

Capital Markets Day

Delivering 'Accelerated Value Creation' in a changing FM Industry

Introduction & Industry overview



Phil Bentley, CEO, 10 December 2019

Disclaimer



This presentation may contain certain forward-looking statements, beliefs or opinions, including statements with respect to Mitie business, financial condition and results of operations. These forward-looking statements can be identified by the use of words such as 'anticipate', 'expect', 'estimate', 'intend', 'will', 'may', 'project', 'plan', 'target' and 'believe' and other words of similar meaning in connection with any discussion of future events. These statements are made by the Directors of Mitie in good faith, based on the information available to them as at 20 November 2019 and reflect the Mitie Directors' beliefs and expectations. These statements, by their nature, involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements in this announcement and accordingly all such statements should be treated with caution. Nothing in this announcement should be construed as a profit forecast.

Except as required by law or regulation, Mitie is under no obligation to update or keep current the forward-looking statements contained in this announcement or to correct any inaccuracies which may become apparent in such forward-looking statements.

This announcement contains inside information.

Six key macro trends in today's Facilities Management Industry



Corporate real estate occupancy continues to grow



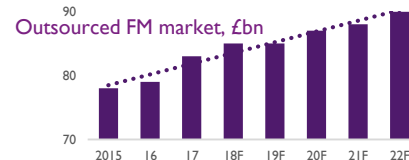
Integrated FM partners add more services and strategic value, than a single line offer



The IoT Technology Revolution provides new capabilities to manage real estate costs in real time



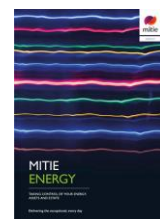
As clients focus on their core, outsourced FM 'indirect' spend is growing



A workplace strategy, anchored in Wellbeing, is essential in the War for Talent



Awareness of environmental footprint and Social Value is rising



The FM Industry is changing ... which plays to Mitie's strategy

What do we do well?

- An unrivalled list of **customers** who increasingly value what we do...



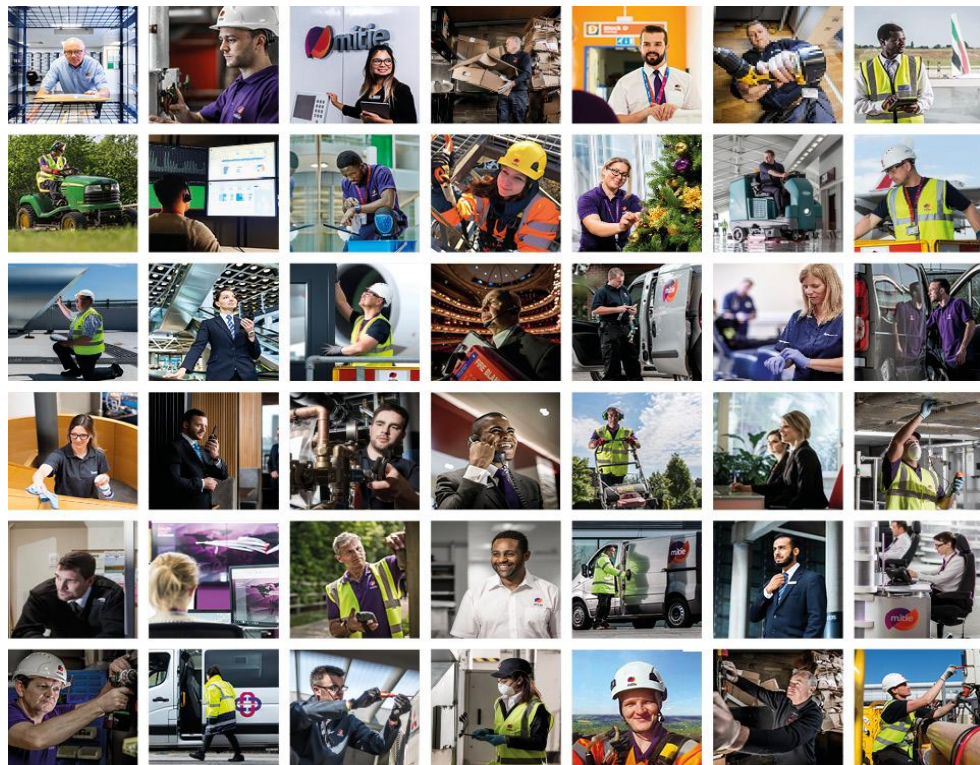
Customer

What do we do well?

- An unrivalled list of **customers** who increasingly value what we do...
- ... and 50,000 **people** who are now better trained, motivated and incentivised

Customer

People



What do we do well?

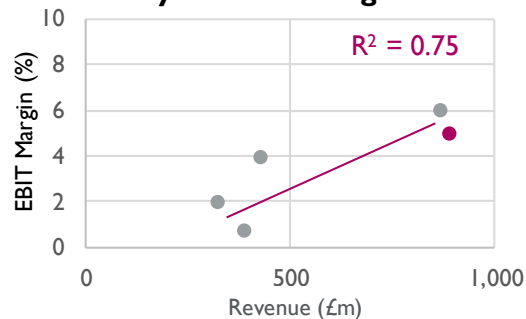
- An unrivalled list of **customers** who increasingly value what we do...
- ... and 50,000 **people** who are now better trained, motivated and incentivised
- With leadership scale and lowest **costs** in our two largest divisions...

Customer

People

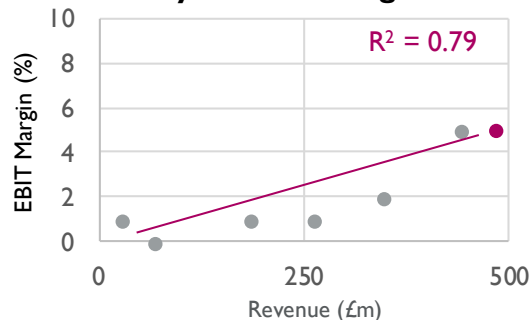
Cost

Engineering providers
by size and margin

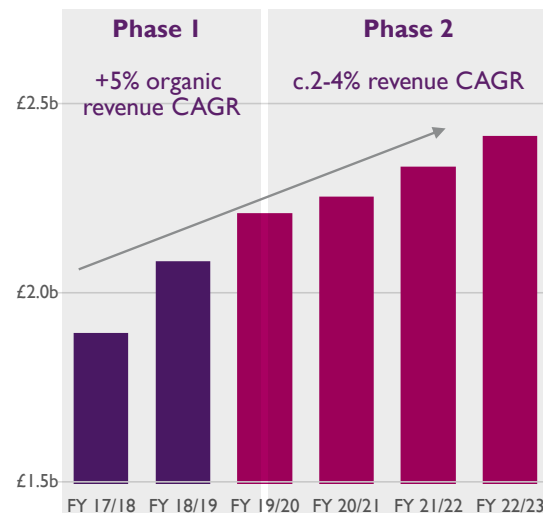


● Competitor ● Mitie

Security providers
by size and margin



Largest in the UK and growing



What do we do well?

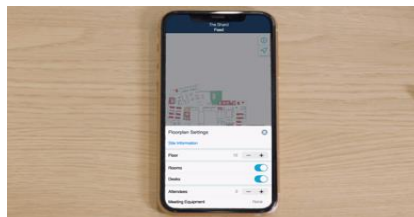
- An unrivalled list of **customers** who increasingly value what we do...
- ... and 50,000 **people** who are now better trained, motivated and incentivised
- With leadership scale and lowest **costs** in our two largest divisions...
- ... underpinned by a growing **technology** advantage

Customer

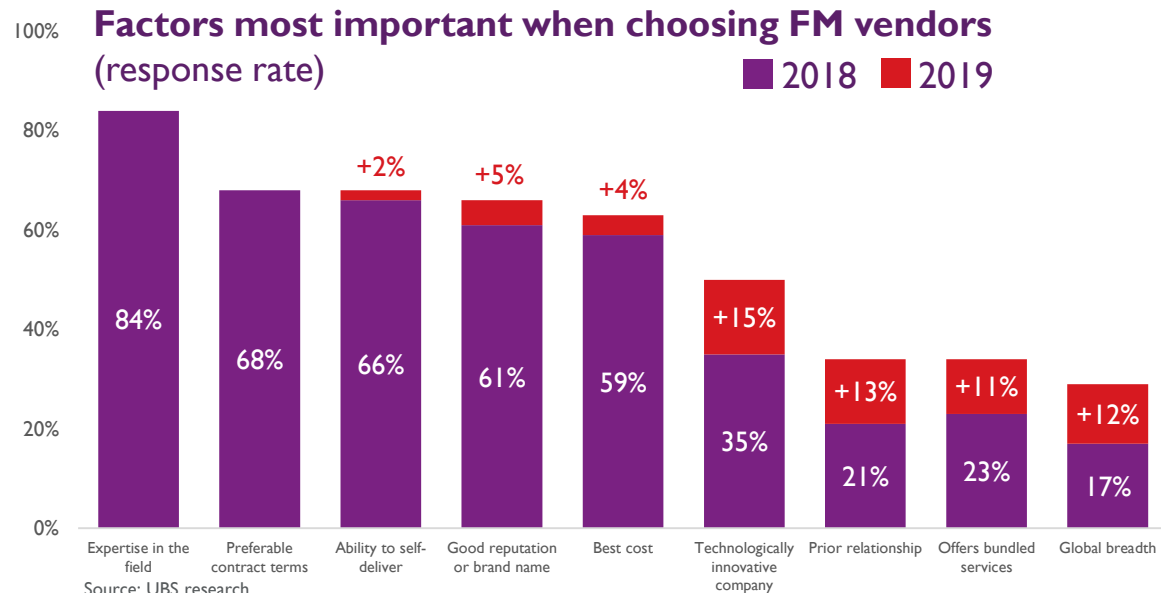
People

Cost

Technology



Mitie's positioning is aligned to customer requirements



Customers expect:

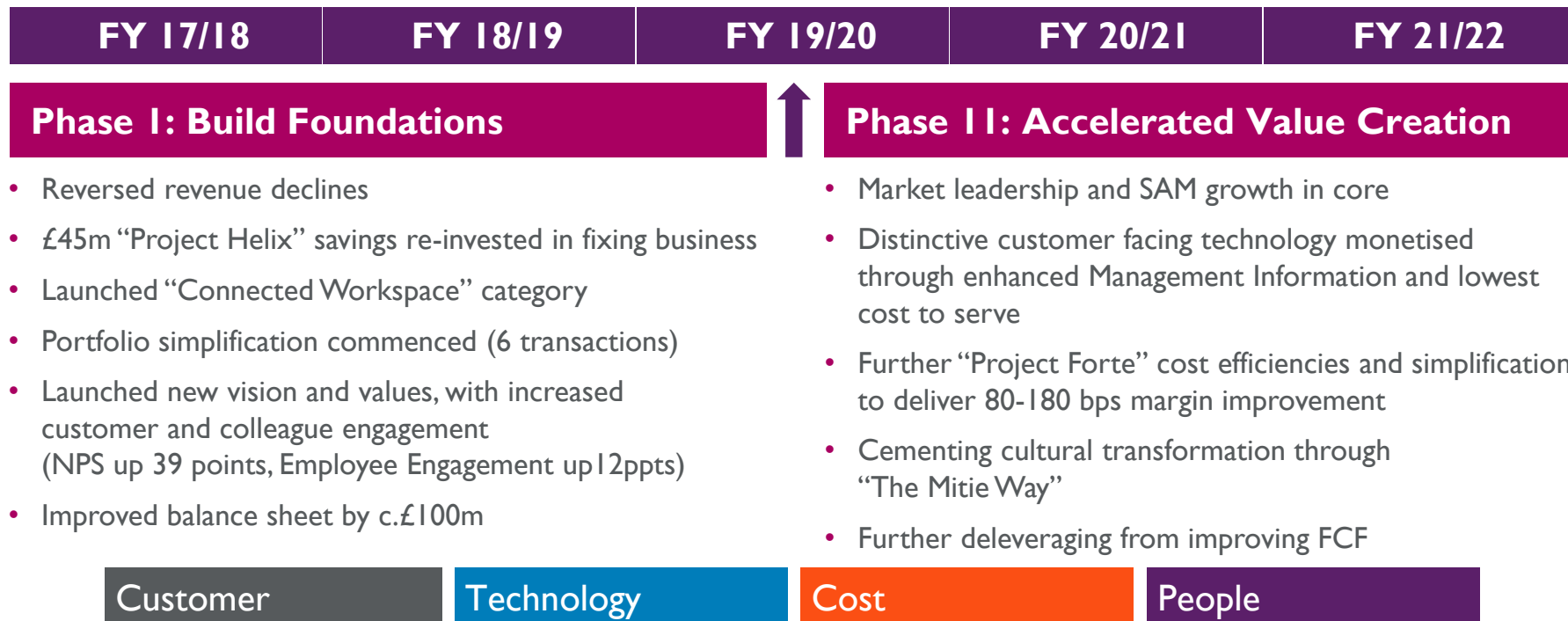
- Technical **competence**, skills and experience
- Providers to be **innovative** and technically astute

Customers are:

- Changing their key **purchasing criteria** – now looking for similar values and innovation, rather than just low price
- Willing to **try alternative approaches** (e.g., tech) in search of greater value and a better experience
- Shifting their risk appetite and looking for **longer-term relationships**



With Phase I of Transformation complete, Phase II is now focused on “Accelerated Value Creation”



We have a clear Investor Preposition to deliver Accelerated Value Creation



GROWTH

- Strategic Accounts have higher growth potential
- Leadership in our core Technical Services and Business Services
- Mid-single digit CAGR

FCF

- Significant transformation costs coming to an end
- High ROIC once 'one-offs' eliminated
- Rapid deleveraging as FCF turns positive
- Reduction in TFO from 3.1x EBITDA to <2.0x

COSTS

- Technology to control workforce and workflow → lowest cost to serve
- Frictionless transactions backed by Robotic Process Automation
- Scalable and differentiated technology offer
- Focus on further portfolio simplification
- £20m net savings FY 21/22

Today's agenda: moving to Accelerated Value Creation



| Time | Section | |
|---------------|------------------------------------|----------------------------------|
| 08:45 – 09:15 | Building a higher quality business | Paul Woolf , Group CFO |
| 09:15 – 10:15 | Breakout session 1 | |
| | Technical Services: | Carlo Alloni , |
| and | Roadmap for growth | MD Technical Services |
| 10:30 – 11:30 | | |
| 10:15 – 10:30 | Coffee break and swap | |
| 09:15 – 10:15 | Breakout session 2 | |
| | Business Services: | Jason Towse , |
| and | Continued growth | MD Business Services |
| 10:30 – 11:30 | | |
| 11:35 – 11:50 | Specialist Services: | Peter Dickinson , |
| | High growth opportunities | Chief of Staff & General Counsel |



| Time | Section | |
|---------------|--------------------------------------|--|
| 11:50 – 12:45 | Capability Development | |
| | “The Mitie Way” of Managing Change | David Cooper , Chief Transformation & Technology Officer |
| | “The Mitie Way” of Winning in Sales | Simon Venn , Chief Government & Strategy Officer |
| | “The Mitie Way” of Developing Talent | Jo Davis , Group HR Director |
| 12:45 – 13:00 | Closing remarks | Phil Bentley , CEO |

MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY



Building a higher quality business

Paul Woolf, CFO

10 December 2019

We have fixed a lot, making Mitie a stronger business, better positioned to deliver for shareholders



We needed to do a lot of fixing

- Customers, people, cost and technology needed rebuilding
- Dug out £45m savings with Project Helix
- Almost all reinvested back into resetting foundations for growth (versus short-term gains)
- We inherited a balance sheet that was stretched (on and off BS)

Which has consumed c.£195m of cash

- ~£55m one-off cash costs of Projects Helix and Forte
- ~£40m other exceptional costs, M&A costs and legacy liabilities associated with discontinued businesses
- ~£50m reduction in off-balance sheet finance
- ~£50m invested to pay our suppliers faster

Now better positioned to deliver for shareholders

- Greater proportion of future P&L upsides will flow through
- Less drag on cash in the future

Helix programme delivered £45m of run-rate savings and standardised and simplified group platforms



Run-rate cost savings of £45m



T200
£8M

- Immediate reduction of senior manager cohort
- 200 heads removed within first few months of transformation



£10M OTHER
(Cleaning, procurement, property)

- Supplier spend consolidated and tendered
- 1/3rd property footprint closed



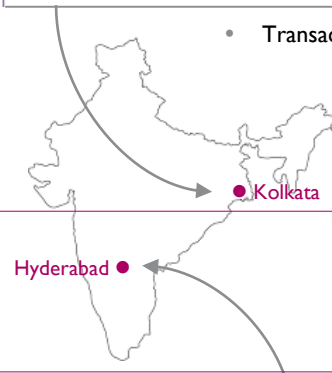
£6M HUMAN RESOURCES



- Temporary resourcing aggregated via new group-wide systems
- Permanent recruitment platform rolled out

£7M FINANCE

- Transactional processing centralised and off-shored



£9M TECHNICAL SERVICES



- Delaying of management structures
- 335 headcount reduction
- Reduced reliance on subcontractors

£5M INFORMATION SERVICES



- Outsourcing of applications development and support
- Core contracts rebased and renegotiated

... allowing us to reinvest to fix historic underinvestment and to drive medium and longer-term growth

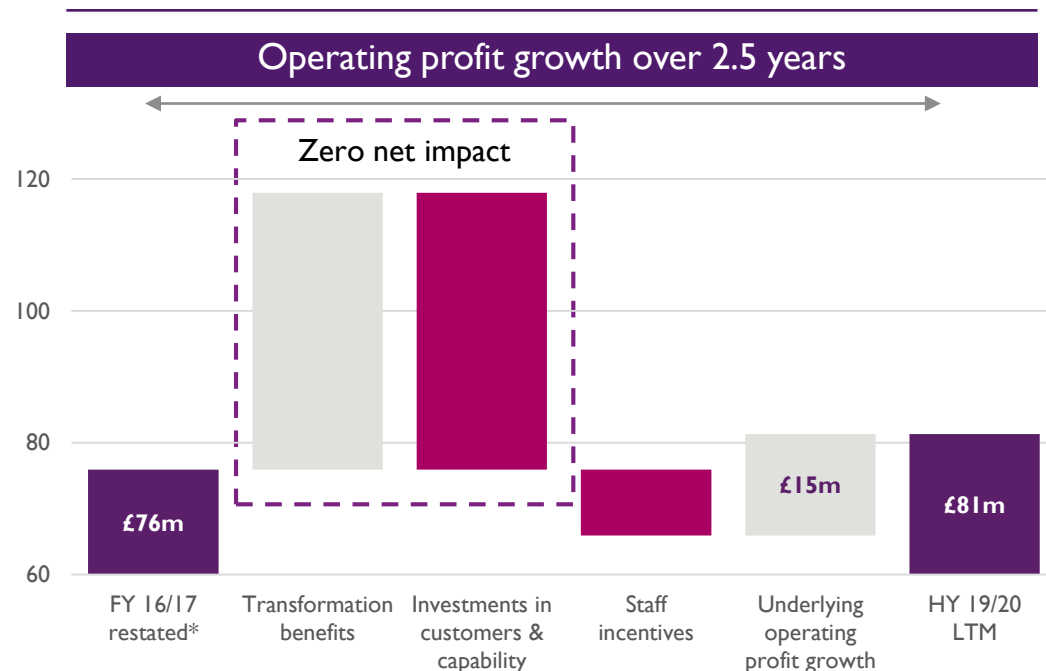


| Areas of investment | Outcomes |
|---|--|
| Commercial capability <ul style="list-style-type: none"> Strategic Account Management (SAM) programme and incentives Salesforce database; bid library Dedicated government opportunities team Digital marketing to drive leads | |
| Customer service <ul style="list-style-type: none"> Net Promoter Score (NPS) Frontline capabilities Contract management Improved Management Information (MI) Improved NPS | <div> <div> ↑ 39 points to +12 points NPS </div> <div> JOBS BACKLOG DOWN 40K (c. -50%)¹ </div> <div> TOP 50 CUSTOMERS REVENUE UP 9%² </div> </div> |
| People <ul style="list-style-type: none"> Single SAP SuccessFactors platform Talent development Apprenticeships Employee Engagement programme | <div> <div>45% Employee engagement</div> <div>THE MITIE WAY</div> </div> |
| Technology <ul style="list-style-type: none"> Enabling infrastructure Mosaic dashboards and Aria app Connected Workspace Scalable cloud-based services | |

