Audited results for the 15-months ending 31 March 2026

Trading momentum continues into 2026 with clear focus on addressing legacy commitments

Highlights for the 3 and 15-month periods ending 31 March 2026 (3m 2026 and 15m 2026)

- **Adjusted Revenue of £3.42bn (+5.9% vs. 15m 2025 of £3.23bn, 12m 2024: £2.60bn)**
    - Alsa Adjusted Revenue increased to £1.84bn (+11.5% vs. 15m 2025), reflecting strong performance which continued into the quarter ending 31 March 2026 (3m 2026: +8.8% vs. 3m 2025)
    - Increased competition in UK Coach has affected yields and volumes. Following integration into Alsa, initiatives are underway to improve operational performance, improve competitiveness and drive synergies
    - Group revenue for 3m 2026 of £660m (+4.3% vs. 3m 2025) driven by Alsa and full service-levels in Germany
- **Adjusted Operating Profit of £231m (15m 2025: £196m, 12m 2024: £180m)**
    - Statutory Operating Profit of £12m (15m 2025: £42m, 12m 2024: £32m), impacted by one-off adjusting items, primarily non-cash items including impairments and increases in provisions
    - Adjusted Operating Profit for 3m 2026 of £33m (3m 2025: £17m) driven by Alsa and German Rail
- **Covenant gearing of 2.9x (Dec 2025: 2.7x, Dec 2024: 2.8x)**
    - Liquidity of £0.8bn as at 31 March 2026, consisting of £242m in net cash and an undrawn £600m revolving credit facility (RCF)
    - Free Cash Flow of £132m (12m 2025: £77m, 12m 2024: £216m) with the decrease on 12m 2024 reflecting cash outflows related to NASB prior to sale completion in July 2025
- **Progress on simplifying and strengthening the business**
    - Active focus on managing cash outflows associated with legacy liabilities
    - Revised contracts signed with the German Public Transport Authorities (PTAs) post period-end. The benefits are not reflected in these results but will improve EBITDA in future results with effect from 1 January 2026
    - UK Bus asset monetisation progressing with completion expected ahead of the transition to franchising
    - Sale of NASB and National Express Transport Solutions completed
    - In 15m 2026, the Group won 28 new contracts with annualised revenue of £109m and total contract values of £682m
- **Outlook**
    - On track to deliver £100m of annualised opex savings and reduce capex to below £120m in 2027 (12m 2025: £152m excluding NASB)
    - Adjusted Operating Profit guidance for calendar year 2026[1] increased from £195 - 210m to £215m - 230m
    - A small reduction in Covenant gearing expected at 31 December 2026
    - Exposure to fuel costs managed through contractual protections and hedges which provide certainty in the short to medium-term (100% in 2026, 53% in 2027 and 23% in 2028 at prices lower than 2025)

Paco Iglesias, Group CEO, said:

"Mobico has maintained its positive performance through the first quarter of 2026, driven by continued growth in Alsa and a resumption of full-service levels in Germany from the end of 2025. We are increasing our Adjusted Operating Profit guidance for calendar year 2026 to £215 - 230m. Whilst challenges remain within our US and UK operations, we are actively addressing these and are making substantial progress through our 'Simplify, Strengthen, Succeed' strategy which is centered on a leaner, more integrated, approach across the Group and which is on track to generate £100m of annualised cost savings.

Debt reduction remains the Board's key priority; however, cash outflows associated with legacy liabilities continue to constrain our capacity to reduce net debt. We are working closely with our advisers to evaluate all our available strategic and financial options to accelerate leverage reduction, and expect to provide an update in the second half of the year."

Webcast presentation for institutional investors and analysts at 09:00am BST today

Mobico's Executive Chair, Phil White, Group CEO, Paco Iglesias and Group CFO, Brian Egan, will host a webcast for institutional investors and analysts.

To join online: https://connectstudio-portal.world-television.com/en/6a0c4819a6536a1fdddd92c4

A recording will be made available later in the day on the website: https://www.mobicogroup.com/investors/

Investor Meet Company webcast at 10.15am BST today

Mobico's Executive Chair, Phil White, Group CEO, Paco Iglesias and Group CFO, Brian Egan, will also host a webcast for retail investors.

To join online: https://www.investormeetcompany.com/mobico-group-plc/register-investor

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About Mobico Group

Mobico is a leading, international shared mobility provider with bus, coach and rail services in the UK, the US, continental Europe, North Africa and the Middle East.

Notes

1. Legal Entity Identifier: 213800A8IQEMY8PA5X34
2. This announcement contains forward-looking statements with respect to the financial condition, results, and business of Mobico Group. By their nature, forward-looking statements involve risk and uncertainty and there may be subsequent variations to estimates. Mobico's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Mobico does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including without limitation, during management presentations to financial analysts) in connection with this announcement.

Group financial summary

The Group has extended its financial year-end to 31 March 2026 for this reporting period. Consequently, these results comprise a 15-month statutory period. The prior statutory period comprises the 12-months ending 31 December 2024.

To assist investors with year-on-year comparisons, we have also provided comparators for the 15-month period ending 31 March 2025 (unaudited) where applicable.

Continuing operations	**15-months ending 31 March 2026 (15m 2026)**	**12-months ending 31 December 2024 (12m 2024)[1]**	**(Proforma) 15-months ending 31 March 2025 (15m 2025)**	***Change (15m vs. 15m)***
Group Adjusted[2] Revenue	**£3.42bn**	£2.60bn	£3.23bn	*5.9%*
Group Adjusted[2] EBITDA	**£464.8m**	£434.1m		
Group Adjusted[2] Operating Profit	**£231.0m**	£179.4m	£196.5m	*17.6%*
Group Adjusted[2] Profit before Tax	**£136.1m**	£99.5m	£96.5m	*41.0%*
Group Adjusted[2] Profit for the Period[3]	**£71.0m**	£54.7m		
Return on Capital Employed[4]	**21.5%**	10.0%		
Statutory				
Group Revenue	**£3.36bn**	£2.60bn	£3.23bn	*4.0%*
Group Operating Profit	**£11.7m**	£32.3m	£42.5m	*(72.5)%*
Group Loss before Tax	**£(89.2)m**	£(50.4)m	£(60.3)m	*(47.9)%*
Group Loss for the Period[3]	**£(328.6)m**	£(801.1)m		
Basic EPS	**(28.2)p**	(28.6)p		
Free Cash Flow[4]	**£131.8m**	£215.9m		
Net Debt[4]	**£1,133.6m**	£1,248.6m		
Covenant Gearing[4]	**2.9x**	2.8x		

1 Restated for a German Rail prior year restatement and to represent prior periods for discontinued operations, see notes 1 & 8 in the Financial Statements for further information.
2 To supplement IFRS reporting, we also present our results (including EBITDA) on an adjusted basis to show the performance of the business before adjusting items. These are detailed in note 5 to the Financial Statements and principally comprise intangible amortisation for acquired businesses, re-measurement of historic onerous contract provisions and impairments. In addition to performance measures directly observable in the Group financial statements (IFRS measures), alternative financial measures are presented that are used internally by management as key measures to assess performance.
3 Includes Profit/(Loss) from discontinued operations.
4 These are alternative performance measures and include discontinued operations.

Divisional financial summary

To aid comparability, proforma unaudited results for the 15-month period ending 31 March 2025 (15m 2025) and the 12-month period ending 31 December 2025 (12m 2025) are shown together with results for the March 2026 quarter (3m 2026) and for the March 2025 quarter (3m 2025). The 3m 2026 period is calculated as the mathematical difference between the audited 15-month results and the previously reported 12-month unaudited results.

£m	**15-months ending March**			**3-months ending March[1]**			**12-months ending December**		
	15m 2026	**15m 2025[2]**	***Change***	**3m 2026[2]**	**3m 2025[2]**	***Change***	**12m 2025[2]**	**12m 2024**	***Change***
Adjusted Revenue									

Alsa	**1,839.1**	1,649.9	*11.5%*	**350.8**	322.3	*8.8%*	**1,488.3**	1,327.6	*12.1%*
WeDriveU	**529.8**	524.1	*1.1%*	**97.6**	111.4	*(12.4)%*	**432.2**	412.7	*4.7%*
UK Coach	**380.2**	408.7	*(7.0)%*	**65.2**	72.9	*(10.6)%*	**315.0**	335.8	*(6.2)%*
UK Bus	**337.8**	332.7	*1.5%*	**65.9**	67.3	*(2.1)%*	**271.9**	265.4	*2.4%*
German Rail	**333.0**	314.7	*5.8%*	**80.6**	58.7	*37.3%*	**252.4**	256.0	*(1.4)%*
Total	**3,419.9**	3,230.1	*5.9%*	**660.1**	632.6	*4.3%*	**2,759.8**	2,597.5	*6.2%*
Adjusted Operating Profit/(loss)									
Alsa	**249.0**	217.4	*14.5%*	**37.0**	31.3	*18.2%*	**212.0**	186.1	*13.9%*
WeDriveU	**25.0**	30.3	*(17.5)%*	**4.8**	1.0	*380.0%*	**20.2**	29.3	*(31.1)%*
UK Coach[3]	**(22.9)**	(2.0)	*(1045)%*	**(11.0)**	(6.6)	*(66.7)%*	**(11.9)**	4.6	*N/A%*
UK Bus[3]	**2.4**	2.8	*(14.3)%*	**(4.9)**	(0.6)	*(716.7)%*	**7.3**	3.4	*114.7%*
German Rail	**17.0**	(11.9)	*N/A*	**10.4**	(1.8)	*N/A*	**6.6**	(10.1)	*N/A*
Central Functions	**(39.5)**	(40.1)	*1.5%*	**(3.3)**	(6.2)	*46.8%*	**(36.2)**	(33.9)	*(6.8)%*
Total	**231.0**	196.5	*17.6%*	**33.0**	17.1	*93.0%*	**198.0**	179.4	*10.4%*
Operating Margin	**6.8%**	6.1%	*0.7pp*	**5.0%**	2.7%	*2.3pp*	**7.2%**	6.9%	*0.3pp*

1 To illustrate financial progress following the previously disclosed 12-month unaudited results, this report presents a Year-over-Year (YoY) comparison of the final three months of our extended 15-month reporting period. The financial information for the 2026 three-month period (3m 2026) is calculated as the mathematical difference between the audited 15-month results and the previously reported 12-month unaudited results. Accordingly, these figures have not been independently retranslated at current-period foreign exchange (FX) rates. Instead, they reflect the FX rates and translation methodologies embedded within the historical 12-month and final 15-month financial statements.
2 Results are unaudited.
3 The Adjusted Operating Profit split between UK Coach and UK Bus has not previously been presented.

Group financial and operating performance

Continuing operations (15m 2026 vs. unaudited 15m 2025)

Group Adjusted Revenue increased by £189.8m or 5.9% whilst Adjusted Operating Profit increased by £34.5m or 17.6%. Overall, the Adjusted Operating Profit margin increased from 6.1% to 6.8%. Alsa delivered another record performance in 15m 2026, driven by strong growth in Spain and diversified revenue streams. This was partially offset by weaker performance in UK Coach and WeDriveU. During the period, the Group continued to simplify its operating model and reduce costs, taking steps to create a leaner, more integrated, organisation.

Alsa Adjusted Revenue grew 11.5% on a reported basis and 9.6% on a constant currency basis relative to 15m 2025. Adjusted Operating Profit grew 14.5% on a reported basis and 12.6% on a constant currency basis. The increase reflects continued strong performance in Spain, especially in Regional and Urban routes.

WeDriveU revenue increased 1.1% on a reported basis and 5.1% on a constant currency basis compared to 15m 2025. Adjusted Operating Profit decreased 17.5% on a reported basis and 14.2% on a constant currency basis. Revenue expansion has been driven by new contract wins, whilst Adjusted Operating Profit was impacted by losses in WMATA prior to utilisation of the onerous contract provision (OCP) from July 2025.

UK Coach revenue decreased 7.0% or £28.5m compared to 15m 2025 due to increased competition which continues to impact passenger numbers and yields. As a result, the Adjusted Operating Loss widened by £20.9m to £22.9m. This loss is expected to reduce as the benefits of integration with Alsa are seen throughout 2026.

UK Bus revenue increased by 1.5% or £5.1m compared to 15m 2025. Commercial passenger volumes reduced in line with broader industry trends and macroeconomic headwinds, while increased costs were partially mitigated by the 8.6% fare increase implemented in June 2025. Adjusted Operating Profit decreased by £0.4m to £2.4m, which includes the £4.3m benefit of property and land disposals in December 2025.

German Rail Adjusted Revenue increased by £18.3m or 5.8% on a reported currency basis and 4.0% on a constant currency basis compared to 15m 2025. Adjusted Operating Profit increased by £28.9m due to operational improvements and the benefit of a £6.3m final settlement of balances related to the RRX emergency award which ran between 2021 and 2023.

Central Function costs reduced by £0.6m or 1.5% compared to 15m 2025, with cost savings being offset by higher costs in relation to professional services, including a higher audit fee for this period.

Derived (unaudited) 3m 2026 vs. 3m 2025:

Group Adjusted Revenue and Adjusted Operating Profit increased by £27.5m (4.3%) and £15.9m (93.0%) respectively, driven primarily by Alsa and the return to full service-levels in Germany.

Alsa Adjusted Revenue for 3m 2026 improved by £28.5m (8.8%), driven by continued growth in Spain and diversified revenue streams. This was partly offset by a decrease in Morocco revenues following the termination of services in Marrakesh and Tangier in December 2025. Adjusted Operating Profit improved by £5.7m, reflecting the higher revenues and the benefit to Long Haul of the national government's 'Single Ticket' initiative.

WeDriveU revenue for 3m 2026 decreased by £13.8m, reflecting the impact of lower volumes in the WMATA contract (the single largest contract) and early exit from the loss-making CARTA contract. Adjusted Operating Profit increased by £3.8m, reflecting utilisation of £4.5m of the WMATA OCP.

UK Coach revenue for 3m 2026 decreased by £7.7m with Adjusted Operating Losses worsening by £4.4m. This includes a circa £4m provision related to a supplier legal claim arising in March 2026. The benefit of various integration initiatives, including network optimisation and improved revenue management systems, are expected to show through the remainder of calendar year 2026.

UK Bus revenue for 3m 2026 decreased by £1.4m whilst Adjusted Operating Losses widened by £4.3m, with lower passenger numbers and higher costs being partly offset by additional funding received from the local authority.

German Rail Adjusted Revenue for 3m 2026 increased by £21.9m and Adjusted Operating Profit improved by £12.2m. While this result reflects the underlying operational improvements made, it also benefitted from the timing of a £6.3m final settlement related to the RRX emergency award. The 3m 2026 results do not include the financial benefits of the revised rail contracts which were signed after the period-end. These benefits have been backdated to 1 January 2026 and will be included in future results.

Central Function costs for 3m 2026 improved by £2.9m due to cost savings made as part of the 'Simplify for Success' cost programme.

<u>Adjusting items (continuing operations)</u>

The variance between the Adjusted Operating Profit (£231.0m) and Statutory Operating Profit (£11.7m) for continuing operations is driven by non-recurring adjusting items totalling £219.3m.

£m	Adjusted result 15m 2026	Adjusting items 15m 2026	Statutory total 15m 2026	(Proforma) Adjusted result 15m 2025	(Proforma) Adjusting items 15m 2025	(Proforma) Statutory total 15m 2025
Alsa	**£1,839.1**	**£(20.8)**	**£1,818.3**	£1,649.9	-	£1,649.9
WeDriveU	**£529.8**	**-**	**£529.8**	£524.1	-	£524.1
UK Coach	**£380.2**	**-**	**£380.2**	£408.7	-	£408.7
UK Bus	**£337.8**	**-**	**£337.8**	£332.7	-	£332.7
German Rail	**£333.0**	**£(41.1)**	**£291.9**	£314.7	-	£314.7
Revenue	**£3,419.9**	**£(61.9)**	**£3,358.0**	£3,230.1	-	£3,230.1

Alsa	**£249.0**	**£(45.0)**	**£204.0**	£217.4	£(12.3)	£205.1
WeDriveU	**£25.0**	**£(49.1)**	**£(24.1)**	£30.3	£(12.3)	£18.0
UK Coach	**£(22.9)**	**£(17.2)**	**£(40.1)**	£(2.0)	£(11.2)	£(13.2)
UK Bus	**£2.4**	**£(0.3)**	**£2.1**	£2.8	£(7.1)	£(4.3)
German Rail	**£17.0**	**£(38.4)**	**£(21.4)**	£(11.9)	£(87.6)	£(99.5)
Central Function	**£(39.5)**	**£(69.2)**	**£(108.7)**	£(40.1)	£(23.5)	£(63.6)
Operating Profit/(Loss)	**£231.0**	**£(219.3)**	**£11.7**	£196.5	£(154.0)	£42.5

Key adjusting items within the numbers above are:

North America School Bus (NASB) retained liabilities (£46.2m): As part of the sale of NASB, the Group retained legal liabilities relating to open insurance claims that existed at the date of sale. A £46.2m charge has been recognised in the Income Statement primarily due to material adverse developments on more significant individual claims. More details on the Group's legal claim provisions are provided in the 'Legacy liabilities' section.

RME contract asset impairment (£41.3m): A £41.3m non-cash impairment recognised against the RME IFRS 15 contract asset as at 31 March 2026. This reflects a material worsening of future performance expectations under the original contract due to public authority farebox revenue changes and forecast higher penalties from increased future construction works. As the signing of revised contracts is a post-balance-sheet event, the improved RME terms from 1 January 2026 are not reflected as at 31 March 2026.

WeDriveU OCP (£38.6m): A £38.6m charge recognised for the re-measurement of WeDriveU OCPs, driven primarily by the WMATA contract. During 2025, the contract became unprofitable, driven in part by lower-than-projected volumes and a loss of contracted exclusivity. This resulted in a £52.4m OCP being recognised in the unaudited 12m 2025 results to reflect estimated future losses.

As at 31 March 2026, the OCP was revised to £29.2m to reflect managements' best estimate at the time. Post period-end, WMATA issued a notice of termination and services have ceased. As a post-balance-sheet event, the termination has not been reflected in the calculation of the OCP.

Restructuring and other costs (£45.3m): The £45.3m total includes the impact of Group-wide strategic initiatives and restructuring, including costs relating to the disposal of the NASB business, cost savings programme and separation of the UK businesses.

A full list of adjusting items has been provided in the CFO review section.

Discontinued operations

During the period the Group completed the disposal of NASB (July 2025) and NXTS (October 2025). As a result, these businesses are presented as discontinued operations for the 15m 2026 period.

More details on the financial performance from these operations can be found in 'Discontinued operations'.

'Simplify for Success' cost programme

Launched at the H1 25 results, the 'Simplify for Success' cost programme remains on track to deliver £75m of cost savings in calendar year 2026. On an annualised basis, this equates to £100m of savings from 2027 across the Group's divisions and central functions. We incurred one-off costs associated with achieving these savings of circa £20m in the 15m 2026 period.

Key contract wins

During the 15m 2026 period, the Group won 28 new contracts with annualised revenue of £109m and total contract values of £682m. The conversion rate on bids submitted and awarded was 27%, up from 23% in 12m 2024.

These figures exclude non-consolidated Joint Venture and Joint Operation (JV/JO) successes, most notably the Qiddiya project in the Middle East and the Guadalajara health transport award. On a proforma basis, including these strategic JV/JO wins, the total value of new contracts is close to £1.5 billion.

Post period-end, Alsa has:

- Secured a five-year extension of its Andalusia contract which is one of the largest in its regional business with annual revenues of circa €75m;
- Received a provisional award for a five-year extension of its key Bilbao urban contract which represents annual revenues of approximately €75m. Final award notification is pending, with operations under the renewed contract scheduled to begin in January 2027; and
- Been nominated as preferred bidder for a 12-year JV contract valued at €600m (Alsa 30% minority stake) to operate the new Madinah Bus Rapid Transit network. This award builds on its existing footprint and continues Alsa's expansion into the growing Middle East public transport market.

A key strategic focus is the upcoming long-haul concession renewals, with the tender process expected to commence in the coming months and continue until 2029.

Strategic commentary

The Group has made progress in improving financial performance and reducing risk. This has been achieved through addressing loss-making contracts, streamlining the organisation, reducing costs, greater integration of our business units and the sharing of best practice.

Looking ahead, we are increasingly leveraging Alsa's strength and expertise across the Group, with benefits including:

- Alsa's high contract retention rates and proven framework for assessing and winning complex domestic and international tenders;
- The sharing of technology, including a sophisticated digital accounting platform developed by Alsa, improved ticketing and ancillary revenue generators (such as travel insurance), together with AI-driven driver monitoring and collision detection systems to improve safety and reduce claims; and
- Lower corporate overheads through streamlined management and reduced costs through the removal of duplication.

These benefits are being supported by a series of structural organisational changes with greater integration of Alsa's leadership across the wider organisation.

Despite the progress made, clear challenges remain and addressing leverage remains the highest priority. As a result, the Board is working closely with its advisers to evaluate all available strategic and financial options to accelerate leverage reduction. We expect to provide an update in the second half of the year.

Balance sheet and leverage reduction

As at 31 March 2026, the Group had £0.8bn of cash and undrawn committed facilities. The core RCF is set to expire in 2029.

The covenant gearing ratio was 2.9x (31 December 2025: 2.7x, 30 June 2025: 3.0x, 31 December 2024: 2.8x). Maximising cash generation and accelerating leverage reduction remains a key priority for the Group.

The Group elected not to exercise its option to redeem the Hybrid on the first call date and paid the coupon for February 2026. In-line with the prospectus terms, the coupon reset in February 2026 to a new rate of 8.144%.

The Board and management are evaluating all available strategic and financial options to support its strategic objectives. This includes:

- Focusing on operational execution to generate strong and predictable free cash flows;
- Managing legacy liabilities which negatively impact free cash flow generation and the ability to reduce leverage;
- Exploring opportunities for further cost reductions beyond the previously announced £100m annual opex savings and £120m annual capex targets from 2027; and
- Considering further asset sales and disposals.

Revised German Rail contracts

In June 2026, the Group signed legally binding contracts with the five German PTAs which are backdated to 1 January 2026 and which realign contract terms for its rail services in North Rhine-Westphalia and adjacent regions.

As a result of these revisions, the RRX contract remains loss making with an OCP of £112.9m at 31 March 2026, while profitability on the RME contract has improved. On a combined basis, the revised RME and RRX contracts are expected to be cash neutral over their contract lives, with the potential for a small positive benefit.

See the ‘German Rail divisional results section’ for more detail, including changes to the contracts.

Legacy liabilities

The Group is focused on managing its legacy liabilities which continue to impact its capacity to reduce leverage.

German PTA advances

PTA advances amount to approximately £132m (€153m), comprising historic penalties and the overpayment of subsidies, with the largest amounts relating to the 2023 to 2025 period.

The final figure remains subject to the PTAs’ completion of the relevant accounts. Current expectations are that the advances will be repayable over the lifetime of the respective contracts.

Legal claim provisions

The Group has a total claims provision of £100.5m, with a further £9m in payables at 31 March 2026 (covering auto, general liability, workers’ compensation and environmental exposures) with the majority expected to be settled over the next five-years.

The provision is heavily weighted toward legacy claims retained as part of the NASB sale in July 2025, split as follows:

- Legacy NASB (£53.5m) which includes the impact of the £46.2m gross increase in the period. The claims portfolio is being actively managed to better control the financial impact;
- WeDriveU (£25.6m) related to ongoing operations; and
- UK (£21.4m) related to ongoing operations.

In recognition of the high risk of claims associated with operating in the US, WeDriveU is taking steps to decrease the likelihood of future claims. These steps include the use of driver monitoring, collision detection and vehicle camera technologies that have successfully been implemented by Alsa, as well as enhanced driver training and safety awareness.

UK defined benefit pension deficit

The UK defined benefit pension scheme deficit stood at £53.3m at 31 March 2026 following a triennial pension scheme valuation in the period. To manage this a new funding agreement was finalised with the West Midlands Pension Fund. Commencing 1 April 2026, the plan outlines an average deficit contribution of £19.6m per annum over the next three years.

NASB disposal completion adjustments

Following the NASB disposal in July 2025, the Group is disputing a post-close adjustment claim submitted by the purchaser. Management has recorded an undisclosed baseline provision within these results to cover expected settlement costs. This provision is lower than the potential maximum amount payable of £34.9m and, therefore, there is a potential further liability beyond the current provision should the Group be partly or wholly unsuccessful in defending the claim. The outcome of this claim process, along with any cash outflow, is expected to be resolved before 31 December 2026.

Divisional results (continuing operations)

Alsa

Alsa is a leading bus and coach operator in Spain with a diversified portfolio of domestic and international transport businesses. Over a number of years, it has significantly diversified its portfolio away from predominantly Long Haul services. As a result, it now operates Long Haul, Regional, Urban and diversified transport services across Spain, Morocco, Switzerland, France, Portugal, Bahrain and Saudi Arabia. The recent integration of Mobico's UK Coach business adds the UK and Ireland, further strengthening Alsa's international platform and supporting its ambition to become a pan-European coach operator.

