
Expense relating to short-term leases	**Â**	**-**	0.8
Expense relating to leases of low value assets	**Â**	**-**	0.1
Â	Â	**260.0**	247.1

Â

Â

10Â Trade and other receivables

Amounts due within one year (from continuing operations)	Â	**28 September 2024 Â£m**	30 March 2024 Â£m
Trade receivables	**Â**	**328.6**	400.1
Loss allowance	**Â**	**(42.0)**	(41.7)
Trade receivables net	**Â**	**286.6**	358.4
Other receivables	**Â**	**172.3**	187.6
Amounts recoverable on contracts	**Â**	**52.3**	38.9
Prepayments	**Â**	**52.1**	38.7
Accrued income	**Â**	**274.6**	229.0
Â	Â	**837.9**	852.6

Â

Â

11Â Borrowings

Â	Â	**28 September 2024 Â£m**	30 March 2024 Â£m
On demand or within one year	**Â**	**Â**	Â
Leases (note 12)[1]	**Â**	**468.7**	492.8
Asset backed financial liabilities (note 12)[2]	**Â**	**8.9**	6.2
Bank overdraft	**Â**	**70.6**	27.8
Bond 6.875% (repayable 2024)[3]	**Â**	**-**	99.7
Total current liabilities	**Â**	**548.2**	626.5
Within one to two years	**Â**	**Â**	Â

Leases (note 12)[1]	Â	**309.2**	385.0
Asset backed financial liabilities (note 12)[2]	Â	**9.4**	7.9
Â	Â	**318.6**	392.9
Within two to five years	Â	**Â**	Â
Leases (note 12)[1]	Â	**442.3**	546.2
NextGen battery debt	Â	**11.5**	3.0
Asset backed financial liabilities (note 12)[2]	Â	**21.4**	13.6
Â	Â	**475.2**	562.8
More than five years	Â	**Â**	Â
Leases (note 12)[1]	Â	**31.6**	34.5
NextGen battery debt	Â	**7.9**	10.2
Asset backed financial liabilities (note 12)[2]	Â	**32.4**	17.9
Â	Â	**71.9**	62.6
Total non-current liabilities	Â	**865.7**	1,018.3

1Â The right of use assets relating to lease liabilities are shown in note 9. The maturity analysis of lease liabilities is presented in note 12.
2Â The maturity analysis of asset backed financial liabilities is presented in note 12.
3Â Includes Â£nil of accrued interest (FY 2024: Â£3.5m of accrued interest).

12Â Lease liabilities and asset backed financial liabilities

Â

The Group had the following lease liabilities at the balance sheet dates:

Â

Lease liabilities	Â	**28 September 2024 Â£m**	30 March 2024 Â£m
Due in less than one year	Â	**507.5**	539.4
Due in more than one year but not more than two years	Â	**333.8**	414.1
Due in more than two years but not more than five years	Â	**462.4**	574.6
Due in more than five years	Â	**41.7**	44.9
Â	Â	**1,345.4**	1,573.0
Less future financing charges	Â	**(93.6)**	(114.5)
Â	Â	**1,251.8**	1,458.5
Comprising:	Â	**Â**	Â
Lease liabilities â€“ Rail	Â	**1,198.7**	1,408.9
Lease liabilities â€“ non-Rail	Â	**53.1**	49.6

Â

Â

The Group had the following asset backed financial liabilities at the balance sheet dates:

Â

Asset backed financial liabilities	Â	**28 September 2024 Â£m**	30 March 2024 Â£m
Due in less than one year	Â	**9.4**	6.5
Due in more than one year but not more than two years	Â	**10.4**	8.5
Due in more than two years but not more than five years	Â	**26.0**	16.2
Due in more than five years	Â	**44.2**	23.7
Â	Â	**90.0**	54.9
Less future financing charges	Â	**(17.9)**	(9.3)
Â	Â	**72.1**	45.6
Comprising:	Â	**Â**	Â
Asset backed financial liabilities â€“ non-Rail	Â	**72.1**	45.6
Asset backed financial liabilities â€“ Rail	Â	**-**	-

