FIRSTGROUP PLC

June 2026

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First

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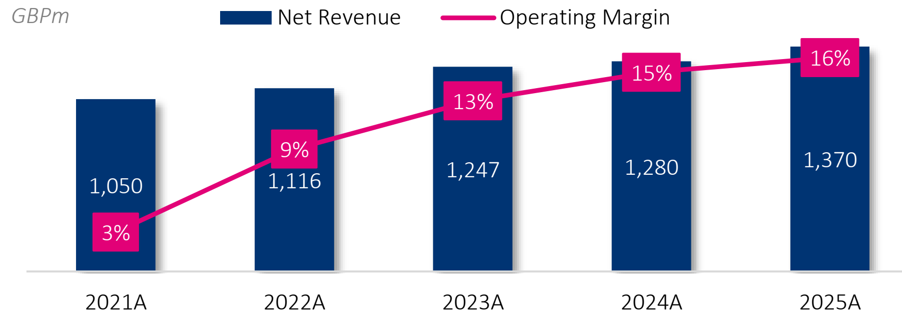
FirstGroup Overview

Leading UK Transport with Resilient Revenues and Growth Visibility

Company Description

- Headquartered in Aberdeen, UK and founded in 1995, FirstGroup is a leading public transport operator focused on bus and rail passengers and public authorities
- Operates through two core business segments:
  - **First Bus** - One of the largest regional bus operators in the UK, generating revenue through passenger fares and contracted services with local authorities
  - **First Rail -** Operates passenger rail services through government contracted operations "DfT-TOC" and open access routes "OA", generating revenue from fares and service agreements
- Listed on the London Stock Exchange with a market cap of approximately GBP 893m.

Financial Overview[1]



Geographical Outlook

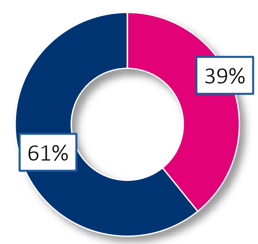
Market leader in UK rail & bus operations with 30,000 employees, serving 2 million passengers a day

First Rail operating in 383 stations around GB, from Glasgow to Penzance

First Bus serving 180m passengers annually in London

Business Segments

FirstGroup EBIT



First Rail

Adj Revenue[2]
288m

EBIT
149m

Op-margin OA
31%

First Bus

Revenue
1,081m

EBIT
96m

PP&E
813 m

Notes: (1)(2) First Rail revenue is adjusted for DfT-operations, where revenue is not attributable to the Company and they earn fixed fees. As DfT-routes get nationalised Open access "OA" will be the remaining arm of first-rail.
Sources: the Company, Bloomberg

FirstGroup Overview (cont.)

