

FIRSTGROUP PLC

HALF-YEARLY REPORT FOR THE 26 WEEKS TO 27 SEPTEMBER 2025

Positive earnings trajectory underpinned by further portfolio growth and improving quality and diversification of earnings in a period of transition; on course to deliver modest growth in adjusted EPS for the full year, with H2 2026 set to benefit from completed business restructuring

- Adjusted revenue up 30% to £833.6m (H1 2025 £639.6m) reflecting growth in bus revenues, the contribution of First Bus London and progress in First Rail open access and Rail services
- Group adjusted operating profit of £103.6m (H1 2025: £100.8m) with growth from recent acquisitions and some cost efficiencies in H1 2026 offset by higher employers' National Insurance contributions and conclusion of SWR NRC
- Good progress on business restructuring with savings of c.£6m of £15m target delivered in H1 2026
- Adjusted EPS increased by 16% to 9.9p (H1 2025: 8.5p) with growth supported by the repurchase of 22m shares during H1 2026
- c.£10m growth investment and H1 weighted net capex of c.£105m, principally on electrification in bus
- c.£76m returned to shareholders; includes £49m through the £50m buyback programme completed in October 2025 and the FY 2025 final dividend paid during the period
- Free cash outflow of £(35.6)m before acquisitions and returns due to accelerated First Bus investment
- Adjusted net debt at period end of £207.6m; FY 2026 year end adjusted net debt forecast to be £125m-135m, before deployment of any growth capital
- Interim dividend of 2.2p per share (H1 2025: 1.7p per share) in line with progressive policy
- Completion of Bus Section pension scheme valuation with £20m cash returned to the Group in November. c.£65m remains in escrow, with the outcome to be reviewed with the 2030 valuation

	H1 2026 (£m)			H1 2025 (£m)		
	Cont.	Disc.		Cont.	Disc.	Total
Adjusted revenue ¹	833.6	-	833.6	639.6	-	639.6
Adjusted operating profit/(loss) ²	103.6	(0.2)	103.4	100.8	-	100.8
Adjusted operating profit margin	12.4%		12.4%	15.8%		15.8%
Adjusted profit/(loss) before tax ²	76.3	(0.2)	76.1	70.8	(0.1)	70.7
Adjusted EPS ^{3,4}	9.9p		9.9p	8.5p	-	8.5p
Dividend per share			2.2p			1.7p
Adjusted net debt ⁵			207.6			0.2

Statutory	H1 2026 (£m)			H1 2025 (£m)		
	Cont.	Disc.		Cont.	Disc.	Total
Revenue	2,297.6	-	2,297.6	2,373.5	-	2,373.5
Operating profit/(loss)	103.6	(0.2)	103.4	100.3	5.9	106.2
Profit/(loss) before tax	76.3	(0.2)	76.1	70.3	5.8	76.1
EPS ⁴			9.9p			9.2p
Net debt			992.0			977.1
- Bonds, bank and other debt net of (cash)			(25.2)			(274.7)
- IFRS 16 lease liabilities			1,017.2			1,251.8

'Cont.' refers to the Continuing operations comprising First Bus, First Rail, and Group items, including Greyhound Canada. 'Disc.' refers to discontinued operations, being First Student, First Transit and Greyhound US.

Key developments

First Bus:

- Adjusted operating profit up 4% to £42.7m (H1 2025: £41.1m) in a challenging economic and policy environment; pricing actions, operational and network efficiencies, Business and Coach growth and the contribution of First Bus London offset the impact of lower commercial volumes, cost inflation and higher National Insurance contributions
- Underlying⁶ passenger volumes decreased by 4% vs. H1 2025; concessions growth of 4% offset a 7% fall in commercial volumes, reflecting the transition to the £3 fare cap, lower consumer confidence and some modal shift to other transport modes, including active travel
- Revenue growth in regional bus of 3.5%, with revenue per mile improving to £5.60 (H1 2025: £5.46)
- Total revenue up 37% to £702.9m with further operational, network efficiencies and yield improvements delivered in H1 2026; includes revenue of £150.2m from First Bus London following the completion of the acquisition in February 2025
- Continued focus on improved service delivery; 24% decrease in lost mileage, to 1.3% and NPS score up

from 13.0 to 14.9

- Business and Coach revenue increased to £105.4m, (H1 2025: £80.9m), primarily due to contract wins and extensions and contribution of recently acquired businesses
- The Group is at the forefront of fleet and infrastructure electrification and unlocking future potential revenue streams:
 - net investment of £105m on electrification alongside co-funding of c.£5m received in H1 2026 and £7m in FY 2025 for FY 2026 bus deliveries, with the balance of ZEBRA funding due in H2 2026
 - c.1,280 zero emission buses at end of September (c.23% of the fleet) including in London, with 3 fully and 17 partially electrified depots across the UK
 - 40 diesel to electric 'repowers' now in operation
 - investment in Palmer Energy Technology to bring battery energy storage units to First Bus depots
- Launch of five-year Flixbus contract, subsequent extension of Flixbus operations and acquisition of Tetley's Coaches have bolstered our Business and Coach business
- Active participation in upcoming regional franchising opportunities in England and continued evaluation of strong pipeline of strategic, value-accretive UK bolt-on acquisitions

First Rail:

- 1.43m open access passenger journeys in H1 2026 (H1 2025: 1.40m), an increase of 2%
- Open access revenue of £53.2m (H1 2025: £51.9m); industry data continues to show passenger volume growth on the East Coast Mainline, supported by open access, with c.30% more long-distance journeys in the year ending 30 June 2025 vs. 2019
- Rail Services (Mistral, FCC and First Rail Consultancy) revenue of £53.6m (H1 2025: £48.1m); provision of services to TPE and SWR continues as well as new customers; almost a third of current contracted revenues are now external customers
- DfT TOCs financial performance in line with expectations; SWR transferred to DfTO in May 2025
- First London Cableway receives 'Excellence' accreditation in Mayor of London's 'Good Work Standard' scheme
- On course to more than double existing open access capacity in the next 2-3 years:
 - rolling stock secured for London to Stirling service; full service anticipated from mid CY 2026
 - London to Carmarthen service track access commences in December 2027
 - award of Lumo Edinburgh-Glasgow extension and additional paths on Lumo and Hull Trains from December 2025
- Applications submitted to ORR for an extension to the Stirling service, a new service from Cardiff to York and a revised application for a new Rochdale to London service - in addition to ongoing applications for extensions of Carmarthen track access rights, from Paignton and Hereford to London

Outlook

- The Group anticipates modest growth in adjusted EPS in FY 2026 and to then at least maintain adjusted EPS in FY 2027, with continued investment in portfolio diversification
- Adjusted net debt is expected to be £125m-135m at the end of FY 2026, reflecting continued strong cash generation, accelerated net cash capex of c.£180m in First Bus, including new zero emission buses in London, and before the deployment of any capital on acquisitions
- The Group continues to evaluate a strong pipeline of strategic growth opportunities in bus and rail in line with our UK focused growth strategy

Commenting, Chief Executive Officer Graham Sutherland said:

"We have delivered a robust performance in H1 2026, made further progress in growing and diversifying the business and maintained our positive earnings trajectory. In the second half, we will benefit from the actions we have taken to restructure the business as well as the contribution of our recent acquisitions and expect modest growth in our adjusted earnings per share for the full year.

"Our focus remains on the delivery of our commitments, including the successful execution of our UK focused growth strategy. Underpinned by our strong balance sheet and disciplined capital allocation policy, we are well placed to deliver further benefits for all our stakeholders."

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 '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. Following further review of the components of the Adjusted revenue measure, the H1 2025 comparative data has been re-presented to reflect a £10m reduction (H1 2025 as reported: £649.6m).

² 'Adjusted operating profit/(loss)' and 'Adjusted profit/(loss) before tax' are before adjusting items as set out in note 3 to the financial statements

³ 'Adjusted earnings' 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.

⁴ 'Adjusted EPS' and EPS based on weighted average number of shares in the period of 559.7m (H1 2025: 608.5m) reflecting the current year and prior year share buybacks.

⁵ '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).

⁶ 'Underlying' adjusts for certain items which distort period-on-period trends in our commercial bus business. H1 2026 underlying bus passenger volumes exclude London and other acquisitions completed since H1 2025

Legal Entity Identifier (LEI): 549300DEJZCPWA4HKM93.

About FirstGroup

FirstGroup plc (LSE: FGP.L) is a leading private sector provider of public transport services. With around 29,000 employees, we reported revenue of £5.1 billion and transported almost 2m passengers a day in FY 2025. 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 bus operators in the UK, serving more than 25% of the population in the UK with a fleet of c.6,000 buses and coaches, and carrying more than a million passengers a day. First Rail is one of the UK's most experienced rail operators, with many years of experience running long-distance, commuter, regional and sleeper rail services. We operate a fleet of c.1,800 locomotives and rail carriages through two DfT contracted train operating companies: WCP (incorporating Avanti West Coast and West Coast Partnership Development) and GWR, and two open access routes (Hull Trains and Lumo). We are formally committed to operating a zero emission First Bus commercial 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 2025 FirstGroup received MSCI's highest possible ESG rating of AAA, was named one of the world's cleanest 200 public companies for the sixth consecutive year and holds an Industry Top-Rated status with Sustainalytics and Sustainability Yearbook membership with S&P Global. 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 on LinkedIn at <http://www.linkedin.com/company/first-group>.

CEO review

Introduction

I am pleased to report another strong set of results for the first half of our financial year, despite a challenging operating environment in UK bus and the transfer of SWR in May. Our focus on strategic execution has driven further progress in earnings, portfolio growth and diversification and returns to our shareholders. The Group is on course to deliver modest growth in adjusted earnings per share in FY 2026.

In the second half of FY 2026 we anticipate further progress in both First Bus and First Rail open access, supported by the full benefit of the measures we have taken to restructure our business as our industries evolve, and we work to mitigate the c.£16m impact of increased employers' National Insurance contributions on the Group.

Driving efficiencies in First Bus in a period of transition

The work we have done over the last few years has made First Bus a more agile and efficient business. This enabled us to respond quickly in H1 2026, to drive efficiencies and manage yield as the industry transitioned from the £2 to the £3 fare cap in January and absorbed increased National Insurance contributions, ongoing inflationary pressures and softer commercial passenger demand.

In Regional Bus, revenue grew by 3.5% despite these headwinds and the division reported adjusted operating profit of £42.7m, up from £41.1m in H1 2025. This was driven by the yield actions as well as operational and network efficiencies, further contract wins and extensions in Business and Coach and the contribution of our new businesses. These businesses, including First Bus London, are integrating well and trading in line with or ahead of expectations.

Service delivery remains core to our strategy in Bus. It continues to encourage modal shift from cars, create efficiencies, and in franchised operations, to drive client satisfaction and contract performance incentives through enhanced operational delivery. In regional bus we have seen improvements in our lost mileage, punctuality and customer metrics during H1 2026, with our businesses in London and Rochdale consistently ranking highly in the operator league tables. Together with our industry-leading decarbonisation credentials, this positions us strongly for upcoming franchising and partnership opportunities as the market evolves.

A pivotal period in our open access rail growth journey

Our two open access operations Hull Trains and Lumo, where we bear all commercial risk and opportunity, continue to perform well. In H1 2026 focus remained on effective asset utilisation, yield optimisation and strong service delivery. Continued passenger revenue growth was partially offset by mobilisation costs for our new Stirling operation which we expect to enter service next year.

Growing our open access business is a key strategic priority for the Group. We continue to see opportunities to grow our open access footprint across the UK, where we can deploy further material investment and make use of our proven expertise to connect underserved communities, enable growth for all operators and create jobs and economic growth for local communities.

Thanks to the acquisition of track access rights for two new services, between London Paddington and Carmarthen and between London Euston and Stirling, and the award of additional paths and extensions to our existing services, we are set to more than double our current capacity in the next two to three years. This growth is underpinned by the c.£500m lease agreement we entered into in December, for fourteen new trains that are being manufactured by Hitachi in County Durham, securing the skills base and jobs in the local area.

In addition to the applications we submitted to the Office of Rail and Road (ORR) last year, for extensions of our new Carmarthen service to Paignton and Hereford, we have recently submitted applications for an extension of our new Stirling service to December 2038, replacing diesel trains with new battery electric trains, a new service between Cardiff and York and a revised application for a Rochdale to London service. Should the ongoing applications referenced above be successful, the Group will make use of its option to commit further investment in new Hitachi trains, representing continued investment in UK manufacturing of c.£300m.

Hull Trains and Lumo have demonstrated what open access services can achieve for the UK rail industry. They can connect previously under-served communities and provide additional capacity and passenger choice, helping to drive more people towards rail and away from less sustainable forms of transport at a substantial benefit to the taxpayer. Open access operators operate without government subsidy and are highly productive. Lumo contributes more per train mile to infrastructure investment than any other long-distance operator. Open access operators also bring private investment into the sector, create jobs and support economic growth in the areas they serve, with Hull Trains and Lumo on track to deliver £1.4bn in economic benefits by the end of their current track access agreements.

As Great British Railways takes shape over the next few years, we firmly believe that there is a continued role for the private sector operators in the future railway, with competition on a level playing field bringing significant benefits to passengers in terms of affordable fares and greater choice. Competition raises standards for all; for example, Lumo's arrival on the East Coast Mainline also made LNER drive improvements, with the operator's customer satisfaction jumping 7%.

An experienced partner in rail, focused on delivery

In the First Rail DfT TOCs we are focused on delivering on our National Rail Contracts ahead of their transfer to public ownership. Financial performance in H1 2026 was in line with our expectations, with the transfer of SWR offset by higher variable fee income.

During our eight-year stewardship of SWR, improving the infrastructure, customer experience and rolling stock across the service enabled us to efficiently deliver high quality services for our passengers, who made more than 150 million journeys each year. I would again like to thank our teams for their hard work to ensure a successful transition, including the roll out of the new fleet of 90 Arterio trains which the DfO continues to deliver in line with the plans we set out in our handover.

In our Rail Services businesses (First Customer Contact, Mistral and First Rail Consultancy) we have seen further growth and are working to secure new and longer contracts, including with other industry participants. Nearly a third of the current contracted revenues from the Rail Services businesses are now with external customers.

Investing in our asset base to strengthen our business and unlock future growth

Alongside the transformation of our businesses, our strong cash conversion and balance sheet have allowed us to invest to modernise and strengthen our asset base.

