

FY2026 Q1 Financial Results

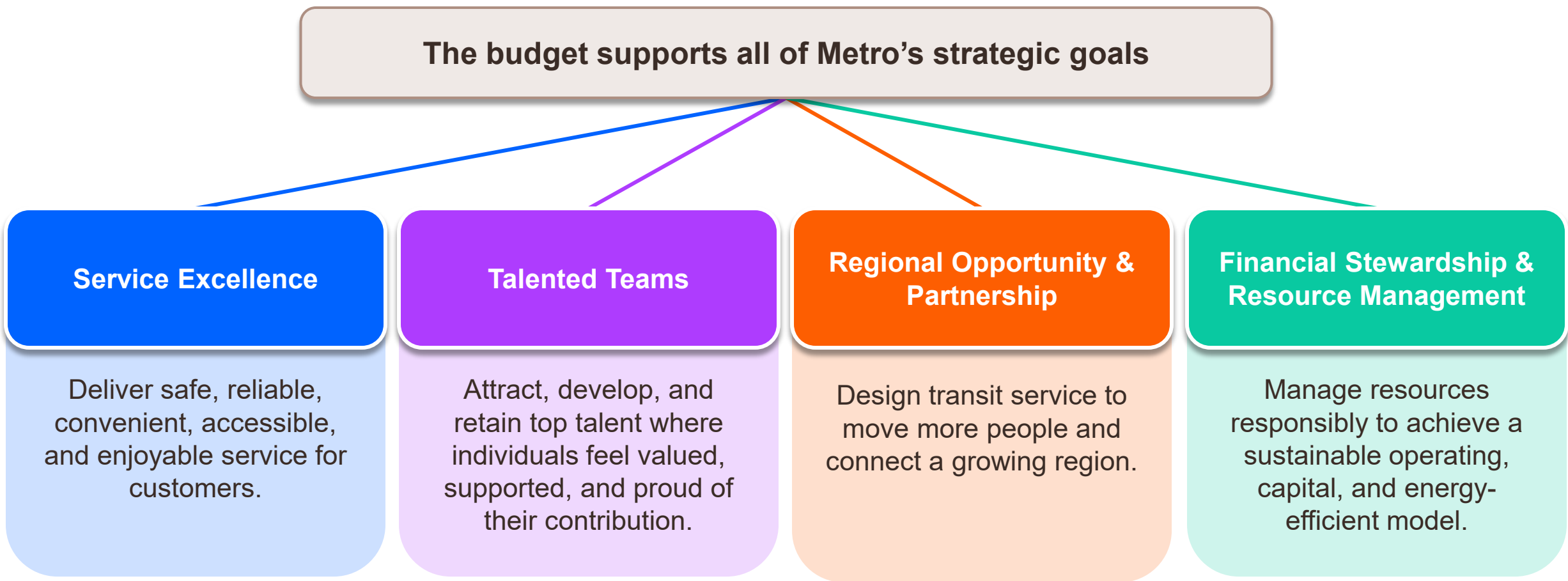


Finance and Capital Committee

Washington Metropolitan Area Transit Authority
November 20, 2025

Supporting Your Metro, the Way Forward

Your Metro, the Way Forward provides a long-term strategy and guides day-to-day decision making



FY2026 Q1 Highlights

Operating Budget Highlights

- **Continued strong ridership and revenue growth**, more than offset operating expense pressures, keeping Metro \$2 million favorable to budget
- **Better Bus** – Implemented network redesign and rolled out additional updates to nine routes in Prince George’s County in mid-September to improve performance
- **Extending Metrorail Weekend Hours** – Extended Friday-Saturday late night service by one hour (closing at 2 a.m.) and extended Saturday-Sunday early morning service by one hour (opening at 6 a.m.)