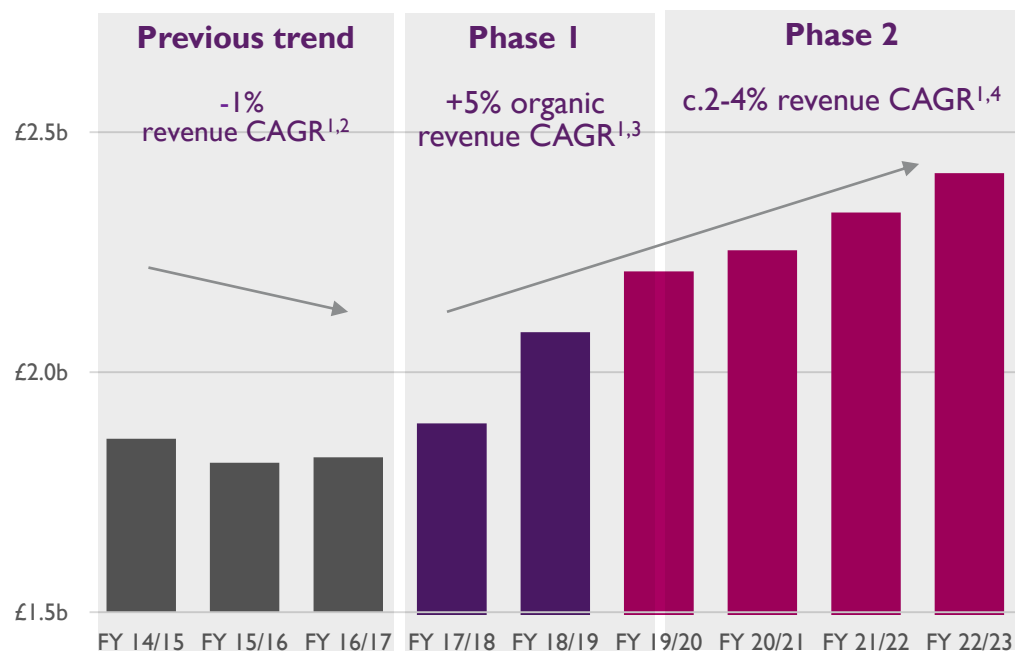
... but reinvestment has held back operating profit¹ growth since start of transformation



- **Helix benefits** have been reinvested into customers and capability
- **Investments** have fixed historic underinvestment and built a platform for future sustainable growth
- **Staff incentives** reinstated to normalised levels
- **£15m of underlying operating profit growth** over 2.5 years



We have seen the benefits of transformation in our top line



... with strategic accounts leading the way:

- Single point of customer contact and strategic management
- Account-wide incentive programmes
- Embedding “The Mitie Way” to drive best practice in bidding, mobilisation, operations and demobilisation
- Improved internal billing processes and improved commercial terms

9%

Revenue CAGR⁵

6

accounts more than doubled in size

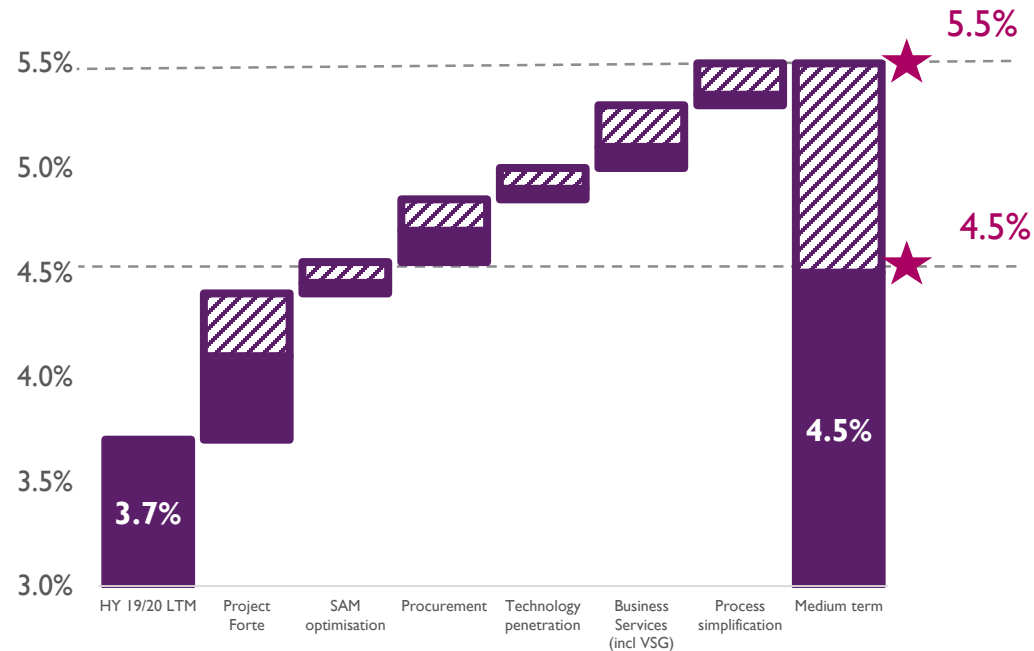
And we can see our way to the medium-term group margin target



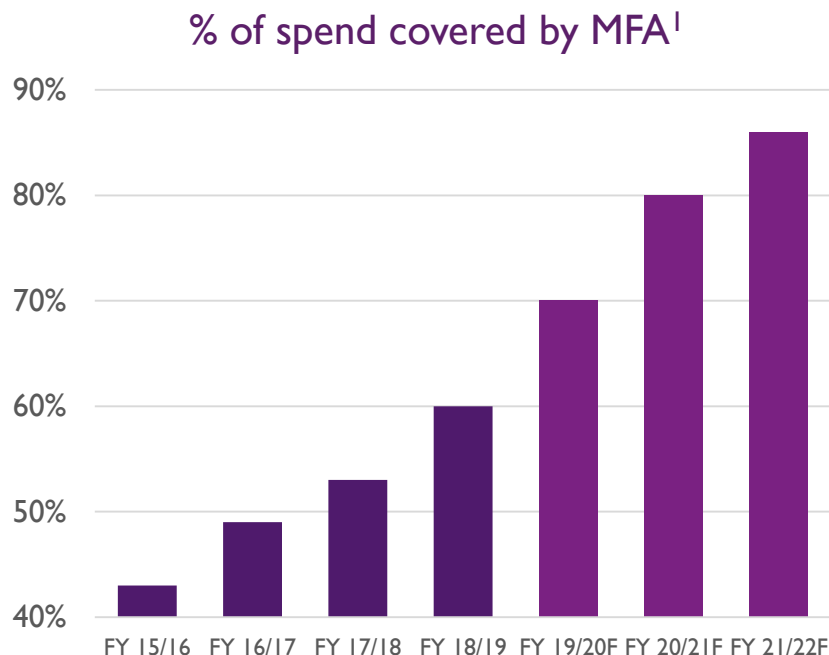
Margin uplift components

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|------------------------|--------------|----------|---------------|
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| SAM optimisation | 5bps | - | 15bps |
| Procurement | 15bps | - | 30bps |
| Technology penetration | 5bps | - | 15bps |
| Business Services | 10bps | - | 30bps |
| Process simplification | 5bps | - | 20bps |
| Total uplift | 80bps | - | 180bps |

Medium-term group margin target of 4.5% - 5.5%



Margin improvement case study: Procurement



Example 1:
Electrical Wholesale

Example 2:
Agency Labour

Fewer, more capable suppliers

8 → 2

137 → 1

Specification and standardisation

Range of brands
↓
Defined contracted Mitie list

Varied control & compliance
↓
MI, Control, One Process

Supplier Management Framework

Ways of Working

Safety

Quality

Innovation

Ethical Sustainable
Supply

Cost

Estimated P&L Savings

£700k

£800k

Free cash flow has also been held back by restructuring over the last 2.5 years



CASH GENERATION OVER 2.5 YEARS

| Underlying Free Cash Flow | ~£120m |
|-----------------------------------|------------|
| M&A proceeds net of cash disposed | ~105 |
| Balance Sheet normalisation | ~(100) |
| Helix & Forte | ~(55) |
| Other exceptional costs | ~(40) |
| Dividends | ~(30) |
| Net Cash Flow | £0m |

Looking forward

Negative headwinds are reducing...

- Balance sheet is now stronger with significantly lower levels of normalisation required
- Phase II transformation will complete in next 2 years and other exceptional costs will be lower

But tax and capex will increase...

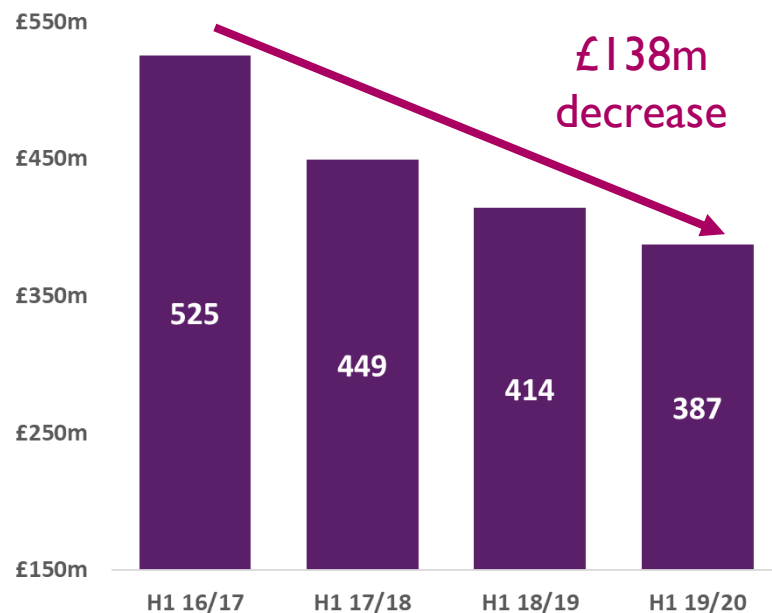
- Tax losses have reduced tax paid over last 2.5 years
- Capex expected to increase over next 2 years before falling back to normal levels

Normalised levels of FCF expected by FY 22/23

Our balance sheet is now stronger with plans to further reduce TFO¹



Total Financial Obligations



- Improvement in TFO driven by reduction in off-balance sheet financing and net debt

TFO / EBITDA TARGET

| | |
|----------|------|
| H1 19/20 | 3.1x |
|----------|------|

| | |
|---------------------------|--------|
| Free cash flow generation | (0.8)x |
|---------------------------|--------|

| | |
|-----------|------|
| Dividends | 0.2x |
|-----------|------|

| | |
|---------------|--------|
| EBITDA growth | (0.5)x |
|---------------|--------|

| | |
|------------------------|-------------|
| FY 21/22 target | 2.0x |
|------------------------|-------------|

Our improved control environment will allow us to generate more cash in future



Bidding controls

- Bid committee
- Minimum financial hurdles
- Monthly account reviews

Balance sheet controls

- Blackline reconciliation tool
- Streamlining balance sheet processes
- Preventative automated controls through Genpact

Cash management controls

- Daily overdues tracking
- Daily paid-on-time performance
- “Cash is strength” programme



Video



eLearning



Posters



Workshops

Improving our processes and culture

- Bidding the right terms upfront
- Improve timeliness of paperwork completion
- Work with our customers to improve billing process
- Collect cash due to us on time
- Increase cash-related element of internal incentives



Benefits and opportunities:

- Being paid on time will drive £10-20m improvement in average cash
- Improved cash allows us to invest in our technology and our customers
- Project Forte will simplify billing engine
- Significant efficiency gains from faster billing

Cash is Strength
Let's get it banked



Next phase of transformation will see more upsides flowing through



Looking back

- Savings and proceeds of growth ploughed back into P&L to establish a sustainable platform
- Free cash flow and M&A proceeds used to fund transformation, historic liabilities and a stretched balance sheet
- Year-end net debt levels influenced by short-term timing differences

Looking forward

- Limited further P&L investments required to reset business, so more of upside should flow through
- Historic liabilities and ongoing transformation drag on cash for next two years but quantum is lower
- Limited further reduction in off-balance sheet finance anticipated
- Short-term timing differences will continue to reduce, limiting period-end net debt improvements (note: average daily net debt will continue to improve)

MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY



Deep dive into our business:
breakout sessions

9:15 and 10:30

Presenters

Carlo Alloni, MD, Technical Services
Jason Towse, MD, Business Services



MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY



Split into 2 streams

Blue: Technical Services, Marketing Area

Red: Business Services, G&G Area

10 December 2019



MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY



Breakout session I:

Technical Services: Roadmap for growth

Carlo Alloni, MD, Technical Services

10 December 2019

Agenda



Technical Services journey

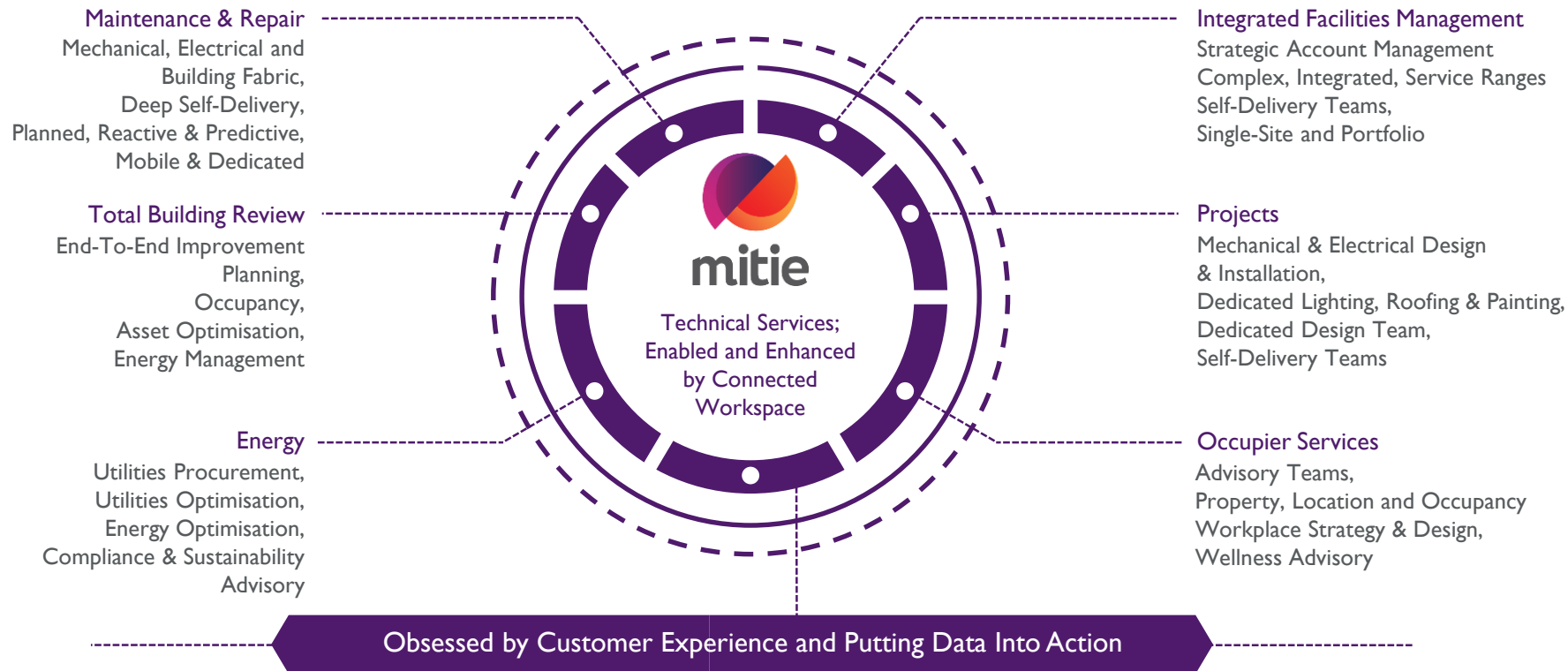
Next phase of transformation

- Project Forte
- Technology-led solutions
- Increase share of wallet by focusing on TCO¹

Case study



Mitie Technical Services incorporates a range of key activities



Two years ago we set a new strategy: to transform Technical Services into a frictionless, insight-driven, customer & people-focused business



Priorities

Focus proactively on key sectors and strengths

Grow variable works and projects

Build technology-based differentiated value proposition

Reduce the tail of customers

Accelerate operational efficiencies

Status

Gathered 'Why Mitie' insights from key stakeholders to refine value proposition to better match future customer requirements

Created a dedicated project division and focused on add-on sales by enhancing the survey skills of the front line and establishing a professional quotes department

Integrated Connected Workplace and Energy into Technical Services to bring data and analytics to Mitie's core

Maintained focus on relationships with strategic accounts, aiming to become their trusted long-term partner of choice

Launched Project Forte to transform the way we deliver engineering services through a digital platform with standardised end-to-end processes by a motivated skilled workforce



We built a best in class team

Stable and experienced leadership team

Carlo Alloni



"I am the managing director of Mitie Technical Services and IFM."

Kathleen Fontana



"I am responsible for strategic accounts and critical infrastructure."

Beverly Winrow



"I am responsible for Private Sector strategic accounts."

Andrew Thompson



"I lead all of our national dedicated engineering accounts."

Kerry Sheehan



"I lead our national mobile engineering service."

Gordon White



"I lead our largest strategic client account."

Lee Parker



"I am responsible for our Projects business."

Daniel Guest



"I am responsible for our operational excellence programme."

Martin Nilsson



"I lead our financial management, controls and governance."

Andrew Smart



"I drive growth through new business and client development."

Angela Gallagher



"I am responsible for our Human Resources development and activity."