Â

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13Â Financial instruments

Â

Non-derivative financial instruments

Â	Â	**28 September 2024 Â£m**	30 March 2024 Â£m
Total non-derivatives	Â	**Â**	Â
Total non-current assets	Â	**101.9**	99.6
Total assets	Â	**101.9**	99.6

Â

Certain pension partnership structures were implemented during 2023. These structures involved the creation of special purpose vehicles (SPVs) to hold cash to fund the Bus and Group pension schemes, if required, based on a designated funding mechanism. Management have concluded that these amounts represent financial assets under IAS 32.

During H1 2024, FirstGroup Energy Ltd purchased a Â£1.0m fixed rate unsecured convertible loan note in KleanDrive Ltd. Management have concluded that this represents a financial asset under IAS 32.

13Â Financial instruments (continued)

Â

Derivative financial instruments

Â	Â	**28 September 2024 Â£m**	30 March 2024 Â£m
Â	Â	**Â**	Â
Derivatives designated and effective as hedging instruments carried at fair value	Â	**Â**	Â
Non-current assets	Â	**Â**	Â
Fuel derivatives (cash flow hedge)	Â	**-**	0.4
Â	Â	**-**	0.4
Current assets	Â	**Â**	Â
Fuel derivatives (cash flow hedge)	Â	**-**	2.0
Â	Â	**-**	2.0
Current liabilities	Â	**Â**	Â

Fuel derivatives (cash flow hedge)	Â	**4.1**	2.7
Currency forwards (cash flow hedge)	Â	**2.0**	0.7
Â	Â	**6.1**	3.4
Non-current liabilities	Â	Â	Â
Currency forwards (cash flow hedge)	Â	**0.7**	0.2
Interest rate swaps (NextGen)	Â	**0.6**	0.5
Fuel derivatives (cash flow hedge)	Â	**1.1**	0.6
Â	Â	**2.4**	1.3

Â

Fair value of the Group's financial assets and financial liabilities (including trade and other receivables and trade and other payables) on a continuing basis:

Â					**28 September 2024**
Â				**Fair value**	**Carrying value Total Â£m**
Â	**Level 1 Â£m**	**Level 2 Â£m**	**Level 3 Â£m**	**Total Â£m**	Â
Financial assets and derivatives	Â	Â	Â	Â	Â
Trade and other receivables	-	**655.5**	-	**655.5**	**655.5**
Financial liabilities and derivatives	Â	Â	Â	Â	Â
Borrowings[1]	**70.6**	**1,352.1**	-	**1,422.7**	**1,414.0**
Trade and other payables	-	**1,039.1**	-	**1,039.1**	**1,039.1**
Derivative financial instruments	-	**8.5**	-	**8.5**	**8.5**

Â

Â					30 March 2024
Â				Fair value	Carrying value
Â	Level 1 Â£m	Level 2 Â£m	Level 3 Â£m	Total Â£m	Total Â£m
Financial assets and derivatives	Â	Â	Â	Â	Â
Trade and other receivables	-	668.0	-	668.0	668.0
Derivative financial instruments	-	2.4	-	2.4	2.4
Financial liabilities and derivatives	Â	Â	Â	Â	Â
Borrowings[1]	-	1,621.0	-	1,621.0	1,616.9
Trade and other payables	-	1,096.4	-	1,096.4	1,096.4
Derivative financial instruments	-	4.7	-	4.7	4.7

[1]Â *Includes lease liabilities as set out in note 12.*

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The estimated fair value of cash and cash equivalents, short term trade and other receivables and short term trade and other payables is a reasonable approximation to the carrying value of these items.

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Level 1:ÂQuoted prices in active markets for identical assets and liabilities.
Level 2:ÂInputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.
Level 3:ÂInputs for the asset or liability that are not based on observable market data.

Â

There were no transfers between Level 1 and Level 2 during the current or prior year.