	15m 2026	15m 2025	*Change*	3m 2026	3m 2025	*Change*	12m 2025	12m 2024	*Change*
Reporting currency (£m)									
Adjusted Revenue	**£1,839.1**	£1,649.9	*11.5%*	**£350.8**	£322.3	*8.8%*	**£1,488.3**	£1,327.6	*12.1%*
Adjusted Operating Profit	**£249.0**	£217.4	*14.5%*	**£37.0**	£31.3	*18.2%*	**£212.0**	£186.1	*13.9%*
Local currency (€m)									
Adjusted Revenue	**€2,141.7**	€1,954.3	*9.6%*	**€403.8**	€385.8	*4.7%*	**€1,737.9**	€1,568.5	*10.8%*
Adjusted Operating Profit	**€290.0**	€257.5	*12.6%*	**€42.4**	€37.7	*12.5%*	**€247.6**	€219.8	*12.6%*
Adjusted Operating Margin	**13.5%**	13.2%	*0.3pp*	**10.5%**	9.8%	*0.7pp*	**14.2%**	14.0%	*0.2pp*

FX rates: 15m2026: €1.16:£1; 12m2025: €1.17:£1; 12m2024: €1.18:£1

Operating highlights

- 349 million passengers transported in Spain in the 15m 2026 period, an 8.8% increase from 15m 2025.
- Long Haul passenger numbers increased 1.6% in 3m 2026 compared to 3m 2025.
- National government continues to promote mobility in Spain, most recently with the 'Single Ticket' initiative implemented in January 2026.
- Near doubling of ZEVs over the last 12-months, with 382 in service as at 31 March 2026.
- Well protected against fuel cost increases, with around a third of contracts having pass-through fuel costs and the remainder protected through hedging.
- Alsa is the world's first road passenger company to be awarded the Road Safety Index Certification from the Fédération Internationale de l'Automobile.

KPIs

	15m 2026	15m 2025	*Change*	12m 2024
Long Haul (as reported)				
PAX total Long Haul (000's)	**21,323**	20,504	*4.0%*	16,675
PAX (9 main corridors) (000's)	**14,067**	13,670	*2.9%*	11,269
Yield (9 main corridors) (€)	**€22.1**	€22.2	*(0.5)%*	€22.4
Urban				
PAX (000's)	**145,873**	131,986	*10.5%*	103,196
Regional				
PAX total (000's)	**181,520**	167,914	*8.1%*	133,797
PAX (risk and venture) (000's)	**65,870**	62,705	*5.0%*	50,572
Morocco				
PAX total (000's)	**371,895**	426,097	*(12.7)%*	346,716

Commentary

Adjusted Revenue for 15m 2026 increased 11.5% to £1,839.1m (15m 2025: £1,649.9m). On a constant currency basis, revenue increased 9.6% to €2,141.7m (15m 2025: €1,954.3m). Revenue expansion was primarily driven by an 8.8% increase in Spanish passenger volumes, offset by reduced volumes in Morocco following the loss of contracts in Marrakesh and Tangier in December 2025.

Adjusted Operating Profit for 15m 2026 increased 14.5% to £249.0m (15m 2025: £217.4m). The increase was primarily driven by strong trading in Spain throughout the period. Adjusted Operating Profit for 3m 2026 grew to £5.7m YoY despite the strong comparative period. This included a £1m benefit from an early Easter and the national government's new 'Single Ticket' initiative which boosted demand in Long Haul. Elsewhere, growth in Portugal, Health Transport and the Middle East more than offset a £2.5m reduction in Morocco's operating profit following recent contract changes.

The **Adjusted Operating Profit margin** for 15m 2026 increased 30 basis points to 13.5%. The operating margin for 3m 2026 was 10.5%, an increase from 9.8% in 3m 2025. The March quarter is seasonally a lower demand period.

Statutory Operating Profit reduced by £1.1m (or €5.3m in local currency) compared to 15m 2025 reflecting the increase in Adjusted Operating Profit offset by a £26.8m impairment charge relating to Alsa's reduced footprint in Morocco.

Spain

Spain remains Alsa's core market, generating €1,602m (75% of Alsa revenue) with contributions primarily from Regional (€664m), Long Haul (€344m), Urban (€258m) and Other Transport (€335m).

Regional (and Metropolitan) lines performed exceptionally well, with constant currency revenues climbing 8.6%, driven by an 8.1% expansion in passenger volumes. Similarly, Urban revenue increased by 9.6%, driven by a significant 10.5% increase in passenger volume.

Long Haul revenues for 15m 2026 increased by 3.7% from 15m 2025, supported by the national government's 'Multi-Voucher' initiative in H1 2025, the 'Young Summer' initiative from June to September 2025 and the 'Single Ticket' initiative from January 2026. Overall passenger numbers increased by 4.0%, while the nine main corridors saw a 2.9% increase. Occupancy remained in-line with prior periods.

Tourism and Other Transport continued to demonstrate strong growth, building on the successful integration of CanaryBus. Further diversifying its tourism portfolio, Alsa received approval for a Galician tourist train project. This builds on the previously announced four-year renewal of its Madrid sightseeing services which is expected to secure €5.8m in annual revenue and reinforce Alsa's footprint in one of Spain's key tourism centres.

In addition, Alsa consolidated cruise operations under BC Cruise Services and launched Spain Transfer, a new premium private transfer service, strengthening its end-to-end mobility and tourism offering.

International and diversified

Revenue from international markets and diversified Spanish business units totalled €505m. The main contributors were Diversified transport operations at €187m, Morocco at €177m and Portugal, Switzerland and International routes at €141m.

Diversified activities in Spain continue to grow, with revenue from Health Transport increasing almost 80% and Operating Profit increasing by over 30% from 15m 2025. Health Transport will further benefit from the Sanir-Serveo JV acquisition in Madrid, the consolidation of operations in the Basque Country and the award of two large health transport contracts in Guadalajara and one in Catalonia which commenced in April 2026.

Alsa's international footprint has expanded significantly over the past five-years, driven by a combination of targeted M&A and tender success. The business has established a cross-border hub in Switzerland and France, expanded its Portuguese operations and secured key contract wins in the Middle East.

During 15m 2026, Alsa extended its network mileage in Portugal and replaced legacy fleet vehicles with 113 new ZEVs at no additional cost through subsidies.

Changes to operations in Morocco

In 2025, Alsa's Moroccan operations faced a shift in the local operating environment, resulting in the transfer of staff and assets in Marrakesh and Tangier. A strategic settlement was also reached in Casablanca. On a combined basis, this had an €11m impact on Revenue and a circa €3m impact on Adjusted Operating Profit in 3m 2026.

The remaining contracts in Morocco performed well in 3m 2026. Going forwards, Alsa will operate the revised Casablanca contract to 2029 and the Rabat contract to 2034 with the latter benefiting from an agreed fare increase in July 2025.

Competition, markets and regulation

In Spain, the most notable source of competition continues to be rail liberalisation and growth in High-Speed Rail (HSR) corridors, the combination of which is expected to impact several long-haul routes. The Madrid-Costas and Madrid-Granada routes are undergoing liberalisation, while HSR competition is expected to impact the Madrid-Asturias, Madrid-Galicia, Barcelona-Valencia and Madrid-Bilbao routes.

To counter increased competition, Alsa is focusing on its excellent service record and client experience to maintain customer loyalty. This strategy is backed by targeted initiatives, including the implementation of its '360 fares' project and expanded digitalisation to drive dynamic pricing. Additionally, Alsa is tailoring services to specific routes to maximise its competitive advantages, including night services and airport connections.

Competitive activity also includes routine renewals across the regional, metropolitan and urban sectors. Alsa remains confident in retaining these contracts.

In Morocco there has been increased competition in urban bus operations from local operators. Alsa remains the largest urban bus operator and will look to renew existing contracts as they come up for tender. This includes the upcoming tender in Agadir, a contract which Alsa has successfully operated for 15-years.

Spain's Sustainable Mobility Law and long-haul tender process

The Sustainable Mobility Law (published 4 December 2025) prioritises low-carbon public-focused transport and offers the potential to unlock EU green funding. The passing of the new law means the state network concession map has been redrawn in preparation for the renewal of existing contracts. The new map is expected to be approved in late 2026 and will simplify the network by combining existing concessions into a smaller number of enlarged concessions.

As a leading operator in Spain, Alsa's presence and scale will be a competitive advantage, particularly given the enlargement of concessions and ability for Alsa to integrate concessions with existing services (e.g. its regional bus network). Alsa expects to retain most of its existing concessions at a lower margin due to reduced fares which will be progressively balanced by passenger growth over the medium-term. The majority of contract renewals are expected in 2027 and 2028 with the financial impact expected from 2028.

The Madrid-Zaragoza-Barcelona concession is already approved and scheduled for tender as early as H2 2026. Alsa is actively preparing its bid and expects the process will serve as a benchmark for subsequent long-haul tender processes.

Government passenger support initiatives

As outlined above, Alsa has benefited from national government initiatives that began in 2023 aimed at encouraging modal shift to public transport. Following the success of these initiatives and the enactment of the Sustainable Mobility Law, the 'Young Summer' campaign is returning in 2026. Outside these initiatives, Alsa continues to generate demand through targeted multi-platform marketing and a comprehensive loyalty programme.

New contracts and growth opportunities

Alsa continues to benefit from high contract retention rates and a strong pipeline of growth opportunities that leverage its deep operational expertise and proprietary systems. This includes expanding its footprint in established markets across Southern Europe and MENA. Further expansion in the Middle East is expected with Alsa being announced preferred bidder for the 12-year, €600m joint venture contract for the Madinah Bus Rapid Transit network (Alsa 30% minority stake). Alsa continues to pursue adjacent transport opportunities where regional synergies exist, including paratransit services which are typically capital-light and offer strong returns on investment.

Outlook

Alsa's strategic focus for 2026 is to sustain the strong momentum achieved in the last three-years, while preparing for key contract retentions in Spain and continuing to diversify both operationally and geographically. The business is also focused on enhancing the competitiveness of the recently integrated UK Coach business. Through recently revised reporting lines and the cross-divisional sharing of expertise, Alsa is playing an increasingly important leadership role in our updated, streamlined organisational structure. As a consequence, the Group expects continued revenue and profitability growth in calendar year 2026.

WeDriveU

WeDriveU provides Transit and Shuttle services in North America. Transit focuses predominantly on paratransit (the transportation of passengers with additional needs) and urban bus operations. Shuttle offers corporate employee shuttle services to a range of sectors including Technology, Biotechnology, Manufacturing and Universities which ensures a strong, diversified portfolio of sectors and customers.

	15m 2026	**15m 2025**	***Change***	**3m 2026**	**3m 2025**	***Change***	**12m 2025**	**12m 2024**	***Change***
Reporting currency (£m)									
Revenue	**£529.8**	£524.1	*1.1%*	**£97.6**	£111.4	*(12.4)%*	**£432.2**	£412.7	*4.7%*
Adjusted Operating Profit	**£25.0**	£30.3	*(17.5)%*	**£4.8**	£1.0	*380.0%*	**£20.2**	£29.3	*(31.1)%*
Local Currency ($m)									
Revenue	**$701.9**	$668.1	*5.1%*	**$131.7**	$140.7	*(6.4)%*	**$570.2**	$527.4	*8.1%*
Adjusted Operating Profit	**$33.1**	$38.6	*(14.2)%*	**$6.4**	$1.1	*481.8%*	**$26.7**	$37.5	*(28.8)%*
Adjusted Operating Margin	**4.7%**	5.8%	*(1.1)pp*	**4.9%**	0.8%	*4.1pp*	**4.7%**	7.1%	*(2.4)pp*

FX rates: 15m2026: $1.32:£1; 12m2025: $1.32:£1; 12m2024: $1.28:£1

Operating highlights

- WeDriveU has continued to secure significant contract wins, particularly within the University Shuttle sector where it has maintained strong momentum in the market. New contract wins in 2026 include Concord (Transit), Visa (Shuttle) and Princeton (Shuttle).
- Driver staffing improved to near-optimal levels following the launch of the 'WeDriveUniversity' platform in June 2025.
- Business system optimisation is starting to provide improved information, enabling better operational decision-making.
- The loss-making Charleston (CARTA) contract was exited early following losses of £3.3m in the 15m 2026 period.
- After the period-end, the loss-making WMATA contract was terminated. During the 15-month 2026 period, WMATA incurred £4.5m in losses up to July 2025 plus a further £9.5m covered by the OCP in the remaining period.

Commentary

Revenue increased 1.1% to £529.8m (15m 2025: £524.1m). On a constant currency basis, revenue increased 5.1% to $701.9m (15m 2025: $668.1m). Revenue expansion was primarily driven by new contract wins in the period.

Adjusted Operating Profit decreased by £5.3m to £25.0m and by $5.5m to $33.1m in constant currency. This excludes £11.6m of losses related to contracts with an OCP (£9.5m related to WMATA). The adjusted operating margin fell to 4.7% from 5.8% for 15m 2025, primarily due to loss-making contracts.

The **Statutory Operating** result for 15m 2026 declined by £42.1m to a loss of £24.1m, directly reflecting the £38.6m remeasurement of WeDriveU OCPs.

Background to the WMATA contract

The contract with WMATA to operate paratransit services was awarded to WeDriveU in July 2024 for an initial five-year period, with five subsequent one-year renewal options exercisable at WMATA's discretion.

During 2025 the contract turned unprofitable, driven in part by lower-than-projected volumes following reductions in revenue service hours made by the authority and the loss of contracted exclusivity. As a consequence, at the time of our 12-month unaudited results, we provisioned for an annual cash outflow of approximately £8m related to the contract.

In January 2026, the Group initiated the process of seeking legal redress to recover its losses through filing a civil lawsuit against WMATA for breach of contract. On 12 May 2026 WMATA issued a notice of termination effective on that date. The Group co-operated with WMATA to ensure an efficient transition of services.

There can be no certainty as to the outcome of any ongoing or potential future litigation in relation to the contract.

Safety and claims

As at 31 March 2026, WeDriveU held £25.6m of claim provisions which reflects actuarial estimates for auto and general liabilities, employee compensation and environmental claims. The majority of this provision is expected to be utilised over the next five-years.

The Group recognises that operating in the US transit market requires a highly disciplined approach to mitigating the risk of legal claims and insurance liabilities.

To minimise the risk of potential future claims, WeDriveU is implementing a comprehensive strategy which is focused on operational safety, including:

- Improved use of technology, including the rollout of advanced on-board camera systems which have proven effective in Alsa; and
- Enhanced driver training programmes to reduce the risk and frequency of operational claims.

Outlook

Underlying performance and adjusted operating margins will benefit from the ending of the two loss-making contracts. However overall Adjusted Operating Profit in calendar year 2026 is expected to remain in line with 2025 levels of £20.2m.

Despite ongoing client cost pressures, WeDriveU maintains a healthy pipeline of new opportunities and is focused on reviewing existing contracts to improve long-term profitability.

A comprehensive fleet optimisation programme was launched in April 2026 to improve operational efficiency. Key initiatives include:

- Improving route data accuracy to identify and reduce unprofitable miles;
- Better maintenance scheduling to avoid expensive breakdowns;
- Optimising vehicle tracking to improve utilisation and reduce fleet downtime; and
- GPS and driver tracking to reduce fuel consumption.

UK Coach

UK Coach is the largest provider of scheduled coach services with a UK-wide network. Since September 2025, the division has been managed by, and is now fully integrated into, Alsa. To aid comparability for this reporting period, UK Coach performance is disclosed separately from the UK division. Going forwards, UK Coach will be reported under Alsa.

	15m 2026	15m 2025	*Change*	3m 2026	3m 2025	*Change*	12m 2025	12m 2024	*Change*
Reporting currency (£m)									
Revenue	**£380.2**	£408.7	*(7.0)%*	**£65.2**	£72.9	*(10.6)%*	**£315.0**	£335.8	*(6.2)%)*
Adjusted Operating Profit/(Loss)	**£(22.9)**	£(2.0)	*(1045)%*	**£(11.0)**	£(6.6)	*(66.7)%*	**£(11.9)**	£4.6	*N/A*

Adjusted Operating Margin	**(6.0)%**	(0.5)%	*(5.5)pp*	**(16.8)%**	(9.1)%	*(7.7)pp*	**(3.8)%**	1.4%	*(5.2)pp*

Operating highlights

- Passenger volumes declined by 4.8% compared to 15m 2025, despite aggressive competitor activity.
- The Ireland business continues to generate strong returns, with a £1.8m increase in operating profit from the Dublin Express and the APCOA contract launched in Q2 2025.
- Portfolio rationalisation with the divestment of NXTS in October 2025 and closure of NEAT operations at the end of 2025.
- 3m 2026 includes a circa £4m legal claim provision covering legal costs, potential penalties for missed vehicle orders and disputed unpaid amounts owed by a supplier.
- The operational and financial benefits of digital transformation resulting from the integration with Alsa are on track with the impact expected later in calendar year 2026.

KPIs

UK Coach Core	**15m 2026**	**15m 2025**	***Change***	**12m 2024**
PAX (000's)	21,509	22,600	*(4.8)%*	18,397
Yield (£)	£13.6	£13.9	*(2.2)%*	£13.9

Commentary

Revenue decreased 7.0% to £380.2m (15m 2025: £408.7m) due to intensified competition across key intercity and airport routes which placed pressure on passenger volumes (down 4.8%) and core yields (down 2.2%). The revenue comparison was also impacted by the benefit to network revenue and margins from rail disruption in the comparable 15m 2025 period.

Overall network mileage has declined due to ongoing efficiency initiatives, with total mileage in 3m 2026 being managed down 4.4% from 3m 2025.

Adjusted Operating Loss amounted to £22.9m, a widening of £20.9m compared to an operating loss of £2.0m in 15m 2025. This primarily reflects the volume-driven impact of lower revenue and higher costs, totalling nearly £10m, including an increase in employer National Insurance contributions. Performance was further impacted by a 4.3% decrease in network occupancy during 3m 2026.

Statutory Operating Loss of £40.1m for 15m 2026 (15m 2025: £13.2m) reflects the worsening in underlying performance and costs associated with the separation of the UK Coach business from the wider UK operations, alongside one-off restructuring costs associated with ongoing strategic initiatives.

To mitigate these profitability pressures, management has accelerated structural cost reductions. Synergies from the Alsa integration and comprehensive network optimisation initiatives successfully delivered a circa £3m operating profit benefit during the first quarter of 2026. Portfolio rationalisation, including the divestment of the loss-making NXTS business in October 2025 and the closure of NEAT operations in Q4 2025 has also reduced costs. Management expects this ongoing reorganisation, alongside continuous network refinements, will improve underlying operational performance and narrow losses throughout the remainder of 2026. Ongoing growth in the Irish operations continues to partially offset the challenges faced in the UK.

Outlook

Management anticipates that intense competition within the UK Coach market will persist, placing pressure on yields. To enhance competitiveness, ongoing network optimisation and cost-efficiency programmes continue to deliver structural savings. Furthermore, Alsa's digital transformation roadmap which encompasses web, mobile application and dynamic pricing enhancements is on track for delivery in the second half of 2026.

These strategic initiatives will significantly strengthen UK Coach's operational and financial performance over the remainder of the year. However, as the financial benefit of these initiatives and improvements will take time to materialise, UK Coach is again expected to record a loss in calendar year 2026.

UK Bus

UK Bus is the market leader in the West Midlands bus sector, the largest UK urban bus market outside London. In May 2025, following public consultation, Transport for West Midlands (TfWM) officially announced its decision to move forward with franchising the West Midlands bus network.

	15m 2026	15m 2025[1]	*Change*	3m 2026	3m 2025	*Change*	12m 2025	12m 2024	*Change*
Reporting currency (£m)									
Revenue	£337.8	£332.7	*1.5%*	£65.9	£67.3	*(2.1)%*	£271.9	£265.4	*2.4%*
Adjusted Operating Profit	£2.4	£2.8	*(14.3)%*	£(4.9)	£(0.6)	*(716.7)%*	£7.3	£3.4	*114.7%*
Adjusted Operating Margin	0.7%	0.8%	*(0.1)pp*	(7.4)%	(1.0)%	*(6.4)pp*	2.7%	1.3%	*1.4pp*

Operating highlights

- On-time performance improved by 0.5% in 15m 2026 compared to 15m 2025, while early running service metrics improved by 2%.
- Phased rollout of an additional 50 electric vehicles was completed, expanding the total ZEV fleet to 379 vehicles as of 31 March 2026.
- An 8.6% commercial fare increase was implemented in June 2025 to mitigate rising macroeconomic cost pressures, including increased employer National Insurance contributions.
- Concessionary travel continued to recover steadily, delivering 1.5% volume growth over the 15m 2026 period compared to 15m 2025. Conversely, commercial patronage remained under pressure (-5.1%) due to a national downturn in discretionary travel as a result of cost-of-living pressures.

KPIs

UK Bus	15m 2026	15m 2025	%	12m 2024
PAX (000's)	236,276	248,889	(5.1)%	199,341

Commentary

Revenue for 15m 2026 increased 1.5% to £337.8m (15m 2025: £332.7m). Macroeconomic headwinds drove a 5.1% decline in passenger volumes, offset by the 8.6% fare increase implemented in June 2025. Concessionary passenger volumes continued their structural recovery, expanding by 1.5% over the 15-month period.

Adjusted Operating Profit for 15m 2026 was £2.4m, a decrease of 14.3% or £0.4m relative to 15m 2025. Profitability during 15m 2026 includes a £4.5m gain arising from the strategic disposal of the Acocks Green depot and ancillary land on Oak Road in 2025, reflecting the initial steps towards de-risking and asset monetisation ahead of franchising.

Within the underlying operations (excluding disposals), cost inflation, led by localised driver pay awards and increases in employer National Insurance contributions, outpaced revenue expansion and enhanced local authority network support.

Franchising

The business maintains an active and collaborative engagement with TfWM in preparation for the transition to franchising which will be rolled out in three phases starting late 2027.

Ahead of the transition to franchising, the Group continues to explore options to structurally de-risk the business and monetise its operational assets. As an initial step, the Acocks Green depot and associated land on Oak Road in Birmingham were sold in December 2025.

The next phase of the strategy relates to the division's fleet, which comprises of both Group-owned diesel vehicles and ZEVs secured via long-term availability contracts. The transition to regional franchising means these vehicles will no longer be required to be owned for the Group's ongoing operations. While the owned diesel fleet presents a potential value opportunity, the Group is targeting a commercial transfer of ZEV availability contracts, which currently incur an annual operating expenditure of approximately £20m, as a means of de-risking the Group's future cost base.

Management expects to complete its asset monetisation strategy as soon as possible and ahead of the transition to franchising.

Outlook

Management continues to anticipate that the UK Bus division will deliver break even profitability for calendar year 2026.

Following the shift toward franchising in the West Midlands and nationwide, the Group is leveraging Alsa's extensive experience in running franchised bus networks to pursue new opportunities with a focus on sustainable returns.

German Rail

National Express is the second largest rail operator in North Rhine-Westphalia and one of the top five operators in Germany, with three contracts: RME, RRX 1 and RRX 2/3.

	15m 2026	15m 2025	*Change*	3m 2026	3m 2025	*Change*	12m 2025	12m 2024	*Change*
Reporting currency (£m)									
Adjusted Revenue	£333.0	£314.7	*5.8%*	£80.6	£58.7	*37.3%*	£252.4	£256.0	*(1.4)%*
Adjusted Operating Profit	£17.0	£(11.9)	*N/A*	£10.4	£(1.8)	*N/A*	£6.6	£(10.1)	*N/A*
Local currency (€m)									
Adjusted Revenue	€387.8	€372.8	*4.0%*	€93.0	€70.4	*32.1%*	€294.8	€302.4	*(2.5)%*
Adjusted Operating Profit	€19.8	€(14.1)	*N/A*	€12.1	€ (1.7)	*N/A*	€7.7	€(12.4)	*N/A*
Adjusted Operating Margin	5.1%	(3.8)%	*8.9pp*	13.0%	(2.4)%	*15.4pp*	2.6%	(4.1)%	*6.7pp*

FX rates: 15m2026: €1.16:£1; 12m2025: €1.17:£1; 12m2024: €1.18:£1

OCP utilisation during the 15-months in relation to the RRX contracts amounted to £72.2m (12m 2024: £45.8m). The remaining OCP as at 31 March 2026 is £112.9m.

Operating highlights

- Significant improvement in driver availability, with 58 new drivers trained and qualified over the last 15-months.
- Full-service provision and timetable stability restored since late 2025, eliminating the operational and financial impact of a reduced service.
- In June 2026, revised rail contracts were signed with the five German PTAs to implement structural changes to RME and RRX contracts.

Commentary

Adjusted Revenue increased 5.8% to £333.0m (15m 2025: £314.7m). On a constant currency basis, revenue increased 4.0% to €387.8m (15m 2025: €372.8m).

Adjusted Operating Profit of £17.0m, a £28.9m increase against the £11.9m loss recorded for 15m 2025. On a constant currency basis, Adjusted Operating Profit increased by €33.9m to €19.8m (15m 2025: Loss of €14.1m), delivering an adjusted operating margin of 5.1%. Profitability during 3m 2026 was supported by a final settlement of £6.3m related to the historical RRX emergency award contract which was operated from December 2021 to 2023.

The remaining improvement in profitability was driven by workforce stabilisation and improved operational delivery. However, the underlying operating environment remains heavily constrained by widespread track and infrastructure works across the German rail network. The sector faced approximately 2,600 construction sites in 2025 and 2,300 are anticipated in 2026. This level of infrastructure constraint continues to pressure network punctuality and operational cost structures.

Statutory Operating Loss of £21.4m, reflects a £41.3m non-cash impairment recognised against the RME IFRS 15 contract asset as at 31 March 2026. This reflects a material worsening of future performance expectations under the original contract due to public authority farebox revenue changes and forecast higher penalties from increased future construction works. As the signing of revised contracts is a post-balance-sheet event, the improved RME terms from 1 January 2026 are not reflected as at 31 March 2026.