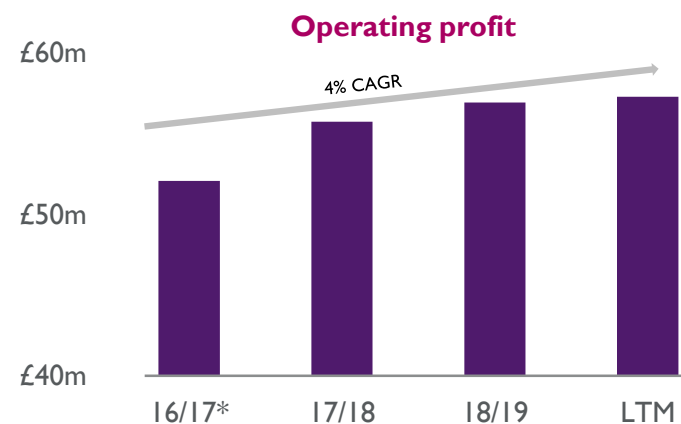
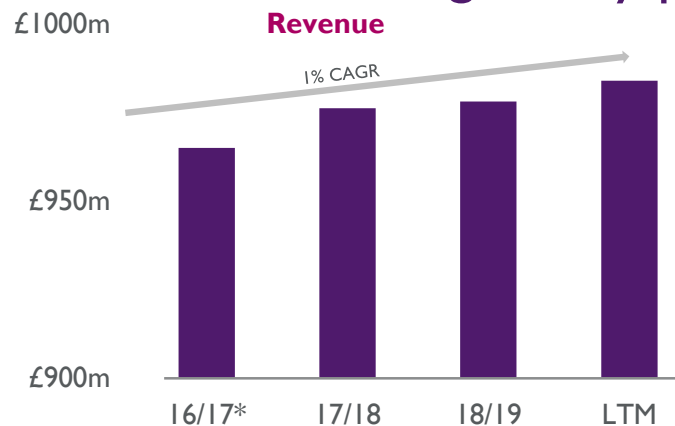
Antony Collett



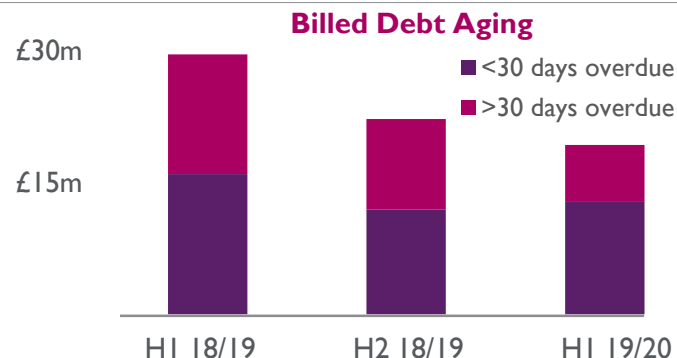
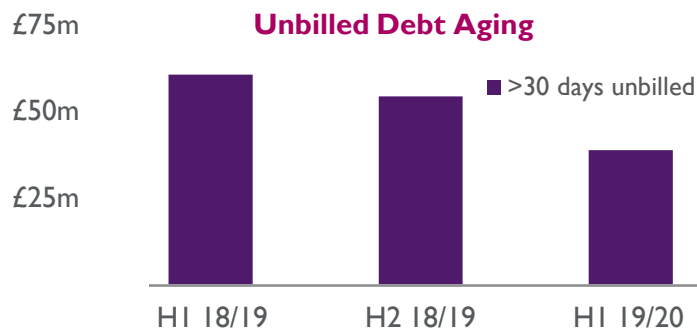
"I am responsible for delivering our service transformation programme."

"This is a team of real industry talent, including an enormous range of experience and expertise with team members who have held leadership roles in Facilities Management, Real Estate, Banking and Telecoms. The team includes the current RICS President Elect and the 2017 IWFM Leader of The Year."

We have been making steady progress



Excluding International, CAGR is 2% with 5.7% growth in strategic accounts



Our operational metrics are also improving in line with our plan

Accelerate **Operational Efficiencies**

- **2% increase in productivity YoY** vs FY 18/19
- Equivalent additional 70k engineering hours and capacity for additional **40k work orders**
- Year-on-year reductions in:
 - Reactive backlog by **50%**
 - Equipment off-hiring by **33%**
 - Use of temporary workers by **14%**
 - Annual engineers' attrition down from c.24% to c.12%
- **87 technical apprenticeship** programmes started with a further 57 starting in January 2020

Rolled out 100% engineer PDA use & training



Reduce Tail Customers

- A review of our mobile contracts resulted in “cutting the tail” of c.70 unprofitable contracts and reviewing the rates of the remaining contracts resulting in a 10% margin increase, with average mobile margins up 1ppt.

Build **Technology-Based** and **Differentiated Value Proposition**

- We capture 4.3 billion data points per annum using 100,000+ sensors across 5,000 systems
- Initial trials on a number of key contracts have identified potential to remotely deliver ~31% of planned maintenance



And clients are starting to recognise the positive outcomes of our journey

Headlines

- Retention of key client business with Lloyds Banking Group, Essex County Council and Co-op
- Strong entry into the Pharmaceutical sector with GSK
- Significant new business secured with BMW, Primark and Starbucks
- Developed new service lines including Service Operations Centre (SOC) and Total Building Review
- NPS increased 30 points



For every £1 of fixed work we now deliver £1.30 of variable work, this is a 17% increase YoY



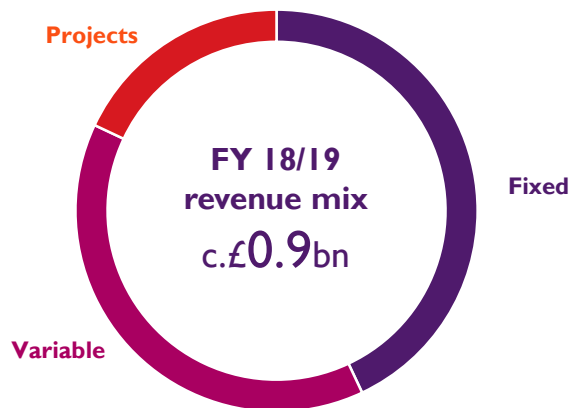
Engineering Projects division created delivering c.£175m in revenue and healthy margins

2,700 skilled engineers

202,000 lights changed

The top 6 projects saved 35m KWh

300,000m² roofs refurbished



The pipeline is strong and we are uniquely positioned to win



Headlines

- Strong pipeline of £4.1bn
- Biggest national mobile engineer workforce
- Underpinned by the best technology in the market and process re-engineering (project Forte)
- Only true e-2-e Technical Services provider



| | Reactive Maintenance | Planned Maintenance | National Mobile Delivery | Critical Infrastructure | Project Delivery | Helpdesk | Asset Capture | Predictive Maintenance | Remote Monitoring | Data Analytics | Energy reduction | Carbon Zero Planning | Capital Planning | Integrated Capital Projects | Total Cost of Ownership |
|-------------------|----------------------|---------------------|--------------------------|-------------------------|------------------|----------|---------------|------------------------|-------------------|----------------|------------------|----------------------|------------------|-----------------------------|-------------------------|
| Mitie | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CBRE | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Interserve | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✗ |
| ISS | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✓ | ✗ | ✗ | ✓ | ✓ | ✗ |
| EMCOR | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ | ✓ | ✗ | ✓ | ✓ | ✗ |
| NG Bailey | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✗ |
| Engie | ✓ | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✗ |

We have built a strong foundation and now we are ready to accelerate value creation



Mitie 1.0

Achievements over the last two years

- Mapped and redesigned operational processes
- 100% PDA and new uniforms roll-out & associated training
- Introduced incentive scheme to mobile engineers to encourage first-day-fix and reduced time on task
- Introduced the dashboard and reporting for mobile performance
- Developed Click deployment tool and launched a pilot ahead of a full roll-out
- Introduced the parking app to help engineers reduce unproductive time

Mitie 2.0

Next phase of Technical Services transformation

- Deliver FORTE
- Accelerate Energy/Project cross penetration in strategic accounts
- Targeted M&A
- Launch the 24x7 Service Operation Centre
- Introduce predictive (from currently reactive) asset management
- Frictionless and 100% digital interactions with customers and team members
- Increase profitability from 6% to 8%



Steady revenue and profit growth whilst increasing NPS and employee engagement

We will reach our ambition through the delivery of three strategic pillars



1

Improving efficiency of operating processes through Project Forte

- Generate £25m gross run-rate EBIT improvements
- Enable more effective scheduling and deployment of resources through standardised data-driven processes
- Improve cost controls in the supply chain and reduce order-to-cash timelines

2

Building a technology-led offering to bring data and analytics to our core

- Reduce operational costs and customers' lifecycle costs
- Use Connected Workspace to (e.g.,) facilitate self-service or reduce interventions
- Drive customer stickiness by embedding technology in their infrastructure

3

Targeting growth through a proactive focus on TCO¹ value-added services and key propositions

- Use data to identify the next logical product for clients and so shift to an output-based commercial relationship
- Enhance services that differentiate us already (e.g., Energy, Projects also through targeted M&A)
- Target clients who need these differentiated services

Technical Services initiatives will deliver significant operating margin improvement by FY 22/23



Technical Services initiatives

- **Project Forte** targeting net c.£10-15m profit generation through increased productivity, process redesign and supply chain management
- **Technology**-led solutions, enabling insights and reduction of repeated non-value added activities, **procurement** and revenue leakage reduction generating c.£5m in additional profit
- Continued growth in **strategic accounts'** share of wallet will add further c.£3m to the bottom line

Medium-term **group** margin target of 4.5% - 5.5%

Margin uplift components

| | | | |
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PROJECT FORTE will transform Technical Services by re-engineering the workflow processes



Our Vision

To make our Technical Services predictable, trackable, frictionless, user-friendly and technology-led.

Our Mission

To standardise, simplify and automate the Technical Services operating processes in order to maximise customer experience and enable our colleagues to do an exceptional job.

It has 6 concrete deliverables



Design, develop & deploy a common set of processes supported by Data & Technology. Adopt a single way of working across all geographic areas and contracts which allows the overlay of new technology and systems.



Maximo CORE

Remove the current physical hardware and environment and move to a new solution hosted in Amazon Cloud. Implement new strategic middleware that is the interface between Maximo 7.6 and all other systems.



Interfaces & AWS

Define and agree the Data Strategy and Plan. Identify the data segmentation and data fields required to align to the target design. Complete all collation, cleanse data and ratify activity ahead of transfer into Maximo 7.6.



Data & MI

Implement a new way of working which ensures clarity of role and aligns the new processes, tools and technology to deliver an efficient and effective service in line with our commercial commitments. Embed change supported by an enhanced Learning & Development package.



Service Desk

Design, develop & deploy a new solution to raise purchase orders quickly when work is logged, this will expedite the attend and repair timescales. Build the processes and system interface to complete reconciliation and billing activity between Maximo 7.6 to SAP.



Maximo to SAP
(Billing)

Design, develop and deploy a technology solution and processes for SAP Accounting to interface with the processes and technology developed in Forte Maximo CORE and Maximo SAP (Billing). Complete all data migration and decommissioning activity for Oracle.



Oracle to SAP
(Accounting)

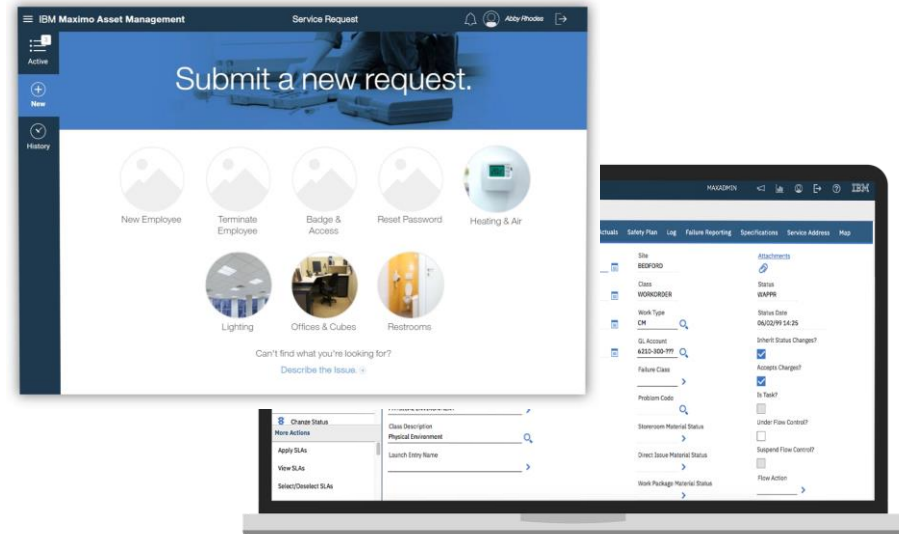


Strengthening our Maximo CORE and its interfaces enables the best in class triage and e2e case management



Maximo 7.5 to 7.6 & AI

- Deploying **best in class** IBM Maximo 7.6 as our core operating platform
- Leveraging cloud technology for increased **performance, resilience and efficiency**
- Introducing standardised processes and simplifying the operation to **leverage synergies** and reduce overhead
- Embedding automation and AI through the new processes to deliver **consistent, reliable and intelligent results** with less dependency on manual administration



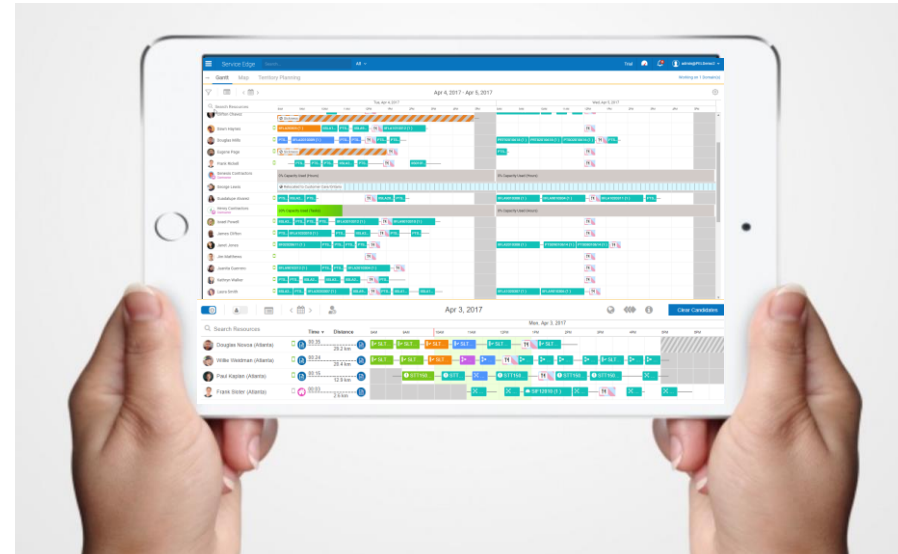


Reshaping our services desks with the right process and systems will unlock AI-based planning



Click scheduler & automation

- Utilising Click to provide **intelligent, AI-driven scheduling** and decision-making
- Scheduling automation and optimisation will **reduce our dependency on manual administration**
- Reduced manual effort means the workforce can focus on **value-add tasks**
- **Improvements in first-time-fix rate and engineer productivity** plus a reduction in travel time are some of the expected outcomes
- Using technology to maximise the engineer **productivity** in the day



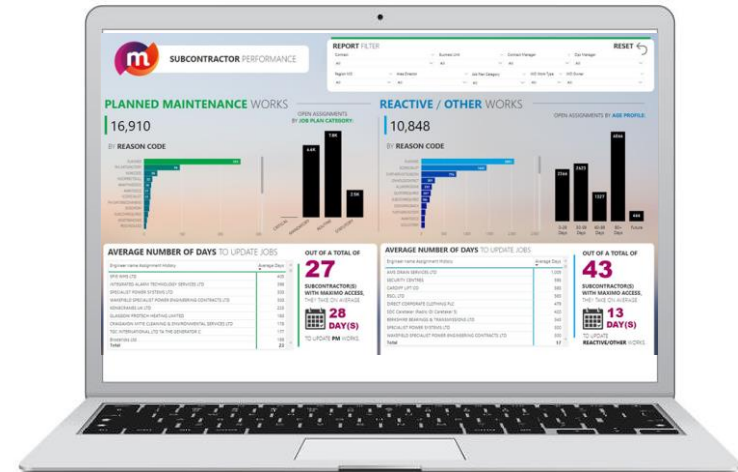


...and gives us complete control of the supply chain



Supply Chain Management

- A **dynamic, responsive and integrated** supply chain management system
- **Enhanced governance** of our external spend by tracking rates, hours assigned vs. actuals and bills
- **Leveraging leading technology** to drive supplier performance at a detailed work order level rather than through Purchase Order
- Work documents and certificates, **automated and online** removing admin efforts





Putting insights into action via relevant MI and quality, cleansed data



Transforming our data

- Undertaking a **business-wide data cleanse** to ensure the data we hold are fit for purpose and ready for ingestion
- Ensuring decision-making processes are **data-driven** rather than reliant on human intervention
- Capturing real-time updates from the field to drive engineering efficiencies and ensure our **customers are always kept actively informed** of the work progress
- Using **field force data** to drive procurement, supply chain and capacity planning strategies



Ensuring our core systems communicate and offer resilient performance



Introduction of AI and data-driven automation



Enhancing our Connected Workspace capabilities to drive resilience



Reverifying the data we use to deliver our day-to-day services to our customers

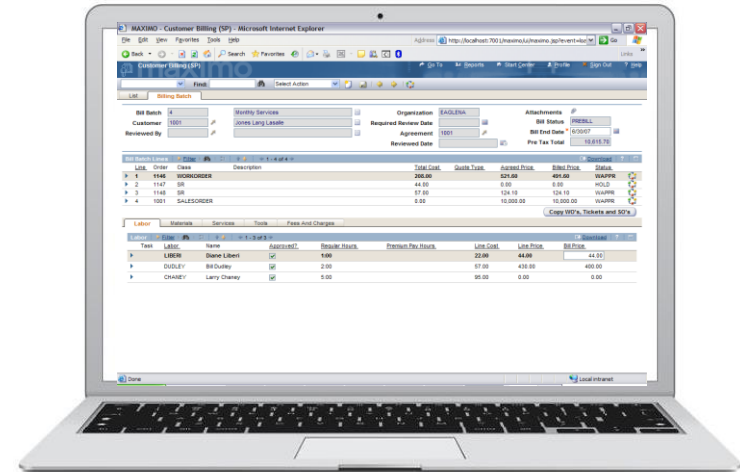


...enabling a fully automated digital billing process



Maximo Billing and Oracle to SAP

- Using Maximo as our **single source of truth**; to provide a centralised system from which customer bills are automatically calculated and submitted
- Deliver **significant reduction in manual effort** required to produce a customer bill; resulting in lower administrative costs, a reduction in the time taken to bill our customers and collect revenue
- Allow Maximo to manage our WIP and billing rules, ensuring that we **recover revenue as efficiently as possible**
- Move accounting from **Oracle to SAP**, aligned with the rest of the company