Capital Program Highlights

- **Metrobus** – Completed 24 bus rehabilitations and put 2 new buses into service (with an additional 3 buses delivered in Q2), leading to increased bus service reliability
- **Metrorail** – Completed 7 switch machine, 7 cable, and 6 bond replacements, strengthening system performance and reliability
- **MetroAccess** – Received 70 of 231 vehicles out of fleet of 661, improving fleet reliability and accessibility
- **Escalators & Elevators** – Replaced 3 escalator units and rehabilitated 2 elevators units, improving accessibility to stations, availability, and reliability
- **Fare Modernization** – Preparing for launch of Tap. Ride. Go. on Metrobus

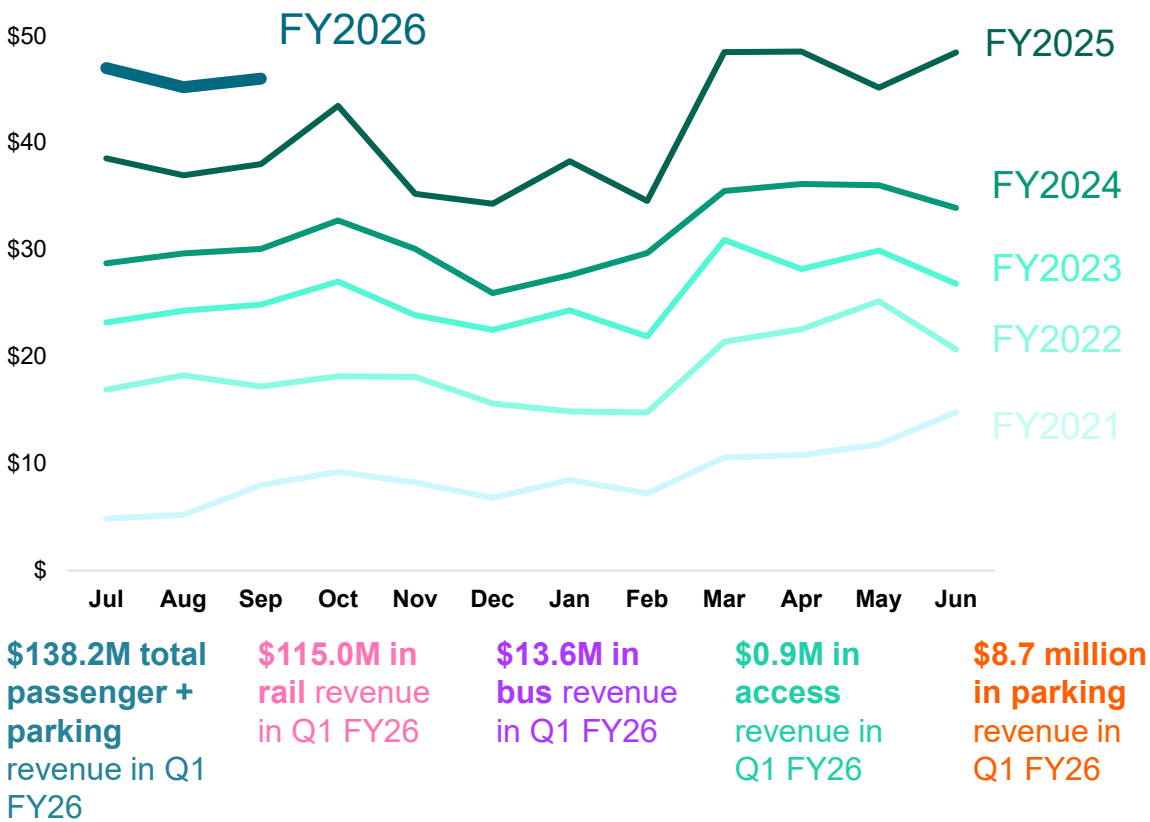
APTA Award – Metro was named the Outstanding Public Transportation System of the Year by the American Public Transportation Association, recognizing record ridership growth, customer satisfaction, safety improvements, and service expansion across the region



Passenger & Parking Revenue Up \$25M, 22% in FY2026 Q1 Compared to Prior Year

- **Metrorail passenger revenue** increase of **\$21.8M** driven by 18% growth in ridership, an increase of 5.7M trips
 - Federal employee ridership generated 6M trips - a 59% increase in Q1 FY2026
- **Metrobus passenger revenue** increased by more than **3%** thanks to growing paid ridership
- **Parking revenue** grew **\$2.8M** year over year due to parking utilization rate of 44%, a 54% increase.
- **Revenue totaled \$162M**, \$21M above budget
 - Passenger and parking revenue was \$138M, \$18M above budget
 - Advertising, Joint Development, Infrastructure and Other revenue generated \$24M, \$3M above budget