In First Bus, we have accelerated our investment in the electrification of our fleet and depot infrastructure over the last few years, alongside available government co-funding, helping to drive forward the Government's decarbonisation agenda. Our average fleet age has come down from 10.1 years in FY 2022 to 8.8 years in H1 2026 and, as we standardise our fleet and reduce the size of our spare fleet, we are driving efficiencies and lowering engineering costs. It also positions us well to unlock future electrification adjacent revenue streams.

In First Rail, our open access businesses remain capital light. Rolling stock leases, including our recent c.£500m lease agreement mentioned above, are agreed for the duration of the track access agreement.

Looking ahead, the significant investment we have committed to our fleets and infrastructure not only advances the Group's decarbonisation ambitions but also provides a platform to leverage our strong asset base as our industries transition.

Our capital allocation policy remains unchanged

We have a strong balance sheet and a disciplined capital allocation policy incorporating investment in future growth, progressive shareholder dividends and the Board's commitment to return surplus cash to shareholders.

We have reported a period-end adjusted net debt of £207.6m, having invested £83.4m in decarbonisation and £9.5m on acquisitions and returned £76m to shareholders via dividends and our buyback programmes during H1 2026. In light of the Group's performance in H1 2026, the Board has proposed an interim dividend of 2.2p per share (H1 2025: 1.7p per share) in line with the current policy of around three times adjusted EPS cover ratio. This will result in a dividend payment of c.£12.0m, to be paid on 30 December to shareholders on the register on 28 November.

The 2024 triennial valuation of the Bus section of the Group's pension scheme has now been completed and £20m of cash was returned to the Group in November, with £20m paid to the Bus Section. c.£65m is now held in escrow for the Bus and Group Schemes until the completion of the respective 2030 valuations and we are evaluating further derisking options of the Group section.

On course to maintain our positive earnings trajectory

We expect modest growth in our Group adjusted earnings per share in FY 2026 and to then at least maintain adjusted EPS in FY 2027, from a more robust and diversified earnings base.

In First Bus, we continue to anticipate revenue of c.£1.4bn in FY 2026, including c.£300m from First Bus London. Adjusted operating profit in H2 2026 will benefit from further efficiencies and annualised cost savings from the business restructure completed in H1 offsetting the partial impact of continued inflationary pressure and the c.£15m annualised National Insurance impact on the division. The adjusted operating profit margin in regional bus is expected to normalise to c.10% in H2 2026.

In First Rail, the open access operations and Rail Services will see revenue growth offset by mobilisation costs of c.£6m in the new open access services. In the DfT TOCs, FY 2026 adjusted revenue and adjusted operating profit is expected to be lower than the prior year, reflecting the transfer of SWR to public ownership and a normalised level of variable fees.

The Government's announced policy is to bring the National Rail Contracts into public ownership at the earliest

possible opportunity, with SWR having transferred on 25 May 2025, c2c on 20 July 2025 and Greater Anglia on 12 October 2025. West Midlands is expected to transfer on 1 February 2026 and GTR on 31 May 2026, with the five remaining contracts anticipated to transfer at intervals of approximately three months in the order that their current core contractual terms expire.

As the contracts transition, we anticipate a cash inflow of c.£125m from the DfT TOCs, after any further reorganisation cash costs the Group may incur, over a three-year period from October 2025 with cash received from the management fees a year in arrears. This cash receipt includes the earnings from the division's Rail Services businesses which are expected to continue supporting the DfT TOCs for at least a year or more after the National Rail Contracts end.

We anticipate net capital expenditure of c.£180m in FY 2026 in line with our accelerated investment in First Bus decarbonisation, supported by c.£20m of government co-funding. This includes c.£30m for electric buses in London, where we are trialling the ownership model on a specific large route that was bid for using the operating lease model. Looking ahead, in the short to medium term, we expect annual net capital expenditure in First Bus to be c.£100m, unless further government co-funding becomes available.

We are forecasting a year-end adjusted net debt position of £125m-135m reflecting our strong cash generation, partially offset by the accelerated decarbonisation spend and before the deployment of any growth capital.

A strong foundation for sustainable value-accretive growth

We have a strong balance sheet and a clear, UK-focused growth strategy. As the UK bus and rail industries transition, we continue to evaluate a strong pipeline of value accretive growth opportunities in bus and rail and will deploy capital to ensure we have a diverse, high quality and sustainable earnings base, less affected by changes in public policy.

In First Bus, we are working to develop our existing commercial bus business, to grow our Business and Coach market share, with attractive, longer-term contracts and to leverage electrification efficiencies and generate new revenue streams in the energy sector. As the regional bus industry transitions, our focus on service delivery, well-capitalised, owned fleet and large network of depots across the UK will enable us to capitalise on considerable opportunities, driving future cash generation.

In First Rail, we are focused on growing our successful open access business, identifying where we can scale our Rail Services businesses, bidding for new contracts and identifying new open access opportunities in the UK.

As a leading UK bus and rail operator, we have a critical role to play in the delivery of the country's wider economic, social and environmental goals. We will continue to take a proactive approach, demonstrating our strengths as a trusted, experienced partner for the delivery of public transport services, underpinned by our significant capital commitment in decarbonisation and open access rail.

Graham Sutherland

Chief Executive Officer

17 November 2025

Business Review

First Bus

	£m	£m	
	H1 2026	H1 2025	Change
Revenue	702.9	513.7	+189.2
Adjusted operating profit	42.7	41.1	+1.6
Adjusted operating margin	6.1%	8.0%	(190)bps
EBITDA	91.7	72.7	+19.0
Revenue - Regional Bus	442.1	427.1	+15.0
Revenue - Business and Coach	105.4	80.9	+24.5
Revenue - Franchising	155.4	5.7	+149.7
Passenger volumes (m) ¹	196	204	(8)
Operational mileage (m) ²	109	83	+26
Revenue per mile (£)	6.44	6.19	+0.25
Net operating assets	867.0	658.3	+208.7
Net capital expenditure	110.6	52.4	+58.2
Return on capital employed ³	9.4%	11.4%	(200)bps

¹ Excludes First Bus London

² H1 2026 includes mileage of 16m miles from First Bus London and 3m from other acquisitions, and 6m from Somerset Passenger Solutions ("SPS") and York Pullman which were not reported in H1 2025.

³ Return on capital employed is a measure of capital efficiency and is calculated by dividing adjusted operating profit after tax by average year-end assets and liabilities excluding debt items

First Bus revenue increased to £702.9m in H1 2026 from £513.7m in H1 2025. This was driven by yield and operational efficiencies in regional bus, Business and Coach contract wins and extensions and the contribution of the recently acquired businesses including First Bus London (£150.2m). Total passenger revenue increased to £398.4m (H1 2025: £385.8m), with revenue per mile increasing from £6.19 in the prior period, to £6.44; in regional Bus revenue per mile rose to £5.60 from £5.46.

Adjusted operating profit of £42.7m in H1 2026 was slightly ahead of H1 2025 (£41.1m). A yield increase of c.10% and further network and operational efficiencies in regional bus, growth in the Business and Coach division and the contribution of First Bus London offset a c.£7m increase in employer National Insurance costs, continued inflationary pressures and lower commercial passenger volumes.

Concessionary passenger volumes continue to grow, offsetting softer commercial volumes

Concessionary passenger volumes continue to grow, offsetting some commercial volumes

The £3 fare cap in England came into effect in January 2025, replacing the £2 fare cap. To manage the transition, we acted quickly to introduce a new fare structure, making use of our 'Tap On, Tap Off' technology to introduce simple, distance-based fares.

Underlying passenger volumes decreased by 4% compared to H1 2025. A 4% growth in concessionary volumes was offset by a 7% decline in commercial volumes, resulting from the transition to the £3 fare cap, fewer discretionary journeys due to lower consumer confidence and some modal shift to other transport modes, including active travel.

The free travel for under-22s scheme in Scotland has driven volumes and in Wales, a pilot scheme offering £1 bus fares for young people saw our child and student volumes grow by over 20% against the previous summer. In Bristol, free travel for children over the summer period led to a 50% increase during the weeks when free travel was available, and we have maintained strong volumes following the conclusion of the scheme. This reinforces our support for young person funding schemes to stimulate passenger growth and encourage lifelong bus use.

Strong focus on service delivery, efficiencies and yield management

We are working hard to deliver the best possible services for our customers and to drive efficiencies in a challenging operating environment.

Our continued focus on the delivery of incremental performance improvements through our 'Everyday Actions' and 'Brilliant Basics' programmes have supported a 24% improvement in lost mileage in regional bus, to 1.3% (H1 2025: 1.7%) and our Net Promoter Score has also improved, to 14.9 (H1 2025: 13.0). Looking ahead, the roll out of new ticket machines across our regional bus operations will allow us to increase our number of transactions thanks to greater reliability and to further improve customer experience.

In addition to the new fare structure introduced in regional bus as we transitioned to the £3 fare cap in England, we have delivered further network efficiencies, working with our local authority partners to ensure there is the necessary coverage for local communities. Looking ahead, we are using our granular passenger data to monitor volumes and will continue to review fares in line with our pricing strategy. We have also restructured our network planning and marketing teams from several local units into two central teams. This will allow us to formulate and implement data-led pricing strategies, network efficiencies and marketing campaigns with greater consistency and commercial control across all business units.

Our recruitment and employee initiatives have supported increased driver productivity during H1 2026, as we recruit and train more drivers. This has also resulted in a 16% decrease in the number of agency drivers in regional bus during the period, against H1 2025. We are also benefitting from our newer electric fleet, with an average fleet age in H1 2026 of 8.8 years, including London (H1 2025: 9.0 years) and we have fuel and electricity hedging programmes in place to mitigate in-year cost inflation and overall volatility of fuel and energy costs. These programmes continue to evolve as we transition the First Bus commercial fleet to zero emission.

Industry-wide inflationary pressures remained in H1 2026. Costs increased due to inflation by c.3%, mainly in wages, where there was a 4% average increase in driver pay awards. During the period, there was increased industrial action across the UK bus industry. Industrial action in some of our bargaining units resulted in a minor impact on the division's adjusted operating profit. The majority of our largest bargaining units have now settled new pay awards, with two year awards in regional bus, in line with our focus on staggered, multi-year pay award settlements.

A material earnings contribution from First Bus London in H1 2026

Having completed the acquisition of First Bus London at the end of February 2025, the business contributed revenue of £150.2m in H1 2026. The integration of the business into First Bus is progressing well and it is performing ahead of our acquisition assumptions.

We continue to bid for route contracts in line with our investment case and securing our routes as planned. We now have c.94% of our contracted revenues secured for FY 2027. As the route contracts evolve over the next five years, we now anticipate annual revenues of £340m-370m, with operating margins in line with historical London levels of 6-7%.

In our franchised operations, service is core to our strategy, to drive client satisfaction, contract performance incentives, and modal shift through enhanced operational delivery. Both First Bus London and our Rochdale operation in Manchester consistently rank highly in the operator league tables.

Further growth in Business and Coach as we strengthen our contract base and benefit from new businesses

Revenue in Business and Coach increased by c.30%, to £105.4m. This reflects further contract extensions and wins, the launch of our Flixbus services and the contribution of our recently acquired businesses that we are successfully integrating into the business, with trading in line or ahead of their investment cases.

In July, we announced that we had acquired Tetley's Coaches, a Leeds-based coach and bus operator that has been in operation for over 75 years. Tetley's operates from a large, owned depot in Central Leeds, adjacent to our Hunslet Park depot. Tetley's has a fleet of 55 coaches and buses and a diverse portfolio of high-capacity contracts including for schools, universities, workplace shuttles and private hire in Central Leeds and throughout the West Yorkshire Combined Authority Area. The integration of the business is progressing well.

The B2B and coach market is an attractive market. It offers longer-term, high value contracts and we continue to evaluate a strong pipeline of growth opportunities that will allow us to leverage our extensive depot footprint and asset base to grow our market share across the UK, as the bus market transitions.

At the forefront of electrification

We continue to make good progress towards our target of a zero emission commercial bus fleet by 2035. In H1 2026 our accelerated investment in decarbonisation continued, with investment of £105m during the period alongside government co-funding of c.£5m received in the period and c.£7m in the prior year for FY 2026 bus deliveries, with the balance of ZEBRA co-funding anticipated in H2 2026. At the end of September 2025, we had c.1,280 zero emission buses in operation, c.23% of our fleet, including in London, and three fully and 17 partially electrified depots across the UK. Electrification construction works are currently underway at four further depots.

We have also continued to invest in repowered vehicles (mid-life diesel or hybrid vehicles that are repowered with an electric drivetrain, powered by batteries) and are now operating 40 repowers from NewPower, an entity of UK manufacturer Wrightbus. Repowers benefit from reduced emissions and lower operating costs and are cheaper than new electric buses and are undertaken at the point of the major diesel engine overhaul. Investing in repowers can extend the lifespan of buses and avoids the emissions of manufacturing new vehicles, forming an important strand of our decarbonisation strategy.

Depot and fleet electrification allows us to standardise our fleet and reduce the size of our spare fleet to drive efficiency and lower engineering costs and also enables us to unlock future adjacent revenue streams.

We now have more than 1,300 charging outlets at our depots across the UK and continue to secure third-party charging contracts. In H1 2026 we launched the 'First Charge' brand at fifteen depots in Scotland and England, providing third parties with access to our ultra rapid charging infrastructure at competitive rates.

In August we invested in a minority stake in Palmer Energy Technology, to bring battery storage units to our sites. Bus batteries can typically be used for eight to ten years on bus and can then be repurposed for a 'second life' as static energy storage, as much of a battery's capacity remains at the end of its useful bus life. This secondary use extends battery commercial life by several more years, before it reaches end of life and is recycled.

We installed a one megawatt battery energy storage facility at our Hoeford depot in Hampshire in August, with a second storage facility due to be installed in Aberdeen early next year, and we are exploring opportunities to create more battery sites across the UK over time to drive further cost efficiencies and provide a potential platform for second life use of bus batteries.

A strong partner in franchising and partnerships

With a number of Mayoral Authorities outside London choosing franchising as their preferred future option for bus delivery, the regional bus market will see considerable change over the next few years. This includes some areas where we currently operate, and others where we do not, representing an opportunity for us to enter new markets.