Delivering Growth through Network Scale, Strategic Expansion and Electrification

Strategic Focus Going Forward

1. Scaling Open Access Routes
2. Expanding Adjacent Services
3. Electrification of Fleet by 2035

Key People

Graham Sutherland
CEO since 2022

Janette Bell
MD, First Bus since 2020

Steve Montgomery
MD, First Rail since 2009

Corporate Timeline

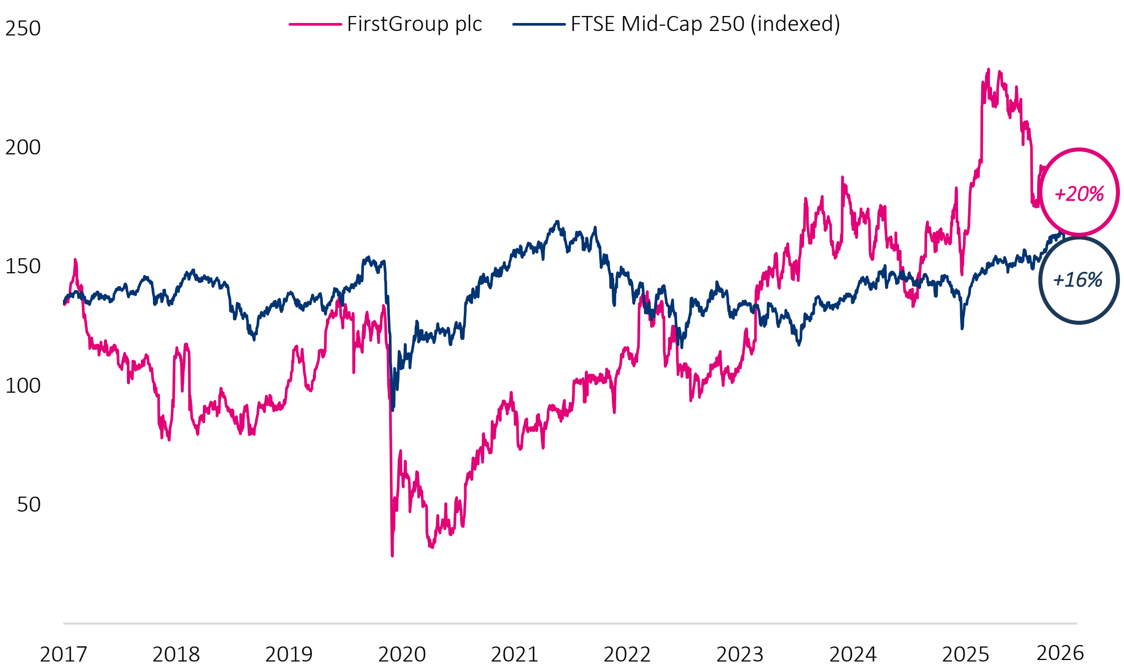
1995	Created as FirstBus via merger of Badgerline and GRT Group
1996	Entering rail through taking a minority stake in GWR
2007	Investing in North America through acquisition of Greyhound
2010	Founder Moir Lockhead steps down as CEO
2021	Launch of Lumo (commercial, no government contract)
2021	Final step in US exit through sale of Greyhound to Flixbus
2022	Rejects £1.2bn takeover bid from I Squared Capital
2023	Initiated a bolt-on M&A strategy for UK buses
2024	UK rail nationalisation becomes official policy
2025	Wins £3bn London Overground Contract

Sources: the Company, Bloomberg

Share Price Performance and Ownership

Fragmented Institutional Register With no Blocking Stake

Share Price Performance GBP



Sources: the Company, Investing.com

Ownership

Company Name	% of Shares	Investor Type
Liontrust	10.8%	Active AM
Lombard Odier	9.9%	Active AM
Columbia Threadneedle	9.2%	Active AM
Schroders	5.0%	Active AM
Coast Capital	4.5%	Hedge Fund
Top 5 Shareholders	39.4%	
Dimensional	4.3%	Passive AM
J.O Hambro	3.3%	Active AM
Equiniti	3.2%	Custodian
Vanguard	3.1%	Passive AM
C.I.S	2.6%	Family Office
Top 10 Shareholders	55.9%	

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Key Investment Highlights

1. Bus Services Bill De-Risks First Bus Revenue
2. Stable and Predictable Cash Flow
3. Strategic Sale-Leaseback of Depots
4. High-Margin Growth in Open Access
5. Future Bolt-on M&A Targets

Key Investment Highlights (cont.)

De-Risking of Revenue and Resilient Cash Flow Profile

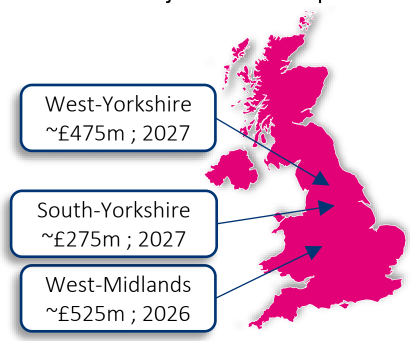
1) Bus Services Bill De-Risks First Bus Revenue

Legislation passed in 2025 allows for municipalities to franchise

Contract structure significantly de-risks revenue where operators are paid fixed + performance fees

London's franchise model delivers 7% margins in the most competitive market, regional franchises advantaged by lower costs & fewer bidders

Major Franchises Up for Bid[1]