14Â Provisions

Â	Insurance claims Â£m	Dilapidations Â£m	Legal and other Â£m	Total Â£m
At 31 March 2024	**100.2**	**47.1**	**38.6**	**185.9**
Charged to the income statement	**7.7**	**(0.4)**	**(4.9)**	**2.4**
Utilised in the period	**(23.9)**	**(1.6)**	**(1.0)**	**(26.5)**
Notional interest	**0.4**	-	-	**0.4**
Foreign exchange movements	**(3.1)**	**(0.1)**	**(0.6)**	**(3.8)**
At 28 September 2024	**81.3**	**45.0**	**32.1**	**158.4**
Â	Â	Â	Â	Â
Current liabilities	**25.2**	**20.8**	**18.9**	**64.9**
Non-current liabilities	**56.1**	**24.2**	**13.2**	**93.5**
At 28 September 2024	**81.3**	**45.0**	**32.1**	**158.4**
Â	Â	Â	Â	Â
Current liabilities	35.7	12.6	26.3	74.6
Non-current liabilities	64.5	34.5	12.3	111.3
At 30 March 2024	100.2	47.1	38.6	185.9

Â

The insurance claims provision arises from estimated exposures for incidents occurring prior to the balance sheet date. It is anticipated that the majority of such claims will be settled within the next four years although certain liabilities in respect of lifetime obligations of Â£1.0m (full year 2024: Â£1.1m) can extend for more than 25 years. The utilisation of Â£23.9m in H1 2025 (full year 2024: Â£37.0m) represents payments made against the current liability of the preceding year as well as the settlement of claims resulting from incidents occurring in the current year.

The insurance claims provisions, of which, Â£36.6m (full year 2024: Â£55.7m) relates to legacy Greyhound claims, includes Â£31.8m (full year 2024: Â£50.8m) which is recoverable from insurance companies and a receivable is included within other receivables in note 10.

Dilapidations are provisions in respect of costs anticipated on the exit of surplus properties which are expected to be settled over the remaining terms of the respective leases and dilapidation, other provisions in respect of contractual obligations under rail franchises and restructuring costs. The dilapidation provisions are expected to be settled at the end of the respective franchise.

Legal and other provisions relate to estimated exposures for cases filed or thought highly likely to be filed for incidents that occurred prior to the balance sheet date. It is anticipated that most of these items will be settled within ten years.

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15Â Called up share capital

Â	Â	**28 September 2024 Â£m**	30 March 2024 Â£m
Allotted, called up and fully paid	**Â**	**Â**	Â

750.7m ordinary shares of 5p each (30 March 2024: 750.7m)	**Â**	**37.5**	37.5

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The Company has one class of ordinary shares which carries no right to fixed income.

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On 8 June 2023, the Company announced a share buyback programme to purchase up to Â£115m of ordinary shares. This buyback programme completed on 5 August 2024 having repurchased 71,200,278 shares.

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The directors have declared an interim dividend of 1.7p per ordinary share in respect of the period ended 28 September 2024, totalling approximately c.Â£10m.

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16Â Net cash from operating activities

Â	**26 weeks to 28 September 2024 Â£m**	27 weeks to 30 September 2023 Â£m
Operating profit/(loss) from:	**Â**	Â
Continuing Operations	**100.3**	(41.4)
Discontinued Operations	**5.9**	0.1
Total Operations	**106.2**	(41.3)
Adjustments for:	**Â**	Â
Depreciation charges	**286.6**	266.8
Capital grant amortisation	**(26.4)**	(25.1)
Software amortisation charges	**1.0**	2.1
Â Impairment charges	**-**	2.1
Share-based payments	**6.0**	6.6
Loss/(profit) on disposal of property, plant and equipment	**0.4**	(0.9)
Operating cash flows before working capital and pensions	**373.8**	210.3
(Increase)/decrease in inventories	**(3.1)**	0.6
Decrease/(increase) in receivables	**11.6**	(131.7)
Increase in payables due within one year	**15.5**	56.2
(Increase)/decrease in financial assets	**(1.0)**	23.7
Decrease in provisions due within one year	**(11.0)**	(9.3)
Decrease in provisions due over one year	**(20.3)**	(9.5)
Settlement of foreign exchange hedge	**-**	(1.1)
Defined benefit pension payments (greater than)/lower than income statement charge	**(15.0)**	113.1
Cash generated by operations	**350.5**	252.3
Tax paid	**(0.8)**	(1.5)
Interest paid[1]	**(35.6)**	(39.4)
Net cash from operating activities	**314.1**	211.4