We are a leading, highly experienced operator with a track record of delivering quality bus operations under contract in London and Greater Manchester, well positioned to actively take part in franchising opportunities as they commence. Authorities progressing with the development and procurement of bus franchise schemes include those covering Liverpool City Region, West Yorkshire, South Yorkshire, Wales, and the West Midlands.

We have good experience of both the franchise and Enhanced Partnership models. In Leicester and Portsmouth, for example, investments of c.£100m and £76m respectively in their enhanced partnerships between 2022 and 2025 have resulted in passenger growth of 26% and 41% since the start of the period. In Rochdale's franchised Bee Network for Transport for Greater Manchester our punctuality has improved by more than 10%, and in London, where we operate routes under contract to Transport for London, we lead performance tables.

Regardless of the bus service delivery 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. Our aim is to drive modal shift and encourage more people to use the bus, and 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.

Looking ahead

H2 2026 will benefit from further efficiencies and the actions we have taken to mitigate the transition from the £2 to the £3 fare cap, continued inflationary pressure and the c.£15m annualised increase in employers' National Insurance contributions. We anticipate full year revenue of c.£1.4bn, including c.£300m from First Bus London, with the regional bus division's adjusted operating profit margin to normalise to c.10% in H2 2026, further progress in profitability in First Bus London and the Business and Coach segment to contribute double digit margins.

We expect accelerated net capital expenditure of c.£180m, principally on decarbonisation, including c.£30m on electric buses in London, where we are assessing the potential benefits of the vehicle ownership model on a specific large route.

Looking further ahead, as the UK bus market transitions, we are well placed to further grow our earnings, leveraging our expertise, strong asset base and decarbonisation credentials. We intend to win our fair share of the franchise market, further progress our regional bus business, grow annual revenue in First Bus London to c.£340m-370m from FY 2028 onwards, continue to grow our Business and Coach earnings and market share, and we have a strong pipeline of growth opportunities in existing and new areas across the UK.

First Rail

	£m	£m	
	H1 2026	H1 2025	Change
Adjusted revenue from DfT TOCs ¹	24.1	26.0	(1.9)
Revenue from open access and Rail Services ²	106.8	100.0	+6.8
First Rail Adjusted Revenue	130.9	126.0	+4.9
Adjusted operating profit from DfT TOCs	39.7	44.1	(4.4)
Adjusted operating profit from open access and Rail Services	26.9	23.8	+3.1
First Rail adjusted operating profit	66.6	67.9	(1.3)
Passenger journeys (m) - open access operations	1.43	1.40	+0.03

¹ 'Adjusted revenue' is revenue excluding that element of DfT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk. The Adjusted revenue measure includes management and performance fee income earned by the Group from its DfT TOC contracts; refer to Note 3 on page 36 for further detail

² Includes intra divisional eliminations related to affiliated trading with the open access operations

The First Rail division reported total adjusted revenue of £130.9m in H1 2026 (H1 2025: £126.0m). The division's open access operations contributed £53.2m in revenue for the period, up from £51.9m in the prior year. The division's Rail Services businesses delivered revenue of £53.6m (H1 2025: £48.1m) and adjusted operating profit of £10.6m (H1 2025: £5.7m).

The division's two open access operations Hull Trains and Lumo, where we bear all revenue and cost risk and opportunity, delivered adjusted operating profit of £16.3m (H1 2025: £18.1m), with c.£1.3m of mobilisation costs for the new Stirling service and a small impact on Hull Trains from industrial action during the period. Passenger journeys increased to 1.43m (H1 2025: 1.40m), with softer leisure passenger volumes at Hull Trains during the summer offset by a strong ramp up in business travellers from September. Hull Trains continue to operate ten car operations where appropriate to maximise seat availability. Lumo continued to see strong passenger demand during the period.

The Department for Transport Contracted Train Operating Companies (DfT TOCs) operate National Rail Contracts (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, which includes various operational targets designed to incentivise service delivery for customers.

The DfT TOCs' financial performance was in line with expectations in H1 2026. Reported adjusted operating profit for the period totalled £39.7m (H1 2025: £44.1m), with SWR transferring to the DfT Operator Limited (DfTO) in May 2025 offset by higher variable fees.

Rail attributable net income from the DfT TOCs - being the Group's share of the management fee income available for distribution from the GWR, SWR and WCP DfT contracts - was £15.3m (H1 2025: £14.0m).

In H1 2026 SWR reported revenue of £176.0m and adjusted operating profit of £5.2m. The IFRS 16 impact, which the Group excludes from adjusted earnings, comprises operating profit of £0.6m and interest cost of £0.1m. Net attributable fees earned by the Group were £2.4m after the non-controlling interest of £1.0m. No IFRS 16 leases were recognised on the balance sheet at the end of H1 2026 (FY 2025: £23.1m), and SWR had £64.1m of ring-fenced cash (FY 2025: £88.1m), which is anticipated to be returned in due course.

Significant growth to come in open access

Growing our highly successful open access business is a key component of the Group's strategy to grow and

Growing our highly successful open access business is a key component of the Group's strategy, to grow and diversify in attractive markets and to help drive a modal shift to bus and rail. We have continued to make good progress in this regard during H1 2026, with the award of extensions to our existing services which together with the new Stirling and Carmarthen services, will more than double our existing capacity in the next two to three years.

In May 2025 we entered into rolling stock leases for our new London to Stirling service with Eversholt Rail, for the duration of the current track access agreement to 2030. This includes five Class 222 six car diesel trains with a total seat capacity of c.340 standard class seats per service, representing c.447m annual seat miles when fully operational. We expect the service to be fully operational from mid CY 2026 following the delivery of the trains and staff training.

In July, we announced that the ORR had approved applications for additional paths and an extension to our existing open access services from December 2025, representing an additional c.118m seat miles (+13%). These include the extension of two existing northbound and one existing southbound Lumo service between Edinburgh and Glasgow on weekdays and one extension in each direction on Sundays. The extended service will call at Glasgow Queen Street, Falkirk High and Edinburgh Haymarket. We were also granted an additional daily return service on Lumo between Newcastle and London and one additional Hull Trains service between London and Hull on weekdays and Saturdays. We will use existing rolling stock to deliver these extended services.

We were disappointed that the ORR did not approve the application for a new Hull Trains service between London and Sheffield and we will continue to explore further potential opportunities for the route. The proposed route would have provided Sheffield with the first regular service from London King's Cross since 1968 and an estimated 350,000 people in the Worksop and Woodhouse catchment areas would have had direct rail access to London, with all of the economic benefit this would have brought.

Looking ahead, we have applications in with the ORR for an extension of our existing track access rights for the new Carmarthen service, from Paignton to London and Hereford to London, and we have recently submitted three further applications. These include an extension of our current track access rights for the Stirling service to December 2038, with the addition of five new, battery electric trains from December 2028, a revised application to run services between London Euston and Rochdale from December 2028 to December 2038, and for a new route between Cardiff and York via Birmingham, Derby and Sheffield from December 2028 to December 2033.

We have committed significant investment to facilitate the growth of our open access services, including our c.£500m ten-year lease and maintenance agreement for 14 new five-car class 80X Hitachi electric, battery or bi-mode trains. The trains are being manufactured by Hitachi in County Durham, securing the skills base and jobs in the local area. Should the ongoing applications referenced above be successful, the Group will make use of its option to commit further investment in new Hitachi trains, representing a further investment in UK manufacturing of c.£300m.

Further growth in Rail Services

Our Rail Services businesses - First Customer Contact (FCC), Mistral Data and First Rail Consultancy, generated revenues of £53.6m in H1 2026, up from £48.1m in H1 2025. We continue to provide services to TPE and SWR and, during the period, FCC continued to extend contracts and First Rail Consultancy further diversified its client portfolio beyond passenger rail, with clients now including a strategically important freight programme for Network Rail. Almost a third of current contracted revenues are now with third parties. Looking ahead, we believe that private sector ancillary services providers will continue to be vital to the success of the rail industry, bringing experience, expertise and benefits to the sector.

Focus on delivery in our National Rail Contracts

In the DfT TOCs we remained focused on operational delivery and making use of our experience and expertise to enhance the service offering and create innovative solutions for the rail industry.

In July, GWR received official confirmation that following an extensive period of trials in various weather conditions, its industry-first battery-electric train had achieved a world record distance of 200.5 miles on a single charge. Investment in battery technology could support the decarbonisation of rail travel in the future, as whilst overhead lines will remain the first choice to power electric trains, where that is not possible or desirable, battery technology offers a reliable and efficient alternative.

Avanti West Coast has continued to improve customer experience which in H1 2026 included the delivery of a key investment programme at Wigan North Western station. Redesigned and refurbished station areas have created more welcoming environments, and the addition of eight new 'Welcome Hosts' will help customers travelling to and from the station.

London Cableway

We have now operated the London Cableway for more than a year and are delighted that First London Cableway has been recognised with an 'excellence' accreditation under the Mayor of London's 'Good Work Standard' scheme. Administered by City Hall, the accreditation is awarded to employers who demonstrate a strong commitment to their workforce across several key areas, including fair pay through measures such as the London Living Wage, fostering staff wellbeing and engagement and promoting both skills development and inclusive recruitment practices. To celebrate this achievement, a specially designed cable car was unveiled by Howard Dawber, Deputy Mayor for Business and Growth.

A period of significant change in UK Rail

As the National Rail Contracts are transferred to public ownership and Great British Railways (GBR) is established the UK rail industry will be transformed.

As GBR takes shape, we believe that there is a continued role for the private sector operators, with competition on a level playing field bringing significant benefits to passengers in terms of affordable fares and greater choice. Competition raises standards for all - for example, Lumo's arrival on the East Coast Mainline also made LNER drive improvements, with the operator's customer satisfaction jumping 7%. An additional six million journeys have been made on the London to Edinburgh route since the commencement of Lumo four years ago, with total rail passengers from long distance operators up 7.1m per year since 2019.

Hull Trains and Lumo have demonstrated what open access services can achieve for the UK rail industry. They can connect previously under-served communities, and provide additional capacity, helping to drive more people towards rail and away from less sustainable forms of transport at a substantial benefit to the taxpayer. Open access operators operate without government subsidy and are highly productive for the wider UK economy. Lumo also contributes more per train mile to infrastructure investment than any other long-distance operator, which represents a material benefit to the taxpayer. Hull Trains and Lumo are on track to deliver £1.4bn in economic benefits by the end of their current track access agreements.

Open access operators bring significant private investment to both the rail sector and UK manufacturing. Despite accounting for less than 1% of the railway, open access has accounted for over a quarter of all new rolling stock investment during the last five years, creating jobs and supporting local supply chains.

Having been one of the largest rail operators in the UK for more than 25 years, we are well positioned to work with GBR to add value and improve services. Enhancing rail connections is critical to boosting economic growth in the UK and we believe that, delivered effectively, rail reform will ensure the industry can grow passenger numbers, generate greater revenues and develop the value of rail in a customer-focused, dynamic and efficient environment.

Outlook

For FY 2026, we anticipate First Rail's adjusted revenue and adjusted operating profit will be marginally lower than FY 2025, with lower fees following the transfer of SWR to public ownership, a lower impact from IFRS 16 reflecting lease terms and a normalised level of DfT TOC performance fees. In open access, further progress will be partially offset by mobilisation costs of c.£6m for the new open access operations.

The Government's announced policy is to bring the NRCs into public ownership at the earliest possible opportunity, with SWR transferring on 25 May 2025, c2c on 20 July 2025 and Greater Anglia on 12 October 2025. West Midlands is expected to transfer on 1 February 2026 and GTR on 31 May 2026, with subsequent contracts anticipated to transfer at intervals of approximately three months in the order that their current core contractual terms expire.

As the contracts transfer, we anticipate a cash inflow of c.£125m from the DfT TOCs, including any further reorganisation cash costs the Group may incur, over a three-year period from October 2025 with cash received from the management fees a year in arrears. This cash receipt includes the earnings from the division's Rail Services businesses that are expected to continue supporting the DfT TOCs for a year or more after the NRCs end.

We expect our new London to Stirling service to be fully operational from mid CY 2026, and following a period of mobilisation, to deliver annual revenues of c.£50m with a low double digit adjusted operating profit margin, post IFRS 16. Our London to Carmarthen service is expected to begin operations in December 2027 and following a c.two-year mobilisation period, we anticipate annual revenues of c.£50m, again with a low double digit post IFRS 16 adjusted operating profit margin.

As the rail industry transitions, we are focused on growing in open access, identifying where we can scale our Rail Services businesses, bidding for new contracts, and identifying new open access opportunities in the UK.

Financial review

Adjusted revenue from continuing operations increased to £833.6m (H1 2025: £639.6m). First Bus revenue increased by 37% to £702.9m, principally reflecting the impact of the First Bus London acquisition which added £150.2m, underlying passenger revenue growth of 2.3%, and other First Bus revenue growth, partly offset by marginally softer commercial volumes with concessionary volumes higher. First Rail saw a 6.8% increase in revenue across its open access and Rail Services businesses. DfT TOC variable fees were marginally lower, mainly as a result of the expiry of the South Western Railway National Rail Contract (NRC) in May 2025.

Operating performance

Adjusted operating performance by division is as follows:

	26 weeks to 27 September 2025			26 weeks to 28 September 2024			52 weeks to 29 March 2025		
	Adjusted Revenue ¹ £m	Adjusted operating profit ² £m	Adjusted operating margin ² %	Adjusted Revenue ¹ £m	Adjusted operating profit ² £m	Adjusted operating margin ² %	Adjusted Revenue ¹ £m	Adjusted operating profit ² £m	Adjusted operating margin ² %
First Bus	702.9	42.7	6.1	513.7	41.1	8.0	1,081.5	96.0	8.9
First Rail	130.9	66.6	50.9	126.0	67.9	53.9	288.8	148.8	51.5
Group items/ eliminations ³	(0.2)	(5.7)	n/a	(0.1)	(8.2)	n/a	(0.3)	(22.0)	n/a
Continuing operations	833.6	103.6	12.4	639.6	100.8	15.8	1,370.0	222.8	16.3
Discontinued operations ⁴	-	(0.2)	n/a	-	-	n/a	-	(0.6)	n/a
Total	833.6	103.4	12.4	639.6	100.8	15.8	1,370.0	222.2	16.2

Statutory operating performance by division is as follows:

	26 weeks to 27 September 2025			26 weeks to 28 September 2024 restated ⁵			52 weeks to 29 March 2025 restated ⁵		
	Revenue £m	Operating profit £m	Operating margin %	Revenue £m	Operating profit £m	Operating margin %	Revenue £m	Operating profit £m	Operating margin %
First Bus	702.9	42.7	6.1	513.7	41.1	8.0	1,081.5	96.0	8.9
First Rail	1,604.8	66.6	4.2	1,872.4	67.9	3.6	4,180.7	148.8	3.6
Group items ³	(10.1)	(5.7)	n/a	(12.6)	(8.7)	n/a	(28.3)	(22.2)	n/a
Continuing operations	2,297.6	103.6	4.5	2,373.5	100.3	4.2	5,233.9	222.6	4.3
Discontinued operations ⁴	-	(0.2)	n/a	-	5.9	n/a	-	4.9	n/a
Total	2,297.6	103.4	4.5	2,373.5	106.2	4.5	5,233.9	227.5	4.3

¹ 'Adjusted revenue' is revenue excluding DfT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk.