Why FirstGroup Wins

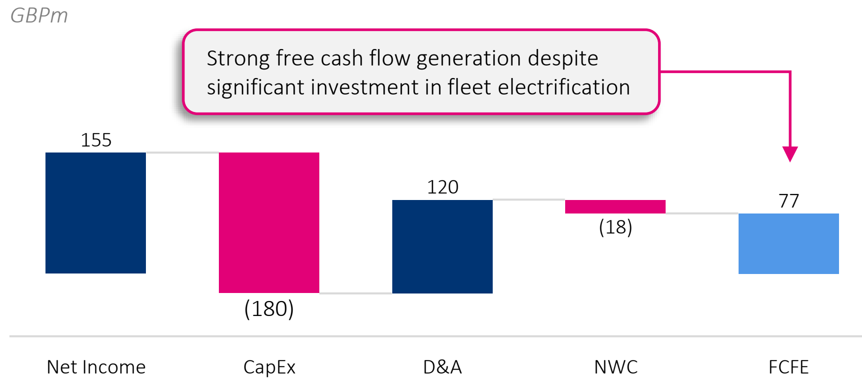
Key Factors

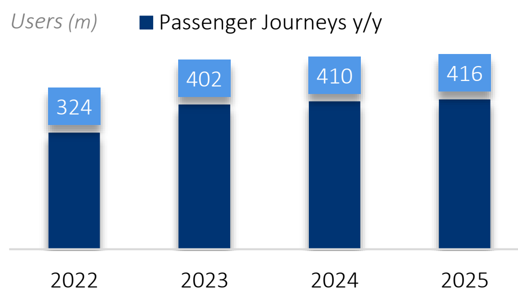
- Electrification Credentials
- Operation Reliability
- Infrastructure & Depots

FirstGroup's Position

- UK's largest electrified fleet
- Rated MSCI AAA[2]
- 2nd largest depot network

2) Predictable Cash Flow





Passenger journeys increasing y/y, motivating future stable cashflows

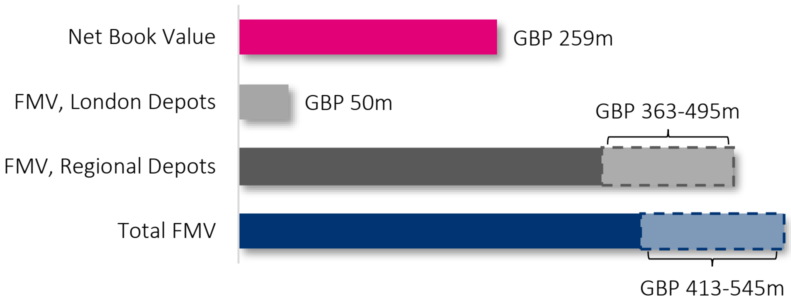
Public transport in UK growing with CAGR of 4% upcoming 4 years

Notes: (1) Franchise opportunities are estimated based on population and market size. (2) Highest possible ESG-rating available by MSCI
Sources: Analyst Estimates, the Company

Key Investment Highlights (cont.)

Depot Sale-Leaseback Opportunity and Significant Contract Wins Going Forward

3) Strategic Sale-Leaseback of Depots



70 depots (4 in London & 66 regional)

Average age: 10 years

Valuation based on precedent transactions

Estimated fair market value (FMV): GBP 413-545m

Cash inflow will be used to reduce leverage. Owned depots will be replaced with leased ones at an annual cost of GBP 24-29m.

FirstGroup Cash and Cash Equivalents

Note: (1) Revenue is estimated by annual seat miles.
Sources: Analyst Estimates, the Company

4) High-Margin Growth in Open Access

Recent Contract Decisions

Route	Revenue Impact[1]	Status
London – Stirling	c.£50m	Won
London – Carmarthen	c.£50m	Won
London – Sheffield	c.£15m	Lost

Re-application to be submitted

Current pending applications have potential to treble Open-Access revenue

Current Operations

lumo
Hull Trains

FirstGroup currently operates two open access routes: London <-> Hull & London <-> Edinburgh. They do this with 31% operating margins.

Leased trains provide opportunity for high-margin & capital light growth going forward.

- Industry leading NPS of +60
- Fully electrified fleet with Lumo

Key Investment Highlights (cont.)