1 Interest paid includes Â£24.4m relating to lease liabilities (H1 2024: Â£27.8m).

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17Â Analysis of changes in net debt â€“ adjusted cash flow

Â	At 31 March 2024 Â£m	Cash flow Â£m	Foreign Exchange Â£m	Other Â£m	**At 28 September 2024 Â£m**
Â	Â	**Â**	**Â**	**Â**	**Â**
Bonds[1]	(96.2)	**102.8**	**-**	**(6.6)**	**-**
Lease liabilities[1]	(1,458.5)	**267.7**	**-**	**(61.0)**	**(1,251.8)**
Asset backed financial liabilities[1]	(45.6)	**(25.3)**	**-**	**(1.2)**	**(72.1)**
Share of NextGen battery debt[1]	(13.2)	**(4.6)**	**-**	**(1.6)**	**(19.4)**
Total movements on debt items	(1,613.5)	**340.6**	**-**	**(70.4)**	**(1,343.3)**
Â	Â	**Â**	**Â**	**Â**	**Â**
Cash	246.9	**(86.8)**	**1.5**	**0.3**	**161.9**
Bank overdrafts	(27.8)	**(42.5)**	**-**	**(0.3)**	**(70.6)**
Ring-fenced cash	249.6	**25.3**	**-**	**-**	**274.9**
Cash and cash equivalents	468.7	**(104.0)**	**1.5**	**-**	**366.2**
Â	Â	**Â**	**Â**	**Â**	**Â**
Net debt	**(1,144.8)**	**236.6**	**1.5**	**(70.4)**	**(977.1)**

1 The â€˜Otherâ€™ column for Bonds, Lease liabilities, Asset backed financial liabilities and Share of NextGen battery debt consists of the net inception of new leases, as well as interest charges. The â€˜Cash flowâ€™ column consists of repayments of principal and interest (financing activities and operating activities respectively in the Condensed consolidated cash flow statement).

18Â Retirement benefit schemes

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The Group supports defined contribution (DC) and defined benefit (DB) schemes for the benefit of employees across the following business areas:

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- UK Bus and Group â€“ DB schemes: The First UK Bus Pension Scheme and The FirstGroup Pension Scheme. DC schemes: The First Bus Retirement Savings Plan and the Enhanced Lifetime Savings Plan. In the prior year, the Group terminated its participation in two Local Government Pension Schemes with affected employees enrolled into The First Bus Retirement Savings Plan
- North America â€“ legacy schemes from operations which have now been sold
- Rail â€“ sponsoring four sections of the Railways Pension Scheme (RPS) relating to the Group's obligations for its TOCs, with an additional section for its open access Hull Trains business. Since the obligations to the TOC arrangements are considered to be limited to contributions during the period of the contract, these are fundamentally different to the obligations to the other pension arrangements.

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Each of these groups of arrangements have therefore been shown separately. The scheme details are described on pages 236 to 247 of the Annual Report and Accounts for the 53 weeks ended 30 March 2024.