Revisions to the German rail contracts

A key priority in 2025 and 2026 was a comprehensive renegotiation of commercial and contractual terms with the relevant PTAs across the German rail portfolio. Following an agreement in principle reached in January 2026, revised binding contracts were signed in June 2026 with all amendments backdated to 1 January 2026.

As this definitive agreement was finalised after the period-end, the resulting financial benefits and contract adjustments are not reflected in the Financial Statements for the 15-months ending 31 March 2026 and will be recognised in future results.

Following the successful execution of the revised terms, all operating contracts within the German division have transitioned to a gross cost structure. Consequently, the division no longer carries direct passenger volume or fare revenue risk across its network.

Rhine-Münsterland-Express (RME) contract: Formally converted from a 'net contract' (where the Group bore fare revenue risk) to a 'gross contract' (where fare revenue risk is now borne by the PTAs). Additionally, the RME contract has been extended by two-years to align with the major timetable change in 2032.

The revised RME contract also benefits from improved cost protections, including adjustments to indices which better reflect changes in costs, as well as:

- **Staff cost subsidies:** An enhanced subsidy mechanism is now in place to protect against significantly elevated labour and wage inflation;
- **Balanced penalty regime:** Retrospective to 1 January 2021, the penalty framework has been rebalanced to differentiate by cause. Lower penalty rates apply to disruptions stemming from external infrastructure issues, while higher percentages apply to self-caused cancellations; and
- **Engineering works and replacement services:** Costs resulting from infrastructure engineering works will now be fully borne by the PTAs.

Rhine-Ruhr-Express (RRX) contracts: The loss-making RRX contracts have been shortened by three-years and will now conclude in 2030. These contracts remain onerous and losses incurred during 15-month period were offset by a £72.2m utilisation of the OCP. As of 31 March 2026, the remaining OCP stands at £112.9m.

In addition, the Group is in discussions with the PTAs to agree a repayment profile to settle approximately £130m of cumulative historical advances primarily related to operational penalties and subsidies, of which the largest values relate to the 2023 to 2025 period. Expectations are that these advances will be repayable over the lives of the respective contracts.

Outlook

The revised contract structures significantly de-risk and ensure the long-term financial sustainability of the German Rail business. On a combined basis, the rail contracts are expected to operate on a cash-neutral basis over their remaining lifespan with the potential for a small positive benefit, excluding the repayment of advances to the PTAs.

As part of the focus on cost and efficiency improvements across the Group, the German rail business is reducing overheads and improving the structure of the business. This is expected to deliver incremental financial benefits through a focus on automation, process efficiency and sustainable reduction of the cost base.

Discontinued operations

North America School Bus (NASB)

On 25 April 2025, we announced an agreement to sell the NASB business to I Squared Capital for an enterprise value of up to $608m (circa £457m) and, following approval by the relevant authorities, the sale was completed on 14 July 2025. The associated assets and liabilities were consequently presented as held for sale in the 30 June 2025 interim financial statements. The business was sold on 14 July 2025 and is presented as a discontinued operation for the 15-month period ending 31 March 2026.

NASB performance to July 2025

	15m 2026[1]	12m 2024	*Change*	*Change*
Reporting currency (£m)				
Revenue	£440.1	£792.6	*£(352.5)*	*(44.5)%*
Adjusted operating Profit	£14.7	£8.9	*£5.8*	*65.2%*
Statutory operating Profit/(Loss)[2]	£(433.7)	£(550.1)	*£116.4*	*21.2%*

1 Performance up until sale in July 2025
2 See note 10 for further details of the sale.

National Express Transport Solutions (NXTS)

As part of the 'Simplify for Success' cost programme, the Group made a strategic decision to focus on core scheduled coach services business and to dispose of the loss-making NXTS business.

The NXTS business experienced significant losses following the COVID-19 pandemic which prompted a comprehensive restructuring and rationalisation programme that began in late 2023. Following a thorough review, it was determined that divesting the business offered the most effective path to reducing losses within the Group.

The sale of the remaining NXTS businesses to The Coach Travel Group Limited completed on 17 October 2025. Prior to the divestment, the NXTS business had in-year Operating Losses of £1.8m.

	15m 2026	12m 2024	*Change*	*Change*
Reporting currency (£m)				
Revenue	£13.1	£21.8	*£(8.7)*	*(39.9)%*
Adjusted Operating Loss	£(1.8)	£(3.2)	*£1.4*	*43.8%*
Statutory Operating Loss[1]	£(1.8)	£(4.7)	*£2.9*	*61.7%*

1 See note 10 for further details of the sale.

Group Chief Financial Officer's review

The Group recorded Adjusted Revenue of £3,419.9m and an Adjusted Operating Profit of £231.0m in the 15-months ending 31 March 2026. Statutory operating profit was £11.7m. The results for the current period are for the 15-months ending 31 March 2026, with the comparative information being for the 12-months ending 31 December 2024. To aid comparability, pro-forma results for the 15-months ending 31 March 2025 have also been presented below. The Group's previously released unaudited results for the 12-months ending 31 December 2025 provides a like-for like-comparison to full year 2024.

Adjusting items of £399.6m for the period included non-cash movements comprising £184.1m arising from the disposal of North America School Bus (NASB) and National Express Transport Solutions (NXTS), a £41.3m impact from the RME IFRS 15 contract asset in German Rail, a £38.6m remeasurement of onerous contract provisions (OCPs) in WeDriveU and the impact of changes to the operating environment in Morocco of £26.6m.

Adjusted net debt has reduced when compared to the prior year, with £115.0m net funds inflow during the period. This was aided by proceeds received and debt disposed of relating to NASB. As a result, covenant gearing was 2.9x at 31 March 2026.

Group Performance

	Adjusted result[1] 15-months ending 31 March 2026 £m	**Adjusting items 15-months ending 31 March 2026 £m**	**Statutory total 15-months ending 31 March 2026 £m**	Adjusted result[1and2] 12-months ending 31 December 2024 £m	Adjusting items[2] 12-months ending 31 December 2024 £m	Statutory total[2] 12-months ending 31 December 2024 £m
Continuing operations						
Revenue	**3,419.9**	**(61.9)**	**3,358.0**	2,597.5	–	2,597.5
Operating costs	**(3,188.9)**	**(157.4)**	**(3,346.3)**	(2,418.1)	(147.1)	(2,565.2)
Group operating profit/(loss)	**231.0**	**(219.3)**	**11.7**	179.4	(147.1)	32.3
Share of results from associates	**0.1**	**–**	**0.1**	(0.3)	–	(0.3)
Net finance costs	**(95.0)**	**(6.0)**	**(101.0)**	(79.6)	(2.8)	(82.4)
Profit/(loss) before tax	**136.1**	**(225.3)**	**(89.2)**	99.5	(149.9)	(50.4)
Tax (charge)/credit	**(65.0)**	**18.8**	**(46.2)**	(50.8)	(43.2)	(94.0)
Profit/(loss) for the period from continuing operations	**71.1**	**(206.5)**	**(135.4)**	48.7	(193.1)	(144.4)
Profit/(loss) for the period from discontinued operations	**(0.1)**	**(193.1)**	**(193.2)**	6.0	(662.7)	(656.7)
Profit/(loss) for the period	**71.0**	**(399.6)**	**(328.6)**	54.7	(855.8)	(801.1)

Pro-forma comparative information – continuing operations

	Adjusted result[1] 15-months ending 31 March 2026 £m	**Adjusting items 15-months ending 31 March 2026 £m**	**Statutory total 15-months ending 31 March 2026 £m**	(Proforma) Adjusted result[1] 15-months ending 31 March 2025 £m	(Proforma) Adjusting items 15-months ending 31 March 2025 £m	(Proforma) Statutory total 12-months ending 31 March 2025 £m
Revenue	**3,419.9**	**(61.9)**	**3,358.0**	3,230.1	–	3,230.1
Operating costs	**(3,188.9)**	**(157.4)**	**(3,346.3)**	(3,033.6)	(154.0)	(3,187.6)
Group operating profit/(loss)	**231.0**	**(219.3)**	**11.7**	196.5	(154.0)	42.5
Share of results from associates	**0.1**	**–**	**0.1**	–	–	–
Net finance costs	**(95.0)**	**(6.0)**	**(101.0)**	(100.0)	(2.8)	(102.8)
Profit/(loss) before tax	**136.1**	**(225.3)**	**(89.2)**	96.5	(156.8)	(60.3)

1: To supplement IFRS reporting, we also present our results on an adjusted basis which shows the performance of the business before adjusting items, principally comprising amortisation of intangibles for acquired businesses, remeasurement of OCPs and restructuring costs. Treatment as an adjusting item provides users of the accounts with additional useful information to assess the year-on-year trading performance of the Group. Further explanation in relation to these measures, together with cross-references to reconciliations to statutory equivalents where relevant, can be found in the Alternative Performance Measures section below.
2: Restated for prior period restatements and to represent prior periods for discontinued operations, see Notes 1 and 10 in the Financial Statements for further information.

Group Adjusted Revenue of £3,419.9m increased by £189.8m (5.9%) on a pro-forma 15-month like-for-like basis. Revenue growth was led by Alsa, driven by double-digit growth in Urban and Regional segments; and WeDriveU, driven by new contract wins across all areas of the business. 2024 full year revenue was £2,597.5m.

Group Adjusted Operating Profit of £231.0m increased £34.5m (17.6%) on a pro-forma 15-month like-for-like basis, largely driven by Alsa, a greatly improved performance in German Rail and the benefits of the commencement of the cost reduction programme. Segmental performance is explained further below. 2024 full year Adjusted Operating Profit was £179.4m (restated).

After £219.3m (2024: £147.1m) of adjusting items, statutory operating profit was £11.7m (2024 restated: £32.3m). Adjusting items are detailed in the following section.

Adjusted net finance costs for the period were £95.0m (2024: £79.6m). Interest rates on the floating rate portion of the Group's debt reduced during the period and the proportion of Group debt at floating rate also decreased following the maturity of interest rate swaps in November 2025.

The Group recorded an Adjusted Profit before tax of £136.1m (2024 restated: £99.5m).

The adjusted effective tax rate of 47.8% (2024 restated: 51.1%), reflects the combination of business performance across the Group's portfolio, restricted deductibility of finance costs and derecognised deferred tax assets. This adjusted effective rate resulted in an adjusted tax charge of £65.0m (2024 restated: £50.8m charge). The statutory tax charge was £46.2m (2024 restated: £94.0m), with an adjusting tax credit of £18.8m (2024 restated: £43.2m charge) consisting of a £4.9m tax credit on adjusting intangible amortisation, a £2.7m credit in relation to deferred tax asset recognition on goodwill tax relief, a £20.8m tax credit on tax deductible adjusting items, a £9.3m credit in relation to the recognition (2024: derecognition) of deferred tax assets, which is considered adjusting as it is material in size and non-recurring in nature, and an £18.9m charge in relation to an uncertain tax position.

Discontinued operations reflect the results of NASB and NXTS (in the UK) up to the dates of disposal on 14 July 2025 and 17 October 2025, respectively. Adjusting items are detailed in the following section.

The statutory loss for the period for the Group was £328.6m (2024 restated: £801.1m loss).

Adjusting items

Adjusting items in the period were £399.6m (2024 restated: £855.8m), of which £206.5m related to continuing operations (2024 restated: £193.1m) and £193.1m related to discontinued operations (2024 restated: £662.7m). Cash outflows in the period related to adjusting items were £158.4m (2024 restated: £99.2m).

Adjusting items	**Income statement 15-months ending 31 March 2026 £m**	Income statement 12-months ending 31 December 2024[1] £m	Cash 15-months ending 31 March 2026 £m	Cash 12-months ending 31 December 2024[1] £m
Adjusting items from continuing operations:				
Intangible amortisation / impairment for acquired businesses	**(26.8)**	(20.7)	**–**	–
Remeasurements of onerous contracts and impairments resulting from the Covid-19 pandemic	**–**	4.1	**–**	(1.4)
Remeasurement of German Rail RME IFRS 15 contract asset	**(41.3)**	–	–	–
Remeasurement of German Rail RRX OCPs	**4.7**	(86.4)	**(72.2)**	(45.8)
Final remeasurement of the Rabat put liability	**0.8**	–	**–**	–
Remeasurement of WeDriveU OCPs	**(38.6)**	0.7	**(11.6)**	(1.8)
Repayment of UK Coronavirus Job Retention Scheme grant ('Furlough')	**–**	–	**–**	(8.9)
Costs in relation to the legacy School Bus claims provision	**(46.2)**	–	**(27.4)**	–
Impairments and other costs associated with Morocco contract changes	**(26.6)**	–	**–**	–
Restructuring and other costs	**(45.3)**	(44.8)	**(40.8)**	(36.3)
Adjusting operating items from continuing operations	**(219.3)**	(147.1)	**(152.0)**	(94.2)
Finance costs:				
Unwind of discounting of provisions	**(6.0)**	(2.8)	**–**	–
Total adjusting operating items from continuing operations before tax	**(225.3)**	(149.9)	**(152.0)**	(94.2)
Tax credit/(charge) on adjusting items	**18.8**	(43.2)	**–**	–
Total adjusting operating items after tax from continuing operations	**(206.5)**	(193.1)	**(152.0)**	(94.2)
Adjusting items from discontinued operations:				
Intangible amortisation / impairment for acquired businesses	**(2.2)**	(7.0)	**–**	–
Disposal of NASB and NXTS	**(184.1)**	–	**–**	–
Goodwill impairment on NASB	**–**	(547.7)	**–**	–
Restructuring and other costs	**(6.1)**	(5.8)	**(6.4)**	(5.0)
Adjusting operating items before tax from discontinued operations	**(192.4)**	(560.5)	**(6.4)**	(5.0)
Tax charge on adjusting items	**(0.7)**	(102.2)	**–**	–
Total adjusting operating items after tax from discontinued operations	**(193.1)**	(662.7)	**(6.4)**	(5.0)

[1] Restated to represent prior periods for discontinued operations, see note 10 in the Financial Statements for further information

During the period two significant disposals were completed, being NASB and NXTS in the UK. For NASB, a £233.8m impairment loss on remeasurement to fair value less cost to sell was recorded in the period; on disposal this was partly offset by £87.3m of exchange differences and £1.8m of net investment hedge reserve being recycled to the Income Statement. For NXTS, a £39.4m impairment loss on remeasurement to fair value less cost to sell was incurred.

Amortisation on intangibles within acquired businesses from continuing operations was £26.8m in the period (2024: £20.7m). Amortisation on intangibles within acquired businesses from discontinued operations fell by £4.8m as a result of the sale of NASB during the year.

There was a non-cash impairment of the RME IFRS 15 contract asset of £41.3m (2024: £nil) due to a material worsening in future performance expectations under the original contract, primarily from a combination of farebox revenue changes implemented by the public authorities and forecasted higher penalties from increased future construction works. The benefit of the renegotiated contract entered into after the period-end cannot be reflected in the accounting for the RME IFRS 15 contract asset as at 31 March 2026.

There was a £4.7m credit relating to remeasurement of German Rail RRX OCPs in the period (2024: £86.4m charge). A £38.6m charge relating to the remeasurement of OCPs in WeDriveU was recorded in the period (2024 restated: £0.7m credit), with the current year charge mostly relating to the WMATA contract which became onerous in the period. The Group is seeking legal redress with the customer to recover the losses. We expect the outcome of the legal proceedings to be successful and the contract losses significantly reduced; however, any future legal settlement cannot currently be assumed in the provision calculation.

The final remeasurement of the Rabat put liability, which had been originally estimated at December 2023 and the final amount settled in June 2025, amounted to a £0.8m credit (2024: £nil).

As a result of part of the sale agreement of the NASB business, the Group retained the legal liability for substantial open insurance claims that existed at the date of disposal, along with the corresponding insurance claim provision. The retained claims relate to employee injuries, automotive claims and general liability claims that arose prior to the sale. The provision related to these claims has been increased by £46.2m in the period, reflective of adverse movements in the claims environment.

As a result of a change to the operating environment in Morocco, the Group has witnessed the renegotiation and retender of several of its contracts in major urban centres across Morocco. In September 2025, the Group was required to negotiate a price concession and a change in contractual terms to receive a settlement for outstanding debts in Casablanca. The price concession has been treated as a reduction to revenue in the current period.

In addition, during 2025 the Group's contracts in Marrakesh and Tangier were retendered. In the case of the Marrakesh and Tangier contracts, these were terminated and transferred to successor operators, at short notice in December 2025, along with staff and assets. This has led to the impairment of assets where the net book value is no longer deemed to be recoverable along with other one-off costs incurred or expected to be incurred as a result of the contract changes.

Restructuring and other costs of £45.3m (2024: £44.8m) includes the impact of Groupwide strategic initiatives and restructuring, including costs relating to the disposal of the School Bus business.

Segmental performance

Adjusted Operating Profit	**15-months ending 31 March 2026 Local currency m**	12-months ending 31 December 2024[1] Local currency m	**15-months ending 31 March 2026 £m**	12-months ending 31 December 2024[1] £m
Alsa	**290.0**	219.8	**249.0**	186.1
WeDriveU	**33.1**	37.5	**25.0**	29.3
UK Bus			**2.4**	3.4
UK Coach			**(22.9)**	4.6
German Rail	**19.8**	(12.4)	**17.0**	(10.1)
Central functions			**(39.5)**	(33.9)
Group adjusted operating profit from continuing operations			**231.0**	179.4

[1] Restated for a prior period restatements, see note 1 in the Financial Statements for further information.

Pro-forma comparative information **Adjusted Operating Profit**	**15-months ending 31 March 2026 Local currency m**	(Proforma) 15-months ending 31 March 2025 Local currency m	**15-months ending 31 March 2026 £m**	(Proforma) 15-months ending 31 March 2025 £m
Alsa	**290.0**	257.5	**249.0**	217.4
WeDriveU	**33.1**	38.6	**25.0**	30.3
UK Bus			**2.4**	2.8
UK Coach			**(22.9)**	(2.0)
German Rail	**19.8**	(14.1)	**17.0**	(11.9)
Central functions			**(39.5)**	(40.1)
Group adjusted operating profit from continuing operations			**231.0**	196.5

Alsa's Adjusted Revenue increased by 11.4% to €2,141.7m on a constant currency pro-forma 15-month like-for-like basis as a result of strong passenger demand in Alsa's domestic market (including Long Haul, Urban and Regional operations). This led to Alsa delivering an Adjusted Operating Profit of €290.0m; an increase of 12.6% on a constant currency pro-forma 15-month like-for-like basis.

WeDriveU Adjusted Operating Profit reduced on a constant currency pro-forma 15-month like-for-like basis by $5.5m to $33.1m as a result of operational challenges on some of its key contracts.

In UK Bus, passenger volumes fell in line with broader industry trends resulting in a reduced Adjusted Operating Profit of £2.4m in the current period. UK Coach continues to face passenger demand and yield pressure due to market conditions, including increased competition, with a (£22.9m) Adjusted Operating Loss compared to a (£2.0m) loss in the pro-forma 15-month period.

German Rail Adjusted Operating Profit of €19.8m, versus a (€14.1m) loss in the pro-forma comparative 15-month period represents a significant improvement, reflective of lower disruption and the business achieving full operational status for the first time in two years. The RRX 1 and RRX 2/3 contracts remain onerous with in-period losses being offset by a £72.2m utilisation of the OCP.

Central Functions costs have decreased slightly by £0.6m against the pro-forma comparative 15-month period, with cost savings achieved being mostly offset by higher accrued costs in relation to professional services, including a higher audit fee. The impact of cost saving initiatives is expected to reduce Central Functions costs in the future.

Adjusting items relating to each of these segments are described in detail in the previous section.

Treasury and cash management

Funds flow	**15-months ending 31 March 2026 £m**	12-months ending 31 December 2024[1,2] £m
Adjusted Operating Profit from continuing operations	**231.0**	179.4
Adjusted Operating Profit from discontinued operations	**12.9**	5.7
Depreciation and other non-cash items	**220.9**	249.0
Adjusted EBITDA	**464.8**	434.1
Net maintenance capital expenditure[1]	**(187.8)**	(161.9)
Working capital movement	**(4.9)**	52.6
Pension contributions above normal charge	**(11.7)**	(7.6)
Operating cash flow	**260.4**	317.2
Net interest paid	**(90.8)**	(86.3)
Tax paid	**(37.8)**	(15.0)
Free cash flow	**131.8**	215.9
Growth capital expenditure[1]	**(73.5)**	(59.3)
Acquisitions of businesses (net of cash and debt acquired)	**(18.7)**	(57.9)
Disposals of businesses (net of cash and debt disposed)	**286.4**	–
Adjusting items	**(158.4)**	(99.2)
Payment on hybrid instrument	**(42.5)**	(21.3)
Other, including foreign exchange	**(10.1)**	26.7
Net funds flow	**115.0**	4.9
Adjusted net debt	**(1,133.6)**	(1,248.6)

[1] Net maintenance capital expenditure and growth capital expenditure are defined in the glossary of Alternative Performance Measures
[2] Restated for prior period restatements and to represent prior periods for discontinued operations, see Notes 1 and 10 in the Financial Statements for further information.

The Group generated Adjusted EBITDA of £464.8m in the period (2024 restated: £434.1m), with an improvement in profitability in the continuing businesses being offset by a reduction driven by the loss of School Bus EBITDA following its disposal in July 2025.

£187.8m of maintenance capital expenditure mainly relates to fleet capex within NASB (prior to its disposal) and Alsa.

Working capital net outflow of £4.9m in the period largely reflecting the timing of cash collections in Alsa and a net outflow in School Bus prior to disposal. This working capital movement also drove a reduction in free cash inflow in the period to £131.8m (2024 restated: £215.9m).

Growth capital expenditure of £73.5m is a result of contract wins in prior and current periods, in particular in NASB prior to its disposal.

Acquisitions outflow of £18.7m (2024: £57.9m) relates primarily to the deferred consideration payment relating to the CanaryBus acquisition in Alsa which completed last year.

Disposals inflow of £286.4m (2024: £nil) mostly reflects the cash inflow and lease and other debt extinguished on the School Bus disposal.

A cash outflow of £158.4m was recorded in respect of the items excluded from adjusted results as explained in the section above.

£42.5m of coupon payments on the hybrid instrument were made in the period, being the annual coupon payments made in February 2025 and February 2026. Other outflows of £10.1m, principally reflect the movement in exchange rates and settlement of foreign exchange derivatives, partly offset by an inflow on sale of the Group's investment in Transit Technologies Holdco which was sold in the period.

Net funds inflow for the period of £115.0m (2024: £4.9m) resulted in adjusted net debt of £1,133.6m (2024 restated: £1,248.6m).

Please see the Supporting Reconciliations section below for a reconciliation to the Statutory Cash Flow Statement.

The Group has two key bank covenant tests; a <3.5x test for gearing and a >3.5x test for interest cover. At 31 March 2026, covenant gearing was 2.9x (31 December 2024: 2.8x) and interest cover was 4.7x (31 December 2024: 4.6x). At 31 March 2026, the Group had utilised £1.3bn of debt capital and committed facilities, with an average maturity of 4.1 years. The weighted average interest rate for the bonds and private placements is 3.5%.

At 31 March 2026, the Group's £600m RCF facility was undrawn and it had £242m of net cash and cash equivalents. The table below sets out the composition of these facilities.

Funding facilities	Facility £m	Utilised at 31 March 2026 £m	Headroom at 31 March 2026 £m	Maturity year
Core RCFs[1]	**600**	**–**	**600**	**2028-2029**[1]
2028 bond	**250**	**250**	**–**	**2028**
2031 bond	**437**	**437**	**–**	**2031**
Private placements[2]	**405**	**405**	**–**	**2027-2032**
Divisional bank loans	**30**	**30**	**–**	**various**
Leases	**195**	**195**	**–**	**various**
Funding facilities excluding cash	**1,917**	**1,317**	**600**	
Net cash and cash equivalents		**(242)**	**242**	
Total		**1,075**	**842**	

[1] £571m of the facility matures in 2029 with £29m maturing in 2028
[2] The portion of Private placements that mature in 2027 is £233m maturing May and June 2027. The remainder matures in 2030 and 2032.

At 31 March 2026, the Group had foreign currency debt and swaps held as net investment hedges. These help mitigate volatility in the foreign currency translation of our overseas net assets. The Group also hedges its exposure to interest rate movements to maintain an appropriate balance between fixed and floating interest rates on borrowings. At 31 March 2026, the proportion of Group debt at floating rates was 14% (31 December 2024: 21%); with the reduction in the floating portion from last year driven by the maturity in November 2025 of a set of interest rate swaps attached to the 2028 bond. The interest rate on this bond is now fixed until maturity.

The Group hedges its exposure to fuel prices in order to provide a level of certainty as to its cost in the short-term and to reduce the year-on-year impact of price fluctuations over the medium-term. Fuel cost represents approximately 9% of revenue (2024: 8%). At 31 March 2026, the Group is around 57% hedged for 2027 at an average price of 45.3p per litre and around 23% hedged for 2028 at an average price of 40.1p per litre. This compares to an average hedged price in 2026 (calendar year) of 50.7p per litre.

Adjusted Return on capital employed
The Adjusted Return on capital employed at the end of the period was 21.5% (2024 restated: 10.0%).

Dividend
A final dividend has not been proposed for the current period (2024: £nil).

Pensions
The Group's principal defined benefit pension scheme is in the UK. The combined deficit under IAS 19 at 31 March 2026 was £53.2m (31 December 2024: £11.5m), with the IAS 19 deficit for the Group's main scheme in the UK Bus division being £53.3m (31 December 2024: £11.3m). The significance increase in the deficit is the result of the new contribution schedule implemented as part of the recent triennial valuation, reflecting increased maturity of the scheme membership profile and the West Midlands Pension Fund updating the funding approach towards a low risk basis as a result.