Passenger Revenue (+Parking) by Month
 (\$ in M)



Fare Modernization and Fare Policy Programs Driving Ridership Growth

DC Kids Ride Free

- Tap rates have increased, especially on bus
- 13 outreach events in September reached more than 1,200 students
- Compared to September 2025:
 - Metrobus taps up **76 percent**
 - Metrorail taps up **14 percent**
 - 24 percent of taps come from mobile wallets, **up 6 percent**

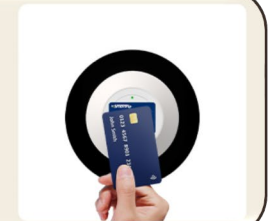


Tap. Ride. Go.

- Launched on Metrorail in May 2025
- In Q1 FY2026:
 - **3.2 million** trips
 - **8.4 percent** of all Metrorail trips
 - **\$10 million** in fare revenue
 - Nearly **775,000 unique users**
- Bus launch November 2025
- Parking launch to follow

tap. ride. go. SM

Just tap your preferred card to ride.



FY2026 Q1 Ridership Growth Remains Strong; Federal Shutdown Impacted Q2 Revenue

- Revenue growth remains strong through Q1, supported in part by higher federal ridership
- October 1 Federal shutdown presents a short-term impact to ridership and revenue in Q2
- Revenue loss from shutdown estimated at ~\$5M through November 12, 2025

Q1 FY2025 to Q1 FY2026 Growth	Shutdown Impacts September vs. October
Weekday rail ridership up 12 percent	Weekday rail ridership down 7 percent
Federal SmartBenefits trips up 59 percent	SmartBenefits trips down 32 percent
Parking transactions up 59 percent	Parking transactions down 20 percent

Metro Is Navigating Operating Expense Pressures From Higher Demand and Inflation

Personnel ↗ Unfavorable to budget by \$9M due to healthcare expenses and other fringe benefit costs	Paratransit ↗ Unfavorable to budget by \$7M due to higher unit costs and ridership volume	Casualty and Liability ↘ Favorable to budget by \$2M	Fuel ↘ Favorable to budget by \$3M due to lower than projected rates
Rail Propulsion Power ↗ Unfavorable by \$2M due to market pressures and higher usage	Materials and Supplies ↗ Unfavorable to budget by \$2M driven by increased volume and price of parts for maintenance	Preventive Maintenance Transfer ↘ Transferred \$2M less operating expenses than planned (\$2M budget savings)	

↗ Unfavorable to budget ↘ Favorable to budget



Higher FY2026 Q1 Revenue Covered Increased Expenses and Reduced the Planned Preventive Maintenance Transfer by \$2 Million

<i>\$ in millions</i>	Budget	Actual	Var \$	Var %
Total Revenue	\$141	\$162	\$21	15.0%
Total Gross Expenses	\$654	\$673	(\$19)	-2.9%
Expense Less Revenue (Before Transfers)	(\$513)	(\$511)	\$2	0.4%
Preventive Maintenance	\$22	\$20	\$2	9.6%
Prior-Year Savings	\$5	\$5	\$0	0.0%

Note: Amounts may not sum due to independent rounding



Continued Revenue Growth and Expense Management are Necessary to Keep FY2026 Budget Balanced