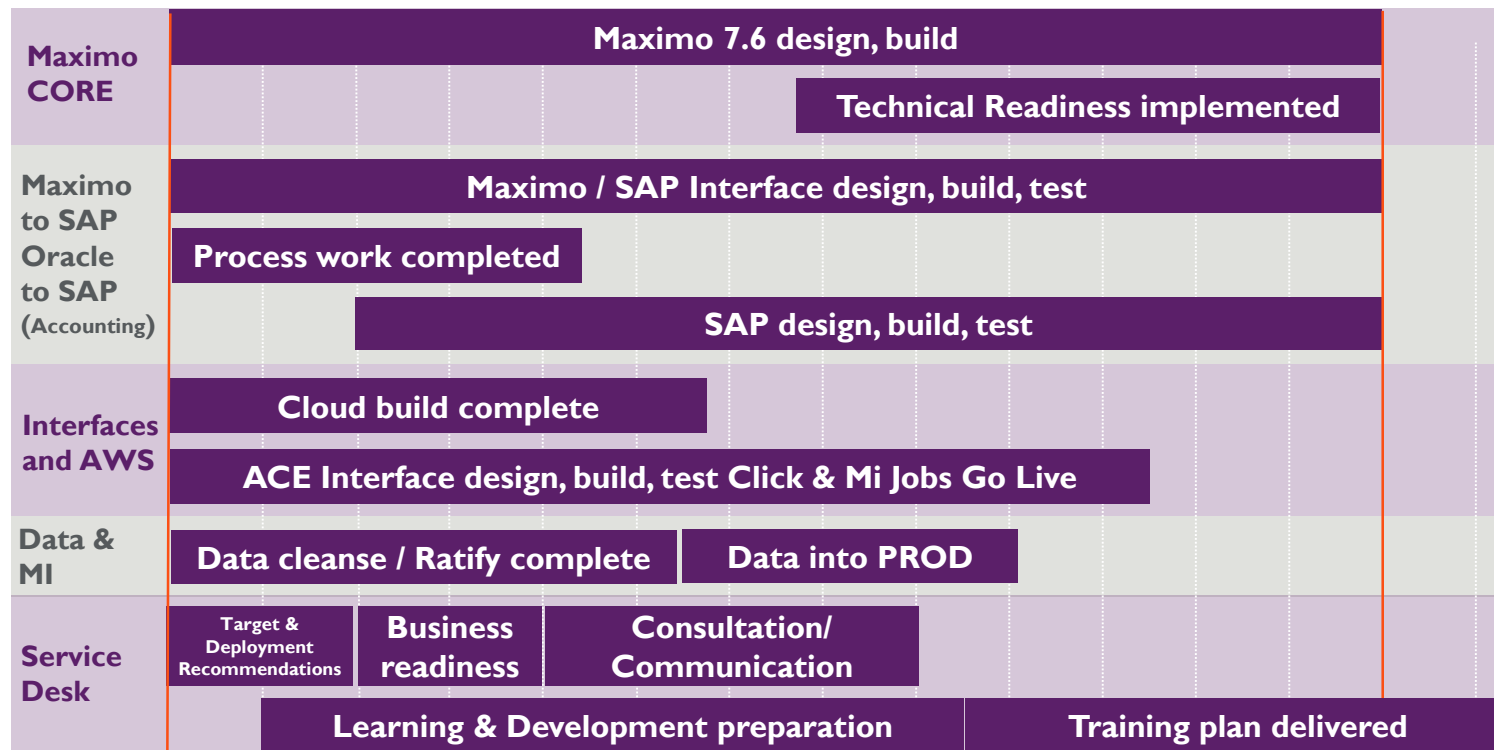
Forte will be delivered by Dec 2020

Go live

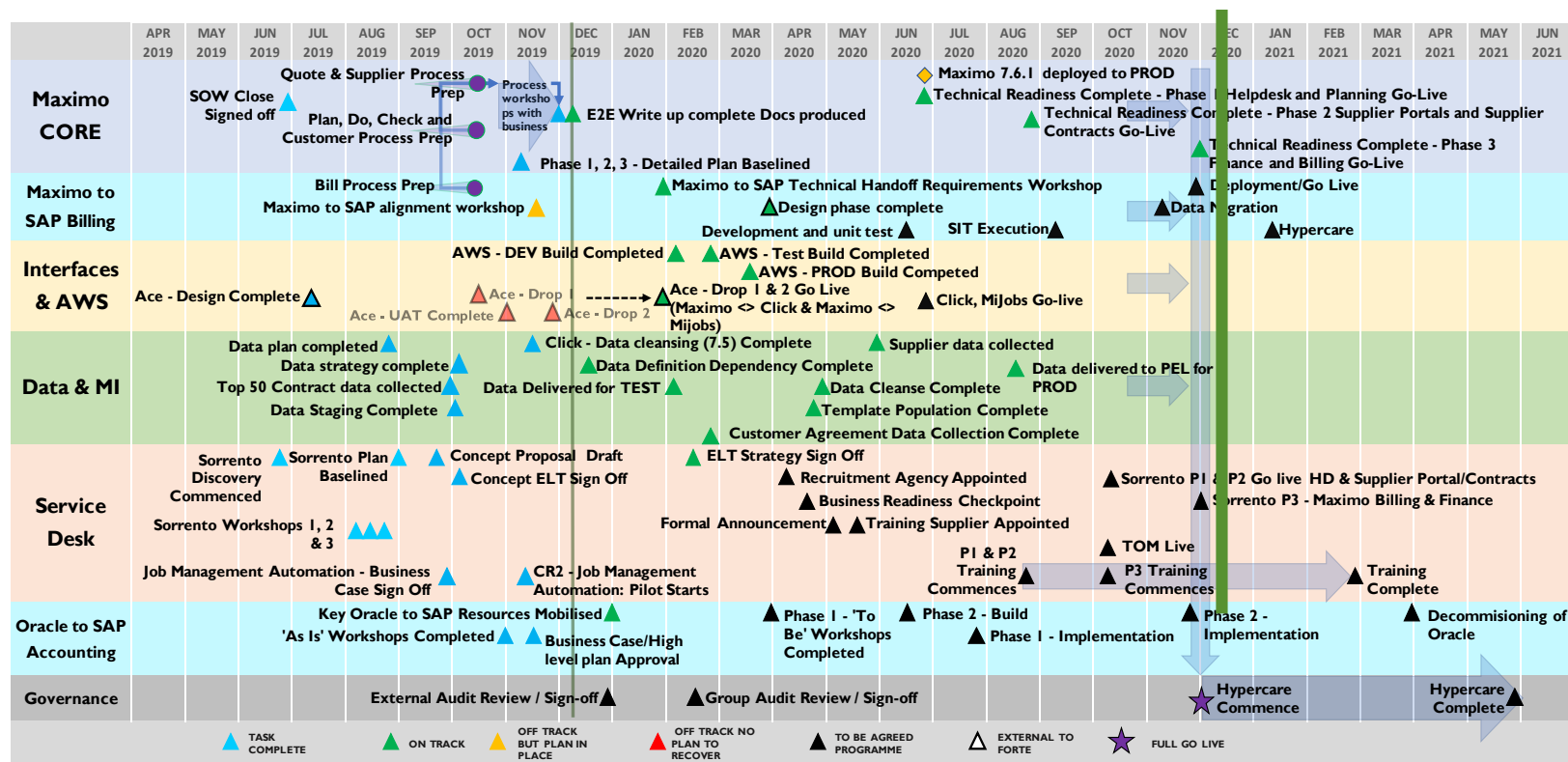


Nov 2019

Dec 2020



...and we will be monitoring the actions in detail, with strong governance



...we are tracking according to plan



In the first six months of the project we have:

- Completed discovery and scoping exercises across workstreams
- Built and validated end-to-end technical strawmen processes (with completion rate of 100%)
- Defined data strategy; cleaned 83% of the dataset, 100% of locations and 100% of reclassified assets
- Delivered Phase I e-Timesheets (100%) and Purchasing Cards digital solution (100%) for our engineers
- Performed an automation pilot through User Acceptance Testing for subcontractor data capture and input into our new IT systems
- Engaged PA Consultants to independently audit processes and financials

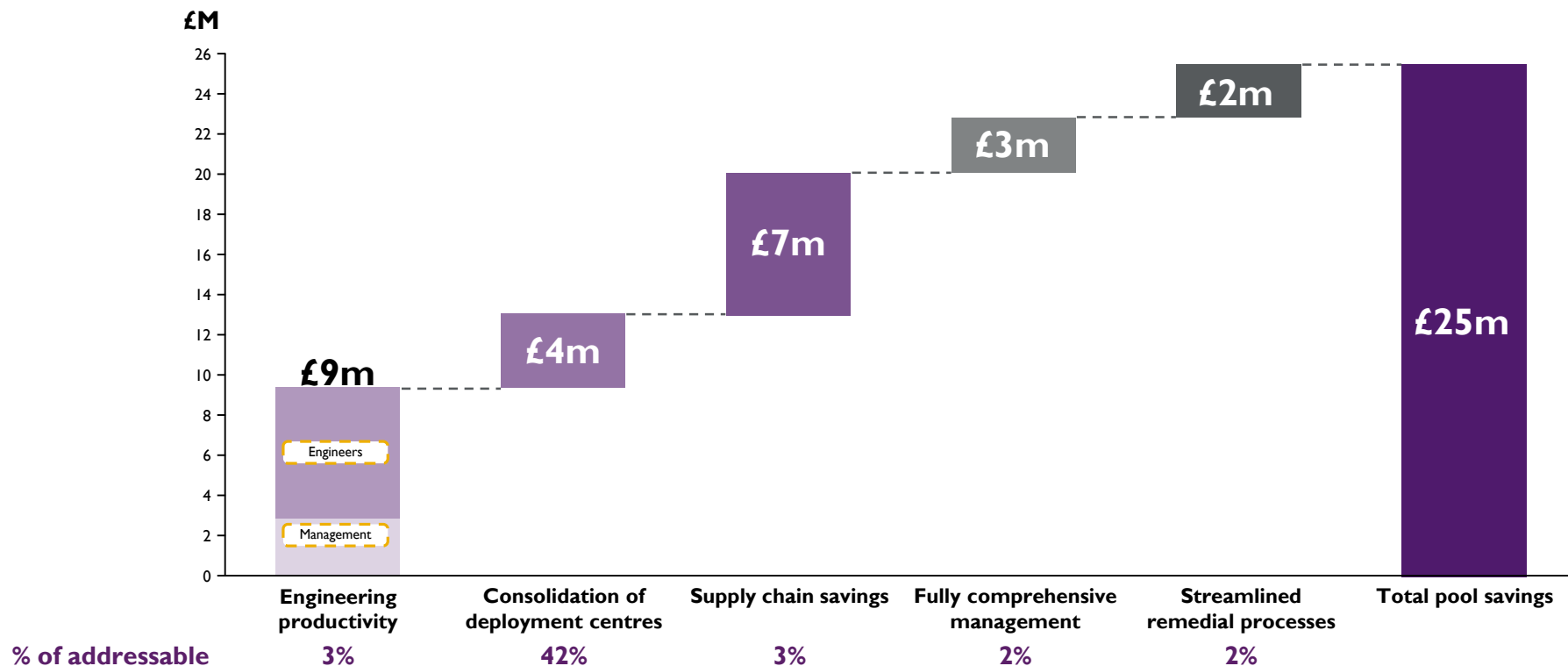
Scale of Project Forte:

- **700m data fields** to be cleansed and reviewed to populate our new systems
- **20m new data fields** to be populated for our new scheduling system
- **800 customer agreements** to be reviewed as part of our supply chain activities
- **3,800 supplier agreements** to be standardised
- **100 end-to-end technical and business processes** to be mapped and validated

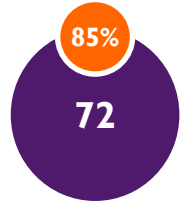
By Q1 20/21:

- Roll out Phase II e-Timesheets
- Collate and cleanse all data sets
- Collate, analyse and implement results from productivity pilots
- Approve operational efficiencies and deployment strategy

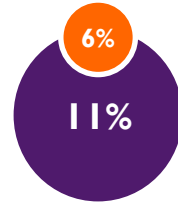
We anticipate overall gross benefits of £25m delivered through Project Forte



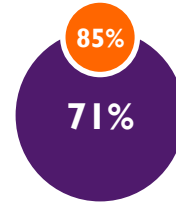
And enabled by defined measurable operational improvements



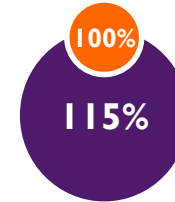
**First time
fix
(April FY19)**



**% of engineer time
spent travelling
(April FY19)**



Utilisation



**Work time
vs.
estimated time per job**



**Front line
to Manager**



**Planning to
engineer ratio**



We will reach our ambition through the delivery of three strategic pillars



1

Improving efficiency of operating processes through Project Forte

- Generate £25m gross run-rate EBIT improvements
- Enable more effective scheduling and deployment of resources through standardised data-driven processes
- Improve cost controls in the supply chain and reduce order-to-cash timelines

2

Building a technology-led offering to bring data and analytics to our core

- Reduce operational costs and customers' lifecycle costs
- Use Connected Workspace to (e.g.,) facilitate self-service or reduce interventions
- Drive customer stickiness by embedding technology in their infrastructure

3

Targeting growth through a proactive focus on TCO value-added services and key propositions

- Use data to identify the next logical product for clients and so shift to an output-based commercial relationship
- Enhance services that differentiate us already (e.g., Energy, Projects) through targeted M&A
- Target clients who need these differentiated services

We are building a technology-led offering to bring data and analytics to our core



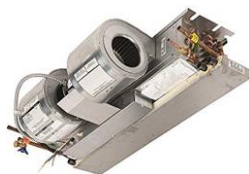
Technical Services

Improved outcomes for customers from technology-backed solutions

ARIA



3D asset Capture



Service Operations Centre



Connected Engineers



MOZAIC



Data-driven insights put into action



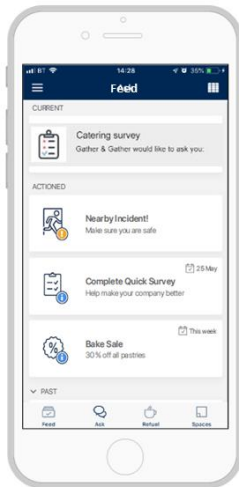
Aria Video



A frictionless interface for our customers using the latest artificial intelligence to support it

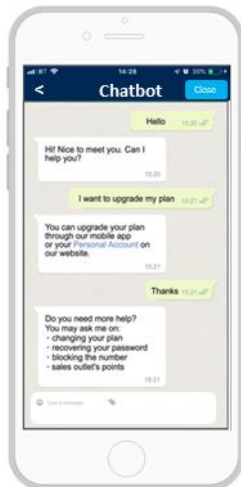


- Single mobile App to interact seamlessly with all aspects of the workspace
- Enables bi-directional communication to raise requests and send feedback as well as receiving relevant information
- Evolving app that will include increasing number of features



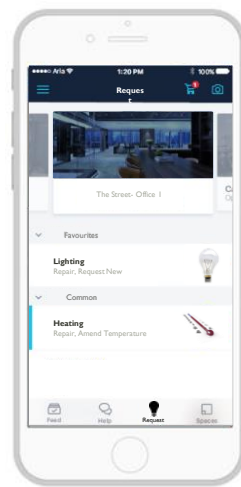
Inputs

Receive relevant news and notifications about the company and sites



Ask

Users have the ability to raise service requests and receive updates



Request

The ability to raise new requests or changes to the environment



Spaces

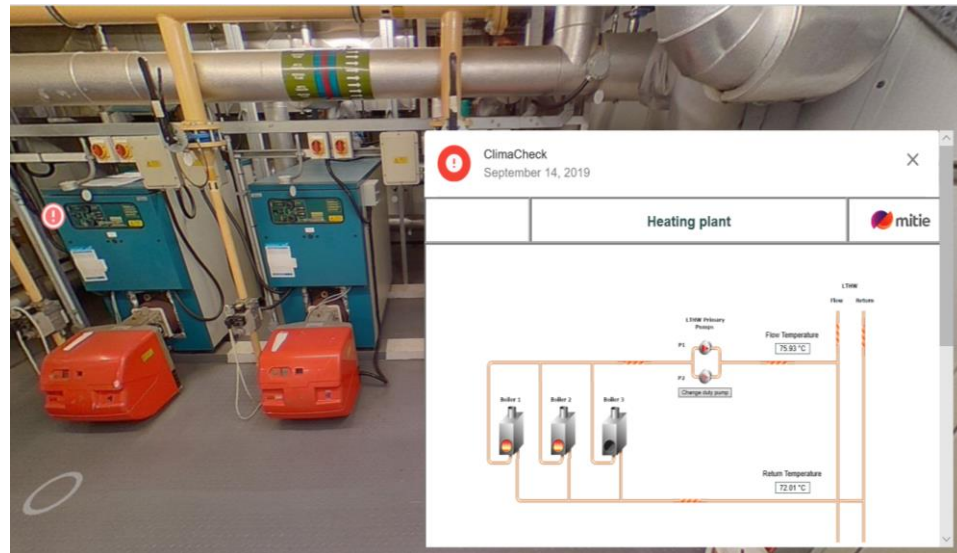
The ability to view and book spaces based on attribute



Building Visual Asset detail to enable SOC¹ to support our engineer and the engineer to have details when needed



- Mitie is maintaining over 5 million assets
- The ability to remotely visualise these assets in their locations with all the maintenance history and live performance data is powerful
- This provides remote support for Mitie field engineering resource
- Engineer-to-Service desk connectivity through real-time monitoring
- Bringing the best of Mitie to the engineer on site



SOC Video



The SOC¹ at the heart of our operation supporting the field and remotely monitoring performance



- All equipment alarms will be automated
- Real-time monitoring
- Configurable rules engine
- Millions of data points gathered per sec



- We will be able to offer first level triage and update the job ticket
- First time fix will dramatically increase

- We will be able to use the data to help with machine learning and remove labour from the process
- We have a data scientist team reviewing the data and changing the rules



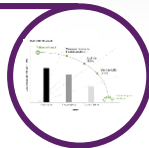
- Our desk engineers have the ability to dial into assets remotely; this can be done either on a planned or reactive basis
- Data led decision on self delivery vs supply chain

- We are able to issue remote commands to equipment to allow corrective actions
- Based on the conditions the alarm management tool will automatically take control



- As we have 3D asset capture the desk engineer can see the same asset as the field engineer
- The desk engineer will be able to access machine data remotely and advise the field engineer

- We are gathering the data to now predict failure, eradicating downtime
- We are moving to a place to complete condition based maintenance

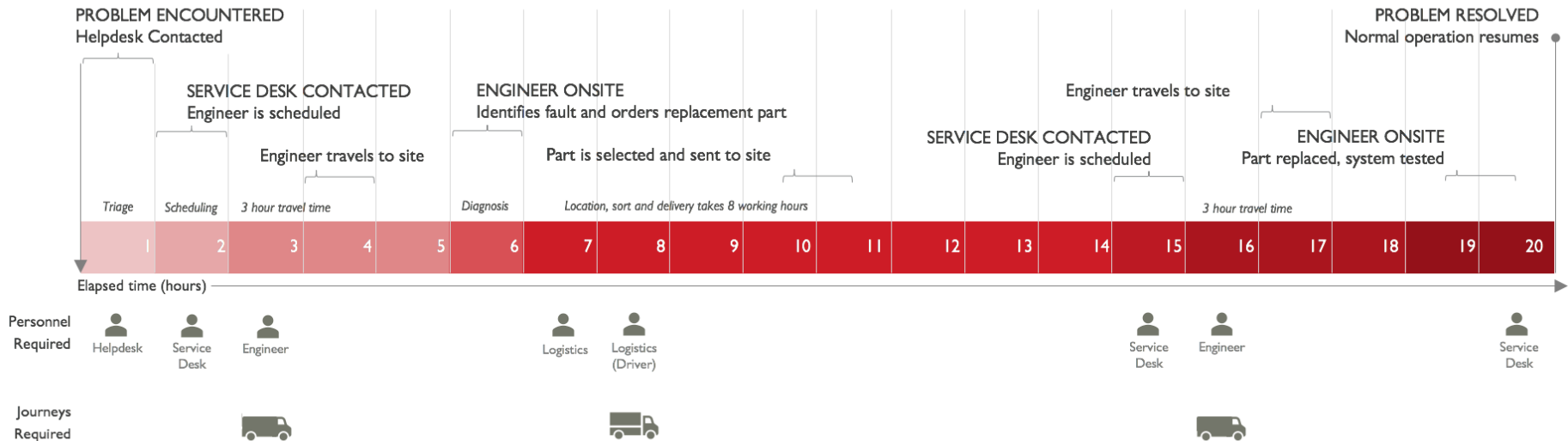


- We are on call 24/7 so can provide building access
- We can provide passwords for engineers to make changes to locked systems