Going concern
The Financial Statements have been prepared on a going concern basis as the Directors are satisfied that the Group has adequate resources to continue in operational existence for a period of not less than 12-months from the date of approval of the Financial Statements. Details of the Board's assessment of the Group's 'base case', 'reasonable worse case', and 'reverse stress tests' are detailed in note 1 of the Financial Statements.

Risks and uncertainties
The Board considers the following are the principal risks and uncertainties facing the business:

• Unprecedented external factors threatening the resilience of the business: The resilience of the business can be challenged from major incidents such as a future pandemic, a financial crisis or extreme weather. If the Group is not able to identify and prepare appropriately, it might lead to significant financial, operational and reputational damages.

• Limited economic growth affecting our speed of recovery: Limited economic growth can impact demand for travel and put pressure on our revenue growth, cash generation and our profitability – this can be on a country, region or global basis.

• Adverse political and policy environment affecting funding: Political and geopolitical events such as trade tensions and regional conflicts can bring change. Those changes may impact government policy and funding for transport, which may impact the Group's operations.

• Regulatory landscape and ability to comply: Changes in current regulations and newly introduced regulations can impact the cost structure and operational procedures in our business as we strive to remain compliant.
• Climate changes (physical): We see increased frequency and intensity of extreme weather events such as hurricanes, floods and heatwaves that can lead to extensive damage to infrastructure, loss of lives, and disruptions to communities. The Group can lose key locations or suffer severe asset damages, or operations can be interrupted and cause revenue loss even if the Group's assets are undamaged.

• Climate changes (transitional): The transition to zero emissions mass mobility is driven by regulatory changes, market demands, and Group's commitment to reducing its carbon footprint. The successful and sustainable transition poses a number of challenges due to significant changes required to infrastructure and changes to the risk profile associated with owning and operating the assets.

• Implications of new technology in our business model (ZEV transformation): Transition to ZEV means introducing new technology that involves changes impacting across the business model including financing, contracting, maintaining and operating of the assets.

• Competition and market dynamics in a digital world: The evolving digital landscape in the transportation sector brings a number of challenges and opportunities including: i) shifting consumer preferences towards digitalisation; ii) alternative revenue structures which may disrupt traditional fare structures; iii) structural transformation which could cause unforeseen disruptions or affect productivity.

• Organisational change, transformation and growth: Structural transformation (particularly with organisational design and business model transformation) can affect productivity in the short term, bring unforeseen disruption, misalignment of goals and resistance to change.

• Shortages of drivers and frontline employees: A tightening labour market leads to a combination of higher turnover and lower numbers of new recruits. A material shortage of drivers, engineering and maintenance employees impacts our ability to effectively deliver services and impact profitability, operations and reputation.

• Industrial action: Industrial action can impact the delivery of service, revenues and damage our brand and reputation, along with employee engagement and morale.

• Cyber attack and IT operational resilience: Major IT failure could disrupt operations and lead to loss of revenue. Data compromise involving a loss of customer information could result in reputational damage and significant remedial costs.

• Safety incidents, litigation and claims: Major safety related incident could impact the Group both financially and reputationally. Higher than planned claims or cash settlements could adversely affect profit and cash outflow. Non-compliance with regulations can create legal and financial risk. A security incident (e.g. terrorism) would have a direct impact through asset damage, disruption to operations and revenue loss.

• Credit/financing: A material increase in interest rates would increase the Group's cost of borrowing. Constrained equity and/or debt markets increase the costs of capital and debt financing. Regulation of debt providers and macro political and economic events can impact access to and/or cost of capital.

• Attraction and retention of talent and succession planning: Risk of not being able to attract or retain talented individuals with key skills needed to deliver the Group's strategy.

• Contract management: Poor management of the contract bidding process, as well as the in-life management of contracts can have a significant negative impact on our financial performance and leave us exposed to fines and penalties from contracting parties. Additionally, poor management of supplier contracts could lead to commercial leakage, long term detrimental financial arrangements and/or negative non-financial consequences including failure to comply with laws and regulations.

Brian Egan
Group CFO
28 July 2026

Alternative performance measures

In the reporting of financial information, the Group has adopted various Alternative Performance Measures ("APMs"). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the Adjusted performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group's performance. The key APMs that the Group focuses on are as follows:

Measure	Closest IFRS measure	Definition and reconciliation	Purpose
Adjusted EBITDA	Operating profit[1]	Adjusted Earnings Before Interest and Tax plus Depreciation and Amortisation. It is calculated by taking Adjusted Operating Profit and adding back depreciation, amortisation, fixed asset grant amortisation, and share-based payments.	Adjusted EBITDA is used as a key measure to understand profit and cash generation before the impact of investments (such as capital expenditure and working capital). It is also used to derive the Group's gearing ratio.
Gearing and Covenant EBITDA	No direct equivalent	Gearing is defined as the ratio of Covenant net debt to Covenant EBITDA over the last 12-months. Covenant EBITDA is calculated by making the following amendments to Adjusted EBITDA (which is defined above): including any pre-acquisition Adjusted EBITDA generated in that 12-month period by businesses acquired by the Group during that period; the reversal of IFRS 16 accounting; the exclusion of the profit or loss from associates; the exclusion of the profit or loss attributable to minority interest; and the add back of interest costs arising from the unwind of the discount on provisions.	The gearing ratio is considered a key measure of balance sheet strength and financial stability by which the Group and interested stakeholders assess its financial position. Covenant EBITDA is used for the purpose of calculating he Group's two key bank covenant tests: being gearing and interest cover.
Free cash flow	Net cash generated from operating activities	The cash flow equivalent of Adjusted Profit After Tax. A reconciliation of Adjusted Operating Profit and net cash flow from operating activities to free cash flow is set out in the supporting tables below.	Free cash flow allows us and external parties to evaluate the cash generated by the Group's operations.
Net maintenance capital expenditure	No direct equivalent	Comprises the purchase of property, plant and equipment and intangible assets, other than growth capital expenditure, less proceeds from their disposal. It excludes capital expenditure arising from discontinued operations. It includes the capitalisation of leases initiated in the year in respect of existing business. A reconciliation of capital expenditure in the statutory cash flow statement to net maintenance capital expenditure (as presented in the Group Chief Financial Officer's review) is set out in the supporting tables below.	Net maintenance capital expenditure is a measure by which the Group and interested stakeholders assesses the level of investment in new/existing capital assets to maintain the Group's profit.
Growth capital expenditure	No direct equivalent	Growth capital expenditure represents the cash investment in new or nascent parts of the business, including new contracts and concessions, which drive enhanced profit growth. It includes the capitalisation of leases initiated in the year in respect of new business.	Growth capital expenditure is a measure by which the Group and interested stakeholders assesses the level of capital investment in new capital assets to drive profit growth.
Adjusted net debt	Borrowings less cash and related hedges	Cash and cash equivalents (cash overnight deposits, other short-term deposits) and other debt receivables, offset by borrowings (loan notes, bank loans and finance lease obligations) and other debt payable (excluding accrued interest). The components of adjusted net debt as they reconcile to the primary financial statements and notes to the accounts is disclosed in note 16.	Net debt is the measure by which the Group and interested stakeholders assess its level of overall indebtedness.
Covenant net debt	Borrowings less cash and related hedges	Adjusted net debt adjusted for certain items agreed with the Group's lenders as being excluded for the purposes of calculating Net Debt for covenant assessment. The adjustments principally comprise the exclusion of IFRS 16 liabilities, the exclusion of amounts owing under arrangements to factor advance subsidy payments, the add back of trapped cash, and an adjustment to retranslate any borrowing denominated in foreign currency to the average foreign currency exchange rates over the preceding 12-months.	Covenant net debt is the measure that is applicable in the covenant gearing test.
Adjusted Revenue	Revenue	Statutory revenue excluding Adjusting items (as described below), and can be found on the face of the Group Income Statement in the first column.	Adjusted Revenue allows for ongoing trends and performance of the Group to be measured by the Directors, management and interested stakeholders.
Adjusted Operating Profit	Operating profit[1]	Statutory operating profit excluding Adjusting items (as described below), and can be found on the face of the Group Income Statement in the first column.	Adjusted Operating Profit allows for ongoing trends and performance of the Group to be measured by the Directors, management and interested stakeholders.
Adjusting Items	No direct equivalent	Adjusting items are items that are considered significant in nature and value, not in the normal course of business, or are consistent with items that were treated as Adjusting items in prior periods.	Treatment as an Adjusting item provides users of the accounts with additional useful information to assess the year-on-year trading performance of the Group.

Adjusted Operating Margin	Operating profit[1] divided by revenue	Adjusted Operating Profit/(Loss) divided by revenue	Adjusted Operating Margin is a measure used to assess and compare profitability. It also allows for ongoing trends and performance of the Group to be measured by the Directors, management and interested stakeholders.
Adjusted Profit Before Tax	Profit before tax	Statutory profit before tax excluding Adjusting Items can be found on the face of the Group Income Statement in the first column.	Adjusted Profit before tax allows a view of the profit before tax after taking account of the Adjusting items.
Adjusted Return on capital employed (ROCE)	Operating profit[1] and net assets	Adjusted Operating Profit divided by average capital employed. Capital employed is net assets excluding Net Debt and derivative financial instruments, and for the purposes of this calculation is translated using average exchange rates. The calculation of Adjusted ROCE is set out in the reconciliation tables below.	Adjusted ROCE gives an indication of the Group's capital efficiency.

[1] *Operating profit is presented on the Group income statement. It is not defined per IFRS, however is a generally accepted profit measure.*

Supporting reconciliations

Reconciliation of net cash flow from operating activities to free cash flow	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Net cash flow from operating activities	**155.9**	268.8
Cash expenditure in respect of adjusting items	**158.4**	99.2
Net maintenance capital expenditure	**(187.8)**	(161.9)
Other non-cash movements[2]	**(2.5)**	(2.0)
Profit on disposal of fixed assets	**7.8**	11.8
Free cash flow	**131.8**	215.9

[1] Restated for prior period restatements
2 Principally comprise deal fee amortisation

Reconciliation of capital expenditure in statutory cash flow to funds flow	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Purchase of property, plant and equipment	**(204.9)**	(195.6)
Proceeds from disposal of property, plant and equipment	**13.1**	47.4
Payments to acquire intangible assets	**(8.6)**	(6.4)
Proceeds from disposal of intangible assets	**2.5**	3.6
Net capital expenditure in statutory cash flow statement	**(197.9)**	(151.0)
Gain on disposal of property, plant & equipment and intangible assets	**(7.8)**	(11.8)
Capitalisation of leases initiated in the year, less disposals	**(55.6)**	(58.4)
Net capital expenditure in the funds flow (presented in the Group Chief Financial Officer's review)	**(261.3)**	(221.2)
Split as:		
Net maintenance capital expenditure	***(187.8)***	*(161.9)*
Growth capital expenditure	***(73.5)***	*(59.3)*

[1] Restated for prior period restatements

Reconciliation of Adjusted ROCE	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Group statutory operating profit/(loss) from continuing operations	**11.7**	32.3
Add back: adjusting items from continuing operations	**219.3**	147.1
Add back: Adjusted Operating Profit from discontinued operations	**12.9**	5.7
Return – Adjusted Group Operating Profit from continuing and discontinued operations	**243.9**	185.1
Average net assets	**(61.6)**	622.4
Average net debt	**1,191.1**	1,225.2
Average derivatives, excluding amounts within net debt	**6.2**	21.3
Foreign exchange adjustment	**(2.5)**	(11.0)
Average capital employed	**1,133.2**	1,857.9
Adjusted Return on capital employed	**21.5%**	10.0%

[1] Restated for a prior year restatements and to represent prior periods for discontinued operations

Reconciliation of depreciation and other non-cash items	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Depreciation charge	**190.2**	223.9
Amortisation charge (excluding amortisation from intangibles from acquired businesses)	**30.3**	22.5
Share-based payments	**5.1**	4.6
Amortisation of fixed asset grants	**(4.7)**	(2.0)
Depreciation and other non-cash items	**220.9**	249.0

[1] Restated for prior period restatements

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the parent Company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report and directors' report, taken together, includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:

Phil White
Executive Chair

Paco Iglesias
Group CEO

Brian Egan
Group CFO

28 July 2026

Group Income Statement

For the 15-months ending 31 March 2026

	Note	Adjusted result 15-months ending 31 March 2026 £m	Adjusting items (notes 4 & 10) 15-months ending 31 March 2026 £m	Total 15-months ending 31 March 2026 £m	(Restated) Adjusted result 12-months ending 31 December 2024[1] £m	(Restated) Adjusting items (notes 4 & 10) 12-months ending 31 December 2024[1] £m	(Restated) Total 12-months ending 31 December 2024[1] £m
Revenue	3	**3,419.9**	**(61.9)**	**3,358.0**	2,597.5	–	2,597.5
Operating costs		**(3,188.9)**	**(157.4)**	**(3,346.3)**	(2,418.1)	(147.1)	(2,565.2)
Group operating profit/(loss)		**231.0**	**(219.3)**	**11.7**	179.4	(147.1)	32.3
Share of results from associates and joint ventures		**0.1**	**–**	**0.1**	(0.3)	–	(0.3)
Finance income	5	**7.1**	**–**	**7.1**	2.2	–	2.2
Finance costs	5	**(102.1)**	**(6.0)**	**(108.1)**	(81.8)	(2.8)	(84.6)
Profit/(loss) before tax		**136.1**	**(225.3)**	**(89.2)**	99.5	(149.9)	(50.4)
Tax (charge)/credit	6	**(65.0)**	**18.8**	**(46.2)**	(50.8)	(43.2)	(94.0)
Profit/(loss) for the period from continuing operations		**71.1**	**(206.5)**	**(135.4)**	48.7	(193.1)	(144.4)
Profit/(loss) for the period from discontinued operations	10	**(0.1)**	**(193.1)**	**(193.2)**	6.0	(662.7)	(656.7)
Profit/(loss) for the period		**71.0**	**(399.6)**	**(328.6)**	54.7	(855.8)	(801.1)
Profit/(loss) attributable to equity shareholders		**63.1**	**(399.6)**	**(336.5)**	45.7	(855.8)	(810.1)
Profit/(loss) attributable to non-controlling interests		**7.9**	**–**	**7.9**	9.0	–	9.0
		71.0	**(399.6)**	**(328.6)**	54.7	(855.8)	(801.1)
Earnings per share:	8						
Earnings per share from continuing operations							
– basic earnings per share				**(28.2) p**			(28.6)p
– diluted earnings per share				**(28.2) p**			(28.6)p
Earnings per share from continuing and discontinued operations							
– basic earnings per share				**(59.9)p**			(136.0)p
– diluted earnings per share				**(59.9)p**			(136.0)p

[1] The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 1 & 10 respectively for further information.

Group Statement of Comprehensive Income

For the 15-months ending 31 March 2026

	Note	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Loss for the period		**(328.6)**	(801.1)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (losses)/gains on defined benefit pension plans		**(54.5)**	11.2
Deferred tax charge on actuarial losses/gains		**(0.9)**	(2.8)
Gains on financial assets at fair value through Other Comprehensive Income		**0.3**	9.1
		(55.1)	17.5
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on retranslation of foreign operations		**10.0**	(31.6)
Exchange differences on retranslation of non-controlling interests		**2.2**	(1.5)
(Losses)/gains on net investment hedges		**(21.6)**	21.3
Gains on cash flow hedges		**16.8**	3.8
Cost of hedging		**0.1**	0.2
Hedging losses/(gains) reclassified to Income Statement		**3.1**	(1.6)
Deferred tax charge on foreign exchange differences		**–**	(0.5)
Deferred tax charge on cash flow hedges		**(7.2)**	(0.7)
Net investment hedges recycled to the income statement on disposal of subsidiary	10	**(1.8)**	–
Foreign exchange reclassified to income statement on disposal of subsidiary	10	**(87.3)**	–
		(85.7)	(10.6)
Other comprehensive (expense)/income for the period		**(140.8)**	6.9
Total comprehensive expense for the period		**(469.4)**	(794.2)
Total comprehensive (expense)/income attributable to:			
Equity shareholders		**(479.5)**	(801.7)
Non-controlling interests		**10.1**	7.5
		(469.4)	(794.2)

[1] Restated for prior period restatements, see note 1 for further information.

Group Balance Sheet

At 31 March 2026

	Note	31 March 2026 £m	(Restated) 31 December 2024[1] £m	(Restated) 31 December 2023[1] £m
Non-current assets				
Intangible assets		**967.3**	986.2	1,551.8
Property, plant and equipment		**769.1**	1,238.5	1,215.8
Derivative financial instruments		**4.4**	0.2	0.1
Financial assets at fair value through Other Comprehensive Income		**8.6**	25.0	15.2
Investments accounted for using the equity method		**3.7**	6.5	11.1
Other non-current receivables		**129.1**	155.2	139.1
Finance lease receivable		**13.4**	14.8	6.5
Deferred tax assets		**–**	–	168.0
Defined benefit pension assets	12	**0.1**	0.1	0.2
Total non-current assets		**1,895.7**	2,426.5	3,107.8
Current assets				
Inventories		**19.5**	34.0	33.7
Trade and other receivables		**421.9**	547.5	573.1
Finance lease receivable		**4.4**	3.2	2.7
Derivative financial instruments		**16.6**	12.6	11.1
Current tax assets		**0.6**	0.6	12.4
Cash and cash equivalents	11	**425.6**	244.5	356.3
Assets classified as held for sale	10	**–**	–	18.2
Total current assets		**888.6**	842.4	1,007.5
Total assets		**2,784.3**	3,268.9	4,115.3
Non-current liabilities				
Borrowings		**(1,249.0)**	(1,294.5)	(1,332.9)
Derivative financial instruments		**(4.1)**	(3.4)	(15.3)
Deferred tax liabilities		**(34.9)**	(28.3)	(28.8)
Other non-current liabilities		**(164.6)**	(134.6)	(129.5)
Defined benefit pension liabilities	12	**(53.3)**	(11.6)	(32.8)
Provisions		**(186.5)**	(174.5)	(160.5)
Total non-current liabilities		**(1,692.4)**	(1,646.9)	(1,699.8)
Current liabilities				
Trade and other payables		**(919.6)**	(1,032.5)	(963.9)

Borrowings	**(346.3)**	(219.4)	(280.7)
Derivative financial instruments	**(8.5)**	(44.7)	(31.6)
Current tax liabilities	**(24.3)**	(9.5)	–
Provisions	**(98.2)**	(115.8)	(108.3)
Total current liabilities	**(1,396.9)**	(1,421.9)	(1,384.5)
Total liabilities	**(3,089.3)**	(3,068.8)	(3,084.3)
Net (liabilities)/assets	**(305.0)**	200.1	1,031.0
Shareholders' equity			
Share capital	**30.7**	30.7	30.7
Share premium	**533.6**	533.6	533.6
Own shares	**(2.5)**	(4.3)	(3.6)
Hybrid reserve	**498.8**	513.0	513.0
Other reserves	**305.9**	396.7	397.6
Retained earnings	**(1,718.8)**	(1,305.7)	(470.5)
Total shareholders' (deficit)/equity	**(352.3)**	164.0	1,000.8
Non-controlling interests in equity	**47.3**	36.1	30.2
Total (deficit)/equity	**(305.0)**	200.1	1,031.0

[1] Restated for prior period restatements, see note 1 for further information.

Phil White
Executive Chair
28 July 2026

Paco Iglesias
Group CEO

Brian Egan
Group CFO

Group Statement of Changes in Equity

For the 15-months ending 31 March 2026

	Share capital £m	Share premium £m	Own shares £m	Hybrid reserve £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total (deficit)/equity £m
At 1 January 2025 (as previously reported)[1]	30.7	533.6	(4.3)	513.0	396.7	(1,284.9)	184.8	36.1	220.9
Adjustment[1]	–	–	–	–	–	(20.8)	(20.8)	–	(20.8)
At 1 January 2025 (restated)[1]	30.7	533.6	(4.3)	513.0	396.7	(1,305.7)	164.0	36.1	200.1
(Loss)/profit for the period	–	–	–	–	–	(336.5)	(336.5)	7.9	(328.6)
Other comprehensive (expense)/income for the period	–	–	–	–	(87.6)	(55.4)	(143.0)	2.2	(140.8)
Total comprehensive (expense)/income	–	–	–	–	(87.6)	(391.9)	(479.5)	10.1	(469.4)
Shares purchased	–	–	(1.7)	–	–	–	(1.7)	–	(1.7)
Own shares released to satisfy employee share schemes	–	–	3.5	–	–	(3.5)	–	–	–
Share-based payments	–	–	–	–	–	5.1	5.1	–	5.1
Deferred tax charge on share-based payments	–	–	–	–	–	(1.7)	(1.7)	–	(1.7)
Accrued payments on hybrid instrument	–	–	–	28.3	–	(28.3)	–	–	–
Payments on hybrid instrument	–	–	–	(42.5)	–	–	(42.5)	–	(42.5)
Transfer on disposal of equity instruments at FVOCI to retained earnings	–	–	–	–	(9.0)	9.0	–	–	–
Hedging gains and losses and costs of hedging transferred to the cost of inventory	–	–	–	–	5.8	–	5.8	–	5.8
Purchase NCI	–	–	–	–	–	(1.8)	(1.8)	3.1	1.3
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(3.0)	(3.0)

Other movements with non-controlling interests	–	–	–	–	–	–	–	**1.0**	**1.0**
At 31 March 2026	**30.7**	**533.6**	**(2.5)**	**498.8**	**305.9**	**(1,718.8)**	**(352.3)**	**47.3**	**(305.0)**

[1] Restated for prior period restatements, see note 1 for further information.

Group Statement of Changes in Equity

For the 12-months ending 31 December 2024

	Share capital £m	Share premium £m	Own shares £m	Hybrid reserve £m	(Restated) Other reserves[1] £m	(Restated) Retained earnings[1] £m	(Restated) Total[1] £m	Non-controlling interests £m	(Restated) Total equity[1] £m
At 1 January 2024 (as previously reported)[1]	30.7	533.6	(3.6)	513.0	397.6	(457.0)	1,014.3	30.2	1,044.5
Adjustment[1]	–	–	–	–	–	(13.5)	(13.5)	–	(13.5)
At 1 January 2024 (restated)[1]	30.7	533.6	(3.6)	513.0	397.6	(470.5)	1,000.8	30.2	1,031.0
(Loss)/profit for the period	–	–	–	–	–	(810.1)	(810.1)	9.0	(801.1)
Other comprehensive income/(expense) for the period	–	–	–	–	–	8.4	8.4	(1.5)	6.9
Total comprehensive (expense)/income	–	–	–	–	–	(801.7)	(801.7)	7.5	(794.2)
Shares purchased	–	–	(2.2)	–	–	–	(2.2)	–	(2.2)
Own shares released to satisfy employee share schemes	–	–	1.5	–	–	(1.5)	–	–	–
Share-based payments	–	–	–	–	–	4.6	4.6	–	4.6
Deferred tax credit on share-based payments	–	–	–	–	–	0.1	0.1	–	0.1
Accrued payments on hybrid instrument	–	–	–	21.3	–	(21.3)	–	–	–
Payments on hybrid instrument	–	–	–	(21.3)	–	–	(21.3)	–	(21.3)
Deferred tax charge on hybrid instrument payments	–	–	–	–	–	(15.4)	(15.4)	–	(15.4)
Hedging gains and losses and costs of hedging transferred to the cost of inventory	–	–	–	–	(0.9)	–	(0.9)	–	(0.9)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(1.6)	(1.6)
At 31 December 2024	30.7	533.6	(4.3)	513.0	396.7	(1,305.7)	164.0	36.1	200.1

[1] Restated for prior period restatements, see note 1 for further information.

Group Statement of Cash Flows

For the 15-months ending 31 March 2026

	Note	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Cash generated from operations	13	**282.0**	367.8
Corporate income tax paid		**(37.8)**	(15.0)
Interest paid		**(93.3)**	(85.0)
Interest received		**5.0**	1.0
Net cash flow from operating activities		**155.9**	268.8
Cash flows from investing activities			
Payments to acquire businesses, net of cash acquired	10	**(1.2)**	(29.2)
Deferred consideration for businesses acquired	10	**(13.4)**	(16.2)
Proceeds on disposal of subsidiaries, net of cash disposed	10	**209.0**	–
Purchase of property, plant and equipment		**(204.9)**	(195.6)
Proceeds from disposal of property, plant and equipment		**13.1**	47.4
Payments to acquire intangible assets		**(8.6)**	(6.4)
Principal lease receipts		**5.0**	3.8
Proceeds from disposal of intangible assets		**2.5**	3.6
Payments to settle net investment hedge derivative contracts		**(20.3)**	(9.2)
Receipts on settlement of net investment hedge derivative contracts		**26.9**	8.3
Receipts relating to joint ventures and associates		**0.9**	7.3
Proceeds from disposal of financial asset at fair value through other comprehensive income		**16.5**	–
Net cash flow from investing activities		**25.5**	(186.2)
Cash flows from financing activities			
Dividends paid to holders of hybrid instrument		**(42.5)**	(21.3)
Principal lease payments		**(73.8)**	(74.3)
Increase in borrowings		**119.9**	121.1
Repayment of borrowings		**(148.8)**	(182.7)
Transaction costs relating to new borrowings		**–**	(0.3)
Payments to settle foreign exchange forward contracts		**(36.0)**	(29.7)
Receipts on settlement of foreign exchange forward contracts		**58.8**	20.4
Purchase of own shares		**(1.7)**	(2.2)
Acquisition of non-controlling interests		**(8.7)**	–
Dividends paid to non-controlling interests	7	**(3.0)**	(1.6)
Net cash flow from financing activities		**(135.8)**	(170.6)
Increase/(decrease) in net cash and cash equivalents		**45.6**	(88.0)
Opening net cash and cash equivalents		**203.1**	293.7
Increase/(decrease) in net cash and cash equivalents		**45.6**	(88.0)
Foreign exchange		**(7.1)**	(2.6)

Closing net cash and cash equivalents	11	**241.6**	203.1

[1] Restated for prior period restatements, see note 1 for further information.