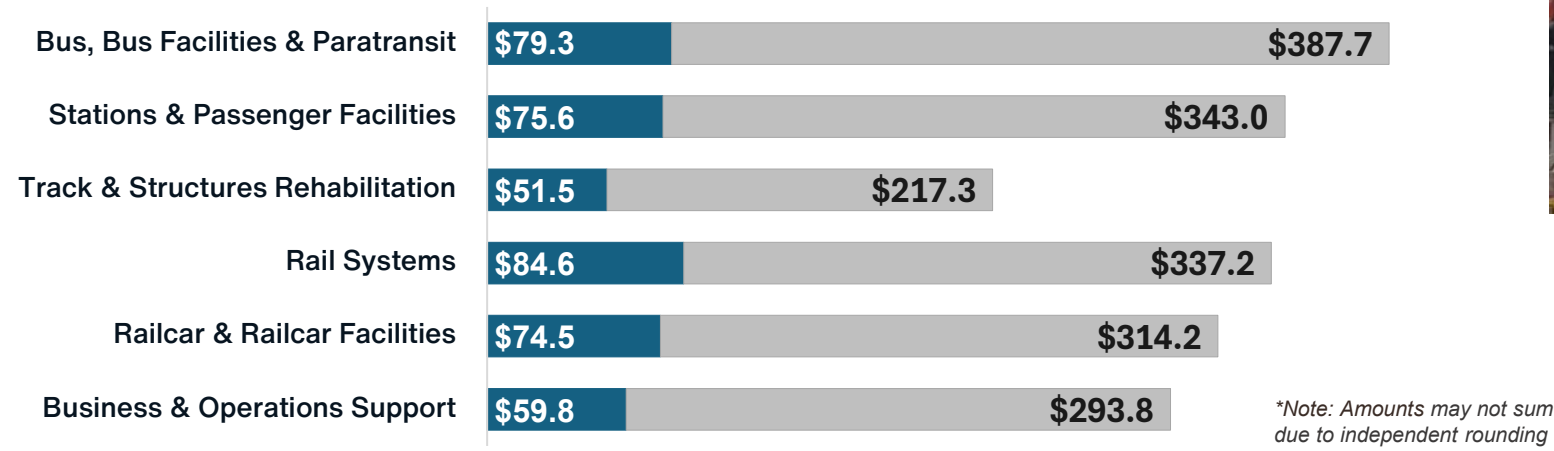
(\$ in millions)	FY2025 Actual	FY2026 Budget	FY2026 Forecast
Total Revenue	\$594	\$564	\$632
Gross Expenses	\$2,531	\$2,607	\$2,650
Preventive Maintenance Transfer	(\$89)	(\$109)	(\$84)
Net Expenses	\$2,442	\$2,498	\$2,566
Gross Subsidy	(\$1,848)	(\$1,934)	(\$1,934)
Prior Year Savings		\$28	\$28
Federal Relief	\$123	\$0	\$0
Jurisdictional Contribution	\$1,753	\$1,906	\$1,906
Operating Result	\$28	\$0	\$0

FY2026 Q1 Capital Program Investments

- \$425 million invested through the Capital Program in FY2026 Q1 in ongoing reinvestments for safety and reliability
- Revising FY2026 Capital Program year-end forecast from \$2.1B to \$1.9B to reflect impacts of cost reductions, schedule changes, and market conditions
- Potential capital cost savings in FY2026 will be reinvested into the Capital Program, including any reductions in preventive maintenance transfers

Q1 FY2026 Expenditures (\$M)*

■ FY2026 Budget (Reforecast) ■ Q1 Expenditures



Capital Funding – FY2026 CIP Financial Plan Update

Major capital fund sources for FY2026:

- FY2026 Federal PRIIA – \$149 million
- FY2026 Federal Formula grants updated apportionment and allocation – \$476M
- Regional funding as planned: Dedicated funding – \$500M; regional PRIIA funding – \$149M; Capital Funding Agreement – \$311M
- Dedicated Revenue Debt Bonds to support FY2026 budget issued in July 2025 – \$667M

Federal shutdown impact:

- No impact to drawing down current Federal Transit Administration (FTA) grants
- Department of Homeland Security Transit Security grants were temporarily paused, and funds were unable to be drawn down during the shutdown