Following further review of the components of the Adjusted revenue measure, the H1 2025 comparative data has been re-presented to reflect a £10m reduction (H1 2025 as reported: £649.6m).

² 'Adjusted operating profit' and 'Adjusted operating margin' 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 Group's residual Greyhound US activities.
- ⁵ The Group has identified certain funding mechanisms with the DfT where amounts due to the DfT have previously been treated as deductions from revenue. Upon further review, the Group has judged that these amounts should instead be recognised as an expense in the income statement. The prior year income statement comparative information has been re-presented accordingly. The re-presentation is within the income statement and has no impact on profit measures or the other primary statements.

Adjusted operating profit from continuing operations was £103.6m (H1 2025: £100.8m), with growth from recent acquisitions and some cost efficiencies delivered during H1 2026, offset by £7m higher employers' National Insurance contributions, and the conclusion of the South Western Railway National Rail Contract. First Bus adjusted operating profit was up 3.9%, with pricing actions, operational and network efficiencies, Business and Coach growth and the contribution of First Bus London offsetting the impact of marginally lower volumes, cost inflation and higher National Insurance contributions. First Rail adjusted operating profit was marginally lower than the prior year, reflecting the transfer of SWR to the DfT in May 2025, partially offset by higher variable fees in the DfT TOCs. Adjusted operating profit from open access and Rail Services was higher than the prior year, with growth in Lumo and Hull Trains and provision releases offset by mobilisation costs for the new Stirling route. Central costs were £5.7m with the decrease mainly due to cost efficiencies realised following the business restructure. The Group has delivered business restructuring savings of £6m in H1 2026, in line with the annualised run rate target of £15m for the year.

The Group's EBITDA measure, adjusted for First Rail management fees performance, was higher year-on-year driven mostly by better performance in First Bus driven by acquisitions, and enhanced variable fee recognition in H1 2026 (partially offset by the SWR contract ending) and strong performance in Rail Services businesses.

	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m	52 weeks to 29 March 2025 £m
First Bus EBITDA ¹	73.3	63.9	144.0
Attributable net income from First Rail DfT contracted TOCs ²	15.3	14.0	39.0
First Rail - open access and Additional Services EBITDA ¹	28.9	22.6	40.8
Group central costs (EBITDA basis ¹)	(5.7)	(8.0)	(21.4)
Group EBITDA adjusted for First Rail DfT contracted TOCs¹ management fees	111.8	92.5	202.4

¹ Pre-IFRS 16 basis.

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

Adjusted earnings were £55.5m (H1 2025: £51.8m), primarily driven by the increase in adjusted operating profit.

	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m	52 weeks to 29 March 2025 £m
First Bus adjusted operating profit	42.7	41.1	96.0
First Rail adjusted operating profit	66.6	67.9	148.8
Group central costs (operating profit basis)	(5.7)	(8.2)	(22.0)
Group adjusted operating profit	103.6	100.8	222.8
Interest	(27.3)	(30.0)	(57.7)
Profit before tax	76.3	70.8	165.1
IFRS 16 DfT contracted TOCs adjustment	0.6	1.3	(1.1)
Taxation	(19.1)	(17.8)	(41.1)
Non-controlling interest	(2.3)	(2.5)	(7.1)
Group adjusted earnings	55.5	51.8	115.8

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.

There were no adjusting items in H1 2026.

The principal adjusting items in H1 2025 were as follows:

Greyhound Canada

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

The principal H1 2025 adjusting items in relation to the operating profit adjustments - discontinued operations were as follows:

CARES receipt

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

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 (£123m) at the FY 2024 year-end were removed from the Group's balance sheet and the

intangible assets valued at £10.1m (£12.0m) at the 11 2024 year-end were removed from the Group's balance sheet and the Group recognised a net settlement gain after related costs of £5.5m in the income statement as an adjusting item.

Group statutory operating profit

Statutory operating profit (continuing basis) was £103.6m (H1 2025: £100.3m).

Finance costs and investment income

Net finance costs were £27.3m (H1 2025: £30.0m) with the decrease principally due to lower IFRS 16 interest charges in the DfT TOCs, and the impact of the bond maturing in the prior year. This was partly offset by interest charges on the higher net debt in the period following the acquisition of First Bus London in February 2025, and lower interest receivable on deposits.

Profit before tax

Statutory profit before tax (continuing basis) was £76.3m (H1 2025: £70.3m). Adjusted profit before tax (continuing basis) as set out in note 3 to the financial statements was £76.3m (H1 2025: £70.8m).

Tax

The tax charge on adjusted profit before tax on continuing operations was £19.1m (H1 2025: £17.8m), representing an effective tax rate of 25.0% (H1 2025: 25.1%). The effective rate remains broadly in line with the UK rate. The total tax charge, including tax on discontinued operations, was £19.1m (H1 2025: £17.8m). The actual cash tax during the period was a receipt of £1.9m as a result of a tax refund for the carry back of tax losses within the DfT TOCs, and current year cash tax benefitting from the accelerated allowances on the investment in the Bus fleet (H1 2025: £0.8m tax paid).

The ongoing Group's effective tax rate is expected to be broadly in line with UK corporation tax levels (currently 25%) with future cash taxes benefitting in the short to medium term from brought forward losses and accelerated capital allowances.

EPS

Adjusted continuing EPS was 9.9p (H1 2025: 8.5p). Basic continuing EPS was 9.9p (H1 2025: 8.2p).

Shares in issue

As at 27 September 2025 there were 543.8m shares in issue (H1 2025: 598.6m), excluding treasury shares and own shares held in trust for employees of 206.9m (H1 2025: 152.1m). The Company's £50m share buyback programme completed on 3 October 2025 having repurchased 22,439,652 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 559.7m (H1 2025: 608.5m).

Capital allocation framework

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

Investment	·	First Bus: £180m accelerated net cash capex for FY 2026, mostly on electrification alongside government co-funding; includes c.£30m for London buses where ownership model is being assessed
		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	·	Actively reviewing strong pipeline of UK bus and rail opportunities where this creates value for shareholders and exceeds the Group's post-tax WACC (c.9%)
Returns for shareholders	·	Progressive dividend policy currently around 3x cover of Group adjusted earnings; paid interim and 2/3 final dividend
	·	Interim dividend of 2.2p per share proposed
	·	The Board remains committed to returning surplus cash to shareholders
Balance sheet	·	Less than 2.0x Adjusted Net Debt: Adjusted EBITDA target in the medium term

Dividend

The Board has proposed an interim dividend of 2.2p per share (c.£12.0m in aggregate), to be paid on 30 December 2025 to shareholders on the register at 28 November 2025.

Adjusted cash flow

The Group's adjusted cash outflow of £(212.2)m (H1 2025: outflow of £(7.8)m) in the period reflects strong underlying cash generated by operations offset by higher capital outflows relating to investment in First Bus fleet and infrastructure decarbonisation, the impact of the share buyback programme, lease payments and movement in First Rail ring-fenced cash (£85.9m working capital outflow since FY 2025). The adjusted cash flow is set out below:

	to 27 September 2025 £m	28 September 2024 £m	52 weeks to 29 March 2025 £m
Adjusted EBITDA	341.6	362.0	779.8
Other non-cash income statement charges	4.0	6.4	10.3
Working capital	(91.9)	19.1	75.7
Movement in other provisions	(25.9)	(31.3)	(27.9)
Movement in financial assets/contingent consideration receivable	(0.3)	(1.0)	(1.0)
Pension payments lower than income statement charge	(1.1)	(4.7)	(8.7)
Cash generated by operations	226.4	350.5	828.2
Capital expenditure	(136.4)	(72.5)	(156.4)
Acquisitions and strategic growth investments	(9.5)	(1.5)	(86.5)
Proceeds from disposal of property, plant and equipment	11.4	10.1	17.9
Proceeds from capital grant funding	38.3	23.8	66.4
Interest and tax	(25.6)	(31.6)	(66.3)
Shares purchased for Employee Benefit Trust	(20.3)	(9.3)	(16.1)
Share repurchases from buyback programmes, including costs	(48.7)	(41.4)	(91.8)
External dividends paid	(26.9)	(24.0)	(34.2)
Dividends paid to non-controlling interests	-	-	(3.4)
Lease payments in debt	(220.9)	(211.9)	(476.6)
Adjusted cash flow	(212.2)	(7.8)	(18.8)
Foreign exchange movements	-	1.5	0.2
Net inception of leases	(25.9)	(37.9)	(288.0)
Lease payments in debt	220.9	211.9	476.6
Movement in net debt in the period	(17.2)	167.7	170.0
Reconciliation to movement in adjusted net debt			
Ring-fenced cash	82.9	(25.3)	(66.1)
IFRS 16 lease liabilities	(186.4)	(206.7)	(254.9)
Movement in adjusted net debt	(120.7)	(64.3)	(151.0)
Reconciliation to free cash flow			
Add back: Acquisitions and strategic growth	9.5	1.5	138.5
Add back: Dividends	26.9	24.0	34.2
Add back: Share buyback	48.7	41.4	91.8
Free cash flow	(35.6)	2.6	113.5

Free cash flow for the 26 weeks ended 27 September 2025 is as follows:

	Open Access & Other Rail £m	DfT TOCs £m	First Bus £m	Group Items £m	Total Group £m
EBITDA	28.9	-	73.3	(5.7)	96.5
DfT TOC management fees	-	9.2	-	-	9.2
Working capital	(5.0)	-	(11.7)	(0.6)	(17.3)
Cash flow from operations	23.9	9.2	61.6	(6.3)	88.4
Capital expenditure	(0.4)	-	(114.8)	-	(115.2)
Disposal proceeds	0.3	-	11.0	0.1	11.4
DB pension higher than Income Statement	(0.6)	-	(0.7)	0.2	(1.1)
Interest and tax	(0.1)	-	(3.3)	(0.6)	(4.0)
Other movements	2.4	-	1.6	(19.1)	(15.1)
Free cash flow	25.5	9.2	(44.6)	(25.7)	(35.6)

Free cash flow for the 26 weeks to 28 September 2024 was as follows:

	Open Access & Other Rail £m	DfT TOCs £m	First Bus £m	Group Items £m	Total Group £m
EBITDA	22.5	-	63.9	(7.9)	78.5
DfT TOC management fees	-	9.2	-	-	9.2
Working capital	5.5	-	(20.4)	(0.7)	(15.6)
Cash flow from operations	28.0	9.2	43.5	(8.6)	72.1
Capital expenditure	(8.4)	-	(51.5)	(0.4)	(60.3)
Disposal proceeds	-	-	9.8	0.7	10.5
DB pension higher than Income Statement	(3.0)	-	(2.0)	(4.5)	(9.5)
Interest and tax	0.2	-	(2.9)	(4.3)	(7.0)
Other movements	-	-	-	(3.2)	(3.2)

Free cash flow	16.8	9.2	(3.1)	(20.3)	2.6
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First Bus London

The Group is currently undertaking the purchase price allocation exercise for First Bus London, and this has identified a number of adjustments to reflect the fair value of the assets and liabilities acquired. IFRS 3 Business Combinations allows the Group 12 months from the date of acquisition to finalise this exercise, and the standard acknowledges that it will be necessary to estimate certain acquisition adjustments and fair values. The purchase price allocation exercise is not yet complete and the acquisition adjustments and closing fair values are therefore disclosed in the interim financial statements as provisional and as reported at FY 2025. These will be finalised within the timeframe permitted by IFRS 3.

Capital expenditure

Non-First Rail cash capital expenditure was £114.7m, which related to First Bus and Group items (H1 2025: £60.1m). First Rail cash capital expenditure was £21.7m (H1 2025: £12.4m) and is typically matched by receipts from the DfT under current contractual arrangements or other funding.

During the period leases in the non-First Rail divisions were entered into with capital values in First Bus of £23.1m and Group items of £0.8m (H1 2025: Bus £9.2m and Group items £0.7m). First Rail entered into leases with a capital value of £5.0m (H1 2025: £21.8m). During the period asset backed financial liabilities were entered into in First Bus of £40.5m (H1 2025: £35.1m).

Non-First Rail gross capital investment (fixed asset and software additions, plus the capital value of new leases) was £111.4m and comprised First Bus £110.6m and Group items £0.8m (H1 2025: £53.1m, comprising First Bus £52.4m, Group items £0.7m). First Rail gross capital investment was £25.0m (H1 2025: £35.8m). 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.

Funding

As at the period end, the Group had £453.9m of undrawn committed headroom and free cash (FY 2025: £628.3m), being £270.0m (FY 2025: £295.0m) of committed undrawn headroom on the RCF, £59.9m (FY 2025: £92.4m) committed undrawn headroom on the Husk Financer Facility, £33.6m (FY 2025: £40.9m) committed undrawn headroom on the NextGen battery finance facility, £nil (FY 2025: £85.0m) under the term loan facility, and £90.4m (FY 2025: £115.0m) of net free cash after offsetting overdraft positions.