From reactive repair: 20 + hours



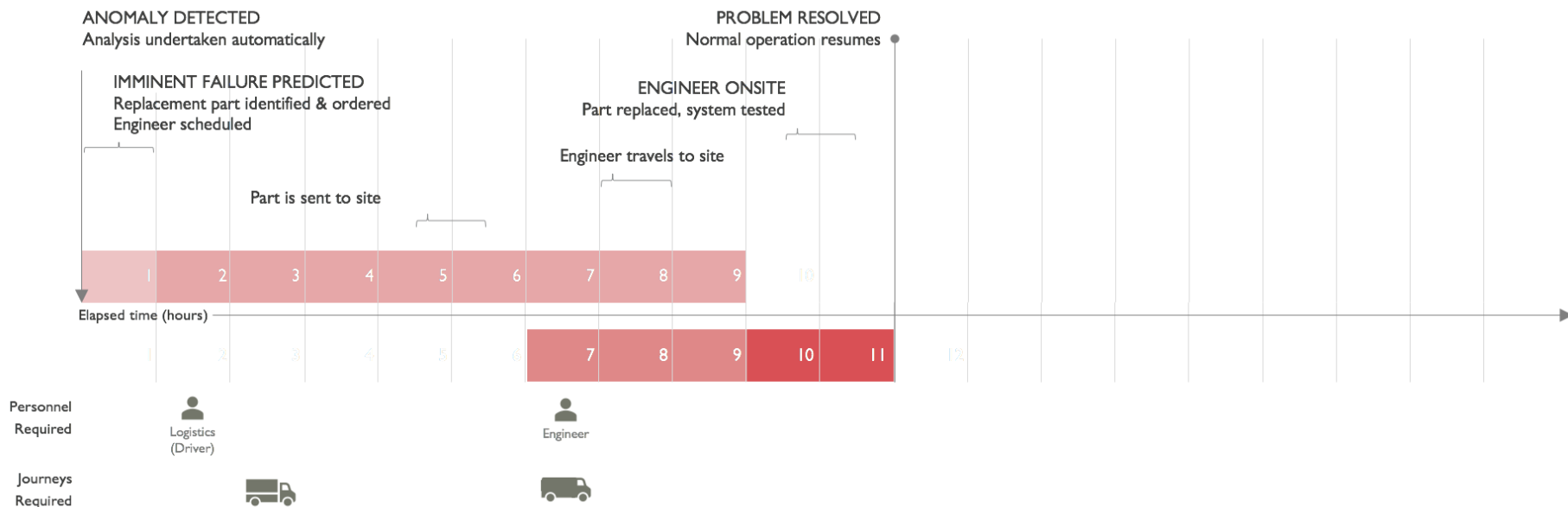
Timeline from problem to resolution



To predictive repair: Less than 11 hours



Timeline from problem to resolution



Connected Engineer Video



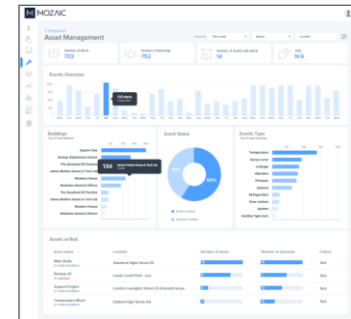
Mozaic: we offer transparency for our customers and insight enabling key decisions to be made



- Single interface to visualise all important aspects of our clients' workspace
- Intuitive and dynamic visualisation to quickly identify what matters to our clients
- Ability to add new insight through the integration and cross-reference of multiple data sources
- Build to support both management and operational functions



Maximo data in common format for all customers



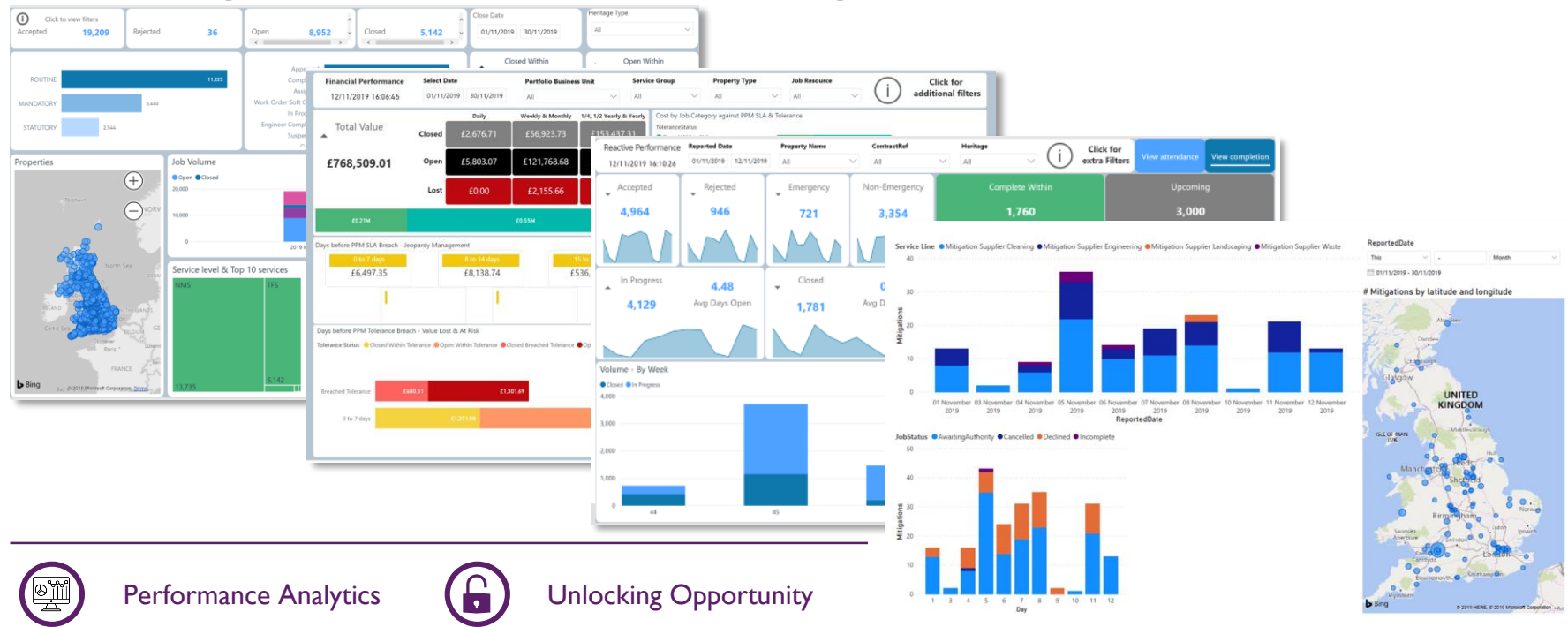
Standard reporting format across all Connected Workspace solutions

Mozaic Video





Harnessing rich data to drive client insights



Performance Analytics



Unlocking Opportunity



Trend Monitoring



Informed Decision-Making

Financial Performance

01/12/2019 22:25:40

Select Date

01/12/2019

31/12/2019

Portfolio Business Unit

All

Service Group

All

Property Type

All

Job Resource

All

[Click for additional filters](#)

Total Value

£649,832.80

| | Daily | Weekly & Monthly | 1/4, 1/2 Yearly & Yearly |
|--------|-----------|------------------|--------------------------|
| Closed | £0.00 | £9,355.88 | £33,026.39 |
| Open | £8,883.58 | £167,058.47 | £431,481.11 |
| Lost | £0.00 | £27.37 | £0.00 |

£0.04M

£0.61M

Days before PPM SLA Breach - Jeopardy Management

0 to 7 days

£10,847.09

8 to 14 days

£11,285.07

15 to 21 days

£10,058.07

22 to 28 days

£10,562.11

Over 28 days

£564,150.84

Days before PPM Tolerance Breach - Value Lost & At Risk

Tolerance Status ● Open Within Tolerance

0 to 7 days

£547.35

Right click
and select
Drillthrough
> Job Details
below, to
review to all
jobs outside
SLA.

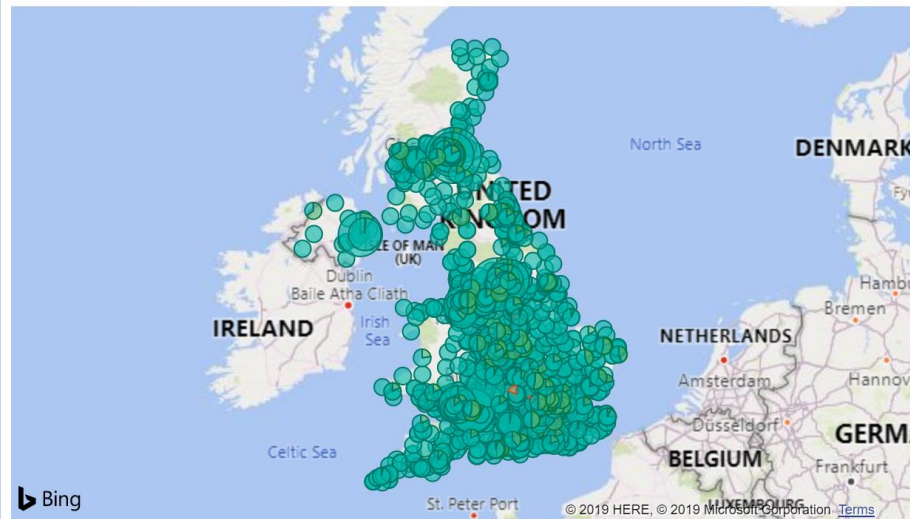
In Tolerance

Cost by Job Category against PPM SLA & Tolerance

[View Map](#)[View Properties](#)

Cost by Location

Tolerance Status ● Closed Within SLA ● Open Within SLA ● Open Within Tolerance



Financial Performance

01/12/2019 22:25:40

Select Date

01/12/2019

31/12/2019

Portfolio Business Unit

All

Service Group

All

Property Type

All

Job Resource

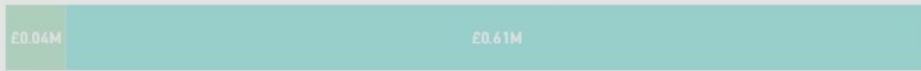
All

Click for
additional filtersAccount level filters allowing quick access to
key data points

Total Value

£649,832.80

| | Daily | Weekly |
|--------|-----------|--------|
| Closed | £0.00 | £9,3 |
| Open | £8,883.58 | £167 |
| Lost | £0.00 | £27.37 |



Days before PPM SLA Breach - Jeopardy Management

| | | |
|-----------------------------|-----------------------------|-----------------------------|
| 0 to 7 days £10,847.09 | 8 to 14 days £11,285.07 | 15 to 21 days £10,058.07 |
| 22 to 28 days £10,562.11 | Over 28 days £564,150.84 | |

Days before PPM Tolerance Breach - Value Lost & At Risk

Tolerance Status ● Open Within Tolerance

0 to 7 days

£547.35

Right click
and select
Drillthrough
> Job Details
below, to
review to all
jobs outside
SLA.

In Tolerance

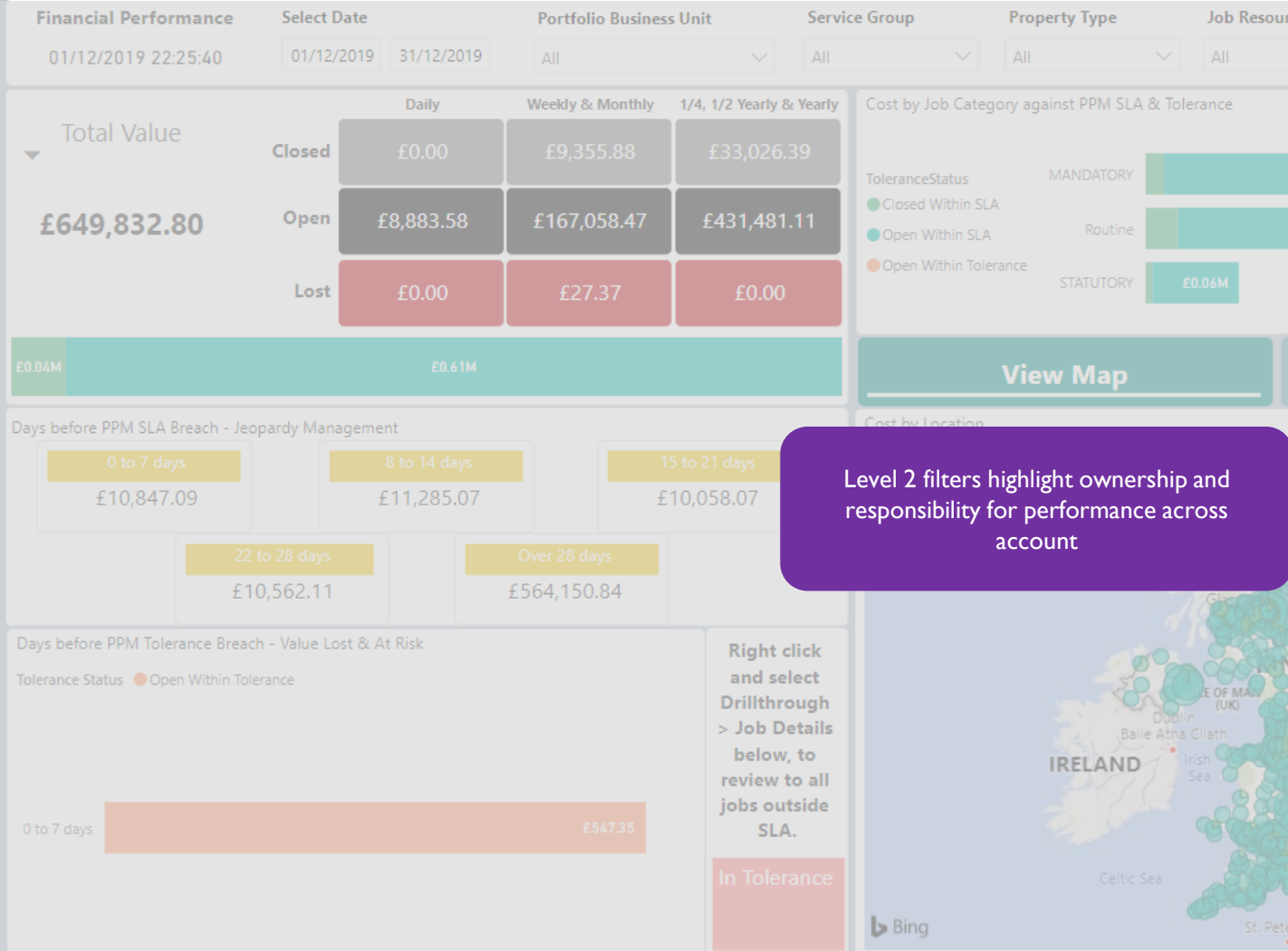
View Map

View Properties

Cost by Location

Tolerance Status ● Closed Within SLA ● Open Within SLA ● Open Within Tolerance





Level 2 filters highlight ownership and responsibility for performance across account

Click for additional filters

Portfolio Contract Manager

All

Portfolio Description

All

Portfolio Ops Director

All

Portfolio Ops Manager

All

Portfolio Sub Business Unit

All

Portfolio Code

All

Return to Dashboard



01/12/2019 22:25:40

01/12/2019

31/12/2019

All

All

All

All

Total Value

£649,832.80

| | Daily | Weekly & Monthly | 1/4, 1/2 Yearly & Yearly |
|--------|-----------|------------------|--------------------------|
| Closed | £0.00 | £9,355.88 | £33,026.39 |
| Open | £8,883.58 | £167,058.47 | £431,481.11 |
| Lost | £0.00 | £27.37 | £0.00 |



In month financial risk highlighted and categorised by frequency of task

Days before PPM SLA

0 to 7 d

£10,847

to 21 days

0,058.07

£10,562.11

£564,150.84

Days before PPM Tolerance Breach - Value Lost & At Risk

Tolerance Status ● Open Within Tolerance

0 to 7 days

£547.35

Right click
and select
Drillthrough
> Job Details
below, to
review to all
jobs outside
SLA.

In Tolerance

Cost by Job Category against PPM SLA & Tolerance

ToleranceStatus

MANDATORY

£0.20M

● Closed Within SLA

● Open Within SLA

● Open Within Tolerance

Routine

£0.34M

STATUTORY

£0.06M

View Map

View Properties

Cost by Location

Tolerance Status ● Closed Within SLA ● Open Within SLA ● Open Within Tolerance





01/12/2019 22:25:40

01/12/2019

31/12/2019

All

All

All

All

Total Value

£649,832.80

| | Daily | Weekly & Monthly | 1/4, 1/2 Yearly & Yearly |
|--------|-----------|------------------|--------------------------|
| Closed | £0.00 | £9,355.88 | £33,026.39 |
| Open | £8,883.58 | £167,058.47 | £431,481.11 |
| Lost | £0.00 | £27.37 | £0.00 |



Days before PPM SLA Breach - Jeopardy Management



Days before PPM Tolerance Breach - Value Lost & At Risk

Tolerance Status ● Open Within Tolerance

0 to 7 days

£547.35

Right click
and select
Drillthrough
> Job Details
below, to
review to all
jobs outside
SLA.

In Tolerance

Cost by Job Category against PPM SLA & Tolerance

ToleranceStatus

● Closed Within SLA

● Open Within SLA

● Open Within Tolerance

MANDATORY

Routine

STATUTORY



View Map

View Properties

Cost by Location

Tolerance Status ●

In month financial risk highlighted and
categorised by type of task





01/12/2019 22:25:40

01/12/2019

31/12/2019

All

All

All

All

Total Value

£649,832.80

Daily

Weekly & Monthly

1/4, 1/2 Yearly & Yearly

Closed

£0.00

£9,355.88

£33,026.39

Open

£8,883.58

£167,058.47

£431,481.11

Lost

£0.00

£27.37

£0.00

£0.04M

£0.61M

Cost by Job Category against PPM SLA & Tolerance

ToleranceStatus

MANDATORY

£0.20M

Closed Within SLA

Open Within SLA

Open Within Tolerance

Routine

£0.34M

STATUTORY

£0.06M

View Map

View Properties

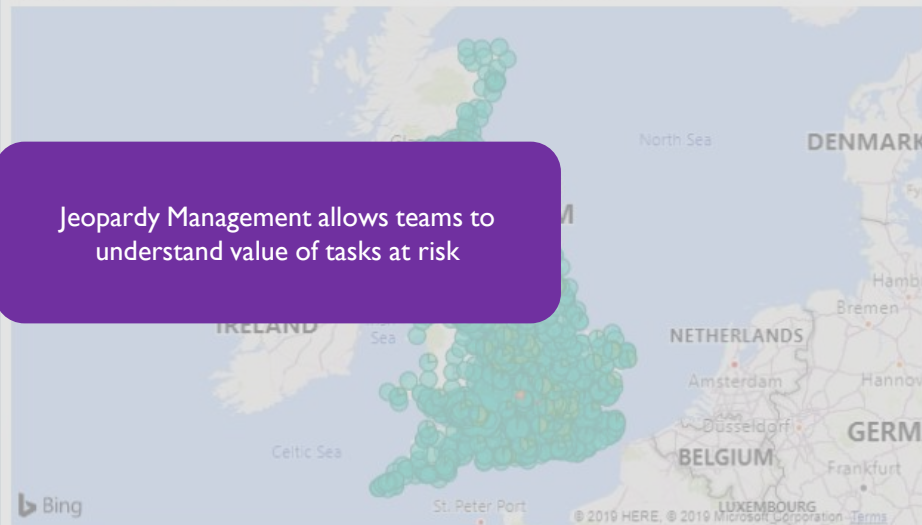
Cost by Location

Tolerance Status

Closed Within SLA

Open Within SLA

Open Within Tolerance

Jeopardy Management allows teams to
understand value of tasks at risk

Days before PPM SLA Breach - Jeopardy Management

0 to 7 days

£10,847.09

8 to 14 days

£11,285.07

15 to 21 days

£10,058.07

22 to 28 days

£10,562.11

Over 28 days

£564,150.84

Days before PPM Tolerance Breach - Value Lost & At Risk

Tolerance Status ● Open Within Tolerance

0 to 7 days

£547.35

Right click
and select
Drillthrough
> Job Details
below, to
review to all
jobs outside
SLA.