M&A Strategy Going Forward

5) Future Bolt-on M&A Targets

Recent acquisitions

Strategy going forward

RATP Dev London

- Transaction Value: Completed Feb. 2025 for a **EV of £90.0 m**
- Deal Structure: Financed via **£45m in cash** and **£45m in asset backed vehicle finance leases**
- Strategic Entry: Marks FirstGroup's entry into the London bus market at scale, acquiring 90 TfL route contracts
- Acquired for **0.4x sales**

Holmeswood Coaches Limited

- Enhances capabilities in non-franchised, higher-margin sectors including private hire, school transport and corporate contracts
- Business Profile: Based in the North West with a diverse fleet of coaches and a premium private hire services
- Owns **130 vehicles**
- Hypothetical acquisition for EBITDA 3-4x

Vision Transportation

- Provides a significant foothold in the Greater Manchester bus market with **98 employees**
- Business Profile: **Operates a fleet of 40 buses** and specializes in commercial services, school contracts, and local authority tenders
- Hypothetical acquisition for 3-4x EBITDA

Type of Company	Profitable with mostly contracted, recurring revenue (e.g. long-term school or corporate shuttle contracts) rather than variable passenger fares
Fleet Size	15-150 vehicles, offering immediate value and lower integration risk than larger acquisitions, which can be cash-loss-making in the short term
Location	Primarily northern UK (Newcastle and above), as FirstGroup already has a strong presence in the South and Midlands
Strategic Assets	Well-located depots (owned or leased) that integrate with FirstGroup's regional network to drive operational and cost synergies.

Sources: Analyst Estimates, the Company

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Valuation Summary

Selected Valuation Methods Imply an EV Range of GBP 1,267 – 3,025m

Method

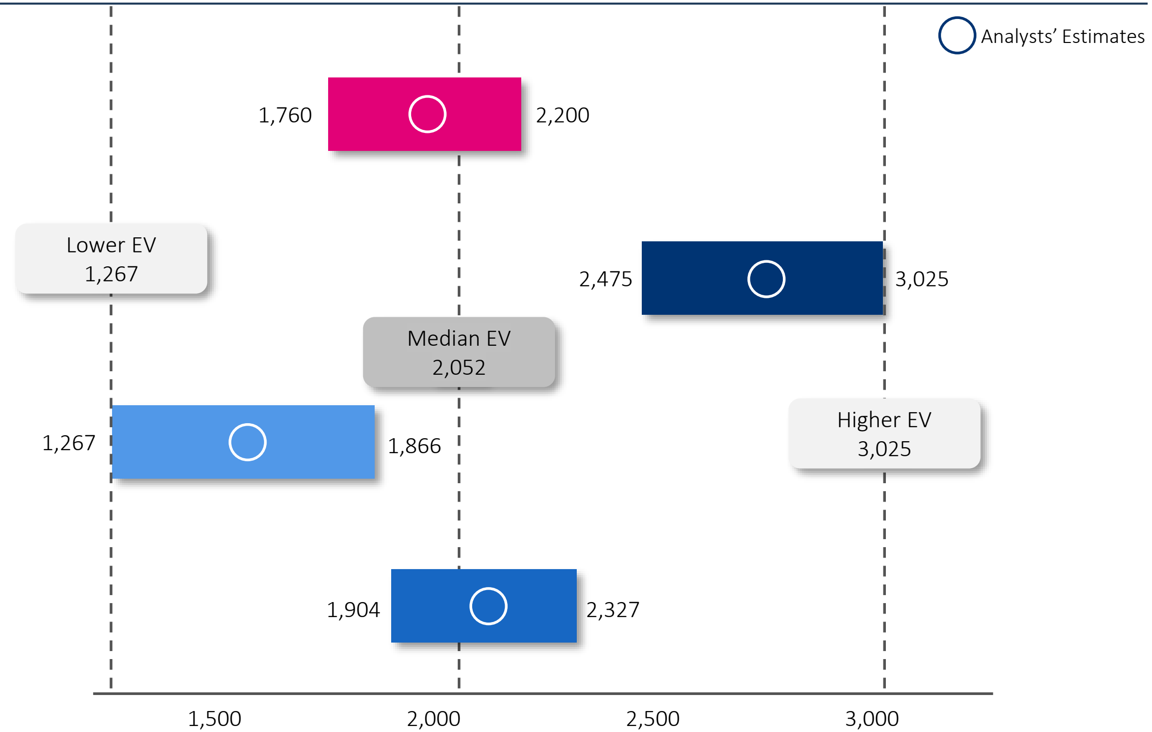
LBO Analysis
- Base Case IRR: 23.0%
- Exit EV/EBITDA 4.0 – 5.0x