Cash flows from discontinued operations are included within the Consolidated Group Statement of Cash Flows, with the amounts relating to discontinued operations disclosed within note 10. Principal lease receipts have been reclassified to investing activities.

Notes to the Consolidated Accounts

For the 15-months ending 31 March 2026

1 Basis of preparation

a) Consolidated Financial Statements

These results are based on the Consolidated Financial Statements, which have been prepared in accordance with International Accounting Standards in accordance with UK-adopted international accounting standards ("UK-adopted IFRS").

They are presented in pounds Sterling and all values are rounded to the nearest one hundred thousand pounds (£0.1m) except where otherwise indicated.

The Consolidated Financial Statements are prepared for a 15-month period to 31 March 2026. The comparative information is for the 12-month period to 31 December 2024. The Group Balance Sheet also includes a comparative as at 31 December 2023. On 26 November 2025 the Group announced that its accounting reference date and financial period will be changed to 31 March. The change was made to allow the Group sufficient time to prepare the financial statements and for the Group's new auditor, KPMG LLP, sufficient time to complete the audit. As a result, amounts presented in the financial statements are not entirely comparable.

Going concern

Group

The financial statements have been prepared on a going concern basis. In adopting this basis, the Directors have considered the Group's business activities, principal risks and uncertainties, exposure to macroeconomic conditions, financial position, covenant compliance, liquidity and borrowing facilities.

The Directors have concluded that the appropriate period for the purposes of the assessment of the Going Concern basis of preparation is a period of at least 12 months from the data of approval of the Financial Statements. In reaching that conclusion the Directors have considered whether any extension of this period was necessary based on the base case projections, which cover the period to December 2027, as discussed further below.

The Group continues to maintain a strong liquidity position, with £0.84bn in cash and undrawn committed facilities available to it as of 31 March 2026 and total committed facilities of £1.9bn at this date. Within the going concern outlook period, in May and June 2027, £232.8m of USPP borrowings are due to expire. Refinancing of these facilities is not assumed in the going concern assessment.

The Group has positive engagement and regular dialogue with its lenders. Certain of the Group's borrowings (£1bn) are subject to covenant tests on gearing and interest cover on a bi-annual basis. A gearing covenant whereby Covenant net debt must be no more than 3.5x Covenant EBITDA and an interest covenant whereby Covenant EBITDA must be at least 3.5x Covenant Net Interest Expense apply to the Group. Each input is subject to certain adjustments from reported to covenant measure as defined in the facility agreements, principally for presentation on a pre-IFRS 16 basis.

In the period to 31 March 2026, the Group has achieved strong revenue generation, particularly in the Alsa business, and continued to deliver on its turnaround strategy. As announced in February 2026, we are targeting £75m in cost savings for calendar year 2026 with an annual run-rate of £100m from 2027 onwards. We consider we are on track to deliver these savings. While there remain a small number of contracts which are not profitable, significant progress has been made during the period in addressing these, including the contract modifications secured in German Rail in June 2026 and the exit of the WMATA contract from May 2026, which will reduce cash onerous contract outflows. UK Coach continues to face a challenging market with significant competition, resulting in revenue generation being below prior year in the period, however the business has delivered substantial savings (c.£12m annualised) through network rationalisation and structural reorganisation, as well as from the integration into the Alsa business which was substantially complete from the 1 January 2026. Further savings initiatives plans are underway and we anticipate there will be upside from annualisation of the already implemented savings from 1 January 2027 onwards.

The Group remains closely focused on cash flow, and a reduction in debt and leverage. During the year, disposal of the capital-intensive North America School Bus business was completed, with proceeds retained for deleveraging. The Group has a particular focus on reducing the cash burden of vehicle capex requirements, with progress made throughout the period to 31 March 2026 and further benefits from this expected in the near term. This has been achieved through partnerships with customers, for example through securing IFRIC 12 and sublease arrangements, or agreeing that customers instead will provide the fleet.

While the Group has faced challenging trading conditions in some markets during the period to 31 March 2026, it has delivered a robust Adjusted operating profit, above the guidance range. Directors remain confident in the longer-term outlook for the Group and its proposition as a value-for-money mass transit operator. This ambition is underlined by government policy which is highly supportive of public transport as part of the solution to climate change.

The base case projections, cover the period to December 2027 and are based on the Group's latest forecast for the remainder of 2026, and the Board Approved strategic plan for 2027. The key points to note regarding the base case are as follows:

- In UK Coach, challenging market conditions with intense competition on intercity routes are expected to continue in 2026 and beyond. Management has developed a detailed and comprehensive action plan in response to this, which includes the benefit of network rationalisation, structural reorganisation and pricing reviews. The integration into the Alsa business results in synergy savings as well as the benefit of world-class expertise from running highly successful long haul coach operations in Spain. Growth is also expected in the Ireland business as a result of new contract wins. The elimination of losses following disposal of NXTS in 2025 also results in improved profitability (see note 10).
- In Alsa, the projections for 2026 and 2027 assume a continuation of single ticket and Young Summer initiatives which have benefitted recent trading, with demand momentum expected to remain strong, albeit a negative impact due to increased competition from high-speed rail is included in the projections. The impact of upcoming concession renewals has also been considered in projections, with all contracts assumed to be renewed given the excellent track record demonstrated previously. For Long Haul, the majority of concession renewals are now expected to take place outside of the Going Concern period. Growth through asset-light contract wins is assumed to continue, with several diversification opportunities included in plans.
- In the WeDriveU business, the loss-making WMATA contract has been terminated effective May 2026 (see note 15), which will result in a reduction in cash losses, while a number of other low margin contracts have also been exited, allowing for focus on a more profitable portfolio. Growth wins, focused on capex-light contracts, are assumed going forwards, underpinned by a strong pipeline of opportunities.
- In Germany, following the landmark agreement reached with PTAs in Q1 of 2026 to restructure our rail contracts (see note 15), we have de-risked the business and ensured long-term sustainability of operations. Full driver staffing levels are assumed going forwards, having reached this position by December 2025 following two years of scarcity challenges which led to penalties. Management now expects the German business to operate on a cash-neutral basis over the remaining lifespan with the potential for a small positive benefit (excluding the repayment of advances to the PTAs).
- In UK Bus, we have worked collaboratively with transport authorities and the projections assume successful completion of our assets monetisation(mainly fleet and depots) and associated relief of future liabilities strategy in Q4 2026 ahead of the transition to franchising in the West Midlands. The completion of such a transaction is anticipated to require approval of the lenders that provide the Group's RCF and the forecasts assume that approval is obtained with no change to the amount or terms of the relevant facilities. The current, publicly announced, schedule for the transition to franchising is a phased approach of tranches in October 2027, Summer 2028 and finally Spring 2029.
- The remainder of 2026 and future years will continue to benefit from cost reduction programmes that were launched in the period to 31 March 2026, with an annualisation benefit included in the Group's forecasts. Further cost rationalisation plans are also under development to deliver an improvement in profitability.

The Directors have also considered a reasonable worst case ("RWC"). The RWC modifies the base case to model downsides in a number of areas, including, but not limited to:

1. Reduced passenger demand adversely affecting revenues by up to 2% in those lines of business without passenger revenue protection, fewer new contract wins and increased competition from other operators and modes of transport.
2. A reduction of the new growth opportunities assumed in plan as a result of heightened competition.
3. Higher inflation on the cost base, both for labour (with additional wage inflation increases in most divisions) and general costs (increasing by up to 0.5% above base case levels), with none of this being able to be passed on to customers.
4. A material reduction in cost savings realised as part of the Simplify for Success programme and other cost saving programmes within each division, both as a result of a shortfall in actual savings delivery or a delay in the implementation of savings.
5. Consistent with the Group's principal risks, a risk of climate-related or safety and security-related disruption is also modelled.
6. A severe, but plausible cash downside across the contingent liabilities described in our disclosures.
7. A delay in the monetisation of our UK Bus assets during the transition to franchising in the West Midlands, such that the monetisation and associated relief of future liabilities is aligned to, rather than ahead of, the timing of the announced franchising steps.

Against this severe but plausible downside scenario, we apply cost saving mitigations which would be within our control and which could be reasonably enacted without material short term damage to the business. The quantum and nature of these mitigations is broadly consistent with those assumed in prior years' assessments and include but are not limited to:

1. Reduced discretionary spending, with up to £5m per annum of cost savings across Travel & Accommodation, Advertising & Marketing, Training & Development and Legal & Professional fees which is more than achievable as demonstrated during the Covid-19 pandemic. The quantum of mitigation assumed has been reduced since savings in these cost items are already assumed through the cost saving initiatives in progress.
2. The removal of any planned annual bonus payments.

The Directors have reviewed the base case and RWC projections and in both scenarios the Group has a strong liquidity position over the going concern assessment period and would be able to comply with the covenant tests, albeit under the RWC, is reliant upon delivery of the cost saving measures discussed above.

In addition to the base case and RWC scenarios, the Directors have reviewed reverse stress tests, in which the Group has assessed the set of circumstances that would be necessary for the Group to either breach the limits of its borrowing facilities or breach any of the covenant tests.

In applying a reverse stress test to liquidity the Directors have concluded that the set of circumstances required to exhaust it are considered remote. As ever, covenants that include Covenant EBITDA as a component are more sensitive to reverse stress testing; the Directors have therefore conducted in-depth stress testing on all covenant tests at September 2026, December 2026, June 2027 and December 2027. In doing so, the Directors have considered all cost mitigations that would be within their control if faced with another short-term material Covenant EBITDA reduction and no lender support to amend or waive Covenant EBITDA-related covenants. Taking this into account the Directors concluded that the probability was remote that circumstances arise that cause covenants to be breached. Reverse stress tests have been performed against a reduction in revenue, incremental cost inflation that cannot be recovered, and an inability to achieve planned cost savings and in all instances, the set of circumstances that would give rise to a covenant breach are considered remote.

In any case, should there be a more severe set of circumstances than those assumed in the RWC, a number of further mitigating actions are available to the Group which would improve EBITDA and/or benefit adjusted net debt, including: deeper and broader cost cutting measures, sale and leaseback of vehicles, disposal of properties, delays or reductions to capital expenditure and disposal of investments or other assets. The Group could also seek to raise further equity or seek further amendments or waivers of covenants, as was demonstrated during the Covid-19 pandemic.

Middle East conflict

In this going concern assessment the impact of the ongoing conflict in the Middle East has been considered. Whilst the Middle East conflict creates heightened macroeconomic uncertainty, the Board has exercised judgement and concluded that it does not give rise to a material uncertainty and feels that the Group has appropriate protection in place to minimise negative impacts through mechanisms such as fuel hedging agreements and contract protection such that it would not cause significant doubt upon the Group's ability to continue to be viable for the going concern period.

Conclusion

In conclusion, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements for the period ended 31 March 2026.

Parent company

The Company holds investments in all trading entities of the Group, employs colleagues working for the Group PLC and holds the majority of the Group's external debt and derivative financial instruments; and doesn't itself generate external revenues. It relies on the trading entities of the Group to generate income – both via dividends received and through the Group's transfer pricing policy. At 31 March 2026 the Company had net current liabilities of £84.2m (2024: net current liabilities of £117.7m). The net current liabilities position at the end of March 2026 has reduced compared to the end of 2024 with higher cash on hand; with creditors due under one year predominantly due to intercompany loans owed to trading divisions. At 31 March 2026 the Company had £600.0m of undrawn, unsecured committed revolving credit facilities. Please refer to management's going concern assessment of the Group detailed above. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12-months from the date of approval of the Financial Statements.

Changes in accounting policies and the adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial period except for changes arising from new standards and amendments to existing standards that have been adopted in the current period.

The following amendments have been applied for the first time with effect from 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21)

This amendment did not have a material impact on the financial statements.

New standards and interpretations not applied

Certain new or revised accounting standards and amendments have been published and UK adopted that are not mandatory as at 31 March 2026 and have not been early adopted by the Group:

- IFRS 18 *Presentation and Disclosures in Financial Statements*
- Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements

- Annual Improvements to IFRS Accounting Standards — Volume 11

With the exception of IFRS 18 which is discussed below, these amendments are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

IFRS 18

On 9 April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements' which was formally adopted by the UK Endorsement Board in December 2025.

The impacts of the new standard are pervasive. Many aspects of financial statement presentation and disclosure will be affected; however IFRS 18 does not impact the recognition or measurement of items in the financial statements.

The key new concepts introduced in IFRS 18 relate to:

– the structure of the Income Statement;

– required disclosures for certain alternative performance measures e.g. reconciliation with IFRS-defined sub-totals within the financial statements; and

– enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The new standard is effective for accounting periods commencing on or after 1 January 2027 and will apply retrospectively to comparative figures. We will consider the requirements of the new standard in the period up to its implementation but our initial assessment has not identified any material impacts on the Group's financial reporting.

Prior period restatements

A. German Rail RME contract

During the preparation of the financial statements for the 15-month period ending 31 March 2026, an error was identified in the German Rail division, in relation to the calculation of revenue recognition under the Rhine-Munster Express (RME) contract as well as an understated accrual balance, as further described below.

Subsidy revenue under the RME contract under IFRS 15 is recognised over the life of the contract, by using the input method to measure progress against the performance obligation. The amount of subsidy revenue recognised in each period is a proportion of the total subsidy revenue to be earned over the term of the contract, and is based on a percentage of completion, applying net costs (passenger revenue less costs) incurred as a proportion of total expected net costs, which is what the subsidy is intended to compensate for.

The calculation of total expected net costs over the life of the contract have been underestimated in error in relation to train maintenance works.

Specifically, the contractual requirements for maintenance levels at handback (being the end of the contract in 2030) were materially underestimated in error. This error existed at both 31 December 2023 and 31 December 2024. Whilst these maintenance costs will not need to be incurred by the Group until near the end of the contract, their omission from the total expected net costs calculation materially affects the cumulative revenue that should have been recognised to date and therefore the value of the IFRS 15 contract asset on the balance sheet.

In addition, an exercise to review the German Rail divisional balance sheet during the period has highlighted an understatement of an accrual, which also relates to the RME contract pertaining to train maintenance costs. While the impact on the prior period is not material for the Group accounts individually, the Directors have elected to include in the restatement of prior period balances; particularly as this error also has an impact on the calculation of revenue recognition under IFRS 15, which has been reflected as part of the prior period restatement.

The financial effect of the restatement is set out below.

The effect of the restatement as at 31 December 2023 is:

- A decrease in the IFRS 15 contract asset (within other non-current receivables) of £14.7m
- An increase in accruals (within trade and other payables) of £3.3m
- A total impact on balance sheet net assets of (£18.0m)

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- A decrease in the IFRS 15 contract asset (within other non-current receivables) of £14.5m
- An increase in accruals (within current trade and other payables) of £3.5m
- An in-period reduction in revenue of £0.5m

- An in-period increase in operating costs of £0.4m
- A total impact on balance sheet net assets of (£18.0m)

There is no tax impact of the restatement.

B. UK Bus supplier rebates

The Group receives payments from a number of suppliers in the normal course of business, often in relation to rebates, refunds or compensation for underperformance against service agreements. In UK Bus, payments were received in 2022-2024 from suppliers of vehicles and related services that were booked as income in the period. Following a review of the original accounting it was assessed that these payments related to the long term contracts the Group had entered into for the provision of related vehicles and infrastructure. Therefore, management has determined that the benefit from these payments should be spread over the life of the contracts to which they relate. These contracts are 16 years in length.

In addition, several of the 16 year contracts have payment profiles which start with lower contractual payments which “step up” over time. Previously the lower payments have been expensed to the Income Statement, however upon review it has been determined that, because the services delivered remain consistent over the contract period, the costs should be recognised on a straight line basis, not in line with the contractual payment profile. This results in a higher cost in 2024 than was originally accounted for.

This has been collectively been corrected for as a prior period restatement. The financial effect of the restatement is set out below.

The effect of the restatement as at 31 December 2023 is:

- An increase in other payables (within other non-current liabilities) of £14.3m
- An increase in deferred tax assets of £3.6m
- A total impact on balance sheet net assets of (£10.7m)

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- An increase in other payables (within other non-current liabilities) of £17.7m
- An in-period reduction in operating costs of £3.4m
- An in-period increase in the tax charge of £3.6m
- A total impact on balance sheet net assets of (£17.7m)

C. UK Coach lease accounting

The UK Coach division has certain vehicle lease agreements in place with third parties that include a contractual substitution right in favour of the lessee within the agreement. At the inception of the agreements, it was determined that the substitution rights were substantive in accordance with IFRS 16, and therefore the arrangements were deemed not to contain an identified asset. As a result, no right of use asset nor lease liability was recognised on the Balance Sheet, with lease charges being expensed to the Income Statement as incurred. Following a review of the original accounting judgement during the current period, it was determined that the substitution rights under these arrangements were not substantive, and that an error was made at inception in that a right of use asset and lease liability should have been recognised under IFRS 16.

This has been corrected as a prior period restatement. The financial effect of the restatement is set out below.

The effect of the restatement at 31 December 2023 is:

- An increase in right of use assets (within property, plant and equipment) of £51.3m
- An increase in non-current lease liabilities (within borrowings) of £42.3m
- An increase in current lease liabilities (within borrowings) of £9.5m
- A total impact on balance sheet net assets of (£0.5m)

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- An increase in right of use assets (within property, plant and equipment) of £44.9m
- An increase in non-current lease liabilities (within borrowings) of £35.7m
- An increase in current lease liabilities (within borrowings) of £10.5m
- An in-period reduction in operating costs of £1.7m
- An in-period increase in finance costs of £2.5m

- A total impact on balance sheet net assets of (£1.2m)
- There is no cash impact of the restatement, however in terms of classification in the Group Statement of Cash Flows, cash generated from operations increases by £12.3m, interest paid increases by £2.5m, and principal lease payments increases by £9.8m

There is no tax impact of the restatement.

D. Dilapidations provisions

During the current period, a review of the Group's exposure to dilapidation costs at the end of property leases was undertaken. This review highlighted an understatement of dilapidations provisions in the UK Bus and Coach divisions which should have historically been recognised, amounting to £2.3m. While the impact on the prior period is not material for the Group accounts, the Directors have elected to correct this error through a restatement of prior period balances.

The effect of the restatement at 31 December 2023 is:

- An increase in provisions of £2.3m
- A total impact on balance sheet net assets of (£2.3m)

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- An increase in provisions of £2.3m
- A total impact on balance sheet net assets of (£2.3m)

There is no tax impact of the restatement.

E. Deferred tax

During the current period, the Group has reviewed its deferred tax balance to ensure that International Financial Reporting Standards (IFRS) adjustments are treated appropriately applying IFRS 16, IFRIC 12 and IAS 12.

This review has led to a restatement and a reduction in deferred tax liability which represents a non-cash, accounting-only adjustment required solely to align divisional deferred tax positions with IFRS reporting standards. These temporary differences arise purely from timing and valuation variances between IFRS reporting principles and local Spanish tax accounting laws.

In accordance with IAS 8, this prior period error was corrected by restating each of the affected financial statements for the prior periods presented.

The effect of the restatement at 31 December 2023 is:

- A reduction in deferred tax liabilities of £18.0m
- A total impact on balance sheet net assets of £18.0m

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- A reduction in deferred tax liabilities of £18.5m
- An in-period reduction in the adjusted tax charge of £1.3m
- A total impact on balance sheet net assets of £18.5m

The collective impact of the prior period restatements are shown in the following tables, comparing the restated amounts against what was originally reported. The line items affected by each prior year restatement are denoted by a letter key on each line per the sub-headings above. Note that the Income Statement also reflects the impact of discontinued operations (see note 19).

Group Income Statement

	As previously reported			Restated		
	Adjusted result 2024 £m	Adjusting items 2024 £m	Total 2024 £m	Adjusted result 2024 £m	Adjusting items 2024 £m	Total 2024 £m
Continuing operations						
Revenue (A)	3,412.4	–	3,412.4	2,597.5	–	2,597.5
Operating costs (A, B, C)	(3,224.7)	(707.6)	(3,932.3)	(2,418.1)	(147.1)	(2,565.2)
Group operating profit/(loss)	**187.7**	**(707.6)**	**(519.9)**	**179.4**	**(147.1)**	**32.3**
Share of result from associates	3.2	–	3.2	(0.3)	–	(0.3)
Finance income	2.4	–	2.4	2.2	–	2.2

Finance costs (C)	(92.2)	(2.8)	(95.0)	(81.8)	(2.8)	(84.6)
Profit/(loss) before tax	**101.1**	**(710.4)**	**(609.3)**	**99.5**	**(149.9)**	**(50.4)**
Tax charge (B, E)	(41.4)	(143.1)	(184.5)	(50.8)	(43.2)	(94.0)
Profit/(loss) for the period from continuing operations	**59.7**	**(853.5)**	**(793.8)**	**48.7**	**(193.1)**	**(144.4)**
Profit/(loss) for the period from discontinued operations	–	–	–	6.0	(662.7)	(656.7)
Profit/(loss) for the period	**59.7**	**(853.5)**	**(793.8)**	**54.7**	**(855.8)**	**(801.1)**
Profit/(loss) attributable to equity shareholders	50.7	(853.5)	(802.8)	45.7	(855.8)	(810.1)
Profit/(loss) attributable to non-controlling interests	9.0	–	9.0	9.0	–	9.0
Basic EPS from continuing and discontinued operations			(134.8)p			(136.0)p
Diluted EPS from continuing and discontinued operations			(134.8)p			(136.0)p

Group Statement of Comprehensive Income

	As previously reported 2024 £m	Adjustment £m	Restated 2024 £m
Loss for the period (A, B, C, E, Note 19)	(793.8)	(7.3)	(801.1)
Total comprehensive expense for the period	**(786.9)**	**(7.3)**	**(794.2)**
Total comprehensive (expense)/income attributable to:			
Equity shareholders	(794.4)	(7.3)	(801.7)
Non-controlling interests	7.5	–	7.5
	(786.9)	**(7.3)**	**(794.2)**

Group Balance Sheet

BALANCE SHEET	As previously reported 31 December 2024 £m	Adjustment £m	Restated 31 December 2024 £m	As previously reported 31 December 2023 £m	Adjustment £m	Restated 31 December 2023 £m
Property, plant & equipment (C)	1,193.6	44.9	1,238.5	1,164.5	51.3	1,215.8
Other non-current receivables (A)	169.7	(14.5)	155.2	153.8	(14.7)	139.1
Deferred tax assets (B)	–	–	–	164.4	3.6	168.0
Total non-current assets	**2,396.1**	**30.4**	**2,426.5**	**3,067.6**	**40.2**	**3,107.8**
Total assets	**3,238.5**	**30.4**	**3,268.9**	**4,075.1**	**40.2**	**4,115.3**
Borrowings (C)	(1,258.8)	(35.7)	(1,294.5)	(1,290.6)	(42.3)	(1,332.9)
Other non-current liabilities (B)	(116.9)	(17.7)	(134.6)	(115.2)	(14.3)	(129.5)
Deferred tax liabilities (E)	(46.8)	18.5	(28.3)	(46.8)	18.0	(28.8)
Provisions (D)	(172.2)	(2.3)	(174.5)	(158.2)	(2.3)	(160.5)
Total non-current liabilities	**(1,609.7)**	**(37.2)**	**(1,646.9)**	**(1,658.9)**	**(40.9)**	**(1,699.8)**
Trade and other payables (A)	(1,029.0)	(3.5)	(1,032.5)	(960.6)	(3.3)	(963.9)
Borrowings (C)	(208.9)	(10.5)	(219.4)	(271.2)	(9.5)	(280.7)
Total current liabilities	**(1,407.9)**	**(14.0)**	**(1,421.9)**	**(1,371.7)**	**(12.8)**	**(1,384.5)**
Total liabilities	**(3,017.6)**	**(51.2)**	**(3,068.8)**	**(3,030.6)**	**(53.7)**	**(3,084.3)**
Net assets	**220.9**	**(20.8)**	**200.1**	**1,044.5**	**(13.5)**	**1,031.0**
Retained earnings (All)	(1,284.9)	(20.8)	(1,305.7)	(457.0)	(13.5)	(470.5)
Total shareholders' equity	**184.8**	**(20.8)**	**164.0**	**1,014.3**	**(13.5)**	**1,000.8**
Total equity	**220.9**	**(20.8)**	**200.1**	**1,044.5**	**(13.5)**	**1,031.0**

Group Statement of Changes in Equity

	As previously reported			Restated		
	Retained earnings £m	Total £m	Total equity £m	Retained earnings £m	Total £m	Total equity £m
At 1 January 2024	**(457.0)**	**1,014.3**	**1,044.5**	**(470.5)**	**1,000.8**	**1,031.0**
Loss for the period (A, B, C, E)	(802.8)	(802.8)	(793.8)	(810.1)	(810.1)	(801.1)
Total comprehensive (expense)/income	**(794.4)**	**(794.4)**	**(786.9)**	**(801.7)**	**(801.7)**	**(794.2)**
At 31 December 2024	**(1,284.9)**	**184.8**	**220.9**	**(1,305.7)**	**164.0**	**201.1**

Group Statement of Cash Flows

	As previously reported 2024 £m	Adjustment £m	Restated 2024 £m
Cash generated from operations	355.5	12.3	367.8
Interest paid (C)	(82.5)	(2.5)	(85.0)
Net cash flow from operating activities	**259.0**	**9.8**	**268.8**
Cash flows from financing activities			
Principle lease payments (C)	(64.5)	(9.8)	(74.3)
Net cash flow from financing activities	**(160.8)**	(9.8)	(170.6)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements requires the Group to make estimates and judgements that affect the application of the Group's accounting policies and reported amounts.