In Tolerance

01/12/2019 22:25:40

01/12/2019

31/12/2019

All

All

All

All

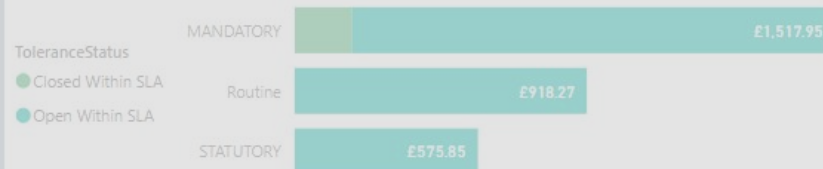
Total Value

£3,193.16

| | Daily | Weekly & Monthly | 1/4, 1/2 Yearly & Yearly |
|--------|-------|------------------|--------------------------|
| Closed | £0.00 | £181.09 | £0.00 |
| Open | £0.00 | £1,842.63 | £1,169.44 |
| Lost | £0.00 | £0.00 | £0.00 |

£3,012.07

Cost by Job Category against PPM SLA & Tolerance



View Map

View Properties

Days before PPM SLA Breach - Jeopardy Management

0 to 7 days

£181.09

8 to 14 days

£181.09

15 to 21 days

£181.09

22 to 28 days

£181.09

Over 28 days

£2,287.72

Days before PPM Tolerance Breach - Value Loss

Location tracking enables understanding of
properties and amount of work at riskreview to all
jobs outside
SLA.

Cost by Location

Tolerance Status ● Closed Within SLA ● Open Within SLA



Financial Performance

Select Date

Portfolio Business Unit

Service Group

Property Type

Job Resource

Click for
additional filters

01/12/2019 22:25:40

01/12/2019

31/12/2019

All

All

All

All

Total Value

£3,193.16

| | Daily | Weekly & Monthly | 1/4, 1/2 Yearly & Yearly |
|--------|-------|------------------|--------------------------|
| Closed | £0.00 | £181.09 | £0.00 |
| Open | £0.00 | £1,842.63 | £1,169.44 |
| Lost | £0.00 | £0.00 | £0.00 |

£3,012.07

Days before PPM SLA Breach - Jeopardy Management

0 to 7 days

£181.09

8 to 14 days

£181.09

15 to 21 days

£181.09

22 to 28 days

£181.09

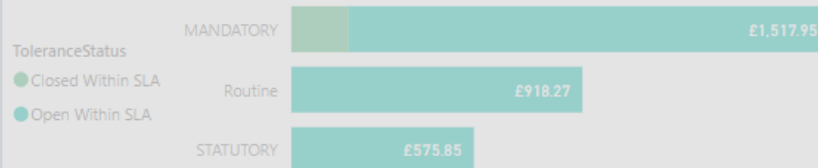
Over 28 days

£2,287.72

Days before PPM Tolerance Breach - Value Loss

Property by size of financial risk enables
prioritisation of engineer resource.review to all
jobs outside
SLA.

Cost by Job Category against PPM SLA & Tolerance

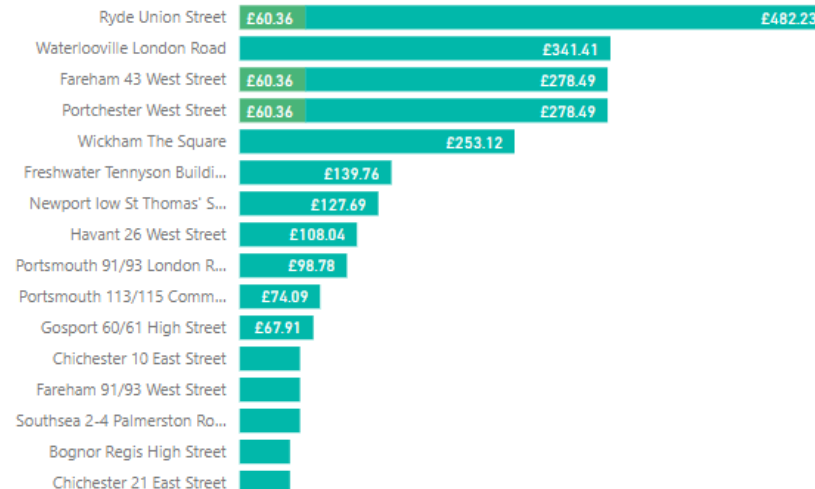


View Map

View Properties

Cost by Property

Tolerance Status ● Closed Within SLA ● Open Within SLA



01/12/2019 22:25:40

01/12/2019

31/12/2019

All

All

All

All



Total Value

£482.23

Closed

£0.00

Weekly & Monthly

£0.00

1/4, 1/2 Yearly & Yearly

£0.00

Open

£0.00

£278.49

£203.73

Lost

£0.00

£0.00

£0.00

£482.23

Cost by Job Category against PPM SLA & Tolerance

MANDATORY

£259.97

ToleranceStatus

● Open Within SLA

Routine

£203.73

STATUTORY

View Map

View Properties

Days before PPM SLA Breach - Jeopardy Management

0 to 7 days

£60.36

8 to 14 days

£60.36

15 to 21 days

£60.36

22 to 28 days

£60.36

Over 28 days

£240.78

Days before PPM Tolerance Breach - Value Lost & At Risk

Drill-through to the underlying data at any point on the page to access details of tasks at risk.

Cost by Property

Tolerance Status ● Closed Within SLA ● Open Within SLA

Ryde Union Street

£60.36

£482.23

See Records

Show data

Drillthrough

Job Details

Analyze

Copy

Drillthrough
> Job Details
below, to
review to all
jobs outside
SLA.

Havant 26 West Street

£108.04

Portsmouth 91/93 London R...

£98.78

Portsmouth 113/115 Comm...

£74.09

Gosport 60/61 High Street

£67.91

Chichester 10 East Street

Fareham 91/93 West Street

Southsea 2-4 Palmerston Ro...

Bognor Regis High Street

Chichester 21 East Street



Click ellipses to Export Data:

Job Details



| Category | Property Name | Owner | Portfolio | Resource | EstimatedTotalCost | ServiceRef | _FrequencyCategory | PPMSLACloseDate | _ToleranceDueDate | ActualCloseDate | _ToleranceStatus | _Value Open | _Value Closed | _Value Lost |
|----------|-------------------|---------------------|-----------|----------|--------------------|------------|--------------------|------------------|-------------------|-----------------|------------------|-------------|---------------|-------------|
| e | Ryde Union Street | PLANNER SC_203 (HP) | 2RPE11 | | £12.35 | LB37R-6M | Low Frequency | 31 December 2019 | 31 January 2020 | 01 January 1999 | Open Within SLA | £12.35 | £0.00 | £0.00 |
| e | Ryde Union Street | PLANNER SC_203 (HP) | 2RPE11 | | £8.03 | LB49-6M | Low Frequency | 31 December 2019 | 31 January 2020 | 01 January 1999 | Open Within SLA | £8.03 | £0.00 | £0.00 |
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| ATORY | Ryde Union Street | PLANNER SC_203 (HP) | 2RPE11 | | £18.52 | ZLB8FB-1M | High Frequency | 31 December 2019 | 10 January 2020 | 01 January 1999 | Open Within SLA | £18.52 | £0.00 | £0.00 |
| ATORY | Ryde Union Street | PLANNER SC_203 (HP) | 2RPE11 | | £60.36 | ZOP2010-1W | High Frequency | 08 December 2019 | 11 December 2019 | 01 January 1999 | Open Within SLA | £60.36 | £0.00 | £0.00 |
| ATORY | Ryde Union Street | PLANNER SC_203 (HP) | 2RPE11 | | £60.36 | ZOP2010-1W | High Frequency | 15 December 2019 | 18 December 2019 | 01 January 1999 | Open Within SLA | £60.36 | £0.00 | £0.00 |
| ATORY | Ryde Union Street | PLANNER SC_203 (HP) | 2RPE11 | | £60.36 | ZOP2010-1W | High Frequency | 22 December 2019 | 25 December 2019 | 01 January 1999 | Open Within SLA | £60.36 | £0.00 | £0.00 |
| TORY | Ryde Union Street | PLANNER SC_203 (HP) | 2RPE11 | | £18.52 | LB121-1M | High Frequency | 31 December 2019 | 10 January 2020 | 01 January 1999 | Open Within SLA | £18.52 | £0.00 | £0.00 |
| ATORY | Ryde Union Street | PLANNER SC_203 (HP) | 2RPE11 | | £60.36 | ZOP2010-1W | High Frequency | 29 December 2019 | 01 January 2020 | 01 January 1999 | Open Within SLA | £60.36 | £0.00 | £0.00 |

Outstanding tasks ordered by value,
priority, due date enabling teams to
prioritise workload.
All exportable to xls for offline working

We will reach our ambition through the delivery of three strategic pillars



1

Improving efficiency of operating processes through Project Forte

- Generate £25m gross run-rate EBIT improvements
- Enable more effective scheduling and deployment of resources through standardised data-driven processes
- Improve cost controls in the supply chain and reduce order-to-cash timelines

2

Building a technology-led offering to bring data and analytics to our core

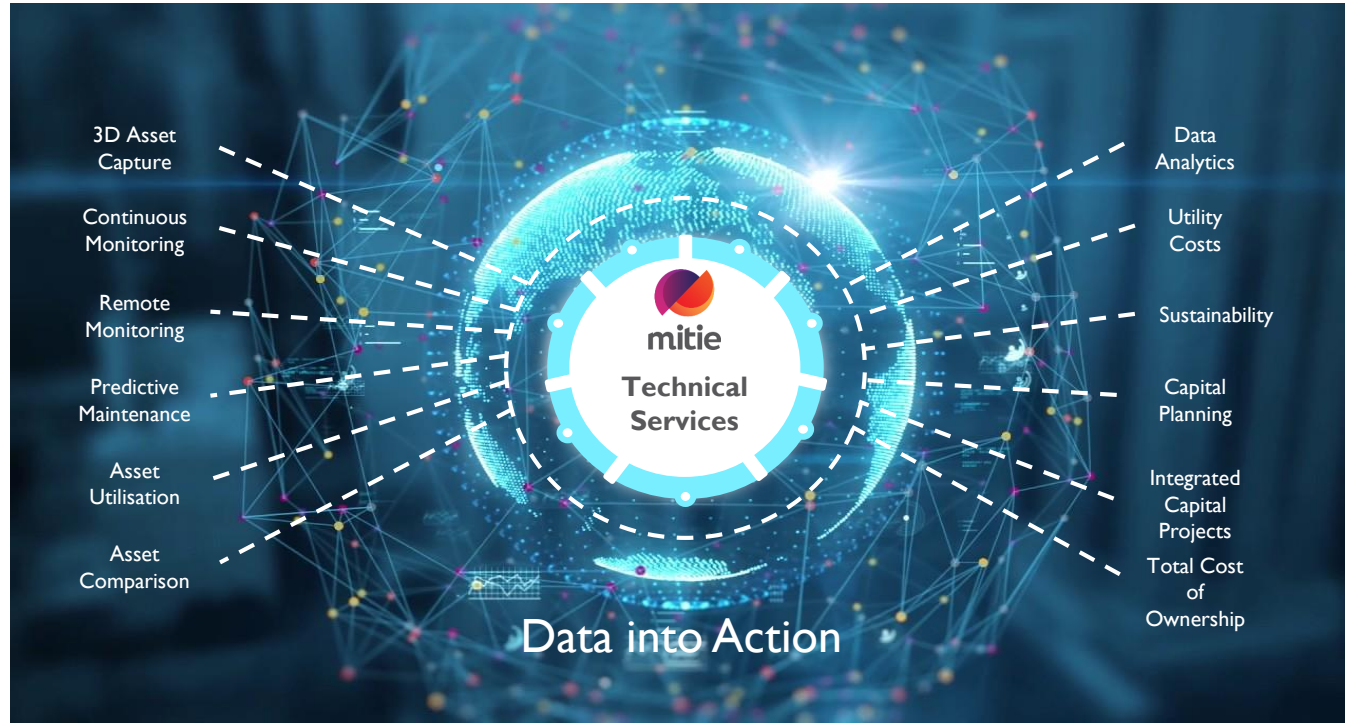
- Reduce operational costs and customers' lifecycle costs
- Use Connected Workspace to (e.g.) facilitate self-service or reduce interventions
- Drive customer stickiness by embedding technology in their infrastructure

3

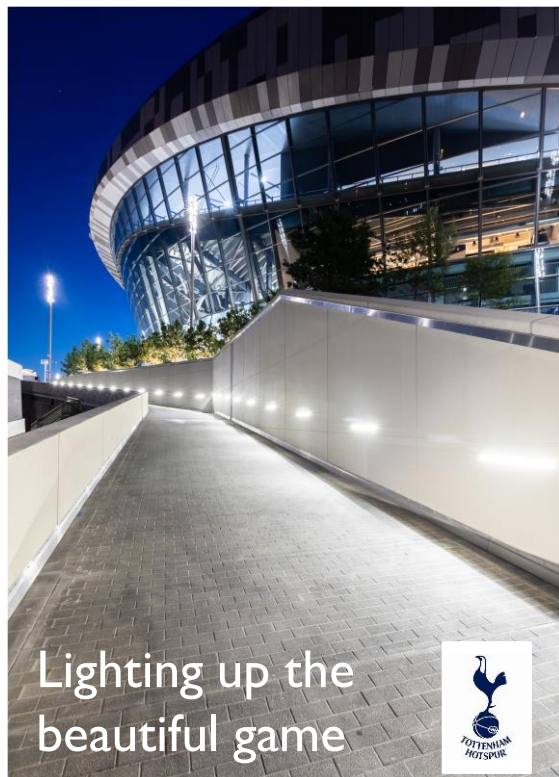
Targeting growth through a proactive focus on TCO¹ value-added services and key propositions

- Use data to identify the next logical product for clients and so shift to an output-based commercial relationship
- Enhance services that differentiate us already (e.g., Energy, Projects) through targeted M&A
- Target clients who need these differentiated services

Understanding the total building's costs and owning the maintenance activities enables opportunity in projects, energy, sustainability and to further deepen our partnerships



Delivering exemplary projects across the technical arena



Lighting up the beautiful game



The new Tottenham Hotspur stadium is an iconic, world-class, sports and entertainment destination that opened in 2019 following a four-year project.

Mitie provided a full self-delivery solution including management, design and installation services for a comprehensive range of efficient lighting solutions.

Key Facts



1,600 lights installed



50,000-hour life expectancy per light



81.2km of cabling installed



Lighting a Trafalgar Square-sized plaza



Lighting for 62,000 visitors

Vodafone: MTX and Data Centre Chiller Replacement Rollout



- Mitie were engaged by Vodafone to reduce their energy consumption and carbon footprint across their portfolio of buildings which included design, supply & install new replacement chilled water & DX cooling systems to the business critical MTX & Data centres throughout the UK.
- These systems were chosen due to their reliability, energy cost saving & pay back provided by the free cooling coils achieved throughout the year with water chillers.
- Mitie covered a total of **19 sites** which are critical sites for Vodafone's customers, a total of **97 water chillers** and **56 DX systems** were installed by our directly employed labour throughout the country.

These types of systems fit well into the Vodafone portfolio and offer a good return on investment along with reduced carbon emissions and low noise output, due to the reduced refrigerant quantities.



Key Facts

- Feasibility studies
- Detailed surveys
- Full design
- Mechanical installation
- Electrical installation

Providing expert real estate advice to Essex County Council



The challenge:

To assist Essex County Council to commercialise a dated, under-used property portfolio over the next 10 years. This meant looking beyond the conventional current-state-disposal route to more investment-driven options providing higher sustainable returns. Properties ranged from former schools to commercial offices and listed buildings, including Chelmsford's iconic County Hall.

What we delivered:

We developed a streamlined approach with template output reporting for ease of review and decision making. A thorough process of data gathering, collation and review was deployed, including local market knowledge.

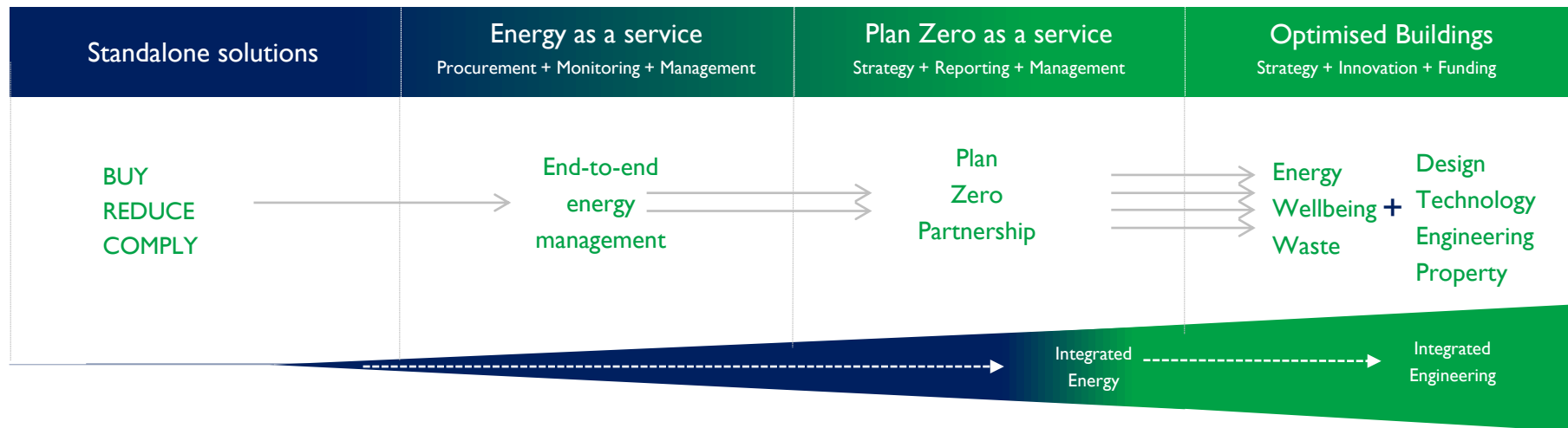
The Mitie Team presented a range of solutions for each property, from refurbishment and redevelopment to repurposing. Using our cost management experience, we reviewed opportunities and presented outline investment appraisals, including bottom line IRR calculations.