Precedent Transactions
- Median EV/EBITDA 10.0x
- +/- 10%

DCF Analysis
- WACC 9.0-11.0%
- Exit EV/EBITDA 2.0x – 4.0x

Trading Comps
- Median EV/EBITDA 5.5x
- +/- 10%

Implied Enterprise Value Range (GBPm)



Sources: Factset, Bloomberg, Analyst Estimates

Leveraged Buyout Analysis

Leveraged Buyout Analysis Implies an IRR of 23.0%

LBO Cash Flows

GBPm	25/26A	26/27E	27/28E	28/29E	29/30E	30/31E
Debt	455	748	360	295	193	62
Debt Repayments	-	388	65	102	131	62
Interest Expense	-	57	41	32	17	4
Adj. EBITDA	**299**	**336**	**350**	**378**	**415**	**440**
Entry / Exit Multiple	4.5x	4.5x	4.5x	4.5x	4.5x	4.5x
Enterprise Value	1,346	1,512	1,670	1,781	1,882	1,980
Net Debt	34	310	245	143	12	(146)
Equity Value	**1,312**	**1,203**	**1,424**	**1,638**	**1,870**	**2,126**
Total Debt / EBITDA	1.5x	2.2x	1.0x	0.7x	0.5x	0.1x
MOIC	-	1.7x	2.0x	2.3x	2.7x	3.0x

		Term Loan xEBITDA				
	IRR	0.5x	1.0x	1.5x	2.0x	2.5x
Exit Multiple	3.5x	14%	15%	17%	20%	24%
	4.0x	16%	18%	20%	23%	29%
	4.5x	18%	20%	23%	27%	32%
	5.0x	20%	23%	25%	29%	35%
	5.5x	22%	25%	28%	32%	38%

		Entry Multiple				
	IRR	3.5x	4.0x	4.5x	5.0x	5.5x
Exit Multiple	3.5x	31%	23%	17%	13%	9%
	4.0x	35%	26%	20%	16%	12%
	4.5x	38%	29%	23%	18%	14%
	5.0x	41%	32%	25%	21%	17%
	5.5x	43%	34%	28%	23%	19%