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(a) UK Bus and Group (including Hull Trains)

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The table below is set out to show amounts charged/(credited) to the condensed consolidated income statement along with the amounts included in the condensed consolidated balance sheet arising from the fair value of schemes' assets (Assets) and the present value of defined benefit obligations (DBO) (Liabilities) for the UK Bus, Group and Hull Trains DB schemes:

Income statement	**Â**	**26 weeks to 28 September 2024**	27 weeks to 30 September 2023

Â	Â	Â£m	Â£m
Operating	Â	Â	Â
â€“ Current service and administration cost	Â	**4.4**	2.2
â€“ Past settlement gains including service gains and curtailments	Â	**(3.2)**	(5.1)
â€“ Settlement charge in relation to LGPS participation termination	Â	**-**	141.4
Total operating	Â	**1.2**	138.5
Interest charge/(income)	Â	**0.1**	(1.4)
Total income statement	Â	**1.3**	137.1

Â

Balance sheet	**28 September 2024**	30 March 2024
Â	**Â£m**	Â£m
Fair value of scheme assets	**1,094.0**	1,147.8
Present value of defined benefit obligations	**(1,062.1)**	(1,161.8)
Surplus/(deficit) in schemes	**31.9**	(14.0)
The amount is presented in the condensed consolidated balance sheet as follows:	**Â**	Â
Non-current assets	**34.4**	6.0
Non-current liabilities	**(2.5)**	(20.0)
Â	**31.9**	(14.0)

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(b) North America

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Greyhound pension arrangements

The Group has retained certain responsibilities for the provision of retirement benefits for some legacy schemes.Â

The Group operates a legacy DB arrangement in the US, while in Canada, there is a legacy plan with a DB and DC section and a small unfunded supplementary executive retirement plan (SERP).

On 16 July 2024, the Group agreed terms with an insurance company to buy out the remaining liabilities of the legacy Greyhound US pension plan, with the plan being terminated thereafter. Following a Group contribution of 6m, gross liabilities valued at 155m (Â£123m) at the FY 2024 year-end were removed from the Group's balance sheet and the Group recognised a net settlement gain after related costs of Â£5.5m in the Group's income statement as an adjusting item.

The table below is set out to show amounts charged/(credited) to the condensed consolidated income statement along with the amounts included in the condensed consolidated balance sheet arising from the fair value of schemes' assets (Assets) and the present value of DBO (Liabilities) for the North American DB schemes:

18Â Retirement benefit schemes (continued)

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Income statement	**26 weeks to 28 September 2024**	27 weeks to 30 September 2023
Â	**Â£m**	Â£m
Operating	**Â**	Â
â€“ Current service and administration cost	**1.1**	1.3
â€“ Past service (gain)/charge including curtailments and settlements	**(6.2)**	0.4
Total operating	**(5.1)**	1.7
Interest charge/(income)	**0.2**	(0.1)
Total income statement	**(4.9)**	1.6
Â	**Â**	Â

Â

Balance sheet	**28 September 2024**	30 March 2024
Â	**Â£m**	Â£m
Fair value of schemes' assets	**150.9**	264.8
Present value of defined benefit obligations	**(149.9)**	(276.1)
Surplus/(deficit) before adjustment	**1.0**	(11.3)
Opening irrecoverable surplus	**-**	(6.8)
Change in irrecoverable surplus	**-**	6.8
Surplus/(deficit) in schemes	**1.0**	(11.3)
The amount is presented in the condensed consolidated balance sheet as follows:	**Â**	Â
Non-current assets	**1.3**	-
Non-current liabilities	**(0.3)**	(11.3)
Â	**1.0**	(11.3)

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(c) Rail contracts

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The Railways Pension Scheme (RPS)

The Group is responsible for collecting and paying contributions for a number of sections of the Railways Pension Scheme (RPS) as part of its obligations under the contracts which it holds for its TOCs.Â These responsibilities continue for the periods of the TOCs and are passed to future contract holders when those TOCs terminate.Â Management of the RPS is not the responsibility of the Group, nor is it liable to benefit from any future surplus or fund any deficit of those funds.