Key Facts

- Major Mitie client
- Over 300 properties
- Poor utilisation
- 15 properties reviewed over six weeks
- 30 options developed
- Business plan developed for £30m capital investment with £60m return
- Six projects taken through to Outline Business Case in readiness to deploy

A key component of the TCO is how we can support our customers to optimise their properties and save energy



The **greater** the integration, the higher the **savings**

Our Energy business has a substantial track record in delivery



200

Experts including chartered energy managers, engineers and analysts



3,000+

Energy surveys completed p/a



£14m

Total energy management savings
Over 12 months via utilities optimisation



140,000

Meters managed and monitored



+100 blue-chip clients
benefitting from our energy services



Average 10% reduction of client's energy costs



£1.3bn and 394k
client bills validated p.a.



170

BMS & Energy projects delivered over 12 months

With recognition in both the innovative approach and the technical delivery, backed by ISO accreditations



Commercial Building
Energy project
of the Year 2018



Shortlisted:
Carbon Reduction
Project of the Year 2020



Innovation project
of the Year 2019



Accreditations

FCA (Financial Conduct Authority)

IPMPV (Certified Measurement & Verification - Professional)

Chartered Energy Managers

CIPS (chartered institute of procurement & supply)

In addition to professionals who can deliver WELL & Fitwell, LEAD & BREEAM & Carbon Trust Standards, ISO 14001 & 50001 accreditation.

Total Building Reviews (TBRs) bring all the propositions together



TBR Background

Facility in Derby is over 15 years old. It is a critical facility.

However, the age of the buildings and conditions within them are not optimised, threatening production and the future operational capability at the site.

Our energy, wellbeing, property advisory and Connected Workspace specialists and projects collaborated with them to develop high-impact solutions, which drive efficiency and ensure the operational availability for another 15 years.

This model is an isolated example of the TCO and how we can use data to support our customers with key insights.



Mitie approach to TBR

**Customer Property
Strategy 2030
Objectives:**



When performing a Total Building Review there are a number of areas to consider, including the physical assets themselves, the conditions within and their impact on people and activities. It is important to review these areas together to provide a holistic plan which maximises spend and benefit.

Our approach ensures the application of specialist skills and knowledge, with a solution for our customer, which is seamless and maximises the future operating conditions of a site.

The teams each considered issues of concern to them and through a process of detailed workshops designed a combined solution and recommendations.



TBR delivers:

4.9

Years simple
payback

£5.1m

10 year net
benefit

24 GWh

Energy
saving

MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY



Case study

Dan Guest,
Technical Services Business
Performance and Transformation

10 December 2019



Rolls-Royce – “A need for Change”



Rolls-Royce Group Property

- Global in-house delivery team with circa 80-100 employees
- Portfolio consists of 1,105 buildings across 354 sites in 46 countries
- Covers all areas of property including projects, construction, energy, compliance, procurement and operations (FM)



Rolls-Royce Group Property



Integrated Facilities Management

- The Rolls-Royce contract is one of Mitie's largest accounts
- Integrated Facilities Management (IFM) contract
- Intermediate projects
- Workspace design
- Turned around in the last 2 years: positive NPS and expanded profitability



Rolls-Royce 2018, the year of change



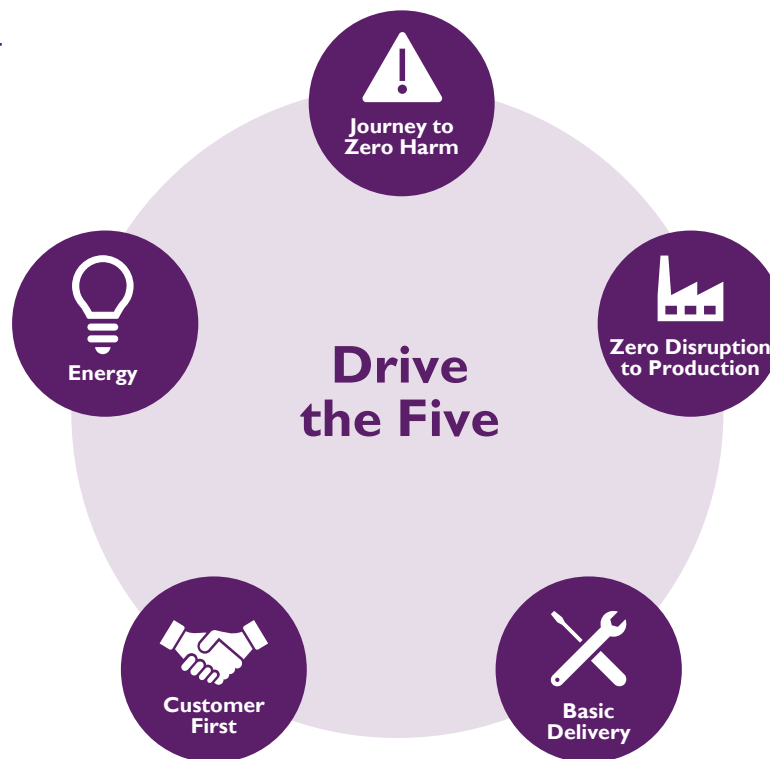
Launched a **unitary management** way of working.

Introduced an **incentive scheme**, designed to impact front-line team members.

Conducted a **benchmarking exercise**, resulting in an average pay rise of £1,474 across 130 employees.

Introduced initiatives to **drive efficiencies**; lighting team, handy men, engineering stores.

Transformed the small works process, making it **much easier to do business with us**.



Performance metrics **designed in partnership** with key stakeholders.

Objectives **aligned** to Rolls-Royce group blue chips.

Removed penalties and clauses in the contract that drove wrong behaviours.

Local roadshows completed by local FM's to **further enhance relationships**.

Introduced **dynamic reporting**; live, accurate data at a local level – available at the touch of a button.

Rolls-Royce 2018, the year of change



Drive the
five KPIs



**Journey to
Zero Harm**

TRIs
50% reduction



**Zero Disruption
to Production**

Small Works
from 85% - 100%



**Basic
Delivery**

Fix & Response
75% - 98%



**Customer
First**

Annual Survey
65% - 75%



**Energy
& Waste**

£1.9m
savings

Result

UPLOAD
Mitie's people survey

+24%

Net
Promoter
Score

2018

Negative



2019

+30



Rolls-Royce – What's next?



Technology



Sensor Technology



Introduction of AI



Enhancing our Connected Workspace capabilities to drive the resilience



Reverifying our asset database



Introducing soft services focused technology solutions

Employee experience

Concierge Services



Live well

Deployment of Aria:



Sustainability

Increasing our DSM capabilities

Removal of single use plastic by 2020



To celebrate World Facilities Management Day, we have removed single use plastic from C-Wing restaurant for today only to kick start our pledge to reduce single use plastic. Come and speak to the team in the restaurant to gain an insight into our plans and give us your ideas on how we can operate more sustainably at Moor Lane. **Don't forget your Keep Cup!**



Enhancing waste and local energy plans



Rolls-Royce: from reactive to predictive maintenance



180 Environmental sensors monitoring 14,000 m² of space

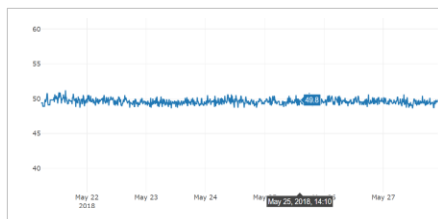
450 Asset sensors monitoring 250 assets

70,000,000 Data points per month

- Using the existing BMS supplemented with IOT environmental and asset sensors along with our Service Operations Centre we were able to mitigate and minimise costly unplanned outages at a major Roll-Royce manufacturing & office facility
- By predicting a fan belt failure using vibration analysis, we were able to send an engineer during a planned downtime to replace the belt with zero impact to the customer and no lost production

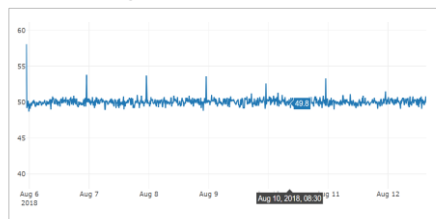
6 months before failure

Relatively smooth vibration profile



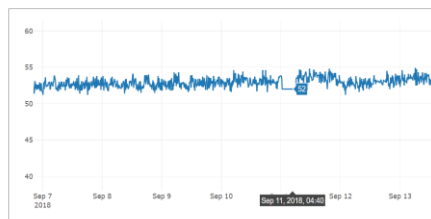
2 months before failure

Much more pronounced and regular spike at about midnight



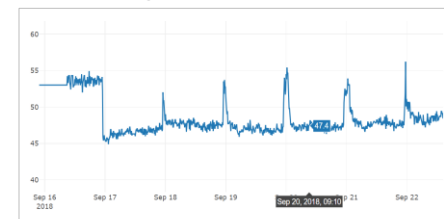
1 month before failure

Vibration profile has visibly higher bandwidth



2 weeks before failure

Much more pronounced and regular spike at about midnight



Rolls-Royce Projects – Renewable Heat Generation Projects



This project was highly innovative and one of the first to combine a number of energy technologies into a busy mixed-use industrial site. These innovative features include:

- Hybrid ground-source and passive thermal technology;
- Coaxial-borehole technology;
- Variable speed, inverter-driven, heat pump technology;
- Retrofitted to a mix of industrial buildings of varied age and design;
- Creation of a district heating system from disparate buildings;
- Replacement of multiple different existing heating technologies and fuels;
- Centralised, weather-optimised cloud-based control;
- Allowances for future-proofing, for new and additional buildings.



Summary

- An innovative renewable heat system serving a major industrial site;
- Combines hybrid solar, thermal and ground-source technologies;
- 3 heat pumps, 6km of boreholes and 750m² of solar matting;
- Generates over 1.6 GWh of renewable heat;
- Project costs of £1.85m;
- Savings of £385,820 per year;
- Savings of 581 tonnes CO₂ per year;
- Payback <5 years.

Boreholes



Solar matting

Heat pumps

MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY

Breakout session 2:

Business Services: Continued Growth

Jason Towse, MD, Business Services

10 December 2019



Agenda



Overview of Business Services

- Integrating Cleaning
- Market analysis
- Financial performance

Security strategy and growth

- Last 3 years' performance against strategy
- New technologies and services driving growth
- Strong customer base
- Accelerated value creation

Future vision of Security

- 6 key pillars for success
- Clear differentiation
- Agility

How we look at our business

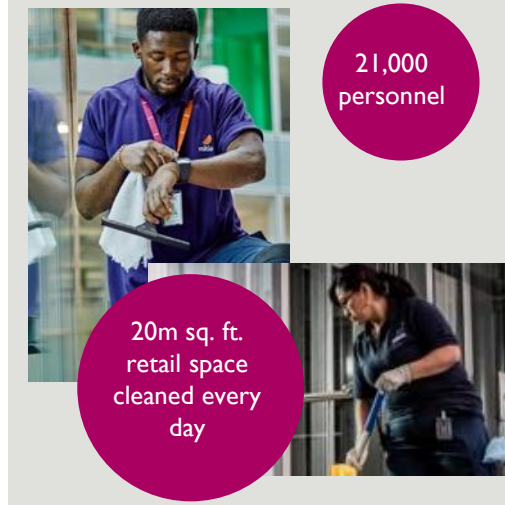


Business Services

Security



Cleaning Services



Office Services



Integrating Security and Cleaning to develop a combined business leveraging back-office efficiencies and cross-sell opportunities



Responding to customer and market demands for a more integrated approach.

Restructured Security, Cleaning and Office Services under a single leadership team.

Back-office simplification to support contracts.
Support Functions:
HR, QHSE, IT,
Finance.

Leveraging proprietary software to support the whole division.



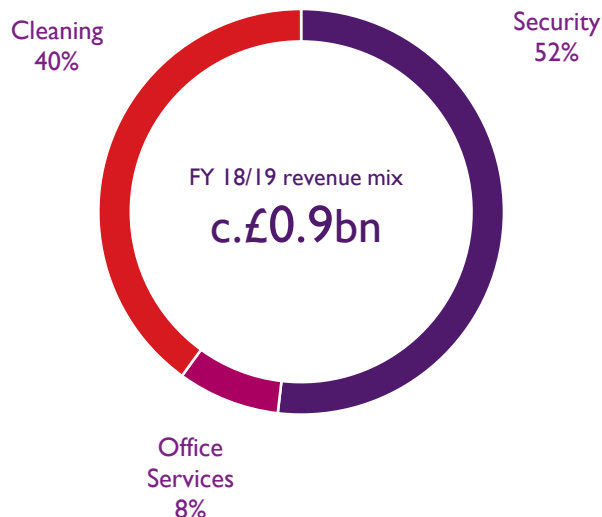
Best Newcomer
Best Team

SECURITY & FIRE
EXCELLENCE AWARDS

Security Manager
of the Year



We are strong in Security, while Cleaning is strategically important to strengthen Mitie's "right to play" in IFM



Mitie strengths

- The largest Security player in the UK security market with ~15% market share
- Mitie Cleaning is #3 player in the highly fragmented UK market
- Strong and growing positions in: Document Management (in legal sector, professional services and finance), Front-of-House (retail and art & culture sectors) and Vetting (aviation and corporate)
- Cleaning holds a strong position in transport, retail, corporate, manufacturing, food, pharmaceutical and public sector

Industry trends and insights

- Security accounts for ~7% of all outsourced FM (addressable market of £6.8bn), historically outperforming the rest of the FM market
- Top 8 Security players account for ~50% of the addressable market
- Cleaning accounts for ~8% of outsourced FM market with specialist cleaning outpacing standard services
- Top 7 Cleaning players accounts for 1/3rd of the market

Further focus

- Cement its position as the leading Security player in the UK
- Cleaning will be "refocused" through six strategic imperatives
- Offer more differentiated, value-adding services
- Technology to automate and reduce costs as well as a wider service offering for Business Services

Cleaning will be “refocused” through four strategic pillars to drive cost out and improve customer experience



1

Drastically improving cost-to-serve

Realising efficiencies within teams
Reducing unnecessary interim and contract roles
Improving controls and process management
System integration
WP+ Intouch and Pin2pay

2

Go to market approach to target strategic accounts

Enabling our people through technology
Innovation, Lean and Six Sigma, sector-based approach to build a different market offering
Hub and cluster model for customer solution design

3

Cross selling approach

Stable, passionate management
Engaging front line in feedback cycles
Empowering positive change within organisation
Joining the dots for our business services proposition

4

Changing the margin mix

Drive volume and contribution through specialist services (Technical Cleaning Services)
Tech-enabled organisation enabling outcome contracts
Value-led, not sold-on-cost



What is the impact of Cleaning?

c.70% of Technical Services and **c.45% of Security revenue** is bundled with cleaning

Security Overview Video



The Security business provides industry-leading solutions to its customers

Intelligence



GSOC & INTELLIGENCE SERVICES

Providing 24/7 intelligence on threats and analysing potential risks and the only provider with access to government intel database



INVESTIGATIONS & CONSULTANCY SERVICES

World wide investigations and risk management capability



SOCs

Our dedicated client Security Operations Centres (SOCs) and crime analysts enable a holistic view of security for each client

Technology



PROPRIETARY SOFTWARE & TECHNOLOGY ENABLERS

In house data science team with access to anonymised crime data utilising our leading intelligence software Merlin 24/7



REMOTE MONITORING & MANAGEMENT SERVICES

MITEC – The UK's leading technology and convergence centre protecting thousands of buildings, assets and over 40,000 lone workers



FIRE & SECURITY SYSTEMS

Market-leading systems integrator with multi-skilled engineers delivering and managing complex, integrated fire, life safety and security systems and services

People



MOBILE/VOIDS

Largest mobile security business in the UK serving 24,000 sites



VETTING SERVICES

Procius and UKCRB's form our vetting services, conducting over 160,000 DBS checks a year



PEOPLE SERVICES

UK's leading intelligence-led provider with 22,000 employees

Sector leading end-to-end security solutions provider

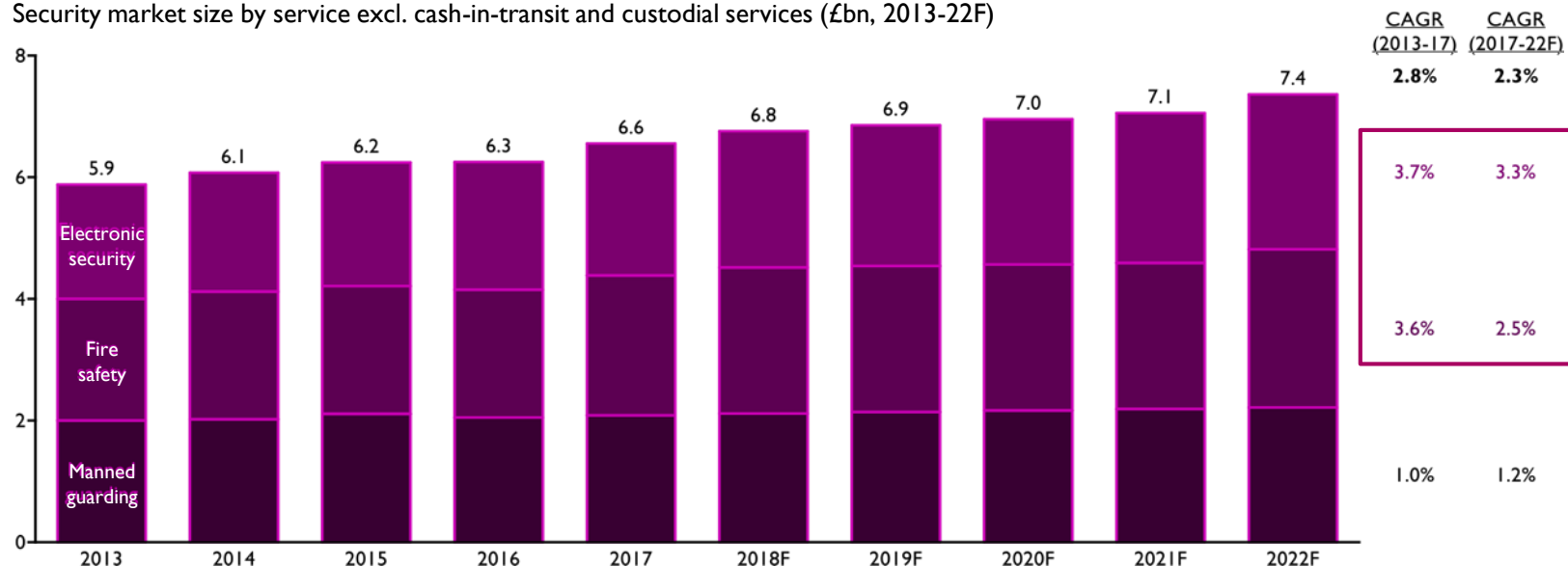


| | Manned Guarding | Fire & Security Systems | Risk & Assurance Systems | Proactive Intelligence Services | Tailored Retail Platforms | Mobile Security & Key Holding | Void Property | Lone Worker Monitoring | Client Security Operations Centres | Alarm Receiving Centres | Vetting | Front of House |
|-------------------|-----------------|-------------------------|--------------------------|---------------------------------|---------------------------|-------------------------------|---------------|------------------------|------------------------------------|-------------------------|---------|----------------|
| MITIE | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| G4S | ✓ | ✓ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✗ | ✓ | ✗ | ✗ |
| ADT | ✗ | ✓ | ✗ | ✗ | ✗ | ✓ | ✗ | ✓ | ✗ | ✓ | ✗ | ✗ |
| Securitus | ✓ | ✓ | ✗ | ✗ | ✗ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ |
| Chubb | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✗ | ✓ | ✗ | ✗ |
| OCS | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ |
| Interserve | ✓ | ✗ | ✗ | ✗ | ✗ | ✓ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ |
| ISS | ✓ | ✗ | ✗ | ✗ | ✗ | ✓ | ✗ | ✗ | ✗ | ✓ | ✗ | ✓ |