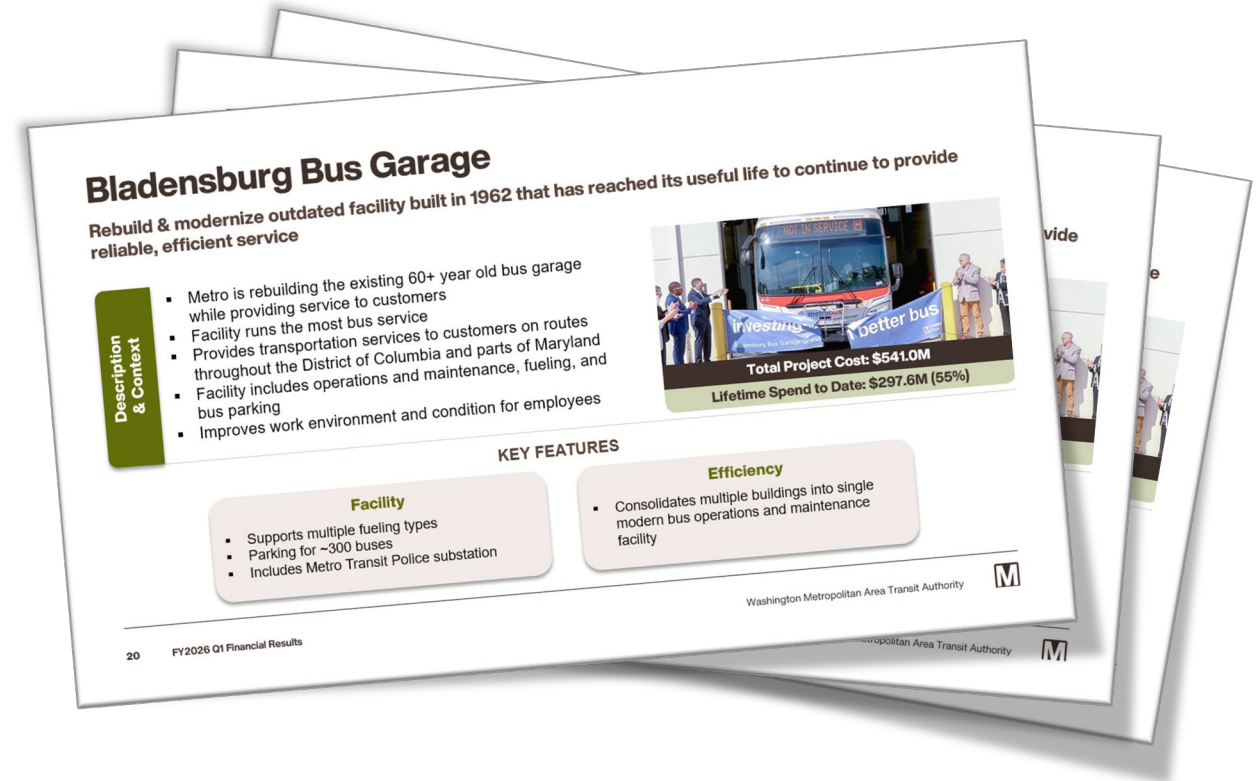
Key Capital Investment Updates – FY2026 Q1

Project and program updates are included in the appendix for the following investments:

- 8000-Series Railcars
- Bladensburg Bus Garage
- Bus Vehicles

Future reports will include updates on:

- Fare Systems
- Northern Bus Garage
- Enterprise Resource Planning System
- Metro Training Facility
- Radio System
- Railcar Fleet Maintenance Facility
- Signaling System



Bladensburg Bus Garage
Rebuild & modernize outdated facility built in 1962 that has reached its useful life to continue to provide reliable, efficient service

Description & Context

- Metro is rebuilding the existing 60+ year old bus garage while providing service to customers
- Facility runs the most bus service
- Provides transportation services to customers on routes throughout the District of Columbia and parts of Maryland
- Facility includes operations and maintenance, fueling, and bus parking
- Improves work environment and condition for employees

KEY FEATURES

- Facility**
 - Supports multiple fueling types
 - Parking for ~300 buses
 - Includes Metro Transit Police substation
- Efficiency**
 - Consolidates multiple buildings into single modern bus operations and maintenance facility

Total Project Cost: \$541.0M
Lifetime Spend to Date: \$297.6M (55%)

Washington Metropolitan Area Transit Authority

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8000-Series Railcars

Acquire new railcars to replace legacy fleet and support safety and reliability

Description
& Context

- Metro is procuring 8000-series railcars to replace legacy railcars that have been in service for nearly 40-45 years
- Procurement initiated in 2018 for railcars, spare parts and special tools, training and training aids, and cab simulators
- Contract awarded in 2020 for base order (256 railcars)
- Metro has been working with the supplier to finalize a design incorporating customer feedback throughout the process



KEY FEATURES

Railcars

- Fully ADA compliant
- Additional handholds and multi-purpose area for gear
- Enhanced passenger comfort features such as heated floors
- Gangways to connect railcars
- Aluminum exteriors
- Enhanced inter-car barriers
- Undercar lighting

Safety & Security

- Improved video surveillance
- Integrated digital displays with real time information
- Developed to latest cyber security standards



8000-Series Railcars (cont.)