Sources: the Company, Analyst Estimates

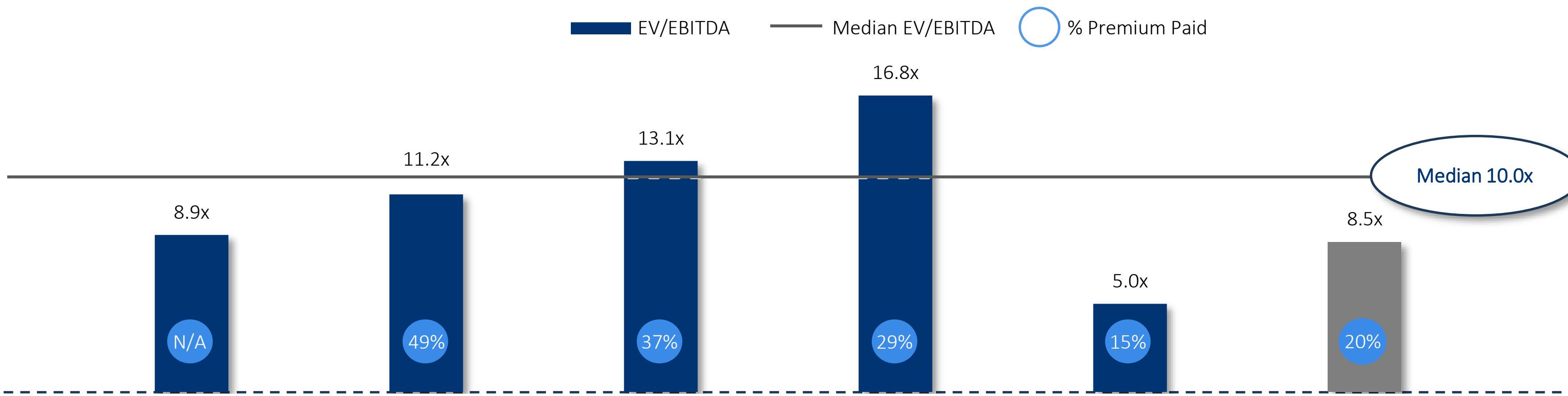
Comments

- An **IRR of 23.0%** implies an Enterprise Value of GBP 1,980m at exit
- Base case is roughly **50% debt / 50% equity** with a blended interest rate of **9%**
- Rapid deleveraging primarily due to cash inflow from Sale Leaseback

Precedent Transactions

Precedent Transactions Imply a Median Target Multiple of 10.0x EV/EBITDA

Selected Precedent Transactions[1]



Target	First Transit	GoAhead Sweden	Stagecoach	Nobina	mobico group	abellio
Acquirer	EQT	KINETIC moving people	DWS	BASALT Infrastructure Partners	I SQUARED	Transport UK London Bus
EV (GBPm)	3,635	1,022	595	1,087	480	24
Year	2021	2022	2022	2021	2025	2023

Note: (1) Blue indicates financial sponsors and grey indicates strategic buyers
Sources: the Company, Analyst Estimates, Bloomberg

Discounted Cash Flow Valuation

DCF Results in an Enterprise Value of GBP 1,549m

Discounted Cash Flows

GBPm	25/26A	26/27E	27/28E	28/29E	29/30E	30/31E
NOPAT	173	295	194	207	220	233
D&A (+)	120	122	126	134	139	144
CapEx[1](-)	(180)	(210)	(200)	(190)	(190)	(190)
Change in NWC (-)	(18)	(5)	(5)	(5)	(5)	(5)
Non-Cash SLB Gain (-)	0	(165)	0	0	0	0
Cash Inflow SLB (+)	0	414	0	0	0	0
FCFF	**95**	**451**	**115**	**146**	**164**	**181**
FCFF margin (%)	*6.9%*	*26.6%*	*6.1%*	*7.0%*	*7.5%*	*7.8%*

	WACC					
Exit Multiple / EV	9.0%	9.5%	10.1%	10.5%	11.0%
2.0x	1,344	1,324	1,300	1,285	1,267
2.5x	1,474	1,451	1,425	1,407	1,386
3.0x	1,605	1,579	1,549	1,529	1,505
3.5x	1,735	1,707	1,673	1,651	1,625
4.0x	1,866	1,834	1,797	1,773	1,744

	WACC				
NOPAT / EV	9.0%	9.5%	10.1%	10.5%	11.0%
(20%)	1,434	1,410	1,382	1,364	1,342
(10%)	1,520	1,495	1,466	1,447	1,424
Baseline	1,605	1,580	1,549	1,530	1,506
+10%	1,691	1,664	1,633	1,612	1,588
+20%	1,777	1,749	1,716	1,695	1,669

Note: (1) CapEx includes GBP 60m in acquisitions per annum.
Sources: the Company, Analyst Estimates

Comments

- **Bolt-on M&A strategy** supports incremental growth. The strategy focus on small profitable operators in a fragmented UK market
- A **WACC of 10.1%** is used, based on CoE at 10.9%, after-tax CoD at 3.2%, beta of 1.1 and risk free rate at 4.3%
- Base scenario implies EV of **GBP 1,549m**, corresponding to an implied **EV/EBITDA of 3.0x**

