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FIRSTGROUP PLC

FOURTEEN NEW TRAINS TO DRIVE FIRST RAIL OPEN ACCESS GROWTH

FirstGroup plc (the "Group") is pleased to announce that it has entered into a Lease Agreement with Angel Trains Limited ("Angel Trains") and Hitachi Rail Limited ("Hitachi") for the lease of 14 new trains.

- The Group has signed an agreement with Angel Trains and Hitachi to lease 14 new five-car class 80X Hitachi electric, battery electric or bi-mode trains (70 cars in total) at a cost of c.£500m including maintenance, over a ten year lease period
- The trains will be manufactured by Hitachi in County Durham, securing the skills base and jobs in the local area
- The new trains will enable FirstGroup to significantly expand its open access portfolio and will be used on the newly announced London-Carmarthen route and to increase the number of cars on the existing Lumo and Hull Trains services
- The agreement also contains an option for FirstGroup to lease up to an additional 13 trains on the same terms if the Group's open access applications are granted by the Office of Rail and Road ("ORR")

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Prime Minister Sir Keir Starmer is visiting Newton Aycliffe, County Durham, today to celebrate a significant agreement for the Hitachi factory which has secured an order to manufacture 70 new rail cars for FirstGroup's growing open access business, creating certainty for the manufacturing skills base, and the factory's future.

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The Lease Agreement will deliver 14 new trains, which will not only give the Group a homogenous fleet across its open access operations, ensuring flexibility and reliability for customers, but also facilitates the Group's strategic objective of materially increasing its open access capacity. Delivery of the new trains is expected to commence in late 2027. The lease will be financed by Angel Trains, adding to their portfolio of Hitachi assets. The trains will be maintained by Hitachi at their facilities around the country.

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The trains will be used on the Group's open access rail services, including the Carmarthen-London route announced on 5 December, and the existing Hull Trains and Lumo services on the East Coast Mainline.

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In addition, the agreement provides the Group the option to invest another c.£460m, with options on a further 13 five-car trains, should the recently submitted open access applications be successful. These include for a new Lumo service between London and Rochdale via Newton-le-Willows, Eccles and Manchester Victoria, the extension of the Lumo service between Glasgow and Edinburgh, the expansion of the new London-Carmarthen Lumo service to introduce a new Lumo service between London and Paignton, and a new Hull Trains service between London and Sheffield via Retford and Worksop.

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Open access rail operators are set up with solely private investment and take full commercial risk and opportunity. The successful open access model, which is supported by Government and the independent regulator ORR, connects under-served places, helping to drive economic growth and providing additional capacity on core routes which can push a modal shift away from carbon-intensive travel.

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Commenting, FirstGroup Chief Executive Officer Graham Sutherland said:

"The introduction of our new service between London and Carmarthen, and the extra capacity on Lumo and Hull Trains, will significantly increase our open access portfolio over the next few years, with further expansion possible should our recent applications be successful. The new trains, to be manufactured for us in County Durham by Hitachi, will support UK manufacturing and offer customers more choice as they consider affordable, environmentally friendly modes of travel in the future, and we are pleased to be taking them forward.

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"We know that growth and innovation are key for the future of the railway sector and are committed to working with government and all our partners to provide competitive, sustainable and improved services. Successful open access services can provide new connections, add capacity, support local businesses and suppliers, secure jobs and help to drive social mobility and future economic growth."

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Jim Brewin, Chief Director of UK & Ireland at Hitachi Rail, stated:

"This contract is a positive step forward, and just recognition for the hard work and patience of our teams across the Hitachi Rail UK business over recent years. We look forward to once again delivering for Hull Trains and Lumo passengers who will benefit further from our award-winning British built trains.

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We owe a lot to the innovation and creativity shown by our customers Angel Trains and FirstGroup and are excited to work in collaboration to deliver on our combined ambitions.

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Equally, we owe a debt of thanks to the Northeast Mayor Kim McGuinness and other local MPs who have worked tirelessly in support of this private sector investment."

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Malcolm Brown, CEO of Angel Trains, said:

"This is a major milestone for the UK rail industry. In less than three months we have delivered c.£250m of investment that will bring millions more passengers onto the rail network, connect key regional centres across the UK, secure crucial manufacturing jobs and breathe new life into local economies.

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"This is the first announcement of its kind in six years but our ambitions don't stop here - this milestone represents the beginning of a new and exciting journey, which will see Angel Trains play a leading role in the green transition of our rail infrastructure."

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Forward-looking statements

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

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

About First Rail Open Access

FirstGroup owns two open access operators, Hull Trains and Lumo, and also operates Heathrow Express on behalf of Heathrow Airport Ltd.

Hull Trains has provided an open access service between Hull and London for 24 years. It runs seven services each day between Hull and London and saw the introduction of a new fleet of bi-mode trains in 2019, that have reduced CO₂ emissions by 65% compared to its previous fleet. Since Covid-19 it has experienced a 32% increase in customers (bucking national trends) and recent research shows using the service from Hull to London King’s Cross produces 12 times less CO₂ than driving. Hull Trains have increased seat capacity by 500% thanks to FirstGroup’s investment in new and longer trains.

Lumo has carried more than 3 million customers, on over 8,500 journeys between London and Edinburgh since its launch in October 2021. Its entirely electric fleet means that journeys on Lumo emit 95% less CO₂ than flying, 21 times less than a petrol car and six times less than electric vehicles.

Both Lumo and Hull Trains have collectively benefited from a £160m investment from FirstGroup.

Market liberalisation in the EU, with open access competing with state operators has proven popular. Seven of the ten busiest rail routes in Europe have competition between operators. On-Rail competition in a number of EU countries has led to more services, increased efficiency and passenger demand, lower fares, newer trains, better use of assets and reduced subsidy.

Open access businesses have demonstrated the innovation which private operators can bring to the network – they have demonstrably proven additive to rail market (often through modal shift away from less sustainable modes), rather than abstractive of contracted operations. The East Coast Mainline has recovered post-pandemic quicker than any other line of route and is the only route in the UK where passenger numbers have grown; with open access operators playing a key role in this.

About FirstGroup

FirstGroup plc (LSE: FGPL) is a leading private sector provider of public transport services. With £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 UK’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 Government’s goal to remove all diesel-only trains from service by 2040. During FY 2024 FirstGroup was named as one of the world’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.

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