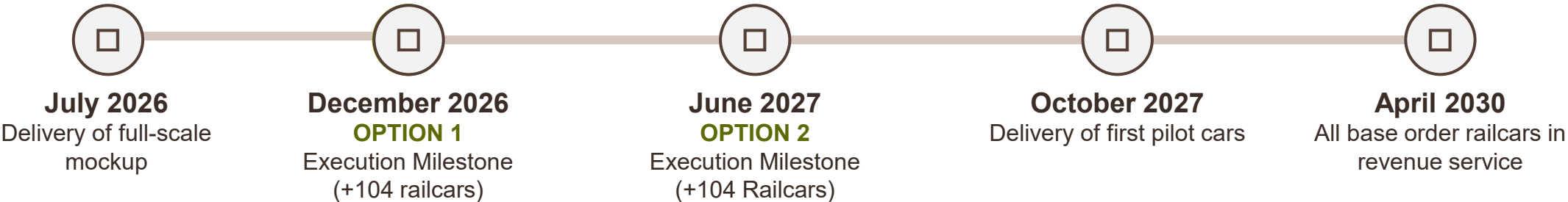
CURRENT SCHEDULE STATUS

Previously announced schedule delays due to design finalization for various components of the railcars, including car body, brakes, door system, HVAC and lighting

Identified Risks & Mitigations

Risk	Mitigation
Additional delivery delays	<ul style="list-style-type: none">Focused and in-person meetings between Metro and the vendor to resolve critical issues
Updating railcar design based on public input	<ul style="list-style-type: none">Streamline review of materials submitted by vendorPlanning for timely stakeholder participation

Key Milestones



Bladensburg Bus Garage

Rebuild & modernize outdated facility built in 1962 that has reached its end of useful life to continue to provide reliable, efficient service

Description
& Context

- Metro is rebuilding the existing 60+ year old bus garage while providing service to customers
- Facility runs the most bus service in the region
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- Facility includes operations and maintenance, fueling, and bus parking
- Improves work environment and condition for employees



KEY FEATURES

Facility

- Supports multiple fueling types
- Parking for ~300 buses
- Includes Metro Transit Police substation

Efficiency

- Consolidates multiple buildings into single modern bus operations and maintenance facility

Bladensburg Bus Garage (cont.)



CURRENT STATUS

- Operations and maintenance building open; parking facility construction underway
- Potential cost increase of ~\$150M was mitigated through scope reduction of battery electric bus components and value engineering efforts resulting in a revised total project cost increase of \$48M for higher equipment costs and project delays

Identified Risk & Mitigation

Risk: Complexity of installing new charging technology

Mitigation: Work with bus equipment supplier and project delivery team to minimize delays



Bus Vehicles

Purchase new buses to deliver reliable and efficient service for the region

Description
& Context

- Metro replaces buses to maintain a ~15-year lifecycle to support bus reliability
- Metrobus fleet size is ~1,400 buses
- Procurement for new buses awarded in November 2024 to replace up to 500 buses
 - ~100 buses per year
 - Mix of fueling types
- Only two domestic bus manufacturers facing high demand



KEY FEATURES

Safety

- Bus operator protective shields included in new bus contract and are being retrofitted into existing vehicles
- New cameras on buses
- Collision avoidance technology

Modern Elements

- Real-time tracking
- Durable vinyl seats
- New layout for more standing room and expanded multi-purpose area

Bus Vehicles (cont.)



CURRENT STATUS:

- Schedule updated to reflect changes in approach and manufacturer delays
- Current estimate is for 22 total buses delivered in FY2026

Upcoming Strategic Decision

- Pending articulated bus procurement strategy; identify requirements and milestones
- Work with region and industry to standardize bus requirements

Key Milestones



November 2024
Executed base contract for 100 buses



November 2025
Execute Option 1 for additional 100 buses



March 2026
Anticipate start of bus delivery

Identified Risks & Mitigations

Risk	Mitigation
Supply chain constraints affect manufacturers' ability to build buses	Close coordination with vendor
Customization of transit buses	Participate in industry effort to reduce customization
Base contract is subject to production delays	Execute option years in a timely manner to maintain spot in production line and speed up delivery of buses in FY2026