Net debt

As at 27 September 2025 the Group's adjusted net debt, which excludes IFRS 16 lease liabilities and ring-fenced cash, was £(207.6)m (FY 2025: £(86.9)m). Reported net debt was £(992.0)m (FY 2025: £(974.8)m) after IFRS 16 and including ring-fenced cash of £232.8m (FY 2025: £315.7m), as follows:

	27 September 2025 £m	28 September 2024 £m	29 March 2025 £m
Analysis of net debt			
Bank loans and overdrafts	97.8	70.6	56.4
Lease liabilities	1,017.2	1,251.8	1,203.6
Asset backed financial liabilities	147.2	72.1	115.3
NextGen (Hitachi JV) facility	23.6	19.4	19.9
Bank loans	127.2	-	66.7
Gross debt excluding accrued interest	1,413.0	1,413.9	1,461.9
Cash	(188.2)	(161.9)	(171.4)
First Rail ring-fenced cash and deposits	(226.4)	(271.2)	(308.8)
Other ring-fenced cash and deposits	(6.4)	(3.7)	(6.9)
Net debt excluding accrued interest	992.0	977.1	974.8
IFRS 16 lease liabilities - rail	877.7	1,198.7	1,074.4
IFRS 16 lease liabilities - non-rail	139.5	53.1	129.2
IFRS 16 lease liabilities - total	1,017.2	1,251.8	1,203.6
Net cash excluding accrued interest (pre-IFRS 16)	(25.2)	(274.7)	(228.8)
Adjusted net debt (pre-IFRS 16 and excluding ring-fenced cash)	207.6	0.2	86.9

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-

tenced cash represents that which is not yet approved for distribution while prior year fees are being finalised, or the amount required to satisfy the liquidity ratios at the balance sheet date.

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.

Fuel and electricity price risk

We use a progressive forward hedging programme to manage commodity risk. As at November 2025, 90% of our 'at risk' First Bus diesel requirements for H2 2026 was hedged at an average rate of 46p per litre, 77% of our requirements for the year to the end of March 2027 at 43p per litre, and 25% of our requirements for the year to the end of March 2028 at 41p per litre. We also have an electricity hedge programme in place, with 68% of our consumption (based on current consumption forecasts) hedged for H2 2026 at £80/MWh, 63% for FY 2027 at £73/MWh and 23% for FY 2028 at £69/MWh.

Foreign currency risk

'Certain' and 'highly probable' 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.

Foreign exchange

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

	27 September 2025		28 September 2024		29 March 2025	
	Closing rate	Effective rate	Closing rate	Effective rate	Closing rate	Effective rate
US Dollar	1.34	1.35	1.34	1.32	1.29	1.25
Canadian Dollar	1.87	1.87	1.81	1.80	1.85	1.93

Pensions

We have updated our pension assumptions for the defined benefit schemes in the UK and Canada. The net pension surplus of £22.8m at the beginning of the reporting period moved to a net deficit of £29.0m as at 27 September 2025, with the movement principally due to experience and demographic factors in the 2024 triennial valuation, and reduced valuations. The main factors that influence the balance sheet position for pensions and the principal sensitivities to their movement at 27 September 2025 are set out below:

	Movement	Impact
Discount rate	-0.1%	Increase deficit by £12.7m
Inflation	+0.1%	Increase deficit by £9.1m
Life expectancy	+1 year	Increase deficit by £36.9m

Legacy Greyhound pension obligations in the USA were fully discharged in the prior year. An adjusting net settlement gain after related costs of £5.5m was recognised in the H1 2025 income statement.

Balance sheet

Net assets have decreased by £72.5m since 29 March 2025.

	As at 27 September 2025 £m	As at 28 September 2024 £m	As at 29 March 2025 £m
Balance sheets - net assets/(liabilities)			
First Bus	867.0	658.3	813.3
First Rail	685.2	968.3	798.4
Divisional net assets	1,552.2	1,626.6	1,611.7
Group items (including Greyhound Canada)	94.5	90.2	80.6
Borrowings and cash	(992.0)	(977.1)	(974.8)

Taxation	(14.7)	(38.5)	(5.0)
Held for sale assets	-	0.1	-
Total	640.0	701.3	712.5

Events after the reporting period

In November, the 2024 triennial valuation of the Bus section of the Group's pension scheme was completed and £20m of cash has been returned to the Group post the balance sheet date, with £20m paid to the Bus Section.

Approximately £65m will be held in escrow for the Bus and Group schemes until the completion of the respective 2030 valuations where certain illiquid assets and liability assumptions are better known.

Going concern

The Board carried out a review of the Group's financial projections for the 18 months to 31 March 2027 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.

Definitions

Unless otherwise stated, all financial figures for the 26 weeks to 27 September 2025 (the 'first half', the 'period' or 'H1 2026') include the results and financial position of the First Rail business for the period ended 13 September 2025 and the results of all other businesses for the 26 weeks ended 27 September 2025. The figures for the 26 weeks to 28 September 2024 (the 'prior 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. Figures for the 52 weeks to 29 March 2025 ('FY 2025') include the results and financial position of the First Rail business for the year ended 31 March 2025 and the results of all other businesses for the 52 weeks ended 29 March 2025.

'Cont.' or the 'Continuing operations' refer to First Bus, First Rail and Group items including Greyhound Canada.

'Disc.' or the 'Discontinued operations' refer to First Student, First Transit and Greyhound US.

References to 'adjusted operating profit', 'adjusted profit before tax', 'adjusted earnings' 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 'adjusted earnings' and 'adjusted EPS', excluding the impact of IFRS 16 for the Group's management fee-based Rail operations.

'EBITDA' is adjusted operating profit less capital grant amortisation plus depreciation.

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.

'Adjusted revenue' is revenue excluding that element of DfT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk. The Adjusted revenue measure includes management and performance fee income earned by the Group from its DfT TOC contracts.

'Adjusted earnings' is the Group'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 Group's management fee-based Rail operations.

'Net debt/(cash)' is the value of Group external borrowings, excluding accrued interest, less cash balances.

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

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

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.

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.

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 61 to 68 of the Annual Report and Accounts 2025, with the exception of pension scheme funding that is now removed following the completion of the 2024 valuations.

Several of the principal risks remain more elevated currently given the wider geopolitical and related economic backdrop. The Principal Risks are:

- Economic conditions
- Geopolitical
- Climate
- Growth and Diversification
- Financial resources
- Safety
- Regulatory compliance
- Information Security, including cyber and resilience
- People

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 Government's announced transport policies, and developments in the wider geopolitical backdrop which may affect the UK economy.

For a full summary of the Principal Risks and Uncertainties facing the Group, please refer to the Annual Report and Accounts 2025 at [Annual Report 2025 - FirstGroup plc](#)

Graham Sutherland

Ryan Mangold

Chief Executive Officer
17 November 2025

Chief Financial Officer
17 November 2025

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Unaudited 26 weeks to 27 September 2025 £m	Unaudited 26 weeks to 28 September 2024 (restated) £m
Revenue	2, 4	2,297.6	2,373.5
Operating costs		(2,194.0)	(2,273.2)
Operating profit		103.6	100.3
Investment income	5	3.6	4.7
Finance costs	5	(30.9)	(34.7)
Profit before tax		76.3	70.3
Tax	6	(19.1)	(17.8)
Profit from continuing operations		57.2	52.5
(Loss)/profit from discontinued operations	4	(0.2)	5.8
Profit for the period		57.0	58.3

Profit for the period		37.0	36.3
Attributable to:			
Equity holders of the parent		55.5	55.8
Non-controlling interests		1.5	2.5
		57.0	58.3
Earnings per share			
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company			
Basic		9.9p	8.2p
Diluted		9.5p	7.8p
Earnings per share for profit attributable to the ordinary equity holders of the company			
Basic	7	9.9p	9.2p
Diluted	7	9.5p	8.8p
Adjusted results (from continuing operations)¹			
Adjusted operating profit	3	103.6	100.8
Adjusted profit before tax		76.3	70.8
Adjusted EPS	7	9.9p	8.5p
Adjusted diluted EPS		9.5p	8.1p

¹ Adjusted for certain items as set out in note 3 and note 7.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 26 weeks to 27 September 2025 £m	Unaudited 26 weeks to 28 September 2024 £m
Profit for the period	57.0	58.3
Items that will not be reclassified subsequently to profit or loss		
Actuarial (losses)/gains on defined benefit pension schemes	(52.6)	43.0
Deferred tax on actuarial losses/(gains) on defined benefit pension schemes	13.2	(10.2)
	(39.4)	32.8
Items that may be reclassified subsequently to profit or loss		
Hedging instrument movements	(1.0)	(7.2)
Deferred tax on hedging instrument movements	0.3	1.8
Exchange differences on translation of foreign operations - continuing operations	(4.3)	(1.8)
Exchange differences on translation of foreign operations - discontinued operations	4.7	2.2
	(0.3)	(5.0)
Other comprehensive (loss)/income for the period	(39.7)	27.8
Total comprehensive income for the period	17.3	86.1
Attributable to:		
Equity holders of the parent	15.8	83.6
Non-controlling interests	1.5	2.5
	17.3	86.1
Total comprehensive income for the period attributable to owners of FirstGroup plc arises from:		
Continuing operations	12.8	77.5
Discontinued operations	4.5	8.6
	17.3	86.1

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

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	Unaudited 27 September 2025 £m	Audited 29 March 2025 £m
Non-current assets			
Goodwill	8	151.9	148.2
Other intangible assets		17.5	16.1
Property, plant and equipment	9	1,853.4	2,028.0
Non-current receivables	10	1.2	-

Deferred tax assets		44.7	47.2
Retirement benefit assets	18	12.7	27.3
Derivative financial instruments	13	0.3	0.3
Financial asset	13	106.0	104.2
Investments		2.5	2.6
Investments in associates		2.0	-
		2,192.2	2,373.9
Current assets			
Inventories		33.7	30.8
Trade and other receivables	10	709.8	761.6
Current tax assets		3.0	7.4
Cash and cash equivalents	17	421.0	487.1
Derivative financial instruments	13	1.0	0.2
		1,168.5	1,287.1
Total assets		3,360.7	3,661.0
Current liabilities			
Trade and other payables		1,016.0	1,208.2
Tax liabilities - Other tax and social security		62.4	59.6
Borrowings	11	511.8	482.9
Derivative financial instruments	13	2.3	3.0
Provisions	14	75.1	96.2
		1,667.6	1,849.9
Net current liabilities		(499.1)	(562.8)
Non-current liabilities			
Borrowings	11	901.2	979.0
Derivative financial instruments	13	1.1	1.0
Retirement benefit liabilities	18	41.7	4.6
Provisions	14	109.1	114.0
		1,053.1	1,098.6
Total liabilities		2,720.7	2,948.5
Net assets		640.0	712.5
Equity			
Share capital	15	37.5	37.5
Share premium		693.3	693.3
Hedging reserve		(1.3)	(2.2)
Other reserves		22.4	22.4
Own shares		(38.9)	(31.1)
Translation reserve		(21.5)	(21.9)
Retained earnings		(68.8)	(1.3)
Equity attributable to equity holders of the parent		622.7	696.7
Non-controlling interests		17.3	15.8
Total equity		640.0	712.5

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £m	Share premium £m	Hedging reserve £m	Other reserves £m	Own shares £m	Translation reserve £m	Retained earnings/ (deficit) £m	Total £m	Non- controlling interests £m	Total equity £m
Balance at 29 March 2025	37.5	693.3	(2.2)	22.4	(31.1)	(21.9)	(1.3)	696.7	15.8	712.5
Profit for the period	-	-	-	-	-	-	55.5	55.5	1.5	57.0
Other comprehensive income/(loss) for the period	-	-	(0.7)	-	-	0.4	(39.4)	(39.7)	-	(39.7)
Total comprehensive income/(loss) for the period	-	-	(0.7)	-	-	0.4	16.1	15.8	1.5	17.3
Derivative hedging instrument movements transferred to balance sheet (net of tax)	-	-	1.6	-	-	-	-	1.6	-	1.6
<i>Transactions with owners in their capacity as owners</i>										
Shares bought back but not yet cancelled	-	-	-	-	-	-	(48.7)	(48.7)	-	(48.7)
Liability for shares not yet bought back	-	-	-	-	-	-	(1.7)	(1.7)	-	(1.7)
Movement in EBT and treasury shares	-	-	-	-	(7.8)	-	(13.5)	(21.3)	-	(21.3)
Share-based payments	-	-	-	-	-	-	5.2	5.2	-	5.2
Deferred tax on share-based payments	-	-	-	-	-	-	2.0	2.0	-	2.0
Dividends paid	-	-	-	-	-	-	(26.9)	(26.9)	-	(26.9)
Balance at 27 September 2025 (unaudited)	37.5	693.3	(1.3)	22.4	(38.9)	(21.5)	(68.8)	622.7	17.3	640.0
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
Hedging instrument movements transferred to balance sheet (net of tax)	-	-	1.2	-	-	-	-	1.2	-	1.2

Transactions with owners in their capacity as owners

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

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	Unaudited 26 weeks to 27 September 2025 £m	Unaudited 26 weeks to 28 September 2024 £m
Cash generated by operations		226.4	350.5
Tax received/(paid)		1.9	(0.8)
Interest paid		(30.7)	(35.6)
Net cash from operating activities	16	197.6	314.1
Investing activities			
Interest received		3.2	4.8
Proceeds from disposal of property, plant and equipment		11.4	10.1
Purchases of property, plant and equipment		(132.8)	(71.7)
Purchases of software		(3.6)	(0.8)
Proceeds from capital grant funding		38.3	23.8
Acquisitions of businesses, net of cash acquired		(7.5)	(1.5)
Investment in associate		(2.0)	-
Net cash from investing activities		(93.0)	(35.3)
Financing activities			
Shares purchased by Employee Benefit Trust		(20.3)	(9.3)
Treasury shares purchased via share buyback schemes and directly associated costs		(48.7)	(41.4)
External dividends paid		(26.9)	(24.0)
Repayment of bond issues		-	(96.2)
Term loan drawdown		35.0	-
Repayment of rolling credit facility		(74.5)	-
Proceeds from rolling credit facility		100.0	-
Repayment of asset backed financial liabilities		(8.8)	(5.3)
Proceeds from asset backed financial liabilities		40.5	31.6
Repayment of NextGen facility		-	(3.0)
Proceeds from NextGen facility		3.7	8.1
Repayment of lease liabilities		(212.1)	(243.3)
Net cash flow used in financing activities		(212.1)	(382.8)
Net decrease in cash and cash equivalents before foreign exchange movements		(107.5)	(104.0)
Cash and cash equivalents at beginning of period		430.7	468.7
Foreign exchange movements		-	1.5
Cash and cash equivalents at the end of the period		323.2	366.2
Cash flow from discontinued operations			
Net cash inflow from operating activities		0.2	(1.2)
Net cash flow from investing activities		-	-
Net cash flow from financing activities		-	-
Net cash flow from discontinued operations		0.2	(1.2)

Cash and cash equivalents are included within current assets on the consolidated balance sheet. Cash and cash equivalents includes ring-fenced cash of £232.8m in H1 2026 (full year 2025: £315.7m). The most significant ring-fenced cash balances are held by the Group's First Rail subsidiaries. All non-distributable cash in franchised Rail subsidiaries is considered ring-fenced under the terms of the National Rail Contracts.

