FIRSTGROUP PLC
SALE OF ASSETS AND BUS FRANCHISE CONTRACT AWARDS IN
WEST YORKSHIRE

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In support of the transition to bus franchising in West Yorkshire, FirstGroup plc (the `Group') is pleased to announce that it has agreed the sale of assets to the West Yorkshire Combined Authority (`WYCA').
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The agreement covers the sale of assets for Â£109 million including:
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- five freehold depots and fixed assets within the depots
- bus fleet, including 251 diesel vehicles and 79 electric vehicles

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The depot sales have completed, and the fleet sales will occur as the three WYCA franchise tranches go live, currently planned for May 2027, January and October 2028. First Bus will continue to run existing commercial bus routes up to the date of the franchise commencement at the respective depots, with the depots being leased to the Group at a peppercorn rental rate.
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The Group anticipates a post-tax disposal gain of circa Â£30m in relation to the completed depot sales that will be treated as an adjusting item for the purposes of the Group's FY 2027 adjusted operating profit and adjusted earnings per share, and cash inflows of c.Â£55m in FY 2027. The balance of the cash flows relating to the fleet sales will result in further positive adjusting items in FY 2028 and FY 2029, with the final number of fleet sales and sale proceeds depending on the extent that the Group is awarded contracts under the second and third tranches.
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Following the transition of the five depots to franchising c.130 buses will be cascaded to other parts of the Group. This will result in the deferral of some capital expenditure and working capital, representing a further c.Â£10m cash flow benefit to the Group over the next two years.
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The Group will also undertake the electrification of the Bradford and Huddersfield depots at WYCA's cost prior to the start of franchising. This will include a comprehensive design, tendering and project management service. The Bramley depot has already been partially electrified by the Group.
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Franchise contracts
The Group has been awarded two bus franchise contracts in Bramley and Huddersfield, where the Group currently operates, as part of the first of three tranches of WYCA's franchise programme. Key terms of the contracts include:
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- following a period of mobilisation, the contracts are due to commence in May 2027, with a core term of five years and an option to extend for a further two years;
- WYCA will retain revenue risk and specify the service levels, with the Group responsible for the delivery of services;
- the Group anticipates combined annual revenues of c.Â£40m from these contracts

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Both contracts will operate across the wider West Yorkshire region with the Bramley contract covering the Leeds area, served by a fleet of diesel and electric buses. The Huddersfield contract will be served by a fleet of electric buses.
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Under the terms of the new franchise contracts, WYCA will own the depots and will purchase any electric buses with operators required to lease electric buses at a peppercorn lease cost for the duration of their contracts. The Group will retain ownership of the diesel fleet, valued at c.Â£9m, to operate the Bramley contract throughout the franchise term, before transferring them to the successor operator at an agreed residual value.
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Commenting, Graham Sutherland, FirstGroup Chief Executive Officer said: Â
"We are delighted to have reached an agreement with regards to the sale of our assets and secured these important franchise contracts. We look forward to drawing on our scale, expertise and strong operational track record to deliver high-quality, sustainable bus services in partnership with the West Yorkshire Combined Authority."
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Forward-looking statements
Certain statements included or incorporated by reference within this document may constitute `forward-looking statements' with respect to the business, strategy and plans of the Group and our current goals, assumptions and expectations relating to our future financial condition, performance and results. By their nature, forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors that cause actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No statement in this document should be construed as a profit forecast for any period. Shareholders are cautioned not to place undue reliance on the forward-looking statements. Except as required by the UK Listing Rules and applicable law, the Group does not undertake any obligation to update or change any forward-looking statements to reflect events occurring after the date of this document.
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About FirstGroup
FirstGroup plc (LSE: FGP.L) is a leading private sector provider of public transport services. With around 30,000 employees, we reported adjusted

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revenue of Â£1.72 billion and transported almost 1.5m passengers a day in FY 2026. 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 20% 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.320 trains through two DfT contracted train operating companies: WCP (incorporating Avanti West Coast and West Coast Partnership Development) and GWR, and three open access routes (Hull Trains and two under the Lumo brand). We are formally committed to operating a zero emission commercial bus fleet by 2035, and First Rail will help support the UK Government's goal to remove all diesel-only trains from service by 2040. During FY 2026 FirstGroup received MSCI's highest possible ESG rating of AAA, was named one of the world's cleanest 200 public companies for the seventh consecutive year, was ranked in the top decile for its industry by ISS based on its ESG Performance Score and holds 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.