Critical accounting judgements represent key decisions made by management in the application of the Group accounting policies. Where a significant risk of materially different outcomes exists due to management assumptions or sources of estimation uncertainty, this will represent a key source of estimation uncertainty. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Management considered, throughout the period, the financial reporting impact associated with our identified principal risks, which includes the effects of climate change and inflation.

(i) Critical accounting judgements

Adjusting items

The Directors believe that profit measured before adjusting items provides additional useful information to shareholders on the performance of the Group. These measures are consistent with how business performance is measured internally by the Board and the Group Executive Committee. In addition, the lender covenant calculations are closely aligned to the accounting recognition for adjusting items and therefore the accounting judgment can also have an impact on covenant headroom.

The classification of adjusting items requires significant management judgement after considering the nature, cause of occurrence and the scale of the impact of that item on reported performance. The Group's definition of adjusting items is outlined in the accounting policies section. Note 4 provides further details on current period adjusting items.

Arrangements for provision of vehicles

The UK Bus division is party to availability agreements for the provision of electric buses from a single service provider. The contract commenced in 2021, with a number of subsequent inceptions as new vehicles were ordered; with agreements commencing on vehicle delivery and running for a 16-year period. The expiry of the arrangements is therefore between 2038 and 2042; noting that this agreement is currently expected to novate to the local authority upon franchising being implemented in the West Midlands over the next few years.

The agreement includes a substitution clause whereby the service provider makes available to us a set number of vehicles each day from their wider pool of vehicles. The agreement also makes available to us the associated electric charging infrastructure and various vehicle services.

In the Directors' view, at each inception date, the arrangement does not meet the definition of a lease under IFRS 16. The service providers have control of the vehicles and the associated infrastructure; and in relation to the vehicles have a substantive substitution right, having both the practical ability to substitute the vehicles and an economic incentive to do so.

Consequently, no right-of-use asset or lease liability is recognised on the Balance Sheet, and payments under the agreements are charged to the Income Statement on a straight line basis.

The value of the commitment under the agreements, which will arise as a future income statement expense, is significantly material, and as such this is considered a key accounting judgement. The gross current commitments under these arrangements amount to £440.3m at 31 March 2026 (2024: £450.6m) which, when discounted at the rate implicit in the arrangement would be £291.3m at 31 March 2026 (2024: £285.0m).

In making the determination that the substitution rights of the service provider are substantive, the key judgements include the following:

- The contract provides the service provider with a legal right to substitute the vehicles throughout the contract term
- The service provider has a pool of available vehicles of a similar or identical specification to enable substitution throughout the contract term
- The service provider has an economic incentive to substitute vehicles throughout the contract term arising from the following key facets (which are not exhaustive):
    - Pooling of spare vehicles across multiple fleets
    - Optimisation of operational cost base and maximising residual values of vehicles
    - Offering short term rental agreements to third parties to further increase fleet utilisation
    - Incentive to use idle capacity and substitution rights to pursue market growth opportunities

Further detailed information, including the maturity analysis of the future commitment payments and detail of the annual Income Statement expense is shown in note 33 to the Group Consolidated Financial Statements.

The UK Coach division delivers scheduled coach travel services through third party operators who provide coaches in addition to other resources required to run the services. There are a number of different contractual arrangements in place with the third-party operators, including arrangements which are indefinite, with no fixed expiry date, but with the ability for each party to terminate with 12 months' notice for no cost.

These arrangements would generally contain an embedded lease. However, in the Directors' view the ability of both parties to terminate for no cost with 12 months' notice means that the arrangements have a term of 12 months or less, and therefore, the Directors have determined that they are short-term leases which are exempt from the requirements under IFRS 16 to recognise a right of use asset and lease liability.

The forecast gross commitments under these arrangements over the next 12 months (being the minimum unilateral termination period) is £110.3m at 31 March 2026 (2024: £120.5m).

(ii) Key sources of estimation uncertainty

Management have considered the following are key sources of estimation uncertainty during the period.

Goodwill impairment

In the prior period, the goodwill impairment of the UK cash-generating units was identified as a key source of estimation uncertainty. Following the restructuring of the UK business during the period, a separate UK Coach CGU has been identified, for which no source of estimation uncertainty has been identified given the level of available headroom. Goodwill impairment of the Alsa and WeDriveU CGUs continues to not be considered a key source of estimation uncertainty given the significant headroom the remote possibility that this will be exhausted within the next 12 months.

Parent company only – impairment of investments in subsidiaries

The Company determines whether its investment in subsidiary National Express Intermediate Holdings Limited is impaired when indicators of impairment exist or based on the annual impairment assessment. The annual assessment requires an estimate of the value in use of the underlying investments. This investment holds subsequent investments in all of the Group's trading companies.

Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the investment and discount this to net present value. The resulting calculation is sensitive to the assumptions in respect of future cash flows and the discount rate applied.

The recoverable amount has been determined with reference to the value in use of each of the underlying trading companies, calculated on the same basis as detailed in note 14 to the Group Consolidated Financial Statements for Alsa, UK Coach and WeDriveU; with the same methodology applied for the other divisions. When performing the annual impairment assessment for National Express Intermediate Holdings Limited based on the same value in use calculations as used for the Group goodwill impairment assessment, an impairment charge of £465.0m (2024: £836.6m) was identified and recorded.

Given the level of headroom and impairment charges recorded, it continues to be considered that reasonably possible changes in key inputs (such as discount rates or growth rates) could result in a further impairment charge within the next 12-months. Sensitivities are detailed in note 3 to the Parent Company Financial Statements.

Insurance and other claims

The claims provision arises from estimated exposures at the period end for auto and general liability, workers' compensation and environmental claims, the majority of which will be utilised in the next five years. The estimation of the claims provision is based on an assessment of the expected settlement of known claims together with an estimate of settlements that will be made in respect of incidents occurring prior to the balance sheet date but for which claims have not been reported to the Group. The Group makes assumptions concerning these judgemental matters with the assistance of advice from independent qualified actuaries. At 31 March 2026 the claims provision was £100.5m (2024: £82.2m).

In certain limited cases, additional disclosure regarding these claims may seriously prejudice the Group's position and consequently this disclosure is not provided. Given the differing types of claims, their size, the range of possible outcomes and the time involved in settling these claims, there is a reasonably possible chance that a material adjustment would be required to the carrying value of the claims provision in the next financial period. These different factors also make it impracticable to provide sensitivity analysis on one single measure and its potential impact on the overall claims provision.

RRX rail contracts

The Group operates the Rhine-Ruhr RRX1, and RRX 2&3 contracts in German Rail, where the Group receives subsidy revenue for operating the contract. These contracts are gross cost contracts with no exposure to passenger revenue risk.

Following the mobilisation of the RRX 2&3 rail contract in 2019, significant cost increases in respect of energy consumption and personnel costs versus the original bid model were identified, leading to the contract being identified as onerous in 2021. When the contract became onerous, related assets on the Balance Sheet were impaired, and a provision was booked for the anticipated losses expected to be incurred while operating the contract over the remaining term. The provision is re-measured each period end based on the latest estimate of losses expected to be incurred operating the services under the contract.

The RRX1 franchise commenced in 2023, succeeding the Emergency Award contract that had been in operation from 2022 up until that point, after Abellio (former competing train-operator) had discontinued its operations in Germany. RRX1 was assessed as onerous from the end of 2023.

Across both the RRX1 and RRX 2&3 contracts, there were material adverse cost pressures suffered in 2024, predominantly due to driver shortage and the material impact of track closure and timetable disruption associated with engineering work impact on the network, resulting in a worsening in expectations of the forecast losses over the remaining contract term, which were recognised in FY24. As a result, the onerous contract provision (OCP) relating to the RRX contracts at the end of FY24 was £176.1m.

On 29 January 2026, the Group announced that it had entered into an agreement in principle with five German PTAs to realign contract terms for its rail service in North Rhine-Westphalia and adjacent regions. The agreement at the time was subject to entering into formal legally binding agreements between the relevant parties. This process was concluded in June 2026 with legally binding agreements for both the RME and RRX contracts being signed following the balance sheet date of 31 March 2026.

In the OCP assessment as at 31 March 2026 the Group has reflected the impact of the new agreement in its forward-looking assessment of the future RRX contract performance as under IAS 37 the new contract terms reflect management's best estimate of the future losses as at the period end.

The key changes as pertaining to the RRX contracts are as follows:

- A shortening of the loss-making contracts from 2033 to 2030; and
- Other operational and quality improvements stipulated in the new agreement, for example being compensated for additional double traction services and the implementation of improved turn around arrangements on various services

In addition, good progress was made in addressing and mitigating the driver shortage issue in the current period, which the Group had suffered significantly from since 2023 – with a return to full service achieved in Q4 2025 broadly in line with the planned recovery profile. This improvement reflects the benefit of our investment in driver recruitment and training and other mitigating actions taken; resulting in lower penalties being incurred from reduced mileage and cancellations.

These factors have had a beneficial impact on the OCP, however this has been substantially offset by adverse movements in the forward-looking operating cost forecast in other areas; detailed as follows:

In the remaining years of the contract there is expected to be a significantly greater impact of track maintenance and construction work than had been previously anticipated, which will have an expected material impact on the contract performance; this has the impact of:

- Higher penalties incurred under the contract from delays and cancellations

- Higher rail replacement costs that are not fully offset from subsidy income
- Higher track access and empty running costs driven by the reduction in network and operating efficiency
- An increase in driver churn due to the challenging operational conditions that are anticipated to arise

As a result of all of the above, the remeasurement of the RRX OCP through the Income Statement amounted to a £4.7m credit in the 15-month period ending 31 March 2026 (12-months ending 31 December 2024: £86.4m charge), and the provision now totals £112.9m at 31 March 2026 (31 December 2024: £176.1m). In reaching this conclusion, significant estimation uncertainties have been identified in future energy costs and the level of energy compensation to be received, together with assumptions on how certain published indices used to calculate energy compensation respond to changes in wholesale prices; and the discount rate.

The key assumptions and estimates adopted have been based on third party information where available, including the forecasts for energy prices, the compensation for which is based on energy index data published by the German Federal Statistical Agency, and regression models which are used to forecast the behaviour of the indices relative to energy cost assumptions.

The re-measurement of the RRX provision has been included in adjusting items (note 4) consistent with previous periods and the Group policy on adjusted profit.

RME rail contract

The Group operates the Rhine-Münster Express (RME) rail contract, which under the original contract runs to 2030 and where the Group receives both passenger revenue and subsidy revenue for operating the contract. Under the original contract, passenger revenue is recognised when passengers travel, and the subsidy revenue is recognised over the life of the contract, by using the input method to measure progress against the performance obligation. The amount of subsidy revenue recognised in each period is a proportion of the total subsidy revenue to be earned over the term of the contract, and is based on a percentage of completion, applying net costs (passenger revenue less costs) incurred as a proportion of total expected net costs, which is what the subsidy is intended to compensate for. Cost drivers under the RME contract are very similar to those under the RRX contracts as described above.

At each balance sheet date, the Group reforecasts the contract out-turn and performs a re-assessment of the subsidy revenue to be recognised by reference to the stage of completion.

On 29 January 2026, the Group announced that it had entered into an agreement in principle with five German PTAs to realign contract terms for its rail service in North Rhine-Westphalia and adjacent regions. The agreement at the time was subject to entering into formal legally binding agreements between the relevant parties. This process was concluded in June 2026 with legally binding agreements being signed following the balance sheet date of 31 March 2026.

The Group has concluded that under IFRS 15, a contract modification only occurred at the point the legally binding agreements to amend the RME contract were signed – post the balance sheet date – as only at this point have the existing enforceable rights and obligations of the parties to the contract been changed.

As a result, the Group has continued to apply the provisions of the original contract in its IFRS 15 contract asset assessment as at 31 March 2026. This therefore reflects (a) a reassessment of forecasted future passenger revenue under the original contract, not taking into account the impact of the new contract is taken into account which will convert the RME contract to a gross contract structure, removing revenue risk; and (b) the original RME contract end date of 2030, not taking into account the extension to 2032 (with an option of an additional year's extension to the end of 2033 at the authorities' discretion) that has been agreed in the new RME contract.

Please refer to note 39 in the Group Consolidated Financial Statements for an assessment of expected changes to the accounting recognised in future accounting periods as a result of entering into the legally binding agreement to amend the RME contract following the period end, in June 2026.

At the end of 2024, the Group assumed that the €58 ticket scheme (or an equivalent thereof) would continue beyond the end of 2025 to the end of the contract; and if the scheme were to end during this period, it was assumed that there would be further intervention from the authorities to support the market and therefore revenue to German Rail under the contract. In our view, this was consistent with previous guidance from the authorities regarding tariff setting in recent periods, and the underlying intention of the contract. This was noted as a key assumption underpinning the contract asset valuation at the end of 2024.

However, during the current period, the authorities announced that they would change the forward growth assumptions for the current €58 compensation scheme from 2026 onwards – removing a revenue growth factor that had been confirmed in both the 2024 and 2025 schemes and that underpinned our future revenue forecasts. This has a highly material adverse impact on forward revenue model and hence impacts on the future contract profitability under the terms of the original contract. The revised passenger revenue forecast continues to be based on both historical data and using a market forecast informed by an independent third party.

There has also been a significant deterioration in the future penalty assumptions, driven by improved visibility of future construction and maintenance work activity until the end of the original contract period.

As a result of the above factors, the reassessment during the current period resulted in a decrease to the IFRS 15 contract asset recognised on the balance sheet to £nil at 31 March 2026 (31 December 2024 restated: £36.5m). The impact on the Income Statement of £41.3m has been treated as an adjusting item (see note 4) as it is considered significant in nature and value and not in the normal course of business, in line with the Group's policy on adjusting items.

No OCP for the RME contract has been recognised at 31 March 2026 as the Group's assessment on future contract performance considers the new contract which was formally approved following the balance sheet date. The new contract, which has not been fully recognised here, is likely to have a materially positive impact on the profitability of the RME contract in future periods and is not expected to be onerous.

WMATA OCP
The Group holds an OCP at 31 March 2026 in relation to the Washington Metropolitan Area Transit Authority ("WMATA") contract in WeDriveU. Total WeDriveU OCPs amounted to £29.2m at the balance sheet date (31 December 2024: £2.2m), with the majority of the increase due to the WMATA contract which became newly onerous during the period.

The WMATA OCP at 31 March 2026 reflects the best estimate of the probable economic outflow based on the expected value of the losses in fulfilling the contract.

A key source of estimation uncertainty is the expected length of the contract where losses will be incurred. The initial five-year period of the contract runs from July 2024 to the end of June 2029, with five subsequent one-year renewal options which are all exercisable at WMATA's discretion, up a maximum possible contract end date of July 2034.

The best estimate of the probable economic outflow reflected in the OCP at 31 March 2026 is based on the expected value of the losses to the end of June 2029, the initial five-year period of the contract, up to the first extension option available to WMATA, as it is not considered likely that this would be exercised.

Were the contract to continue in operation in the current performance conditions beyond July 2029 there would be a material adverse movement in the OCP given the extended losses that the Group would then incur.

The re-measurement of the WeDriveU OCPs has been included in adjusting items (note 4) consistent with previous years and the Group policy on adjusted profit.

Please also refer to note 15 regarding a non-adjusting post balance sheet event in relation to the WMATA contract.

Pensions
The determination of the defined benefit obligation of the UK defined benefit pension scheme depends on the selection of certain assumptions which include the discount rate, inflation rate and mortality rates. At 31 March 2026 the UK defined benefit pension liability was £53.3m (2024: £11.3m). The key areas of estimation uncertainty are in respect of the discount rate, rate of inflation, assumptions on post-retirement pension increases, and mortality rate. While the Board believes that the assumptions are appropriate, significant differences in actual experience or significant changes in assumptions may significantly change the pension obligation. The Group makes assumptions with the assistance of advice from independent qualified actuaries.

Consideration of climate change
The Group has performed an assessment of the impact that climate change may have on the amounts recognised in the financial statements. The output of the climate change risk assessment and scenario modelling is set out in the TCFD section of the Strategic Report. The Group has considered the impact of the climate change related risks to which the Group is exposed in the preparation of these financial statements, including the consideration of the impact of climate change related risks on management's judgments and estimates, the carrying value of assets and their useful economic lives. The risks are long term in nature, and whilst they will provide a need for investment in the future, ultimately the Group has concluded that there is no material impact on the carrying amount of assets or liabilities recognised in the financial statements, nor do they lead to any additional key sources of estimation or judgment.

Basis of consolidation
These Consolidated Financial Statements comprise the Financial Statements of Mobico Group PLC and all its subsidiaries. Adjustments are made to bring any dissimilar accounting policies that may exist in the subsidiaries into line with the Group's accounting policies.

The Consolidated Income Statement includes the results of subsidiaries and businesses purchased from the date control is assumed and excludes the results of disposed operations and businesses sold from the date of disposal.

Intra-group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

Non-controlling interests represent the portion of comprehensive income and equity in subsidiaries that is not attributable to the parent Company shareholders and is presented separately from parent shareholders' equity in the Consolidated Balance Sheet.

2 Exchange rates
The most significant exchange rates to UK Sterling for the Group are as follows:

	15-months ending 31 March 2026 Closing rate	15-months ending 31 March 2026 Average rate	12-months ending 31 December 2024 Closing rate	12-months ending 31 December 2024 Average rate
US Dollar	**1.32**	**1.32**	1.25	1.28
Canadian Dollar	**1.84**	**1.84**	1.80	1.75
Euro	**1.14**	**1.16**	1.21	1.18
Moroccan Dirham	**12.35**	**12.34**	12.66	12.70

If the results for the 12-months ending 31 December 2024 had been retranslated at the average exchange rates for the period to 31 March 2026, WeDriveU would have achieved an adjusted operating profit of £28.3m on revenue of £398.1m compared to adjusted operating profit of £29.3m on revenue of £412.7m as reported; Alsa would have achieved an adjusted operating profit of £188.8m on revenue of £1,346.9m, compared to adjusted operating profit of £186.1m on revenue of £1,327.6m as reported; and German Rail would have achieved an adjusted operating loss of £10.6m on revenue of £259.7m compared to adjusted operating loss of £10.1m on revenue of £256.0m as reported.

3 Revenue and segmental analysis

The Group's reportable segments have been determined based on reports issued to and reviewed by the Group Board of Directors, and organised in accordance with the geographical regions in which they operate and the nature of services that they provide. Management considers the Group Board to be the chief decision-making body for deciding how to allocate resources and for assessing operating performance.

As the North America School Bus (NASB) business has now been classified as a discontinued operation (see note 10); WeDriveU is now a separate reportable segment. Additionally, during the period the UK segment has been split into UK Bus and UK Coach. The prior period analysis within this note has also been represented for these changes.

Segmental performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the Consolidated Financial Statements. Group financing activities and income taxes are managed on a Group basis and are not allocated to reportable segments. Central functions is not a reportable segment but has been included in the segmental analysis for transparency and to enable a reconciliation to the consolidated Group.

The principal services from which each reportable segment derives its revenues are as follows:

- UK Bus – bus operations
- UK Coach – coach operations
- German Rail – rail operations
- Alsa (predominantly Spain and Morocco) – bus and coach operations
- WeDriveU (USA and Canada) – transit and shuttle operations

Further details on the activities of each segment are described in the Strategic Report. It is anticipated that going forward, Alsa including UK Coach will be a reportable segment; given the integration of the UK Coach business into Alsa which has been progressing in the period. UK Bus, German Rail and WeDriveU would continue as reportable segments.

(a) Revenue
Revenue from continuing operations is disaggregated by reportable segment, class and type of service as follows:

	15-months ending 31 March 2026					
Analysis by class and reportable segment:	**Contract revenues £m**	**Passenger revenues £m**	**Grants and subsidies £m**	**Private hire £m**	**Other revenues £m**	**Total £m**
UK Bus	**9.5**	**258.2**	**58.8**	**1.7**	**9.6**	**337.8**
UK Coach	**20.1**	**329.3**	–	–	**30.8**	**380.2**
German Rail	–	**75.8**	**215.2**	–	**0.9**	**291.9**
Alsa	**363.3**	**985.7**	**234.0**	**133.5**	**101.8**	**1,818.3**
WeDriveU	**529.8**	–	–	–	–	**529.8**
Total revenue from continuing operations	**922.7**	**1,649.0**	**508.0**	**135.2**	**143.1**	**3,358.0**
Analysis by major service type:						
Passenger transport	**922.7**	**1,649.0**	**508.0**	**135.2**	**29.1**	**3,244.0**
Other products and services	–	–	–	–	**114.0**	**114.0**

Total revenue from continuing operations	**922.7**	**1,649.0**	**508.0**	**135.2**	**143.1**	**3,358.0**

There have been no material amounts of revenue recognised in the period that relate to performance obligations satisfied or partially satisfied in previous periods other than £20.7m relating to Morocco as described in note 4. Revenue received where the performance obligation will be fulfilled in the future is classified as deferred income within contract liabilities.

There are no material inter-segment sales between reportable segments.

Prior period revenue from continuing operations is disaggregated by reportable segment, class and type of service as follows:

	(Restated) 12-months ending 31 December 2024[1]					
Analysis by class and reportable segment:	Contract revenues £m	Passenger revenues £m	Grants and subsidies £m	Private hire £m	Other revenues £m	Total £m
UK Bus	7.5	212.8	37.4	1.1	6.6	265.4
UK Coach	26.9	283.4	–	3.2	22.3	335.8
German Rail	–	38.5	218.1	–	(0.6)	256.0
Alsa	273.4	717.5	171.7	89.6	75.4	1,327.6
WeDriveU	399.6	–	–	–	13.1	412.7
Total revenue from continuing operations	707.4	1,252.2	427.2	93.9	116.8	2,597.5
Analysis by major service type:						
Passenger transport	707.4	1,252.2	427.2	93.9	17.5	2,498.2
Other products and services	–	–	–	–	99.3	99.3
Total revenue from continuing operations	707.4	1,252.2	427.2	93.9	116.8	2,597.5

[1] The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 1 & 10 respectively for further information; and for the UK segment change as explained above.

(b) Operating profit/(loss)

Operating profit/(loss) from continuing operations is analysed by reportable segment as follows:

	Adjusted profit/(loss) 15-months ending 31 March 2026 £m	**Adjusting items 15-months ending 31 March 2026 £m**	**Segment result 15-months ending 31 March 2026 £m**	**(Restated) Adjusted profit/(loss) 12-months ending 31 December 2024[1] £m**	**(Restated) Adjusting items 12-months ending 31 December 2024[1] £m**	**(Restated) Segment result 12-months ending 31 December 2024[1] £m**
UK Bus	**2.4**	**(0.4)**	**2.0**	3.4	(7.0)	(3.6)
UK Coach	**(22.9)**	**(17.2)**	**(40.1)**	4.6	(10.3)	(5.7)
German Rail	**17.0**	**(38.4)**	**(21.4)**	(10.1)	(87.5)	(97.6)
Alsa	**249.0**	**(45.0)**	**204.0**	186.1	(9.2)	176.9
WeDriveU	**25.0**	**(49.1)**	**(24.1)**	29.3	(10.8)	18.5
Central functions	**(39.5)**	**(69.2)**	**(108.7)**	(33.9)	(22.3)	(56.2)
Operating profit/(loss) from continuing operations	**231.0**	**(219.3)**	**11.7**	179.4	(147.1)	32.3

[1] The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and period restatements; see notes 1 & 10 respectively for further information; and for the UK segment change as explained above.

4 Adjusting items

The Group reports adjusted measures because the Directors believe they provide both management and stakeholders with useful additional information about the financial performance of the Group's businesses.

The total adjusting items before tax from continuing operations for the 15-month period ended 31 March 2026 is a net charge of £225.3m (2024: £149.9m). See note 10 for details of adjusting items from discontinued operations. The items excluded from the adjusted result are:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Intangible amortisation for acquired businesses (a)	**26.8**	20.7
Re-measurements of onerous contracts and impairments resulting from the Covid-19 pandemic (b)	**–**	(4.1)
Re-measurement of German Rail RME IFRS 15 contract asset (c)	**41.3**	–
Re-measurement of German Rail RRX onerous contract provisions (d)	**(4.7)**	86.4
Re-measurement of WeDriveU onerous contract provisions (e)	**38.6**	(0.7)
Final re-measurement of the Rabat put liability (f)	**(0.8)**	–
Costs in relation to the legacy School Bus legal claims provision (g)	**46.2**	–
Impairments and other costs associated with Morocco contract changes (h)	**26.6**	–
Restructuring and other costs (i)	**45.3**	44.8
Total adjusting items in continuing revenue & operating costs	**219.3**	147.1
Unwinding of discount of provisions (d) (e) (g)	**6.0**	2.8
Total adjusting items in continuing operations before tax	**225.3**	149.9
Tax (credit)/charge on adjusting items (j)	**(18.8)**	43.2
Total adjusting items in continuing operations after tax	**206.5**	193.1

[1] The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations; see note 10 for further information.

(a) Intangible amortisation / impairment for acquired businesses

Consistent with previous periods, the Group classifies the non-cash amortisation for acquired intangibles, and any impairment charges thereon, as an adjusting item by virtue of its size and nature. Its exclusion enables monitoring and comparison of divisional performance by the Group Board regardless of whether through acquisition or organic growth. Equally, it improves comparability of the Group's results with those of peer companies.