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The Group currently sponsors four sections of the RPS, relating to its contracting obligations for its TOCs. The RPS is managed by the Railways Pension Trustee Company Limited, and is subject to regulation from the Pensions Regulator and relevant UK legislation. The RPS is a shared cost arrangement. All costs, and any deficit or surplus, are shared 60% by the employer and 40% by the members. For the TOC sections, under the contractual arrangements with the DfT, the employerâ€™s responsibility is to pay the contributions following triennialÂ funding valuations while it operates the contracted services. These contributions are subject to change on consideration of future statutory valuations, though the Group is fully protected from any such changes through its contracts with the DfT. At the end of the contract, any deficit or surplus in the scheme section passes to the subsequent train operating company with noÂ compensating payments from or to the outgoing TOC.

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The statutory funding valuations of the various Rail Pension Scheme sections in which the Group is involved (last finalised with an effective date of 31 December 2022) and the IAS 19 actuarial valuations are carried out for different purposes and may result in materially different results. The IAS 19 valuation is set out in the disclosures below. The accounting treatment for the time-based risk-sharing feature of the Groupâ€™s participation in the RPS is not explicitly considered by IAS 19 Employee Benefits (Revised). The contributions currently committed to being paid to each TOC section are lower than the share of the service cost (for current and future service) that would normally be calculated under IAS 19 (Revised) and the Group does not account for uncommitted contributions towards the sectionsâ€™ current or expected future deficits. Therefore, the Group does not need to reflect any deficit on its balance sheet. A TOC adjustment (asset) exists

that exactly offsets any section deficit that would otherwise remain after reflecting the cost sharing with the members. This reflects the legal position that some of the existing deficit and some of the service costs in the current year will be funded in future years beyond the term of the current contract and committed contributions. The TOC adjustment on the balance sheet date reflects the extent to which the Group is not currently committed to fund the deficit.
Â
The table below is set out to show amounts charged/(credited) to the condensed consolidated income statement along with the amounts included in the condensed consolidated balance sheet arising from the fair value of schemes' assets (Assets) and the present value of defined benefit obligations (DBO) (Liabilities) for the TOC defined benefit schemes:

18Â Retirement benefit schemes (continued)

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Income statement	**26 weeks to 28 September 2024**	27 weeks to 30 September 2023
Â	**Â£m**	Â£m
Operating	**Â**	Â
â€“ Current service cost	**36.1**	39.3
â€“ Administrative cost	**1.0**	1.7
â€“ Impact of franchise adjustment on operating cost	**(12.4)**	(13.8)
Total operating	**24.7**	27.2
Interest cost	**2.5**	0.6
Impact of franchise adjustment on net interest income	**(2.5)**	(0.6)
Total income statement	**24.7**	27.2
Â	**Â**	Â

Â

Balance sheet	**28 September 2024**	30 March 2024
Â	**Â£m**	Â£m
Fair value of schemes' assets	**3,759.1**	3,722.4
Present value of defined benefit obligations	**(3,551.5)**	(3,588.7)
Surplus/(deficit) before adjustment	**207.6**	(133.7)
Franchise adjustment (60%)	**(124.6)**	(80.3)
Adjustment for employee share of RPS deficits (40%)	**(83.0)**	(53.4)
Surplus in schemes	**-**	-

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(d) Valuation assumptions

The valuation assumption used for accounting purposes have been made uniform to Group standards, as appropriate, when each scheme is actuarially valued.
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The key assumptions were as follows:
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Â			**28 September 2024**	**Â**			30 March 2024
Â	**First Bus**	**First Rail**	**North America**	**Â**	First Bus	First Rail	North America
Â	**%**	**%**	**%**	**Â**	%	%	%
Key assumptions used:	**Â**	**Â**	**Â**	**Â**	Â	Â	Â
Discount rate	**5.08 â€“ 5.11**	**4.89**	**4.53**	**Â**	4.86 â€“ 4.88	4.89	4.85 â€“ 5.16
Expected rate of salary increases	**n/a**	**3.46**	**n/a**	**Â**	n/a	3.70	n/a
Inflation - CPI	**2.54 â€“ 2.56**	**2.46**	**2.00**	**Â**	2.61 â€“ 2.62	2.60	2.00
Future pension increases	**2.52[2]**	**2.46**	**n/a**	**Â**	2.58[2]	2.60	n/a
Post retirement mortality (life expectancy in years)[1]	**Â**	**Â**	**Â**	**Â**	Â	Â	Â
Current pensioners at 65:	**19.3**	**20.1**	**19.8 â€“ 21.6**	**Â**	19.3	20.1	19.8 â€“ 21.6
Future pensioners at 65 aged 45 now:	**19.7**	**21.5**	**21.4 â€“ 22.6**	**Â**	19.7	21.5	21.4 â€“ 22.6