Comparable Companies Analysis

Comparable Companies Analysis Implies a Median EV/EBITDA of 5.5x

Selected Peer Group

Company Name	MCAP	EV	ND/EBITDA	Revenue CAGR	EBITDA margin	EV/EBITDA
	GBPm	GBPm	LTM	2022A-2025A	2027E	2027E
FNM	212	493	2.6x	3%	39%	2.5x
ComfortDelGro	1,902	2,620	1.1x	8%	15%	5.5x
MTR	19,941	22,882	5.3x	2%	34%	14.7x
Getlink	8,509	11,775	4.2x	(1%)	51%	16.2x
DFDS	960	2,703	4.2x	4%	14%	5.0x
Median	**1,902**	**2,703**	**4.2x**	**3%**	**34%**	**5.5x**
Average	**6,244**	**8,094**	**3.5x**	**3%**	**31%**	**8.9x**
First	893	1,017	0.1x	6%	19%	2.7x

Sources: the Companies, Bloomberg, Analyst Estimates

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Buyer Universe

Potential Strategic Acquirers and Financial Sponsors

Strategic Acquirers

GoAhead, arriva, transdev, Stagecoach, KEOLIS

Financial Sponsors

EQT, I SQUARED, MACQUARIE, KKR, APOLLO

Potentially Interested Parties

Selected Strategic Acquirers

Company	Key Metrics	Comments
GoAhead	Ownership: Private Revenue: GBP 3.2 bn # Operating Countries: 6 # Employees: 27,000	▪ Strong private backing following acquisition by Kinetic and Globalvia ▪ FirstGroup fits growth strategy in UK regional bus and rail markets ▪ Could create scale benefits in electrification, franchising, and open-access rail
arriva	Ownership: Private Revenue: GBP 2.2 bn # Operating Countries: 11 # Employees: 35,500	▪ Backed by I Squared Capital, which previously bid for FirstGroup in 2022 ▪ Strong fit through complementary UK bus, rail, and maintenance operations ▪ Could unlock synergies and smoother integration through existing FirstGroup expertise
transdev	Ownership: Private Revenue: GBP 8.9 bn # Operating Countries: 19 # Employees: 105,000	▪ Large global transport operator with scale and liquidity for major acquisitions ▪ Potential to strengthen market presence and capture operational synergies ▪ Could combine around shared focus on zero-emission fleets and rail operations
Keolis	Ownership: Private Revenue: GBP 6.6 bn # Operating Countries: 13 # Employees: 70,000	▪ Backed by SNCF with strong global scale and acquisition track record ▪ Existing UK relationship through joint Elizabeth Line bid with FirstGroup ▪ Would gain leading position in UK regional bus and open-access rail

Sources: Analyst Estimates, the Companies

Potentially Interested Parties (cont.)

Selected Financial Sponsors

Company	Key metrics		Comments
EQT	AUM	GBP 234 bn	▪ Existing relationship with FirstGroup through the First Transit acquisition ▪ Fits EQT's focus on UK critical infrastructure and European transport assets ▪ Could drive efficiencies, digitalization, and selective expansion
	# of portfolio companies	274	
	Latest fund size	GBP 1.2 bn	
	Ticket size	GBP 100m-1.5bn	
I SQUARED	AUM	GBP 41 bn	▪ Prior familiarity with FirstGroup, having made an unsolicited bid in 2022 ▪ Fits focus on essential transport and logistics infrastructure with stable cash flows ▪ Could support fleet modernization, rail growth, and bolt-on acquisitions
	# of portfolio companies	100+	
	Latest fund size	GBP 7.9 bn	
	Ticket size	GBP 300-700 m	
MACQUARIE	AUM	GBP 500 bn	▪ Deep UK infrastructure experience across utilities, transport, and essential services ▪ FirstGroup fits focus on stable public-service assets with resilient demand ▪ Could support network optimization, fleet electrification, and long-term investment
	# of portfolio companies	190	
	Latest fund size	GBP 6.2 bn	
	Ticket size	GBP 100m-1bn	
APOLLO	AUM	GBP 695bn	▪ Large infrastructure platform with significant capital available for deployment ▪ FirstGroup fits focus on scaled transport and essential infrastructure assets ▪ Could optimize domestic operations and support strategic growth opportunities
	# of portfolio companies	190+	
	Latest fund size	GBP 16 bn	
	Ticket size	GBP 400m+	

Sources: Analyst Estimates, the Companies