(b) Re-measurement of onerous contracts and impairments resulting directly from the Covid-19 pandemic

The Group continues to operate services in line with its commitments under customer contracts which are loss making. These contracts became onerous due to the impact of the Covid-19 pandemic. For the contracts which the Group is still committed to, the provision has been re-measured with no movements required during the period (2024: £4.1m credit).

(c) Re-measurement of German Rail RME IFRS 15 contract asset

During the period, the German Rail transport authorities announced that they would change the forward growth assumptions for the current €58 compensation scheme from 2026 onwards – removing a revenue growth factor that had been confirmed in both the 2024 and 2025 schemes and that underpinned the Group's previous future revenue forecasts. There has also been a significant deterioration in the future penalty assumptions, driven by improved visibility of future construction and maintenance work activity until the end of the original contract period. Please see note 1 for further information.

These factors have led to a significant decrease in future expected revenue generation under the original contract, which is a key input to the calculation of the IFRS 15 contract asset under the RME contract at each period end. Note that passenger revenue risk will be eliminated by the contract changes that were entered into after the period end however this and other benefits of the new agreement cannot be assumed in the IFRS 15 contract asset at 31 March 2026 as a contract modification under IFRS 15 only occurred at the point of signing the contracts, post the period end.

As a result, there was a £41.3m reduction (2024: £nil) in the RME IFRS 15 contract asset in the period. This has been treated as an adjusting item as it is considered significant in nature and value and not in the normal course of business, in line with the Group's policy on adjusting items.

(d) Re-measurement of German Rail RRX onerous contract provisions (OCPs)

The Rhine-Ruhr (RRX) OCP has been re-measured based on the latest forecasts of future losses anticipated; please refer to note 1 for further information. This resulted in a £4.7m credit (2024: £86.4m charge) to the income statement in the period. Additionally, during the period £6.0m has been recorded in interest costs for unwind of discounting of provisions (2024: £2.8m).

(e) Re-measurement of WeDriveU OCPs

Prior to 2025 one onerous contract had remained in WeDriveU with movements in the provision being treated as an adjusting item in previous years. During the current year, a further contract, WMATA, became onerous and a new OCP was required. The

Group is seeking legal redress with the customer to address the ongoing losses. We expect the outcome of the legal proceedings to be successful and the contract losses significantly reduced; however any future legal settlement cannot currently be assumed in the provision calculation. Please see note 1 for further information. In the 15-months ending 31 March 2026 £38.6m has been charged in relation to the two onerous contracts (2024: £0.7m credit). Additionally, during the period, £0.2m has been recorded in interest costs for unwind of discounting of provisions (2024: £nil).

(f) Final re-measurement of the Rabat put liability

The Group has a subsidiary in Morocco which previously had a non-controlling interest. In January 2024 an arbitrator ruled on a long-standing dispute between the Group and the non-controlling interest which resulted in the trigger of a put option for the non-controlling interest to sell their shares to us. A put liability of £8.6m was recognised as at 31 December 2023 for the estimated value to purchase the shares from the non-controlling interest. In the period to 31 March 2026, a final value has been reached and paid in June 2025, resulting in a re-measurement of the put liability of £0.8m credit to the Income Statement (2024: £nil).

Gains and losses on re-measurement of put liabilities have been recorded as adjusting items in previous years, therefore the final re-measurement of the Rabat put liability has also been recorded as an adjusting item for consistency.

(g) Costs in relation to the legacy School Bus legal claims provision

As part of the sale agreement of the North America School Bus (NASB) business, the Group retained the legal liability for substantial open insurance claims that existed at the date of disposal, along with the corresponding insurance claim provision. The retained claims relate to employee injuries, automotive claims, and general liability claims that arose prior to the sale.

The Group is of the view that classifying future movements in the provision as an adjusting item, together with other costs in relation to administering the legacy claims, is appropriate given the School Bus business is no longer part of the Group’s continuing operations and future movements in the provision could distort the Group’s results. The claims and administrative costs do not reflect the profitability or operational efficiency of the remaining business segments and the ongoing continuing business of the Group. £46.2m has been charged to the Income Statement in the 15-month period to 31 March 2026; with the amount reflective of adverse movements in the claims environment leading to materially worsening expectations of the likely future settlements of the remaining open claims book. During the period, £0.8m has been recorded in interest costs for unwind of discounting of provisions.

(h) Impairments and other costs associated with Morocco contract changes

As a result of a change to the operating environment in Morocco, the Group has witnessed the renegotiation and retender of several of its contracts in major urban centres across Morocco.

In September 2025, the Group was required to negotiate a price concession and a change in contractual terms to receive a settlement for outstanding debts in Casablanca. The price concession has been treated as a reduction to revenue in the current period.

In addition, during 2025 the Group’s contracts in Marrakesh, Agadir and Tangier were retendered. In the case of the Marrakech and Tangier contracts; these were terminated and transferred to successor operators at extremely short notice in December 2025, along with staff and assets. This has led to the impairment of assets where the net book value is no longer deemed to be recoverable; along with other one-off costs incurred or expected to be incurred as a result of the contract changes.

The total financial impact as a result of the changes is £26.6m (2024: £nil) of which £20.7m was recorded in revenue and £5.9m in operating costs. The costs incurred are one-off in nature, material and not in the ordinary course of business and as such have been presented as an adjusting item.

(i) Restructuring and other costs

These costs relate to Group-wide strategic initiatives and restructuring. These are individually one-off, short-term initiatives expected to last one to two years. They are significant in nature and are not considered to be part of the day to day operational costs of the Group and therefore have been treated as adjusting items. These amount to £45.3m at 31 March 2026 (2024 restated: £44.8m).

(j) Adjusting tax charge

The tax credit on adjusting items of £18.8m (2024: £43.2m charge), comprises of £2.7m tax credit (2024: £1.3m tax credit) on goodwill impairment, a £4.9m tax credit (2024: £7.0m credit) on amortisation of intangible assets, a £20.8m tax credit (2024: £5.0m credit) on tax deductible adjusting items, a £9.3m tax credit (2024 restated: £56.5m charge) on recognition (2024: derecognition) of deferred tax assets which is also considered adjusting as it is material in size (£11.4m credit in relation to a prior period adjustment and £2.1m charge in current items) and non-recurring in nature, and a £18.9m tax charge (2024: £nil) in relation to an uncertain tax position.

5 Net finance costs

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Bond and bank interest payable	**74.9**	58.5
Lease interest payable	**11.8**	10.4
Other interest payable	**14.1**	11.1
Unwind of discounting of provisions	**1.1**	0.7
Net interest cost on defined benefit pension obligations	**0.2**	1.1
Finance costs before adjusting items	**102.1**	81.8
Adjusting items:		
Unwind of discounting of provisions	**6.0**	2.8
Total finance costs after adjusting items	**108.1**	84.6
Lease interest income	**(1.2)**	(0.5)
Other financial income	**(5.9)**	(1.7)
Total finance income	**(7.1)**	(2.2)
Net finance costs after adjusting items from continuing operations	**101.0**	82.4
Of which, from financial instruments:		
Financial assets measured at amortised cost	**(6.8)**	(1.7)
Financial liabilities measured at amortised cost	**85.3**	63.3
Derivatives	**8.4**	11.8
Loan fee amortisation	**2.8**	2.2

[1] The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements.

6 Taxation
(a) Analysis of taxation charge in the Income Statement

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Current taxation:		
UK corporation tax	**–**	(0.2)
Overseas corporate income tax	**50.0**	33.9
Current corporate income tax charge	**50.0**	33.7
Adjustments with respect to prior periods – UK and overseas	**0.6**	1.2
Total current corporate income tax charge from continuing operations	**50.6**	34.9
Deferred taxation:		
Origination and reversal of temporary differences	**2.4**	(2.7)
Derecognition of deferred tax assets	**2.1**	57.5
Adjustments with respect to prior periods – UK and overseas	**(8.9)**	4.3
Total deferred tax (credit)/charge from continuing operations	**(4.4)**	59.1
Total tax charge for the period from continuing operations	**46.2**	94.0

The tax charge for the continuing Group comprises:		
Tax charge on profit before adjusting items	**65.0**	50.8

Tax (credit)/charge on adjusting items	**(18.8)**	43.2
Total tax charge for the period from continuing operations	**46.2**	94.0

[1] The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and for prior period restatements.

(b) Tax on items recognised in Other Comprehensive Income or Equity

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Deferred taxation:		
Deferred tax charge on actuarial gains	**0.9**	2.8
Deferred tax charge on cash flow hedges	**7.2**	0.7
Deferred tax charge on foreign exchange differences	**–**	0.5
Deferred tax charge on hybrid instrument payments	**–**	15.4
Deferred tax charge/(credit) on share-based payments	**1.7**	(0.1)
Total tax charge for the continuing Group	**9.8**	19.3

The FY24 £15.4m deferred tax charge on the hybrid instrument comprises of a £5.3m credit in relation to tax deductions for FY24 interest and a £20.7m charge reversing all cumulative credits accounted for in reserves which arises from the derecognition of UK deferred tax assets on tax losses.

7 Dividends paid and proposed

An interim dividend was not declared and paid during the period (2024: £nil). No final ordinary dividend has been proposed (2024: £nil).

8 Earnings per share

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Basic earnings per share from continuing operations	**(28.2)p**	(28.6)p
Diluted earnings per share from continuing operations	**(28.2)p**	(28.6)p
Basic earnings per share from continuing & discontinued operations	**(59.9)p**	(136.0)p
Diluted earnings per share from continuing & discontinued operations	**(59.9)p**	(136.0)p

[1] Restated for prior period restatements, see note 1 for further information

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Loss attributable to equity shareholders	**(336.5)**	(810.1)
Accrued payments on hybrid instrument	**(28.3)**	(21.3)
Earnings attributable to equity shareholders	**(364.8)**	(831.4)

1 Restated for prior year restatements, see note 1 for further information

Number of shares

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Basic weighted average shares	**608,648,284**	611,292,234
Adjustment for dilutive potential ordinary shares[1]	**59,300,798**	24,816,797
Diluted weighted average shares	**667,949,082**	636,109,031

1 Potential ordinary shares have the effect of being anti-dilutive for diluted earnings per share in both the current and prior periods, and have been excluded from the calculation of diluted earnings per share.

From continuing operations

The calculation of the basic and diluted earnings per share is based on the following data:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Loss attributable to equity shareholders	**(143.2)**	(153.4)
Accrued payments on hybrid instrument	**(28.3)**	(21.3)
Earnings attributable to equity shareholders	**(171.5)**	(174.7)

1 Restated for prior period restatements, see note 1 for further information

The denominator used (number of shares) in the calculation of both basic and diluted earnings per share from continuing operations is the same as that detailed above.

9 Goodwill and impairment

Goodwill allocation – cash-generating units

As required by IAS 36, goodwill is allocated to cash-generating units (CGUs), the lowest level at which independent cash inflows can be identified. During the period ended 31 March 2026, management exercised judgement to refine the identification of the CGUs, determining that the lowest level of independent cash inflows occurs within regions in Alsa and within individual locations in WeDriveU. Because the Group's goodwill stems from historic, highly integrated bolt-on acquisitions that generate widespread operational synergies, it is not reasonably practical to allocate these balances to the disaggregated individual CGUs. Consequently, management exercises judgement to monitor and test goodwill for impairment at the broader group of CGUs level, which represents the lowest level at which the Chief Operating Decision Maker reviews aggregated financial performance.

Changes in goodwill during the year

During the period ended 31 March 2026, the Group disposed of the School Bus division and the remainder of the NXTS division (formerly part of the UK CGU). Goodwill in relation to the School Bus business had been fully impaired as at 31 December 2024, ahead of its disposal in July 2025. Goodwill for the former UK CGU reduced from £50.1m at 31 December 2024 to £8.7m as of 31 December 2025 following the NXTS disposal, with an impairment of £39.4m recognised during the period.

Restructure of UK business and impairment test of UK Coach

Following an operational restructuring effective 1 January 2026, management applied judgement to separate the UK operations, establishing UK Bus and UK Coach as standalone CGUs.

An impairment assessment was conducted on the £8.7m of goodwill identified as relating to the UK Coach CGU, since the restructuring of UK operations represented an indicator of impairment. The assessment followed the same approach as the annual impairment tests conducted at 31 March 2026 as described more fully below, with key inputs being the long term growth rate, discount rate and forecast cash flows. The impairment assessment resulted in headroom of £13.5m and it was not considered likely that reasonably possible changes in key inputs could result in the recoverable amount (based on its value-in-use) dropping below the carrying value of goodwill. As a result, no impairment was identified and no sensitivity analysis has been provided.

Carrying value by cash generating unit

The carrying value by cash-generating unit is as follows:

	31 March 2026 £m	31 December 2024 £m
UK[1]	**8.7[1]**	50.1[1]
WeDriveU	**149.8**	158.3
Alsa[1]	**595.1**	576.9
	753.6	785.3

1 Effective from 1 January 2026, the UK Coach business is now a standalone cash generating unit. As at 31 December 2024, the combined UK Bus and Coach businesses were identified as one cash-generating unit. Following the restructure as of 1 January 2026, there is no goodwill attributable to the UK Bus business.

Methodology

The group's annual impairment assessment was conducted on 31 March 2026. The purpose of this assessment is to compare the carrying value of a CGU with its recoverable amount, being the higher of i) fair value less cost of disposal, and ii) value in use, where value in use would typically be the expected cash flows to be generated operating the business into perpetuity. The recoverable amount of each group of CGUs was determined using a value in use methodology that is based on the five-year board-approved strategic plan.

The calculation of value in use for each CGU is most sensitive to the assumptions over cash flows (as further detailed below), discount rates and the growth rate used to extrapolate cash flows into perpetuity beyond the five-year period of the management plan. A growth rate for each group of CGUs has been consistently applied in the impairment review for all CGUs, based on an estimate of long run inflation. Growth rates do not exceed the historic average growth rates of the relevant markets in which the CGUs operate.

Discount rates for each geography are derived from a market participant's weighted average cost of capital, calculated from externally available input data. The discount rate is a key assumption applied in the impairment review.

The discount rates and perpetual growth rates used for the cash-generating units are as follows:

	Pre-tax discount rate applied to cash flow projections		Growth rate used to extrapolate cash flows into perpetuity	
	31 March 2026	31 December 2024	31 March 2026	31 December 2024
UK	**11.3%**	10.4%	**2.0%**	2.9%
WeDriveU	**10.6%**	10.3%	**2.2%**	3.8%
Alsa	**11.3%**	12.8%	**2.0%**	3.4%

1 As of 1 January 2026 onwards, the UK Coach business is now a cash generating unit within the Alsa group of CGUs.

Cash flow projections are another key estimate within the impairment review, in particular regarding the level of adjusted operating profit generation and the proportion of operating profit converted to cash in each year (primarily as a result of capital expenditure and working capital movements). Cash flow projections are taken from the board-approved strategic plan for the period to 2030, supplemented by a terminal value calculation into perpetuity.

Forecast revenue and operating margins are based on past performance and management's expectations for the future. Revenue projections are sensitive to assumptions around contract retention, passenger demand and pricing, whilst adjusted operating margin projections additionally depend on the levels of cost inflation (much of which is contractually protected) and the benefit of turnaround actions and cost saving initiatives. Management has considered the forecasting risks associated with these profit improvement initiatives included in the Group's board-approved five-year plan, primarily those in the Simplify for Success programme, and only included the benefit of initiatives where there were detailed plans available as of the goodwill impairment testing date to support confidence in delivery. Inclusion of the cost reduction benefits from these programmes would increase the available headroom for all CGUs. As the plans become more advanced we expect these savings to be incorporated in future assessments.

Capital expenditure is projected over the first five years using a detailed forecast of the capital requirements of the Group for new and replacement vehicles and other assets. In the extrapolation of cash flows into perpetuity (the "terminal value"), capital expenditure is assumed to be a 1:1 ratio to depreciation.

Climate change risk assessment

The assumptions underpinning the cash flow projections also take account of the climate change risk assessment exercise from which the pertinent conclusions were as follows:

- Whilst the global temperature rise above pre-industrial levels increases the likelihood of extreme weather events, the geographical diversity of the Group means that the risk to the Group as a whole is unlikely to be material; no worsening of climate conditions over and above recent experience has specifically been factored into the cash flow projections.
- The Group's planning assumption is that input costs will not rise significantly above inflation on the basis that, for electric vehicles for example, supply will increase to match demand, and technological advances will also help decrease manufacture costs. The Group expects to utilise hydrogen or electric vehicles in the transition to zero emission fleet in long haul coach services and the Group assumes that total cost of ownership for these vehicles will also be no worse than at parity with their diesel equivalents over their useful lives, albeit may require some level of government subsidies on the capital cost and/or the hydrogen fuel. We will be closely following emerging solutions for the considerably larger haulage industry, which will likely accelerate the emergence of technology and infrastructure solutions into the market.
- The Group already has stated targets for the transition to zero emission fleets. The Group has assessed as very low the risk of the current fleet having a net book value higher than their residual value at the Group's targeted transition date and has therefore concluded that no changes to the useful economic lives of the Group's current fleet are required. Some ZEV suppliers are actively buying back diesel vehicles to accelerate the introduction of electric vehicles. There is also a secondhand market (especially large in the North America Transit business) enabling recovery of any net book value of diesel vehicles.
- The opportunity from modal shift from private cars to public transport is potentially material and has not been specifically modelled in the Group's long-term cash flow projections used in the value in use calculation, as central governments, transport authorities and city councils introduce measures to tackle congestion, pollution and emissions. We see that the benefits of modal shift outweigh the costs of having to comply with new regulations.

Results of the 31 March 2026 impairment assessment

The value in use of the UK Coach CGU exceeds its carrying amount by £67.7m. The value in use of the Alsa division exceeds its carrying amount by £768.0m (31 December 2024: £274.6m). The value in use of the WeDriveU division exceeds its carrying amount by £133.4m (31 December 2024: £266.9m).

For the Alsa CGU, headroom has increased significantly from £274.6m to £768.0m as a result of an improvement in the cash flow forecast, with higher levels of EBITDA generation and reduced capital expenditure now expected as more contracts have been converted to IFRIC 12 arrangements, which do not involve upfront capex. The reduction in the pre-tax discount rate from 12.8% to 11.3% has also contributed to increased headroom, albeit this is offset by a reduction in the long term growth rate following a more cautious view being taken by management as described above.

For the WeDriveU CGU, headroom has reduced from £266.9m to £133.4m as a result of the increased discount rate and reduced perpetual growth rate applied, as well as a reduction in the level of operating profit projected in the impairment assessment as a result of taking a cautious view on exclusion of cost saving actions which were less fully developed as of the balance sheet date.

Impairment of goodwill for both the Alsa and WeDriveU group of CGUs is not considered as a key source of estimation uncertainty given the sufficient level of headroom and remote possibility that this will be eroded within the next 12-months.

Sensitivities to key assumptions

Sensitivity analysis has also been conducted to assess the change required in each of the critical inputs in order to reduce the value in use to equal the carrying value.

Change required to reduce headroom to nil; all expressed as percentage point changes	WeDriveU		Alsa	
	31 March 2026	**31 December 2024**	**31 March 2026**	**31 December 2024**
Increase in pre-tax discount rate	**4.9%**	4.9%	**8.3%**	3.0%
Reduction in long term growth rate	**5.2%**	4.6%	**10.0%**	2.8%
Reduction in adjusted operating profit margin	**3.0%**	3.7%	**4.2%**	2.0%

10 Business combinations, discontinued operations, disposals and assets held for sale

(a) Acquisitions – Alsa

On 1 March 2024 the Alsa division acquired 100% control of Canary Bus (known as Grupo 1844), the leading provider of tourist and discretionary services in the Canary Islands. The provisional fair values were disclosed in the 2024 Annual Report and Accounts. As permitted by IFRS 3 Business Combinations, the fair value of acquired identifiable assets and liabilities have been adjusted within the measurement period.

On 1 June 2025 the Alsa division acquired 50% of the remaining assets and liabilities of a joint operation, UTE Sanir, a health transport business located in Madrid.

In addition, the Alsa division acquired a controlling stake in two further businesses during the period, Meep and Urena, neither of which are material individually.

- Fostering Mobility SL (“Meep”) – a leading Spanish mobility-as-a-service (MaaS) technology company
- Urena E Hijos SL (Granada) – Operator of school bus and other transport services

The provisional fair values of the assets and liabilities acquired, along with adjustments to the fair values of prior period acquisitions, were as follows:

	Canary Bus £m	UTE Sanir £m	Meep £m	Urena £m	Total £m
Intangible assets	**12.6**	**2.2**	**1.5**	**–**	**16.3**
Property, plant and equipment	**3.6**	**4.7**	**–**	**–**	**8.3**
Trade and other receivables	**(0.1)**	**1.2**	**0.7**	**–**	**1.8**
Cash and cash equivalents	**–**	**1.1**	**0.4**	**0.3**	**1.8**
Borrowings	**–**	**(4.0)**	**–**	**–**	**(4.0)**
Trade and other payables	**(0.5)**	**(3.2)**	**(0.9)**	**(0.1)**	**(4.7)**
Minority interest	**–**	**–**	**(1.7)**	**–**	**(1.7)**
Deferred tax asset	**(1.0)**	**–**	**–**	**–**	**(1.0)**
Net assets acquired	**14.6**	**2.0**	**–**	**0.2**	**16.8**
Goodwill	**(14.6)**	**–**	**–**	**0.8**	**(13.8)**
Total consideration	**–**	**2.0**	**–**	**1.0**	**3.0**
Represented by:					
Cash consideration	**–**	**2.0**	**–**	**1.0**	**3.0**
Deferred consideration	**–**	**–**	**–**	**–**	**–**
	–	**2.0**	**–**	**1.0**	**3.0**

As permitted by IFRS 3 Business Combinations, the fair value of acquired identifiable assets and liabilities have been presented on a provisional basis. The fair value adjustments will be finalised within 12-months of the acquisition date, principally in relation to the valuation of provisions and intangible assets acquired.

Trade and other receivables had a fair value and a gross contracted value of £1.2m for UTE Sanir and £0.7m for Meep. The best estimate at acquisition date of the contractual cash flows not to be collected was £nil.

Goodwill of (£13.8m) per the above table is comprised of £0.8m arising from the Urena acquisition, less a fair value adjustment relating to a prior acquisition resulting in a reduction in goodwill of £14.6m. These are further described below

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Goodwill of £0.8m arising from the Urena acquisition consists of certain intangibles that cannot be separately identified and measured due to their nature. None of the goodwill recognised is expected to be deductible for income tax purposes.

During the period the fair value adjustments relating to primary intangible and intangible assets acquired in 2024 as part of the Canary Bus acquisition were finalised. This resulted in an increase in the fair value of separately identifiable intangibles and tangible assets acquired, a corresponding decrease in deferred tax asset, and a reduction in goodwill of £14.6m.

The acquired businesses contributed £2.2m of revenue and £nil adjusted operating profit to the Group’s result for the period between acquisition and the balance sheet date. Had the acquisition been completed on the first day of the financial period, the Group’s statutory revenue would have been £3,365.4m, with no impact on the Group’s statutory operating profit for the period.

Deferred consideration of £13.4m was paid in the period of which £9.8m related to Canary Bus and £3.6m related to acquisitions in Alsa in earlier periods. Total cash outflow in the period from acquisitions in the Alsa division was £1.2m, comprising consideration for current period acquisitions of £3.0m (cash consideration above includes a prepayment of £6.2m paid in 2023), less cash acquired in the businesses of £1.8m.

(b) Acquisitions – further information

The movement in deferred consideration and deferred contingent consideration in the period is as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
At the beginning of the period	**14.7**	8.7
Additions in the period	**–**	22.5
Payments during the period	**(13.4)**	(16.2)
Foreign exchange	**0.5**	(0.3)
At the end of the period	**1.8**	14.7

Split of consideration:		
Deferred consideration	**1.8**	14.0
Deferred contingent consideration	**–**	0.7

The Group measures deferred contingent consideration at fair value through profit and loss and by reference to significant unobservable inputs, i.e. classified as Level 3 in the fair value hierarchy. The significant unobservable inputs used to determine the fair value of the contingent purchase consideration are typically forecast earnings or estimating the likelihood that contracts will be renewed over a fixed period.

The fair value of deferred contingent consideration is not highly sensitive to changes in significant unobservable inputs and therefore sensitivities to the valuation have not been disclosed.

(c) Discontinued operations

(i) Summary

During the period the Group disposed of two separate major lines of business, being North America School Bus (NASB), and the National Express Transport Solutions (NXTS) business in the UK. Both have been presented as a discontinued operation in the current period, with the prior period income statement figures restated to also present as discontinued; to enable better comparability of the period-on-period performance of both the continuing Group and discontinued operations.

The reconciliation to the face of the Income Statement, which shows the result from discontinued operations for the two businesses combined, is as follows:

	Adjusted result 15-months ending 31 March 2026 £m	Adjusting items 15-months ending 31 March 2026 £m	Total 15-months ending 31 March 2026 £m	Adjusted result 12-months ending 31 December 2024 £m	Adjusting items 12-months ending 31 December 2024 £m	Total 12-months ending 31 December 2024 £m
NASB	**1.8**	**(153.4)**	**(151.6)**	5.0	(641.9)	(636.9)
NXTS	**(1.9)**	**(39.7)**	**(41.6)**	1.0	(20.8)	(19.8)
Profit/(loss) for the period from discontinued operations	**(0.1)**	**(193.1)**	**(193.2)**	6.0	(662.7)	(656.7)

Each of these are detailed separately below.