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ÂÂ1ÂÂ Life expectancies reflect the largest underlying plans in each region.
ÂÂ2ÂÂ Weighted average for principal scheme.
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Virgin Media case

In June 2023, the High Court made a significant ruling in Virgin Media Ltd vs NTL Pension Trustees regarding the validity of amendments to benefits in Defined Benefit pension schemes that were contracted-out between 1997 and 2016 based on meeting the reference scheme test. In July 2024, the Court of Appeal upheld the High Courtâ€™s decision. The potential impact of this, if any, has not yet been confirmed and, in light of the recent ruling, the Company will continue to assess this in the second half of the year.
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19 Â Contingent liabilities

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To support subsidiary undertakings in their normal course of business, FirstGroup plc and certain subsidiaries have indemnified certain banks and insurance companies who have issued performance bonds for Â£50.1m (30 March 2024: Â£59.8m) and letters of credit for Â£134.0m (30 March 2024: Â£164.3m). The performance bonds primarily relate to First Rail franchise operations of Â£47.2m and residual North American obligations of Â£2.9m. The letters of credit relate substantially to insurance arrangements in the UK and North America. The parent company has committed further support facilities of up to Â£100.9m to First Rail Train Operating Companies of which Â£76.0m remains undrawn. Letters of credit remain in place to provide collateral for legacy Greyhound insurance and pension obligations.
Â
The Group is party to certain unsecured guarantees granted to banks for overdraft and cash management facilities provided to itself and subsidiary undertakings. The Company has given certain unsecured guarantees for the liabilities of its subsidiary undertakings arising under certain HP contracts, finance leases, operating leases and certain pension scheme arrangements. It also provides unsecured cross guarantees to certain subsidiary undertakings as required by VAT legislation. First Bus subsidiaries have provided unsecured guarantees on a jointÂ and several basis to the FirstGroup Pension Scheme Trustee. One of the Companyâ€™s North American subsidiaries participated in multi-employer pension plans in which their contributions were pooled with the contributions of other contributing employers. The funding of those plans is reliant on the ongoing involvement of third parties.
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In its normal course of business the Group has ongoing contractual negotiations with Government and other organisations. The Group is party to legal proceedings and claims which arise in the normal course of business, including but not limited to employment and safety claims. The Group takes legal advice as to the likelihood of success of claims and counterclaims. No provision is made where due to inherent uncertainties, no accurate quantification of any cost, or timing of such cost, which may arise from any of the legal proceedings can be determined.
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The Groupâ€™s operations are required to comply with a wide range of regulations, including environmental and emissions regulations. Failure to comply with a