Reconciliation to cash flow statement	Note	Unaudited 27 September 2025 £m	Audited 29 March 2025 £m
Cash and cash equivalents - balance sheet	17	421.0	487.1
Bank overdraft	17	(97.8)	(56.4)
Balances per consolidated cash flow statement		323.2	430.7

Note to the condensed consolidated cash flow statement - reconciliation of net cash flow to movement in net debt

Note Unaudited Unaudited

	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Net decrease in cash and cash equivalents in period	(107.5)	(104.0)
(Increase)/decrease in debt excluding leases and asset backed financial liabilities	(64.2)	90.0
Adjusted cash flow	(171.7)	(14.0)
Repayment of lease liabilities and asset backed financial liabilities	220.9	248.6
Inception of leases and asset backed financial liabilities	(66.4)	(68.4)
Foreign exchange movements	-	1.5
Movement in net debt in period	(17.2)	167.7
Net debt at beginning of period	(974.8)	(1,144.8)
Net debt at end of period	(992.0)	(977.1)

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.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

The half yearly results for the 26 weeks to 27 September 2025 include the results and financial position of the First Rail division for the period ended 13 September 2025 and the results and financial position for the other divisions for the 26 weeks ended 27 September 2025. The comparative figures for the 26 weeks to 28 September 2024 include the results of the First Rail division for the period ended 14 September 2024 and the results of the other divisions for the 26 weeks ended 28 September 2024. The comparative figures for the 52 weeks ended 29 March 2025 include the financial position of the First Rail division at 31 March 2025 and the financial position of the other divisions at 29 March 2025.

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 29 March 2025 were approved by the board of directors on 10 June 2025 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.

These condensed consolidated interim financial statements for the half year reporting period for the 26 weeks to 27 September 2025 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 Kingdom's Financial Conduct Authority.

The 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 29 March 2025, and any public announcements made by FirstGroup plc during the interim reporting period.

The accounting policies applied are consistent with those described in the Group'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 management's reported view of financial performance excluding certain other items.

These results are unaudited but have been reviewed by the auditor. The comparative figures for the 26 weeks to 28 September 2024 are unaudited and are derived from the condensed consolidated interim financial statements for that period, which was also reviewed by the auditor.

Going concern - basis of preparation

The Directors have carried out a review of the Group's financial projections for the 18 months to 31 March 2027, 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 Group's net current liabilities position at 27 September 2025. Based on this review, the Directors believe that the Company and the Group have adequate resources to continue in

2020. 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.

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 Group's and the Company's ability to continue as a going concern over the going concern period.

Consistent with prior years, the Board'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. The Term Loan facility, under which £100m is drawn, matures in March 2027. The facility includes a one-year extension option exercisable at the discretion of the participant banks to extend maturity to March 2028. The Group intends to ask the participant banks to approve this extension in January 2026, in line with timelines outlined in the facility agreement.

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 considered the impact of actions required to address the Group's climate related targets and ambitions, and also took into account the risks and uncertainties to which the Group is exposed.

Base case scenario

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 2025 year end. The base case assumes a gradual increase in passenger volumes and yields in FY 2026, with some offset from a reduction in direct government funding, the impact of the increase in employers' national insurance, as well as the impact of the acquisitions completed in FY 2025, including First Bus London. The Rail base case reflects the uncertainty relating to the expiry dates of the Group's two remaining TOC NRCs. The macro projections in the updated base case assume that the UK operates in a low-growth economy. The projections also capture the expected financial impact of the actions required to support the Group's climate-related targets and ambitions, and the cash flow impact of other capital allocation decisions which the Group may consider.

1 Basis of preparation (continued)

Severe, plausible downside scenario

In addition, a severe but plausible downside case was also modelled which assumes a more adverse macroeconomic profile. In First Bus the severe but plausible downside case assumes a reduction in passenger volumes, as well as the impact of other unexpected cost inflation, driving a 25% reduction in Bus profitability. 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, and the risk of one-off safety, regulatory non-compliance or technology incidents, as well as offsetting with reduced capital expenditure and costs to reflect reductions in operations.

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 further 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. In a more severe scenario than the downside scenario described above, further mitigating actions could be taken in relation to acquisitions or dividends.

Going concern statement

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

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.

Summary of significant events in the Group

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

The Group's South Western Railway National Rail Contract expired on 25 May 2025 and operations transferred to DfT ownership.

On 27 July 2025, the Group announced its acquisition of Tetley's Motor Services Limited, a Leeds-based coach and bus business which has been in operation for more than 75 years. In August 2025, the Group announced a minority investment in Palmer Energy Technology to bring the latest, innovative battery storage units to its First Bus sites.

On 10 June 2025, the Company announced a share buyback programme to purchase up to £50m of ordinary shares and at 27 September 2025, the Company had repurchased 21,856,308 shares for a total consideration of £48.7m, including transaction costs. The Group completed the share buyback programme on 3 October having repurchased a total of 22,439,652 shares for a total consideration of £50.4m including transaction costs.

Restatement

During the period, the Group has reassessed its accounting policy regarding DfT subsidy receipts and premium payments under its National Rail Contracts (NRCs).

Subsidies received under the NRCs continue to represent amounts for lost passenger revenues and the subsidy income from the DfT is therefore recognised within revenue in line with the prior treatment applied. When amounts are due to be paid back to the DfT (the obligating event being generation of profits above contractual fixed profit margins), the Group has concluded that these do not represent a refund of government grant amounts received in previous periods, instead per IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and IFRIC 21 *Levies* the premium amounts above the contractual margin should have previously been treated as a levy expense rather than as a deduction of revenue.

The Group has therefore restated its H1 2025 income statement to reflect this reclassification. A levy expense of £29.4m has been recognised, rather than a deduction from revenue, therefore increasing both revenue and expenses by £29.4m. The restatement has no impact on any profitability measure or other primary statements.

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 management's best knowledge, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

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 29 March 2025. In addition, the Group has reviewed its income statement classification for Department of Transport Train Operating Companies (DfT TOCs) activities.

On 28 November 2024, the Passenger Railway Services (Public Ownership) Act 2024 received Royal Assent, allowing passenger train operators with contracts with the DfT to be brought into public ownership.

South Western Railway transferred to DfT ownership in May 2025 when its National Rail Contract (NRC) expired. A detailed timetable has yet to be announced for the Group's Great Western Railway and West Coast Partnership TOCs, but the Government has indicated that all TOCs would be taken into public ownership by October 2027. The Group has therefore reviewed the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of its DfT TOCs.

The Group's DfT TOCs will no longer be a part of the Group when each TOC's individual NRC expires, whether at their specified end dates, or when the appropriate contractual notice period is given by the DfT. However, the Group does not consider that these contract expiries would represent discontinued operations per IFRS 5 as they are not considered a disposal of operations. The contracts represent the vehicle for the Group's arrangements with the DfT to provide rail passenger services, rather than a separate discontinued operation, and the contracts expire upon their enforceable end point. Furthermore, the Group's First Rail operating segment will continue to run passenger rail operations via its open access businesses, and the Group remains committed to investing in, and further expanding, its First Rail passenger rail operations and services in the future. This is evidenced by the acquisition of new open access licences and further applications to operate open access passenger rail services.

The Group is currently undertaking the purchase price allocation exercise for First Bus London, and this has identified a number of adjustments to reflect the fair value of the assets and liabilities acquired. IFRS 3 Business Combinations allows the Group 12 months from the date of acquisition to finalise this exercise, and the standard acknowledges that it will be necessary to estimate certain acquisition adjustments and fair values. The purchase price allocation exercise is not yet complete and the acquisition adjustments and closing fair values are therefore disclosed in the interim financial statements as provisional and as reported at FY 2025. These will be finalised within the timeframe permitted by IFRS 3.

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.

These condensed consolidated interim financial statements were approved by the Board on 18 November 2025.

2 Revenue

Passenger revenue in First Bus was £398.4m (H1 2025: £385.8m) with the increase mainly due to higher passenger yields and increased revenue per mile. First Rail passenger revenue was £1,290.5m (H1 2025: £1,512.8m).

The principal direct fiscal support recognised during the period comprised £10.7m (H1 2025: £13.9m) of funding in First Bus. These are recognised within revenue in accordance with IFRS 15 (as per our policy on revenue recognition in the 2025 Annual Accounts), when control of the good or service is transferred to the customer and the Group is entitled to the consideration.

The main direct fiscal support recognised in revenue over time for each division has been as follows:

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, the DfT implemented a cap on single fares in January 2023, starting at £2 and increasing to £3 in January 2025, with operators being reimbursed for any revenue foregone as a result of the reduced ticket prices. 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.

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.

- GWR operated under an NRC to June 2028
- WCP/Avanti were awarded a nine-year NRC in September 2023, with a minimum core three-year term to October 2026
- SWR operated under an NRC which expired on 25 May 2025

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. DfT funding including the management and performance fee is recognised as revenue in Rail contracts subsidy receipts, in line with the revenue recognition policy for contract subsidy receipts from the DfT.

Disaggregated revenue by operating segment is set out in note 4.

3 Reconciliation to non-GAAP measures and performance

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 Group's recurring operations over time. The Group'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 £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 Group'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.

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

Reconciliation of operating profit to adjusted operating profit on a continuing basis	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Operating profit on a continuing basis	103.6	100.3
Adjustments for:		
Greyhound Canada	-	0.5
Total adjusting operating profit items on a continuing basis	-	0.5
Adjusted operating profit on a continuing basis	103.6	100.8

Reconciliation of operating (loss)/profit to adjusted operating loss on a discontinued basis	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Operating (loss)/profit from discontinued operations	(0.2)	5.9
Adjustments for:		
CARES receipt	-	(0.4)
Legacy US pensions scheme buy out	-	(5.5)
Total adjusting operating profit items from discontinued operations	-	(5.9)
Adjusted operating loss from discontinued operations	(0.2)	-

Reconciliation of profit before tax to adjusted earnings	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Profit before tax (including discontinued operations) ¹	76.1	76.1
Adjusting operating profit items - continuing operations	-	0.5
Adjusting operating profit items - discontinued operations	-	(5.9)
Adjusting operating profit items - total operations	-	(5.4)
Adjusted profit before tax including discontinued operations	76.1	70.7
Rail management fee-based operations - IFRS 16 adjustment	0.6	1.3
Adjusted tax charge	(19.1)	(17.8)
Non-controlling interests ²	(2.3)	(2.5)
Adjusted earnings including discontinued operations	55.3	51.7

¹ See note 4.

² Non-controlling interests principally reflects Avanti West Coast and South Western Railway.

Adjusting items

There were no adjusting items in relation to the operating profit adjustments in the 26 weeks to 27 September 2025.

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

<i>First Bus EBITDA comprises:</i>	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Pre-IFRS 16 EBITDA	73.3	63.9
IFRS 16 adjustments ¹	18.4	8.8
First Bus adjusted EBITDA per segmental results (note 4)	91.7	72.7

<i>First Rail EBITDA comprises:</i>		
Non-management fees based TOCs	28.9	22.6
Group's share of management fee income available for dividends	15.3	14.0
Non-controlling interest	2.3	3.0
Tax at 25% (H1 2025: 25%)	5.9	5.7
IFRS 16 adjustments ¹	202.1	251.0
First Rail adjusted EBITDA per segmental results table (note 4)	254.5	296.3

<i>Group items EBITDA comprises:</i>		
Pre-IFRS 16 EBITDA	(5.7)	(8.0)
IFRS 16 adjustments ¹	1.3	1.0
Group items adjusted EBITDA per segmental results table (note 4)	(4.4)	(7.0)

<i>First Rail adjusted operating profit comprises:</i>		
Non-management fees based TOCs	26.3	22.3
Group's share of management fee income available for dividends (net of tax and non-controlling interest)	15.3	14.0
Non-controlling interest	2.3	3.0
Tax at 25% (H1 2025: 25%)	5.9	5.7
First Rail adjusted operating profit	16.8	22.9

IFRS 16 adjustments ¹		
First Rail adjusted operating profit per segmental results table (note 4)	66.6	67.9

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

Pre-IFRS 16 adjusted EBIT	84.4	76.7
IFRS 16 adjustments ¹	19.2	24.1
Post-IFRS 16 adjusted EBIT	103.6	100.8

Reconciliation of statutory revenue to adjusted revenue²:

Revenue - statutory basis (restated ³)	2,297.6	2,373.5
Deduct: DFT TOC revenue (restated ³)	(1,526.1)	(1,803.9)
Add back: DFT TOC management and performance fees	23.0	23.7
Intercompany eliminations related to DFT TOCs	39.1	46.3
Adjusted revenue	833.6	639.6

Reconciliation of reported net debt to adjusted net debt:

	27 September 2025 £m	29 March 2025 £m
Reported net debt	992.0	974.8
IFRS 16 lease liabilities	(1,017.2)	(1,203.6)
Ring-fenced cash	232.8	315.7
Adjusted net debt	207.6	86.9

- ¹ 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.
- ² 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.
- ³ The Group has identified certain funding mechanisms with the DFT where amounts due to the DFT have previously been treated as deductions from revenue. Upon further review, the Group has judged that these amounts should instead be recognised as an expense in the income statement. The prior year income statement comparative information has been re-presented accordingly. The re-presentation is within the income statement and has no impact on profit measures or the other primary statements.