(ii) North America School Bus (NASB)

On 25 April 2025 the Group announced the sale of its NASB business to I Squared Capital. The associated assets and liabilities were consequently presented as held for sale in the 30 June 2025 interim financial statements.

The business was sold on 14 July 2025, and it is presented as a discontinued operation for the 15-month period to 31 March 2026. Prior period income statement figures have been restated to present separately the above operations as discontinued.

Details of the School Bus business discontinued operations are as follows. The results for the current period reflect the results from 1 January 2025 up until disposal on 14 July 2025.

	Adjusted result 15-months ending 31 March 2026 £m	Adjusting items 15-months ending 31 March 2026[1] £m	Total 15-months ending 31 March 2026 £m	Adjusted result 12-months ending 31 December 2024 £m	Adjusting items 12-months ending 31 December 2024[1] £m	Total 12-months ending 31 December 2024 £m
Revenue	**440.1**	–	**440.1**	792.6	–	792.6
Operating costs	**(425.4)**	**(8.3)**	**(433.7)**	(783.7)	(559.0)	(1,342.7)
Group operating profit/(loss) before tax	**14.7**	**(8.3)**	**6.4**	8.9	(559.0)	(550.1)
Share of results from associates	–	–	–	3.5	–	3.5
Net finance costs	**(9.9)**	–	**(9.9)**	(12.4)		(12.4)
Impairment loss on remeasurement to fair value less cost to sell[2]	–	**(233.8)**	**(233.8)**	–	–	–
Exchange differences recycled to the income statement	–	**87.3**	**87.3**	–	–	–
Net investment hedges recycled to the income statement	–	**1.8**	**1.8**	–	–	–
Profit/(loss) from discontinued operations before tax	**4.8**	**(153.0)**	**(148.2)**	–	(559.0)	(559.0)
Tax (charge)/credit	**(3.0)**	**(0.4)**	**(3.4)**	5.0	(82.9)	(77.9)
Profit/(loss) for the period from discontinued operations	**1.8**	**(153.4)**	**(151.6)**	5.0	(641.9)	(636.9)

[1] Adjusting items in operating costs in the current period of £8.3m (2024: £559.0m) comprise intangible amortisation of acquired businesses of £1.8m and costs related to the sale of the business of £6.5m. 2024 comprised of goodwill impairment of £547.7m, intangible amortisation of acquired businesses of £7.0m and costs related to the sale of the business of £4.3m.
[2] As a result of the School Bus business being classified as 'held for sale' under IFRS 5 upon the sale being agreed in April 2025, this then requires the remeasurement of the disposal group to the lower of carrying value or fair value less costs to sell. This remeasurement resulted in an impairment loss amounting to £233.8m, reflecting the agreed sales proceeds less costs to sell being lower than the asset value.

Basic and diluted earnings per share for the discontinued operation for the 15-months ending 31 March 2026 was (24.9)p (2024: (104.2)p).

Details of the sale are as follows:

	£m
Consideration received or receivable:	
Cash[1]	**209.2**
Fair value of contingent consideration[2]	–
Total disposal consideration	**209.2**
Carrying amount of net assets sold[3]	**(209.2)**
Gain/(loss) on disposal before tax and reclassification of foreign currency translation reserve	–
Reclassification of foreign currency translation reserve	**87.3**
Net investment hedge reserve recycled to the income statement	**1.8**
Tax (charge)/credit[4]	–
Gain on disposal after income tax	**89.1**

[1] Net of £25.3m of cash balances within the sold business that was disposed
[2] In the event that the operations of the business achieve certain performance criteria during the period from 1 July 2025 to 30 June 2028, as specified in an 'earn out' clause in the sale agreement, additional cash consideration of up to $70m will be receivable. At the time of the sale, and as at 31 March 2026, the fair value of the consideration was determined to be £nil.
[3] This is inclusive of the impairment loss on remeasurement to fair value less costs to sell of £234.7m
[4] Under relevant tax law and due to availability of reliefs, no corporate tax liability arose on the sale of the business

The carrying amount of assets and liabilities at the date of sale were:

	£m
Intangible assets	**20.4**
Property, plant and equipment	**215.5**
Investments accounted for using the equity method	**1.6**
Trade and other receivables	**95.8**

Inventories	**14.3**
Cash and cash equivalents	**25.3**
Total assets	**372.9**
Borrowings	**(74.5)**
Defined benefit pension liabilities	**(0.3)**
Trade and other payables	**(86.2)**
Provisions	**(2.7)**
Total liabilities	**(163.7)**
Net assets	**209.2**

Amounts within Other Comprehensive Income as pertains to NASB are as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Exchange differences on retranslation of foreign operations	**(8.4)**	(1.8)
Reclassification of foreign currency translation reserve	**(87.3)**	–
Net investment hedge reserve recycled to the income statement	**(1.8)**	–
Other comprehensive expense from discontinued operations	**(97.5)**	(1.8)

The net cash flows incurred by NASB during the period are as follows. These cash flows are included with the Group's Statement of Cash Flows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Cash (outflow)/inflow from operating activities	**(36.1)**	39.7
Cash outflow from investing activities	**(51.2)**	(45.5)
Cash inflow from financing activities (including intercompany financing)	**65.8**	16.3
Net cash (outflow)/inflow	**(21.5)**	10.5

Details of the employee benefit costs incurred by NASB during the period are as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Wages and salaries	**276.4**	503.2
Social security costs	**27.6**	45.2
Total employee benefit costs	**304.0**	548.4

The average number of employees from NASB during the period was as follows:

	15-months ending 31 March 2026	12-months ending 31 December 2024
Managerial and administrative	**428**	1,519
Operational	**7,433**	21,420
	7,861	22,939

(iii) National Express Transport Solutions (NXTS)

Following a review of the UK Coach business, a decision was made to sell the remaining elements of the private hire part of the business, known as NXTS, to better position UK Coach for long-term success. On the 17 October 2025 the Group sold the remaining NXTS businesses (following the two separate small disposals of Mortons and Stewarts in previous periods) comprising, Clarkes of London, The Kings Ferry Group, Lucketts and Worthing Coaches to The Coach Travel Group Limited. This represents a significant change to the UK Coach business which will now focus on its core white coach scheduled trading.

Details of the NXTS businesses discontinued operations are as follows:

	Adjusted result 15-months ending 31 March 2026	Adjusting items 15-months ending 31 March 2026	Total 15-months ending 31 March 2026	Adjusted result 12-months ending 31 December 2024	Adjusting items 12-months ending 31 December 2024[1]	Total 12-months ending 31 December 2024
	£m	£m	£m	£m	£m	£m
Revenue	**13.1**	–	**13.1**	21.8	–	21.8
Operating costs	**(14.9)**	–	**(14.9)**	(25.0)	(1.5)	(26.5)
Group operating loss before tax	**(1.8)**	–	**(1.8)**	(3.2)	(1.5)	(4.7)
Net finance costs	**(0.1)**	–	**(0.1)**	(0.3)	–	(0.3)
Impairment loss on remeasurement to fair value less cost to sell[2]	–	**(39.4)**	**(39.4)**	–	–	–
Loss from discontinued operations before tax	**(1.9)**	**(39.4)**	**(41.3)**	(3.5)	(1.5)	(5.0)
Tax (charge)/credit	**–**	**(0.3)**	**(0.3)**	4.5	(19.3)	(14.8)
(Loss)/profit for the period from discontinued operations	**(1.9)**	**(39.7)**	**(41.6)**	1.0	(20.8)	(19.8)

[1] Adjusting items in 2024 related to restructuring costs
[2] As a result of the NXTS business being classified as 'held for sale' under IFRS 5 upon the sale being agreed, this then requires the remeasurement of the disposal group to the lower of carrying value or fair value less costs to sell. This remeasurement resulted in an impairment loss amounting to £39.4m, reflecting the agreed sales proceeds less costs to sell being lower than the asset value.

Basic and diluted earnings per share for the discontinued operation for the 15-months ending 31 March 2026 was (6.8)p (2024: (3.2)p).

Details of the sale are as follows:

	£m
Consideration received or receivable:	
Cash[1]	**(0.2)**
Total disposal consideration	**(0.2)**
Carrying amount of net liabilities sold[2]	**0.2**
Loss on disposal before tax	–
Tax (charge)/credit[3]	–
Loss on disposal after income tax	–

[1] Net of £0.2m of cash balances within the sold business that was disposed
[2] This is inclusive of the impairment loss on remeasurement to fair value less costs to sell of £39.4m
[3] Under relevant tax law and due to availability of reliefs, no corporate tax liability arose on the sale of the business

The carrying amount of assets and liabilities at the date of sale were:

	£m
Intangible assets	**2.4**
Property, plant and equipment	**0.2**
Trade and other receivables	**1.6**
Inventories	**0.3**
Cash and cash equivalents	**0.2**
Total assets	**4.7**
Borrowings	**(2.1)**
Trade and other payables	**(2.8)**

Total liabilities	**(4.9)**
Net liabilities	**(0.2)**

There were no amounts within Other Comprehensive Income that relate to NXTS.

The net cash flows incurred by NXTS during the period are as follows. These cash flows are included with the Group's Statement of Cash Flows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Cash (outflow)/inflow from operating activities	**(24.1)**	3.3
Cash (outflow)/inflow from investing activities	**(2.7)**	1.1
Cash inflow/(outflow) from financing activities (including intercompany financing)	**31.7**	(6.9)
Net cash inflow/(outflow)	**4.9**	(2.5)

Details of the employee benefit costs incurred by NXTS are as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Wages and salaries	**8.9**	16.2
Social security costs	**1.1**	1.6
Pension costs	**0.2**	0.4
Total employee benefit costs	**10.2**	18.2

The average number of employees from NXTS during the period was as follows:

	15-months ending 31 March 2026	12-months ending 31 December 2024
Managerial and administrative	**15**	46
Operational	**161**	336
	176	382

(d) Assets held for sale

At the balance sheet date the Group had no assets held for sale (2024: £nil).

11 Cash and cash equivalents

	31 March 2026 £m	31 December 2024 £m
Cash at bank and in hand	**262.0**	129.4
Overnight deposits	**7.6**	0.1
Other short-term deposits	**156.0**	115.0
Cash and cash equivalents	**425.6**	244.5

Included within cash and cash equivalents are certain amounts which are subject to contractual or regulatory restrictions or withholding tax levied on repatriation of cash. These amounts held are not readily available for other purposes within the Group, and if repatriated would result in £0.8m of withholding tax (2024: £0.9m).

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the agreed short-term floating deposit rate. The fair value of cash and cash equivalents is equal to the carrying value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents and bank overdrafts in notional cash pooling arrangements are presented net. Bank overdrafts form an integral part of the Group's cash management strategy as they arise from the Group's cash pooling arrangement with its bank and can fluctuate from positive to negative balances during the period. Net cash and cash equivalents comprise as follows:

	31 March 2026 £m	31 December 2024 £m
Cash and cash equivalents	**425.6**	244.5
Bank overdrafts	**(184.0)**	(41.4)
Net cash and cash equivalents	**241.6**	203.1

12 Pensions and other post-employment benefits

(a) Summary of pension benefits and assumptions

The UK Bus division (UK Bus) operates a defined benefit pension scheme; the West Midlands Integrated Transport Authority Pension Fund.

The Company has in the past operated a defined benefit scheme. On 23 September 2021, a full buy-out of the defined benefit section was completed, following which Rothesay Life has become fully and directly responsible for the pension obligations. On completion of the buy-out, the defined benefit assets (comprising the Rothesay Life insurance policy) and matching defined benefit liabilities were derecognised from the Group's Balance Sheet. The buy-out transaction also triggered the return of surplus assets to the Company totalling £7.5m, with the remaining assets retained in the scheme to cover final expenses in completing its wind-up.

The Group also maintains a small defined benefit scheme for National Express Services Limited. This is shown within the 'Other' category. The prior year 'Other' category also included certain additional unfunded post-employment benefits to employees in North America School Bus (NASB).

During the period, the UK Bus division agreed a new three-year annual deficit plan with the trustees of the West Midlands Integrated Transport Authority Pension Fund, for the three years from 1 April 2026 with an average contribution of £19.6m per annum. The plan remains open to accrual for existing members only.

The assets of the defined benefit schemes are held separately from those of the Group and contributions to the schemes are determined by independent professionally qualified actuaries.

The Group has previously considered the impact of IFRIC 14 and subsequently determined that the Group does not have an unconditional right to a refund of surplus, and furthermore no scope to recognise surplus through a reduction in future contributions; therefore the IFRIC 14 requirements regarding consideration of minimum funding commitments applies. As a consequence, the net pension liability increased significantly in the period to the net present value of the new future deficit contributions, resulting in a restriction due to the asset ceiling of £43.6m being applied (2024: £4.2m), and a closing net pension liability for the UK Bus scheme of £53.3m (2024: £11.3m).

The Group expects to contribute £10.6m into its defined benefit pension plans in 2026.

UK Bus, UK Coach, the Company, Alsa and WeDriveU also operate or contribute into a number of defined contribution schemes.

The total pension cost charged to adjusted operating profit in the period for the Group was £10.8m (2024 restated: £9.1m), of which £9.5m (2024: £7.8m) relates to the defined contribution schemes.

The defined benefit pension (liability)/asset included in the Balance Sheet is as follows:

	31 March 2026 £m	31 December 2024 £m
Other	**0.1**	0.1
Pension assets	**0.1**	0.1
UK Bus	**(53.3)**	(11.3)
Other	–	(0.3)
Pension liabilities	**(53.3)**	(11.6)
Total	**(53.2)**	(11.5)

The most recent triennial valuations are then updated by independent professionally qualified actuaries for financial reporting purposes, in accordance with IAS 19. The assumptions for the UK Bus scheme are listed below:

	UK Bus 31 March 2026	UK Bus 31 December 2024
Rate of increase in salaries	**2.5%**	2.5%
Rate of increase of pensions in payment	**2.9%**	2.6%
Discount rate	**6.0%**	5.4%
Inflation assumption (RPI)	**3.3%**	3.1%
Inflation assumption (CPI)	**2.9%**	2.6%
Post-retirement mortality in periods:		
Current pensioners at 65 – male	**19.5**	18.7
Future pensioners at 65 – male	**20.7**	19.7
Current pensioners at 65 – female	**22.3**	21.7
Future pensioners at 65 – female	**25.0**	24.1

The Directors regard the assumptions around pensions in payment, discount rate, inflation and mortality to be the key assumptions in the IAS 19 valuation. The following table provides an approximate sensitivity analysis of a reasonably possible change to these assumptions:

(Increase)/decrease in the defined benefit obligation	UK Bus 31 March 2026 £m	UK Bus 31 December 2024 £m
Effect of a 0.5% increase in pensions in payment	**(10.2)**	(11.8)
Effect of a 0.5% decrease in the discount rate	**(15.6)**	(18.7)
Effect of a 0.5% increase in inflation	**(11.1)**	(13.1)
Effect of a 1-year increase in mortality rates	**(11.6)**	(11.0)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. Aside from the matching insurance contracts held in the UK Bus scheme, no allowance has been made for any change in assets that might arise under any of the scenarios set out above.

Scheme assets are stated at their market values at the respective balance sheet dates. Annuity policies have been valued at the level of the corresponding defined benefit obligation.

13 Cash flow statement

(a) Reconciliation of Group loss before tax to cash generated from operations

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[2] £m
Loss before tax from continuing operations	**(89.2)**	(50.4)
Loss before tax from discontinued operations	**(189.4)**	(564.0)
Total loss before tax	**(278.6)**	(614.4)
Net finance costs	**111.0**	95.1
Share of results from associates and joint ventures	**(0.1)**	(3.2)
Depreciation of property, plant and equipment	**190.3**	223.8
Intangible asset amortisation	**57.0**	50.2
Amortisation of fixed asset grants	**(4.7)**	(2.0)
Gain on disposal of property, plant and equipment	**(6.6)**	(11.0)
Gain on disposal of intangible assets	**(1.2)**	(0.8)
Share-based payments	**5.1**	4.6
Decrease in inventories	**–**	1.2
Decrease in receivables	**12.9**	43.4
(Decrease)/increase in payables	**(9.4)**	11.1
(Decrease)/increase in provisions	**(7.5)**	0.1
Decrease in pensions	**(12.7)**	(11.0)
Adjusting operating items[1]	**384.9**	679.9
Cash flows relating to adjusting operating items	**(158.4)**	(99.2)
Cash generated from operations	**282.0**	367.8

1 Excludes amortisation from acquired intangibles which is included within ‘intangible asset amortisation’

2 The results for the year to 31 December 2024 have been restated for prior period restatements and to represent prior periods for discontinued operations, see notes 1 & 10 respectively for further information.

(b) Analysis of changes in adjusted net debt

Adjusted net debt is an alternative performance measure which is not defined or specified under the requirements of International Financial Reporting Standards. Please refer to the Alternative Performance Measures section of the Annual Report for further information.

	(Restated) At 1 January 2025[4] £m	Cash flow £m	Acquisitions and disposals £m	Exchange differences £m	Other movements £m	At 31 March 2026 £m
Components of financing activities:						
Bank and other loans[1]	**(177.5)**	**27.6**	**43.8**	**(4.6)**	**(0.8)**	**(111.5)**
Bonds[3]	**(648.3)**	**(0.1)**	–	**(22.8)**	**(10.1)**	**(681.3)**
Fair value of interest rate derivatives	**(8.7)**	**–**	**–**	**–**	**8.7**	**–**
Fair value of foreign exchange forward contracts	**(5.1)**	**(22.8)**	–	**26.9**	**–**	**(1.0)**
Cross currency swaps	**(1.1)**	–	–	**(3.6)**	**–**	**(4.7)**
Net lease liabilities[2]	**(222.3)**	**68.8**	**29.7**	**1.7**	**(55.6)**	**(177.7)**
Private placements[3]	**(396.5)**	–	–	**(7.7)**	**(0.3)**	**(404.5)**
Total components of financing activities	**(1,459.5)**	**73.5**	**73.5**	**(10.1)**	**(58.1)**	**(1,380.7)**
Cash	**129.4**	**163.5**	**(23.7)**	**(7.2)**	**–**	**262.0**
Overnight deposits	**0.1**	**7.4**	–	**0.1**	**–**	**7.6**
Other short-term deposits	**115.0**	**41.0**	–	**–**	**–**	**156.0**
Bank overdrafts	**(41.4)**	**(142.6)**	–	**–**	**–**	**(184.0)**
Net cash and cash equivalents	**203.1**	**69.3**	**(23.7)**	**(7.1)**	**–**	**241.6**
Other debt receivables	**2.7**	**1.4**	–	**0.4**	**–**	**4.5**
Remove: fair value of foreign exchange forward contracts	**5.1**	**22.8**	–	**(26.9)**	**–**	**1.0**
Adjusted net debt	**(1,248.6)**	**167.0**	**49.8**	**(43.7)**	**(58.1)**	**(1,133.6)**

1 Net of arrangement fees totalling £1.7m (2024: £2.7m) on bank and other loans
2 Net lease liabilities is inclusive of finance lease receivables which are reported separately from borrowings on the face of the Group's Balance Sheet
3 Excludes accrued interest on long-term borrowings
4 Restated for prior period restatements

Short-term deposits relate to term deposits repayable within three months.

Borrowings include non-current interest-bearing borrowings of £1,227.4m (2024: £1,258.8m).

Other non-cash movements include lease additions and disposals of £55.6m (2024: £58.4m), and £2.5m amortisation of loan and bond arrangement fees (2024: £2.2m). An £8.7m increase in the fair value of the hedging derivatives is offset by an £8.7m change in fair value of bonds.

	(Restated) At 1 January 2024[4] £m	Cash flow £m	Acquisitions and disposals £m	Exchange differences £m	Other movements £m	(Restated) At 31 December 2024[4] £m
Components of financing activities:						
Bank and other loans[1]	(243.9)	65.6	(4.4)	5.9	(0.7)	(177.5)
Bonds3	(659.2)	–	–	19.8	(8.9)	(648.3)
Fair value of interest rate derivatives	(16.4)	–	–	–	7.7	(8.7)
Fair value of foreign exchange forward contracts	(1.2)	9.3	–	(13.2)	–	(5.1)
Cross currency swaps	(2.2)	–	–	1.1	–	(1.1)
Net lease liabilities[2]	(223.7)	70.5	(11.7)	1.0	(58.4)	(222.3)
Private placements[3]	(404.7)	–	–	8.5	(0.3)	(396.5)
Total components of financing activities	(1,551.3)	145.4	(16.1)	23.1	(60.6)	(1,459.5)
Cash	186.1	(56.8)	2.9	(2.8)	–	129.4
Overnight deposits	0.2	(0.1)	–	–	–	0.1
Other short-term deposits	170.0	(55.0)	–	–	–	115.0
Bank overdrafts	(62.6)	21.0	–	0.2	–	(41.4)
Net cash and cash equivalents	293.7	(90.9)	2.9	(2.6)	–	203.1
Other debt receivables	2.9	(3.7)	3.5	–	–	2.7
Remove: fair value of foreign exchange forward contracts	1.2	(9.3)	–	13.2	–	5.1
Adjusted net debt	(1,253.5)	41.5	(9.7)	33.7	(60.6)	(1,248.6)

1 Net of arrangement fees totalling £2.7m on bank and other loans

2 Net lease liabilities is inclusive of finance lease receivables which are reported separately from borrowings on the face of the Group's Balance Sheet

3 Excludes accrued interest on long-term borrowings

4 Restated for prior period restatements

(c) Reconciliation of net cash flow to movement in adjusted net debt

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Increase/(decrease) in net cash and cash equivalents in the period	**45.6**	(88.0)
Cash Inflow/(outflow) from movement in other debt receivables	**1.4**	(0.2)
Cash inflow from movement in debt and lease liabilities	**169.8**	120.0
Change in adjusted net debt resulting from cash flows	**216.8**	31.8
Change in adjusted net debt resulting from non-cash movements	**(101.8)**	(26.9)
Movement in adjusted net debt in the period	**115.0**	4.9
Opening adjusted net debt	**(1,248.6)**	(1,253.5)
Adjusted net debt	**(1,133.6)**	(1,248.6)

14 Financial information

The financial information set out above does not constitute the Group's Financial Statements for the periods ended 31 March 2026 or 31 December 2024, but is derived from those Financial Statements. Statutory Financial Statements for 2024 have been delivered to the Registrar of Companies and those for the period ended 31 March 2026 will be delivered following the Company's annual general meeting. The auditors have reported on those Financial Statements; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

The Annual Report will be published on the Company website on 29 July 2026 and will also be available from the Company Secretary at National Express House, Birmingham Coach Station, Mill Lane, Digbeth, Birmingham, B5 6DD.

15 Post balance sheet events

Washington Metropolitan Area Transit Authority ('WMATA') contract in WeDriveU

On 12 May 2026 the Washington Metropolitan Area Transit Authority ("WMATA") issued a notice of termination to a U.S. subsidiary of Mobico within WeDriveU, Diamond Transportation Services Inc. ("Diamond"), to cease operating paratransit services effective on that date. Diamond has co-operated with WMATA to ensure an efficient transition of services.

This follows the filing of a civil lawsuit by Diamond on 28 January 2026 for breach of contract against WMATA in the U.S. District Court for the District of Columbia.

There can be no certainty as to the outcome of any ongoing or potential future litigation in relation to the contract, and as such the impact relating to both the onerous contract provision (OCP) for the WMATA contract, and other potential financial impacts, cannot be accurately quantified at the current time.

German Rail contracts

On 19 June 2026, the Group announced that it had entered into formal legally binding agreements with the Public Transport Authorities ("PTAs") in Germany to realign contract terms for its rail service in North Rhine-Westphalia and adjacent regions. The approved agreements enable a material reset and derisking of the German Rail business and supports a long-term sustainable business going forward.

The key impacts of the agreed changes for each of the contracts are summarised below:

- **Rhein-Muensterland Express ("RME")**
  The RME contract, covering lines RE 7 and RB 48, will convert to a gross contract structure from 2026, removing revenue risk from National Express. Additionally, the revised gross contract terms will meet current industry norms. The contract term will be extended by two years to 2032, with an option for the PTAs to extend for a further year to 2033.
- **Rhein-Ruhr-Express ("RRX")**
  The current loss making RRX contracts, covering lines RE 1, RE 5, RE 6, RE 11 and RE 4, will be shortened by 3 years and will end in 2030. This will facilitate a coordinated retendering aligned with North Rhine-Westphalia's regional transport plan.

The impact of the above on the Group Financial Statements is summarised below:

- **RME**
  Under IFRS 15, a contract modification is deemed to have taken effect when there has been a change to existing enforceable rights and obligations of the parties to the contract, and thus this is deemed to have occurred at the point of signing the formal legally binding agreements. As such, the accounting in relation to the RME contract as at 31 March 2026, including the valuation of the contract asset on the Balance Sheet does not reflect the full settlement.

  In the next accounting period, a material improvement in the expected future profitability of the RME contract is anticipated, as a result of the lengthening of the contract to at least 2032 and other compensation awarded through the settlement. Given the high level of sensitivity of the IFRS 15 contract asset historically to changes in various inputs and assumptions, and the need to perform a full re-forecast of these with the position at the next Balance Sheet date, the financial impact of the settlement has not been quantified at the current time.
- **RRX**
  Under IAS 37, an OCP should reflect the Group's best estimate of the present obligation under the RRX contracts and therefore in the assessment as at 31 March 2026 the Group has reflected the impact of the new agreement in its forward-looking projections of the future contract performance. As such, the impact of the new contract is already reflected in the accounting as at 31 March 2026.