particular regulation could result in a fine or penalty being imposed on that business, as well as potential ancillary claims rooted in noncompliance.
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First MTR South Western Trains Limited (FSWT), a subsidiary of the Company and the operator of the South Western railway contract, is a defendant to collective proceedings before the UK Competition Appeal Tribunal (the CAT) in respect of alleged breaches of UK competition law. Stagecoach South Western Trains Limited (the former operator of the South Western network) was also a defendant to these proceedings, but agreed a settlement of the claim against it with the class representative (CR) which was approved by the CAT in May 2024 and, as a result, the claim that was originally brought against it is not proceeding. Separate sets of proceedings have been issued against London & South Eastern Railway Limited and related entities (LSER) and against Govia Thameslink Railway Limited and related entities (GTR) in respect of the operation of other rail services. The three sets of proceedings are being heard together. The CR alleges that FSWT, LSER and GTR breached their obligations under UK competition law by not making boundary fares sufficiently available for sale, and/or by failing to ensure that customers were aware of the existence of boundary fares and/or bought an appropriate fare in order to avoid being charged twice for part of a journey. A collective proceedings order (CPO) has been made by the CAT in respect of the proceedings. The proceedings have been split into three trials, the first of which took place in June/July 2024. As at 13 November 2024, the CAT had not issued its judgment in relation to the first trial. The proceedings are currently stayed pending the decision in the first trial, meaning that no dates are yet set for the second and third trials. In MarchÂ 2022, FSWT, the Company and the CR executed an undertaking under which the Company has agreed to pay to the CR any sum of damages and/or costs which FSWT fails to pay, and which FSWT is legally liable to pay to the CR in respect of the claims (pursuant to any judgment, order or award of a court or tribunal), including any sum in relation to any settlement of the claims.
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20 Â **Related party transactions**

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There are no related party transactions or changes since the Groupâ€™s 2024 Annual Report which could have a material effect on the Groupâ€™s financial position or performance of the Group in the 26 weeks to 28 September 2024.
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21Â **Events after the reporting period**

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On 21 October, the Group announced its acquisition of Anderson Travel, a coach operator providing contracted school, private hire, mini coach and tour services in and around London. The acquisition will extend First Busâ€™ operational footprint and forms part of the Groupâ€™s strategy of targeted acquisitions to grow its share of the UK adjacent services market.
Â
On 25 October, the Group announced its acquisition of Lakeside Group, a Shropshire and Cheshire-based company that provides school, B2B and B2C private hire services, with a fleet of around 145 buses and coaches. The acquisition will grow the Groupâ€™s coaching business and offers the potential to increase our presence in the West Midlands.
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Responsibility statement

The directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first 26 weeks and their impact on the half yearly results, and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial year; and
- material related-party transactions in the first 26 weeks and any material changes in the related-party transactions described in the last annual report.

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The Directors of FirstGroup plc are listed on the Group's website at www.firstgroupplc.com.
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Graham SutherlandÂ	**Ryan Mangold**
Chief Executive OfficerÂ	**Chief Financial Officer**
14 November 2024Â	14 November 2024

Independent review report to FirstGroup plc

Report on the condensed consolidated interim financial statements

Our conclusion

Â
We have reviewed FirstGroup plcâ€™s condensed consolidated interim financial statements (the â€œinterim financial statementsâ€) in the Half-Yearly Report of FirstGroup plc for the 26 week period ended 28 September 2024 (the â€œperiodâ€).
Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority.
Â
The interim financial statements comprise:
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â€¢Â Â Â the Condensed Consolidated Balance Sheet as at 28 September 2024;
â€¢Â Â Â the Condensed Consolidated Income Statement for the period then ended;
â€¢Â Â Â the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
â€¢Â Â Â the Condensed Consolidated Cash Flow Statement for the period then ended;
â€¢Â Â Â the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
â€¢Â Â Â the explanatory notes to the interim financial statements.

Â
The interim financial statements included in the Half-Yearly Report of FirstGroup plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority.
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Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, â€˜Review of Interim Financial Information Performed by the Independent Auditor of the Entityâ€™ issued by the Financial Reporting Council for use in the United Kingdom (â€œISRE (UK) 2410â€). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.
Â
A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
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We have read the other information contained in the Half-Yearly Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.
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Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.
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Responsibilities for the interim financial statements and the review
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Our responsibilities and those of the directors
The Half-Yearly Report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half-Yearly Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority. In preparing the Half-Yearly Report, including the interim financial statements, the directors are responsible for assessing the groupâ€™s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.
Â
Our responsibility is to express a conclusion on the interim financial statements in the Half-Yearly Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.
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PricewaterhouseCoopers LLP
Chartered Accountants
Watford
13 November 2024