4 Business segments information

For management purposes, the Group is organised into two operating divisions - First Bus and First Rail. Greyhound Canada is categorised as a Continuing Operation, although trading operations have ceased and it is reported within Group Items. 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 27 September 2025 are as follows:

	Continuing Operations				Discontinued Operations	
	First Bus £m	First Rail £m	Group Items ¹ £m	Total £m	Greyhound £m	Total £m
Passenger revenue	398.4	1,290.5	-	1,688.9	-	1,688.9
Contract revenue	281.2	-	(10.1)	271.1	-	271.1
Rail franchise subsidy receipts	-	190.3	-	190.3	-	190.3
Other	23.3	124.0	-	147.3	-	147.3
Revenue	702.9	1,604.8	(10.1)	2,297.6	-	2,297.6
Rail TOC revenue adjustments	-	(1,473.9)	9.9	(1,464.0)	-	(1,464.0)
Adjusted revenue²	702.9	130.9	(0.2)	833.6	-	833.6
Adjusted EBITDA³	91.7	254.5	(4.4)	341.8	(0.2)	341.6
Depreciation	(53.3)	(230.0)	(1.1)	(284.4)	-	(284.4)
Software amortisation	(1.3)	(1.2)	(0.2)	(2.7)	-	(2.7)
Capital grant amortisation	5.6	43.3	-	48.9	-	48.9
Segment results	42.7	66.6	(5.7)	103.6	(0.2)	103.4
Other adjustments (note 3)	-	-	-	-	-	-
Operating profit/(loss)	42.7	66.6	(5.7)	103.6	(0.2)	103.4
Investment income	0.5	0.1	3.0	3.6	-	3.6
Finance costs	(7.8)	(17.5)	(5.6)	(30.9)	-	(30.9)
Profit/(loss) before tax	35.4	49.2	(8.3)	76.3	(0.2)	76.1
Tax	-	-	-	-	-	(19.1)
Profit after tax	-	-	-	-	-	57.0

¹ Group items comprise the elimination of intra-group trading between Bus and Rail divisions, charges relating to central management, charges relating to Greyhound Canada which has now ceased operations, and other items.

² Adjusted revenue is revenue excluding DFT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk.

³ Adjusted EBITDA is adjusted operating profit less capital grant amortisation plus depreciation plus software amortisation.

Balance sheet at 27 September 2025	Total assets £m	Total liabilities £m	Net assets/(liabilities) £m
First Bus	1,269.5	(402.5)	867.0
First Rail	1,443.9	(758.7)	685.2
	2,713.4	(1,161.2)	1,552.2
Group items (including Greyhound Canada)	178.6	(84.1)	94.5
Borrowings and cash	421.0	(1,413.0)	(992.0)
Taxation	47.7	(62.4)	(14.7)
Total	3,360.7	(2,720.7)	640.0

4 Business segments information (continued)

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

	Continuing Operations				Discontinued Operations	
	First Bus £m	First Rail £m	Group Items ¹ £m	Total £m	Greyhound £m	Total £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	-	241.0	-	241.0	-	241.0
Other	23.4	118.6	-	142.0	-	142.0
Revenue	513.7	1,872.4	(12.6)	2,373.5	-	2,373.5
Rail TOC revenue adjustments	-	(1,746.4)	12.5	(1,733.9)	-	(1,733.9)
Adjusted revenue²	513.7	126.0	(0.1)	639.6	-	639.6
Adjusted EBITDA³	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	(8.7)	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	(9.6)	70.3	5.8	76.1
Tax						(17.8)
Profit after tax						58.3

1 Group items comprise the elimination of intra-group trading between Bus and Rail divisions, charges relating to central management, charges relating to Greyhound Canada which has now ceased operations, and other items.

2 Adjusted revenue is revenue excluding DFT TOC revenue, and related intercompany eliminations, where the Group takes substantially no revenue risk.

3 Adjusted EBITDA is adjusted operating profit less capital grant amortisation plus depreciation plus software amortisation.

Balance sheet at 29 March 2025	Total assets £m	Total liabilities £m	Net assets/(liabilities) £m
First Bus	1,194.4	(381.1)	813.3
First Rail	1,745.4	(947.0)	798.4
	2,939.8	(1,328.1)	1,611.7
Group items (including Greyhound Canada)	179.5	(98.9)	80.6
Borrowings and cash	487.1	(1,461.9)	(974.8)
Taxation	54.6	(59.6)	(5.0)
Total	3,661.0	(2,948.5)	712.5

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.

5 Investment income and finance costs

	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Investment income		
Bank interest receivable	(3.2)	(4.7)

Interest on pensions	(0.4)	(0.1)
Total investment income (including discontinued operations)	(3.6)	(4.8)
Finance costs		
Bonds	-	3.1
Bank interest and facility fees	6.1	5.0
Finance charges payable in respect of lease liabilities	21.6	24.4
Finance charges payable in respect of asset backed financial liabilities	2.8	1.6
Interest on long-term provisions	0.4	0.4
Interest on pensions	-	0.4
Total finance costs (including discontinued operations)	30.9	34.9
Total finance costs	30.9	34.9
Investment income	(3.6)	(4.8)
Net finance costs (including discontinued operations)	27.3	30.1

Investment income relating to discontinued operations was £nil (H1 2025: £0.1m) and finance costs relating to discontinued operations were £nil (H1 2025: £0.2m).

6 Tax on profit on ordinary activities

	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Current tax charge	2.0	0.9
Deferred tax charge	17.1	16.9
Total tax charge (including discontinued operations)	19.1	17.8
Tax charge attributable to:		
Profit from continuing operations	19.1	17.8
Profit from discontinued operations	-	-

The tax effect of the adjustments disclosed in note 3 was £nil in H1 2026 (H1 2025: £nil).

7 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity shareholders of £55.5m in H1 2026 (H1 2025: £55.8m) by the weighted average number of ordinary shares in issue of 559.7m (H1 2025: 608.5m). The number of ordinary shares used for the basic and diluted calculations is shown in the table below.

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.

	27 September 2025 number m	28 September 2024 number m
Weighted average number of shares used in basic calculation	559.7	608.5
Executive share options	22.9	29.0
Weighted average number of shares used in the diluted calculation	582.6	637.5

7 Earnings per share (EPS) (continued)

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 Group's management fee-based Rail operations. A reconciliation is set out below:

	26 weeks to 27 September 2025		26 weeks to 28 September 2024	
	£m	EPS (p)	£m	EPS (p)
Basic profit / EPS	55.5	9.9	55.8	9.2
Management fee-based Rail operations - IFRS 16 adjustments	0.6	0.1	1.3	0.2
Non-controlling interest	(0.8)	(0.1)	-	-
Other adjustments (note 3)	-	-	(5.4)	(0.9)
Adjusted profit and EPS attributable to the ordinary equity holders of the company	55.3	9.9	51.7	8.5
Add back: Adjusted loss from discontinued operations	(0.2)	-	(0.1)	-
Adjusted profit and EPS from continuing operations	55.5	9.9	51.8	8.5

26 weeks to
27 September 2025

26 weeks to
28 September 2024

	At 27 September 2025	At 29 March 2025
Diluted EPS	9.5	8.8
Adjusted diluted EPS	9.5	8.1

8 Goodwill

	£m
Cost	
At 29 March 2025	148.2
Additions ¹	3.6
Foreign exchange movements	0.1
At 27 September 2025	151.9
Accumulated impairment losses	
At 29 March 2025	-
At 27 September 2025	-
Carrying amount	
At 27 September 2025	151.9
At 29 March 2025	148.2

¹ Additions of £3.6m relates to provisional goodwill on the acquisitions of Tetley's Coaches and Keane Travel.

Disclosures including goodwill by cash generating unit (CGU), details of impairment testing and sensitivities thereon are set out on page 157 of the 2025 Annual Report.

At 27 September 2025, 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 2025, therefore no impairment assessment was performed at 27 September 2025.

9 Property, plant and equipment

Owned assets

	Land and buildings £m	Passenger carrying vehicle fleet £m	Other plant and equipment £m	Total £m
Cost				
At 29 March 2025	330.9	898.0	739.8	1,968.7
Acquisition	0.9	1.1	-	2.0
Additions	6.7	64.7	37.4	108.8
Disposals	(14.8)	(31.8)	(244.3)	(290.9)
Reclassifications ¹	1.2	-	(1.2)	-
Transfers to right of use assets	-	-	(6.9)	(6.9)
Foreign exchange movements	0.1	1.2	-	1.3
At 27 September 2025	325.0	933.2	524.8	1,783.0
Accumulated depreciation and impairment				
At 29 March 2025	73.1	439.0	560.1	1,072.2
Charge for period	6.1	29.7	46.2	82.0
Disposals	(13.4)	(30.0)	(223.8)	(267.2)
Foreign exchange movements	-	0.5	-	0.5
At 27 September 2025	65.8	439.2	382.5	887.5
Carrying amount				
At 27 September 2025	259.2	494.0	142.3	895.5
At 29 March 2025	257.8	459.0	179.7	896.5

¹ Transfer from WIP to cost

Right of use assets

	Rolling stock £m	Land and buildings £m	Passenger carrying vehicle fleet £m	Other plant and equipment £m	Total £m
Cost					
At 29 March 2025	3,799.0	88.5	114.0	33.7	4,035.2
Additions and modifications	3.7	1.8	15.6	0.9	22.0
Transfers from owned assets	-	-	-	6.9	6.9
Disposals	(754.5)	(5.4)	(0.5)	(0.2)	(760.6)
At 27 September 2025	3,048.2	84.9	129.1	41.3	3,303.5

Accumulated depreciation and impairment					
At 29 March 2025	2,805.8	38.7	48.6	10.6	2,903.7
Charge for period	182.7	5.7	11.5	2.5	202.4
Disposals	(754.5)	(5.4)	(0.4)	(0.2)	(760.5)
At 27 September 2025	2,234.0	39.0	59.7	12.9	2,345.6
Carrying amount					
At 27 September 2025	814.2	45.9	69.4	28.4	957.9
At 29 March 2025	993.2	49.8	65.4	23.1	1,131.5

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

As at 27 September 2025 the Group had entered into contractual capital commitments amounting to £307.7m principally representing purchase of passenger carrying vehicles, electrical infrastructure and TOC and open access operation commitments.

9 Property, plant and equipment (continued)

Owned assets and right of use assets	Rolling stock £m	Land and buildings £m	Passenger carrying vehicle fleet £m	Other plant and equipment £m	Total £m
Carrying amount					
At 27 September 2025	814.2	305.1	563.4	170.7	1,853.4
At 29 March 2025	993.2	307.6	524.4	202.8	2,028.0

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

Amounts recognised in income statement	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Depreciation expense on right of use assets	202.4	235.6
Interest expense on lease liabilities	21.6	24.4
	224.0	260.0

10 Trade and other receivables

Amounts due within one year (from continuing operations)	27 September 2025 £m	29 March 2025 £m
Trade receivables	231.3	364.1
Loss allowance	(0.8)	(10.6)
Trade receivables net	230.5	353.5
Other receivables	184.9	171.0
Amounts recoverable on contracts	73.4	57.5
Prepayments	58.4	37.2
Accrued income	162.6	142.4
	709.8	761.6
Amounts due over one year (from continuing operations)		
Other receivables	1.2	-

11 Borrowings

	27 September 2025 £m	29 March 2025 £m
On demand or within one year		
Lease liabilities (note 12) ¹	393.3	410.3
Asset backed financial liabilities (note 12) ²	20.7	16.2
Bank overdraft	97.8	56.4
Total current liabilities	511.8	482.9
Within one to two years		
Lease liabilities (note 12) ¹	326.5	393.6
Asset backed financial liabilities (note 12) ²	17.9	12.9
Syndicated loan facilities	99.5	64.3
	443.9	470.8
Within two to five years		
Leases liabilities (note 12) ¹	246.2	352.1
NextGen battery debt	16.8	15.0
Asset backed financial liabilities (note 12) ²	59.9	39.8
Syndicated loan facilities	27.7	2.4
	350.6	409.3
More than five years		

more than five years		
Lease liabilities (note 12) ¹	51.2	47.6
NextGen battery debt	6.8	4.9
Asset backed financial liabilities (note 12) ²	48.7	46.4
	106.7	98.9
Total non-current liabilities	901.2	979.0

1 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.

2 The maturity analysis of asset backed financial liabilities is presented in note 12.

12 Lease liabilities and asset backed financial liabilities

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

Lease liabilities	27 September 2025 £m	29 March 2025 £m
Due in less than one year	431.6	450.9
Due in more than one year but not more than two years	347.0	418.5
Due in more than two years but not more than five years	262.8	370.0
Due in more than five years	69.0	64.4
	1,110.4	1,303.8
Less future financing charges	(93.2)	(100.2)
	1,017.2	1,203.6
Comprising:		
Lease liabilities - Rail	877.7	1,074.4
Lease liabilities - non-Rail	139.5	129.2

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

Asset backed financial liabilities	27 September 2025 £m	29 March 2025 £m
Due in less than one year	21.6	16.9
Due in more than one year but not more than two years	19.7	14.2
Due in more than two years but not more than five years	72.2	47.8
Due in more than five years	69.4	68.7
	182.9	147.6
Less future financing charges	(35.7)	(32.2)
	147.2	115.4
Comprising:		
Asset backed financial liabilities - non-Rail	147.2	115.4
Asset backed financial liabilities - Rail	-	-

13 Financial instruments

Non-derivative financial instruments

	27 September 2025 £m	29 March 2025 £m
Total non-derivatives		
Total non-current assets	106.0	104.2
Total assets	106.0	104.2

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 2026 First Group Energy Ltd entered into a £0.3m loan agreement with Kleandrive Ltd. Management have concluded that this represents a financial asset under IAS 32.

13 Financial instruments (continued)

Derivative financial instruments

	27 September 2025 £m	29 March 2025 £m
Derivatives designated and effective as hedging instruments		
carried at fair value		
Non-current assets		

Fuel derivatives (cash flow hedge)	0.3	0.3
	0.3	0.3
Current assets		
Fuel derivatives (cash flow hedge)	1.0	0.2
	1.0	0.2
Current liabilities		
Fuel derivatives (cash flow hedge)	0.6	2.1
Currency forwards (cash flow hedge)	1.7	0.9
	2.3	3.0
Non-current liabilities		
Currency forwards (cash flow hedge)	0.6	0.3
Interest rate swaps (NextGen)	0.4	0.3
Fuel derivatives (cash flow hedge)	0.1	0.4
	1.1	1.0

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:

					27 September 2025
					Carrying value
					Total
					£m
	Level 1	Level 2	Level 3	Fair value	
	£m	£m	£m	Total	
	£m	£m	£m	£m	£m
Financial assets and derivatives					
Trade and other receivables ¹	-	468.5	-	468.5	468.5
Derivative financial instruments	-	1.3	-	1.3	1.3
Financial liabilities and derivatives					
Borrowings ²	-	310.8	-	310.8	298.0
Trade and other payables ³	-	863.1	-	863.1	863.1
Derivative financial instruments	-	3.4	-	3.4	3.4
					29 March 2025
	Level 1	Level 2	Level 3	Fair value	Carrying value
	£m	£m	£m	Total	Total
	£m	£m	£m	£m	£m
Financial assets and derivatives					
Trade and other receivables ¹	-	564.0	-	564.0	564.0
Derivative financial instruments	-	0.5	-	0.5	0.5
Financial liabilities and derivatives					
Borrowings ²	-	214.9	-	214.9	201.9
Trade and other payables ³	-	1,044.8	-	1,044.8	1,044.8
Derivative financial instruments	-	4.0	-	4.0	4.0

¹ Trade receivables, amounts recoverable under contracts and accrued income (note 10).

² Includes asset backed financial liabilities as set out in note 12. Excludes lease liabilities.

³ Excludes deferred capital grants.

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.

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

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

14 Provisions

	Onerous contracts	Insurance claims	Legal and other	Total
	£m	£m	£m	£m
At 29 March 2025	36.5	94.3	79.4	210.2
Charged to the income statement	-	10.8	11.5	22.3
Utilised in the period	(10.8)	(17.9)	(7.2)	(35.9)
Released	-	-	(10.6)	(10.6)
Notional interest	-	(0.4)	-	(0.4)
Foreign exchange movements	-	(1.4)	-	(1.4)
At 27 September 2025	25.7	85.4	73.1	184.2
Current liabilities	15.1	24.9	35.1	75.1
Non-current liabilities	10.6	60.5	38.0	109.1
At 27 September 2025	25.7	85.4	73.1	184.2

Current liabilities	20.8	32.6	42.8	96.2
Non-current liabilities	15.7	61.7	36.6	114.0
At 29 March 2025	36.5	94.3	79.4	210.2

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 £1.0m (full year 2025: £1.0m) can extend for more than 25 years. The utilisation of £17.9m in H1 2026 (full year 2025: £34.9m) 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, £26.7m (full year 2025: £34.7m) relates to legacy Greyhound claims, includes £23.3m (full year 2025: £31.0m) which is recoverable from insurance companies and a receivable is included within other receivables in note 10.

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. Also included 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.

The onerous contract provision was recognised on acquisition of London bus operator RATP Dev Transit London Limited and its subsidiaries in full year 2025. The provision recognises that a number of contracts between the acquired business and TfL are loss making and therefore the Group has provided for the expected shortfall in these contracts, where the unavoidable costs of fulfilling these contracts outweigh the expected benefits.

15 Called up share capital

	27 September 2025 £m	29 March 2025 £m
Allotted, called up and fully paid		
750.7m ordinary shares of 5p each (29 March 2025: 750.7m)	37.5	37.5

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

On 10 June 2025, the Company announced a share buyback programme to purchase up to £50m of ordinary shares. At 27 September 2025, the Company had repurchased 21,856,308 shares for a total consideration of £48.7m, including transaction costs. As at 27 September 2025, a total of £50.4m has been deducted from retained earnings in respect of shares already purchased, directly associated transaction costs, and the remaining commitment to purchase up to £50m of ordinary shares.

The directors have proposed an interim dividend of 2.2p per ordinary share in respect of the period ended 27 September 2025, totalling approximately £12.0m.

16 Net cash from operating activities

	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Operating profit from:		
Continuing Operations	103.6	100.3
Discontinued Operations	(0.2)	5.9
Total Operations	103.4	106.2
<i>Adjustments for:</i>		
Depreciation charges	284.4	286.6
Capital grant amortisation	(48.9)	(26.4)
Software amortisation charges	2.7	1.0
Share-based payments	5.2	6.0
(Profit)/loss on disposal of property, plant and equipment	(1.2)	0.4
Operating cash flows before working capital and pensions	345.6	373.8
Increase in inventories	(2.9)	(3.1)
Decrease in receivables	65.4	11.6
(Decrease)/increase in payables due within one year	(154.4)	15.5
Increase in financial assets	(0.3)	(1.0)
Decrease in provisions due within one year	(21.0)	(11.0)

Decrease in provisions due over one year	(4.9)	(20.3)
Defined benefit pension payments greater than income statement charge	(1.1)	(15.0)
Cash generated by operations	226.4	350.5
Tax received/(paid)	1.9	(0.8)
Interest paid ¹	(30.7)	(35.6)
Net cash from operating activities	197.6	314.1

¹ Interest paid includes £21.6m relating to lease liabilities (H1 2025: £24.4m).

17 Analysis of changes in net debt - adjusted cash flow

	At 29 March 2025 £m	Cash flow £m	Foreign exchange movements £m	Other £m	At 27 September 2025 £m
Components of financing activities:					
Bank loans	(66.7)	(60.0)	-	(0.5)	(127.2)
Lease liabilities ¹	(1,203.6)	233.7	-	(47.3)	(1,017.2)
Asset backed financial liabilities ¹	(115.3)	11.9	(0.1)	(43.7)	(147.2)
Share of NextGen battery debt ¹	(19.9)	(3.0)	-	(0.7)	(23.6)
Total components of financing activities	(1,405.5)	182.6	(0.1)	(92.2)	(1,315.2)
Cash	171.4	16.8	-	-	188.2
Bank overdrafts	(56.4)	(41.4)	-	-	(97.8)
Ring-fenced cash	315.7	(82.9)	-	-	232.8
Cash and cash equivalents	430.7	(107.5)	-	-	323.2
Net debt (including held for sale - discontinued operations)	(974.8)	75.1	(0.1)	(92.2)	(992.0)

¹ The 'Other' column for 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 'Cash flow' column consists of repayments of principal and interest (financing activities and operating activities respectively in the Condensed consolidated cash flow statement).

18 Retirement benefit schemes

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

- UK Bus and Group - DB schemes: The First UK Bus Pension Scheme and The FirstGroup Pension Scheme. The First UK Bus Pension Scheme is currently being wound up. DC schemes: The First Bus Retirement Savings Plan, the Enhanced Lifetime Savings Plan and a range of smaller DC arrangements acquired through corporate transactions. Employees in Group corporate functions participate in the First Bus pension arrangements.
- North America - legacy schemes from operations which have now been sold
- Rail - Railways Pension Scheme (RPS) Shared Cost Sections. As at the balance sheet date, the Group sponsored two sections of the RPS in respect of TOCs operating under NRCs. 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. Additionally, the Group sponsors a section for its open access Hull Trains business, which closed to new entrants in March 2024. DC schemes: RPS Industry-Wide Defined Contribution (IWDC) Section. Hull Trains employees who are not eligible for the DB section, and Tram Operations employees, are enrolled into the IWDC Section.

Each of these groups of arrangements have therefore been shown separately. The scheme details are described on pages 191 to 202 of the Annual Report and Accounts for the 52 weeks ended 29 March 2025.

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

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	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Operating		
- Current service and administration cost	2.0	4.4
- Past settlement gains including service gains and curtailments	(0.2)	(3.2)
Total operating	1.8	1.2

Interest (income)/expense	(0.4)	0.1
Total income statement	1.4	1.3

Balance sheet	27 September 2025	29 March 2025
	£m	£m
Fair value of scheme assets	965.3	992.5
Present value of defined benefit obligations	(994.6)	(970.1)
(Deficit)/surplus in schemes	(29.3)	22.4
The amount is presented in the condensed consolidated balance sheet as follows:		
Non-current assets	12.4	27.0
Non-current liabilities	(41.7)	(4.6)
	(29.3)	22.4

In November, the 2024 triennial valuation of the Bus section of the Group's pension scheme was completed and £20m of cash will be returned to the Group after the H1 2026 balance sheet date, with £20m paid to the Bus Section. Approximately £65m will be held in escrow for the Bus and Group schemes until the completion of the respective 2030 valuations where certain illiquid assets and liability assumptions are better known.

(b) North America

Greyhound pension arrangements

The Group has retained certain responsibilities for the provision of retirement benefits for some legacy schemes. The Group no longer operates a pension plan in the US, while in Canada there is a legacy plan with a DB and a DC section that is currently being wound up, and a small unfunded supplementary executive retirement plan (SERP) with a single beneficiary. During the prior year, the remaining liabilities in the US were bought out in July 2024, and winding up of the legacy Greyhound US pension plan was completed in December 2024. In Canada, the liabilities of the Greyhound Canada Retirement Income Plan have been secured with a group annuity contract; this is currently being converted to a buyout.

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:

18 Retirement benefit schemes (continued)

Income statement	26 weeks to 27 September 2025	26 weeks to 28 September 2024
	£m	£m
Operating		
- Current service and administration cost	0.2	1.1
- Past service gain including curtailments and settlements	-	(6.2)
Total operating	0.2	(5.1)
Interest charge	-	0.2
Total income statement	0.2	(4.9)

Balance sheet	27 September 2025	29 March 2025
	£m	£m
Fair value of schemes' assets	135.8	142.6
Present value of defined benefit obligations	(135.5)	(142.3)
Surplus in schemes	0.3	0.3
The amount is presented in the condensed consolidated balance sheet as follows:		
Non-current assets	0.3	0.3
Non-current liabilities	-	-
	0.3	0.3

(c) Rail contracts

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. These responsibilities continue for the periods of the TOCs and are passed to future contract holders when those TOCs terminate. 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.

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. As at the balance sheet date, the Group sponsored two sections of the RPS, relating to its contracting obligations for its TOCs. In line with Government policy to take TOCs into public ownership, sponsorship of these remaining sections is expected to transfer to new ownership in due course.

For the TOC sections, under the contractual arrangements with the DfT, the employer's responsibility is to pay the contributions following triennial 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 no compensating payments from or to the outgoing TOC.

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 Group'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 sections' 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.

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:

18 Retirement benefit schemes (continued)

Income statement	26 weeks to 27 September 2025 £m	26 weeks to 28 September 2024 £m
Operating		
- Current service cost	18.8	36.1
- Administrative cost	0.7	1.0
- Impact of franchise adjustment on operating cost	(2.5)	(12.4)
Total operating	17.0	24.7
Interest cost	6.6	2.5
Impact of franchise adjustment on net interest income	(6.6)	(2.5)
Total income statement	17.0	24.7

Balance sheet	27 September 2025 £m	29 March 2025 £m
Fair value of schemes' assets	2,439.4	3,658.0
Present value of defined benefit obligations	(1,991.4)	(3,070.4)
Surplus before adjustment	448.0	587.6
Franchise adjustment (60%)	(268.8)	(352.6)
Adjustment for employee share of RPS deficits (40%)	(179.2)	(235.0)
Surplus in schemes	-	-

(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.

The key assumptions were as follows:

	27 September 2025			29 March 2025		
	First Bus %	First Rail %	North America %	First Bus %	First Rail %	North America %
Key assumptions used:						

Discount rate	5.84 - 5.92	5.92	4.66	5.78 - 5.83	5.87	4.50
Expected rate of salary increases	NA	2.72 - 2.97	NA	NA	2.83 - 3.12	NA
Inflation - CPI	2.47 - 2.51	2.50	2.00	2.61 - 2.62	2.60	2.00
Future pension increases	2.47 ²	2.50	NA	2.37 ²	2.60	NA
Post retirement mortality (life expectancy in years) ¹						
Current pensioners at 65:	19.4	20.0	21.7	19.3	20.1	21.7
Future pensioners at 65 aged 45 now:	20.2	21.4	22.7	19.7	21.5	22.7

1 Life expectancies reflect the largest underlying plans in each region.

2 Weighted average for principal scheme.

19 Contingent liabilities

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 £47.2m (29 March 2025: £47.2m) and letters of credit for £104.8m (29 March 2025: £123.3m). The performance bonds primarily relate to First Rail franchise operations of £47.1m and residual North American obligations of £0.1m. 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 £100.9m to First Rail Train Operating Companies of which £83.7m remains undrawn. Letters of credit remain in place to provide collateral for legacy Greyhound insurance and pension obligations.

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 operating arrangements, 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 joint and several basis to the FirstGroup Pension Scheme Trustee.

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.

The Group'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 non compliance.

First MTR South Western Trains Limited (FSWT), a subsidiary of the Company and the former 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 (SSWT) (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 complete. 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 were ordered to be heard together. The CR alleged 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) was made by the CAT in respect of the proceedings. The proceedings were split into three trials, the first of which took place in June/July 2024. On 17 October 2025, the CAT handed down its judgment in relation to the first trial, dismissing the claim and determining that there was no abuse. The time for seeking permission to appeal from the Court of Appeal has not yet expired. Assuming the decision in the first trial is not successfully appealed, the second and third trials will not take place. In March 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.

20 Related party transactions

There are no related party transactions or changes since the Group's 2025 Annual Report which could have a material effect on the Group's financial position or performance of the Group in the 26 weeks to 27 September 2025.

21 Events after the reporting period

In November, the 2024 triennial valuation of the Bus section of the Group's pension scheme was completed and £20m of cash will be returned to the Group after the H1 2026 balance sheet date, with £20m paid to the Bus Section. Approximately £65m will be held in escrow for the Bus and Group schemes until the completion of the respective 2030 valuations where certain illiquid assets and liability assumptions are better known.

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 Kingdom'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.

The Directors of FirstGroup plc are listed on the Group's website at www.firstgroupplc.com.

Graham Sutherland
Chief Executive Officer
17 November 2025

Ryan Mangold
Chief Financial Officer
17 November 2025

Independent review report to FirstGroup plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed FirstGroup plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half-Yearly Report of FirstGroup plc for the 26 week period ended 27 September 2025 (the "period").

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 Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 27 September 2025;
- the Condensed Consolidated Income Statement for the period then ended;
- the Condensed Consolidated Statement of Comprehensive Income for the period then ended;

- the Condensed Consolidated Cash Flow Statement for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

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 Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). 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.

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.

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.

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.

Responsibilities for the interim financial statements and the review

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 Kingdom's Financial Conduct Authority. In preparing the Half-Yearly Report, including the interim financial statements, the directors are responsible for assessing the group'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.

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 Kingdom'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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