The security market is growing steadily



Security market size by service excl. cash-in-transit and custodial services (£bn, 2013-22F)

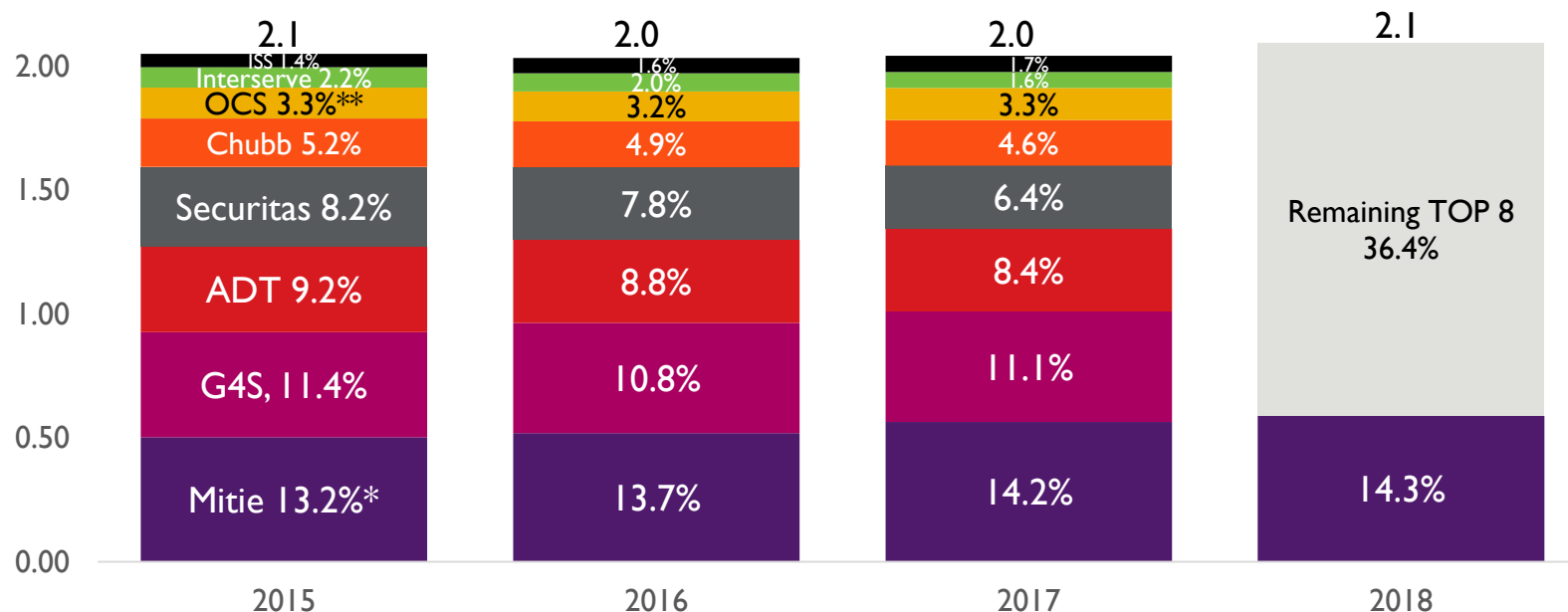


Source: Mintel Security report 2018.

Security Market Assessment



Revenue of top 8 players in Security market (£bn, % of addressable market, excluding cash-in-transit and custodial service, 2015-18)

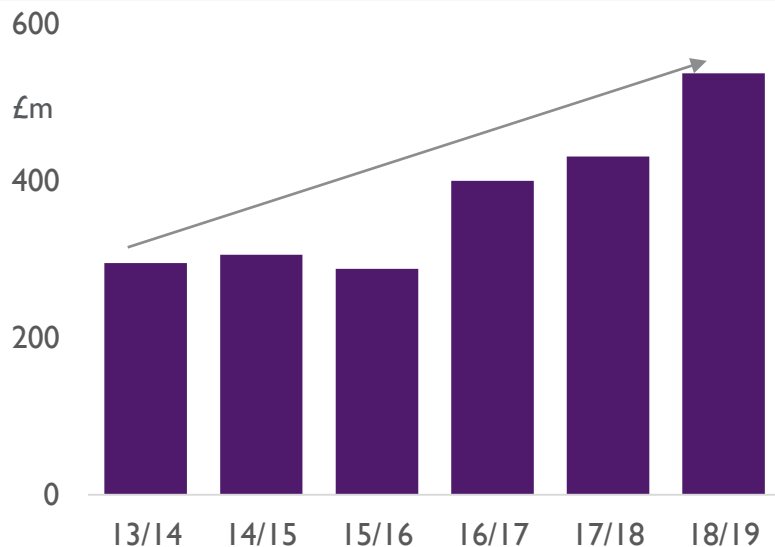


Note: Mitie includes VSG revenue throughout; where data are not available during period, estimate has been made based on total latest value known and company revenue growth rate
Source: Mintel Security report 2018; Company annual reports; Companies House

And is demonstrated by our strong revenue growth over the last three years



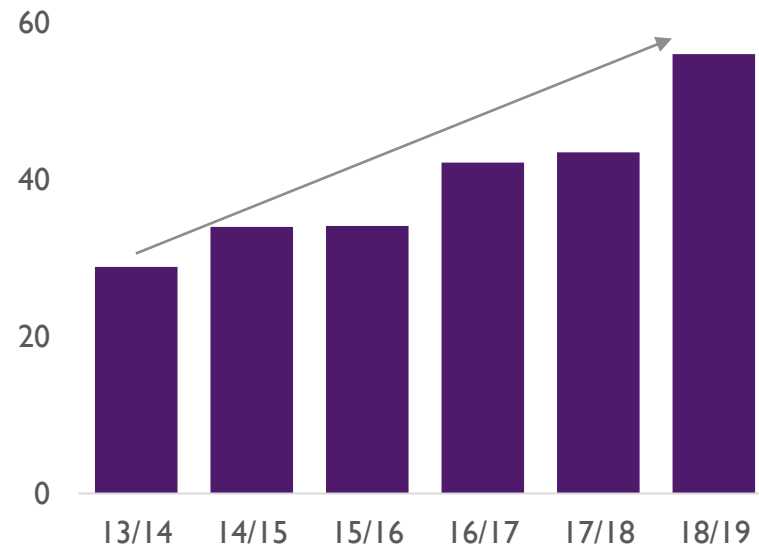
Security, Document Management,
Front of House and Vetting
Revenue, £m



Sainsbury's



Technology Services
Revenue, £m



Security has had a very clear strategic focus for the last three years to deliver this market-leading growth



Security has had a very clear strategic focus for the last three years to deliver this market-leading growth



Our Markets

Key Accounts Premium Service

Systems & Monitoring

Transformational national security contracts

Sectors;
Retail, Logistics, Transport, Aviation,
CSE (Nuclear), Public sector and Corporate



Relentless focus & building scale in specific sectors



By investing in high growth security segments of technology and Fire & Security Systems we are moving towards higher margin segments



Mitie is developing new services across technology and the broader business



We are continuing to significantly increase our customer base through our great service capabilities and understanding customer needs / relationships



By attracting and retaining the best people we are making security a stronger business

Security has had a very clear strategic focus for the last three years to deliver this market-leading growth



Relentless focus and building scale in specific targeted sectors



Number 1 in Retail & Logistics

FedEx
Sainsbury's

TNT

YODEL

IKEA

co op

B&Q

M&S
EST. 1884



Number 1 in Transport & Aviation

Heathrow
Making every journey better

EUROSTAR™

London City Airport

Bristol Airport

Belfast City Airport



Number 1 in Critical Secure Environments

AWE

Sellafield Ltd

npower

Westinghouse
Springfields Fuels Ltd

RWE



Number 1 in Corporate and Iconic Buildings

THE SHARD

LLOYD'S
LLOYD'S OF LONDON

Willis Towers Watson

AON

BNY MELLON

citibank
CREDIT SUISSE



Public Sector fastest growing sector



BANK OF ENGLAND



HM Revenue & Customs

NHS



Met Office

Security has had a very clear strategic focus for the last three years to deliver this market-leading growth



Security has had a very clear strategic focus for the last three years to deliver this market-leading growth



Market-leading technologies

Sector specific technology such as our Validate service

Industry leading MITEC alarm receiving centre

SMART to merlin Protect 24/7

Lone worker monitoring technology

Market-leading Fire and Security Systems business, top six player

Strategies

Defined proposition to target high end customers

Market-leading technologies

Risk-based deployment model and expanded use of analytics

Driving a reason to change for customers

Security has had a very clear strategic focus for the last three years to deliver this market-leading growth



Risk-based deployment model and expanded use of analytics

Introduction of client SOC's and crime centres, including M&S, B&Q, Sainsbury's/Argos and JLL.

Co-op guarding won based on our unique risk based deployment model utilising Merlin Protect 24/7 technology.

Co-op SOC agreement utilising latest technology including AI in CCTV

Analysis of crime trend and incident reporting informs deployment of store detectives

Intelligence sharing across communities including London and retail

Key client wins throughout past three years attributable to deployment model and use of analytics

Strategies

Defined proposition to target high end customers

Market-leading technologies

Risk-based deployment model and expanded use of analytics

Driving a reason to change for customers

Security has had a very clear strategic focus for the last three years to deliver this market-leading growth



Driving a reason to
change for customers

We provide the latest training to our people to mitigate risk for our clients and maintain the highest standards.

Offering counter terrorism expertise and running live exercising for clients to mitigate risks.

Providing risk analysis services such as penetration testing to provide customers with a complete picture of their risk profile

Developed industry leading intelligence services including our Global Security Operations Centre (GSOC)

Identified inefficiencies in clients' use of systems and processes to deliver holistic solutions that drive efficiencies and cost savings

Strategies

Defined proposition to target
high end customers

Market-leading technologies

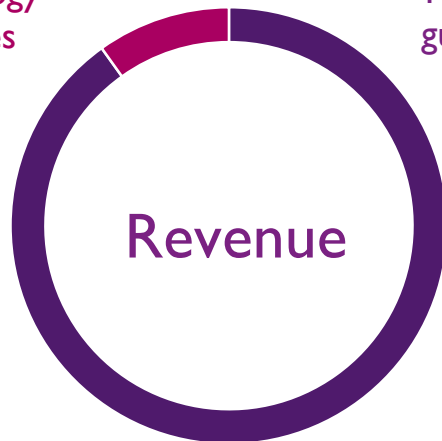
Risk-based deployment model and
expanded use of analytics

Driving a reason to
change for customers

By investing in high growth security segments of technology and Fire & Security Systems we are moving towards higher margin segments



Technology
Services
10%



Manned
guarding
90%

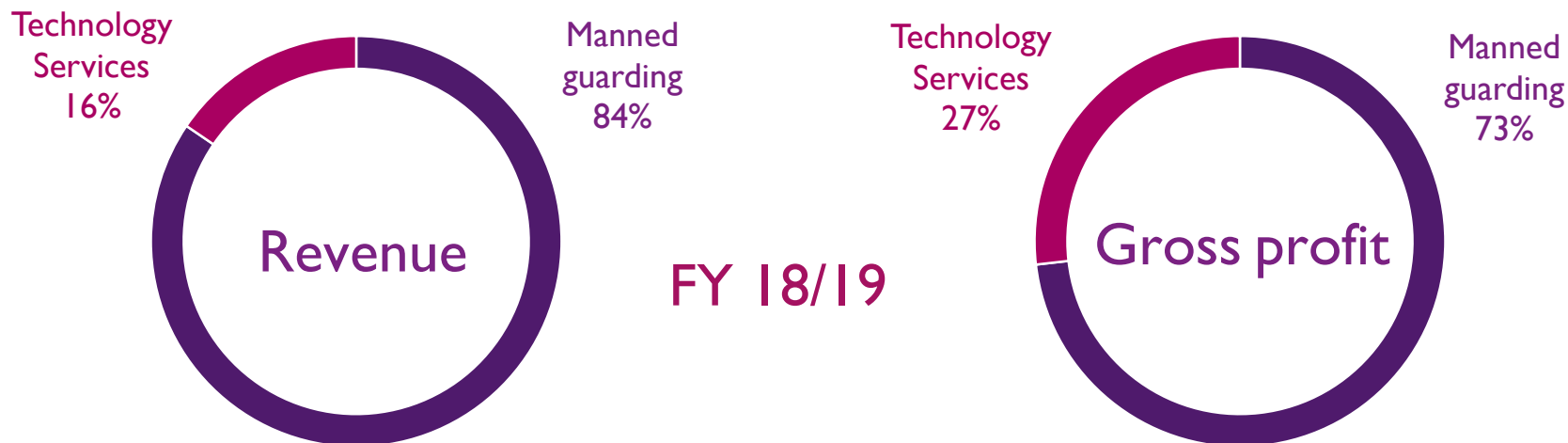
FY 13/14

Technology
Services
13%



Manned
guarding
87%

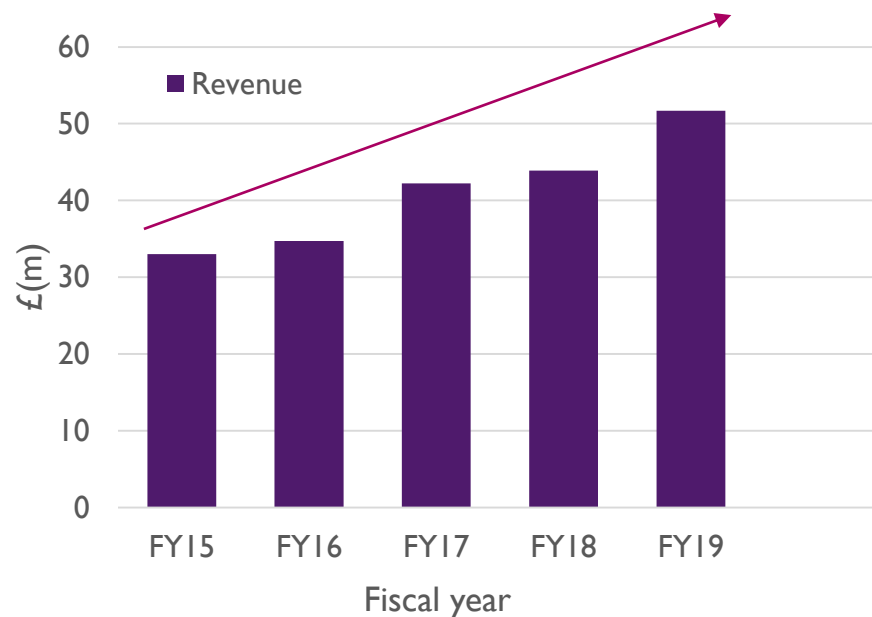
By investing in high growth security segments of technology and Fire & Security Systems we are moving towards higher margin segments



And this is reflected in strong YoY growth for Fire & Security systems over the last four years



YoY growth



Current Position

- Top 6 ranked provider in the UK with number 1 status for converged solutions and service delivery
- Intelligent systems and managed services led
- Leading position in key target market sectors with long-term multi-service line contracts
- Technological leadership access fire & life safety, security systems and remote services

Growth Drivers

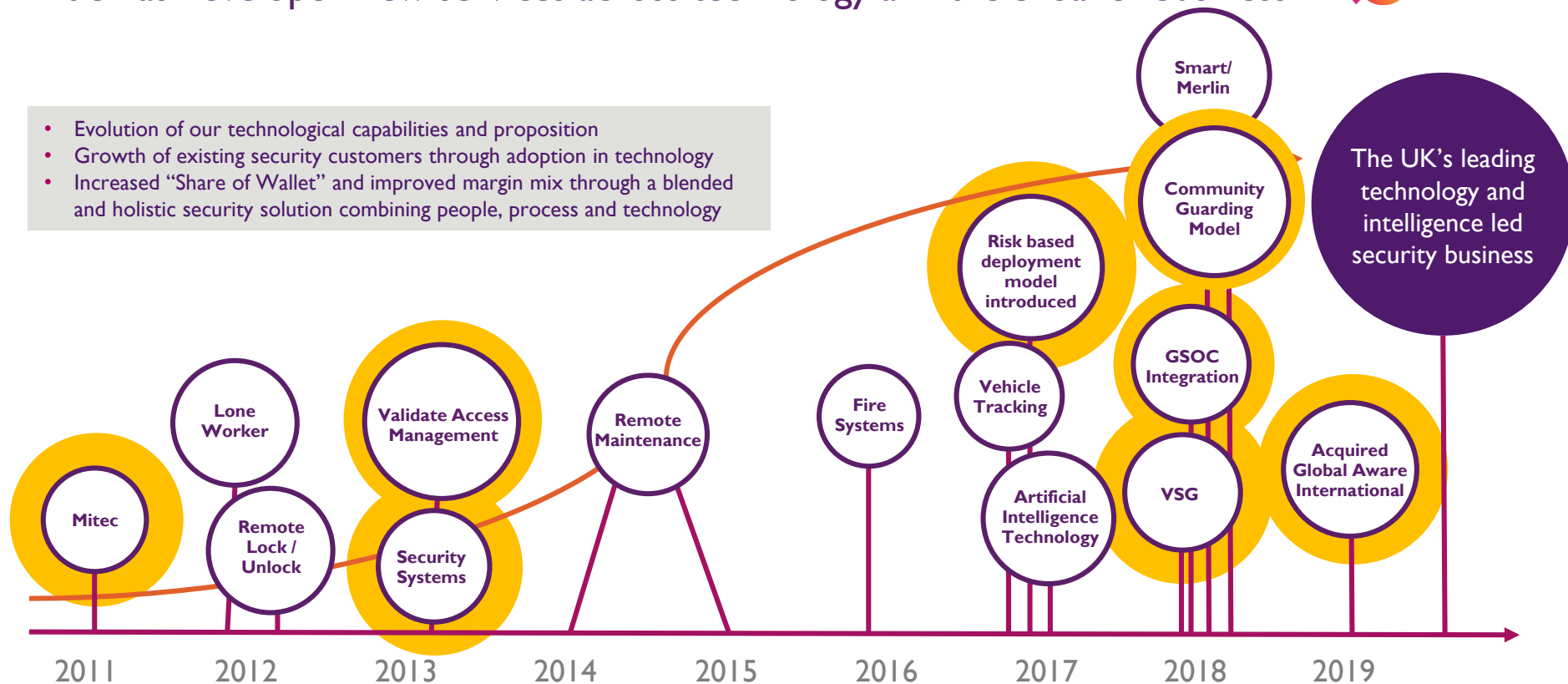
(past, present and future)

- Leveraging of wider Mitie Security and Group (e.g. IFM) business units to expand client base for growth
- Strengthened and complemented product / service offerings and operational delivery structure
- Growth underpinned by strong recurring revenue (maintenance and monitoring) and major projects in end-user and construction markets

Mitie has developed new services across technology and the broader business



- Evolution of our technological capabilities and proposition
- Growth of existing security customers through adoption in technology
- Increased “Share of Wallet” and improved margin mix through a blended and holistic security solution combining people, process and technology



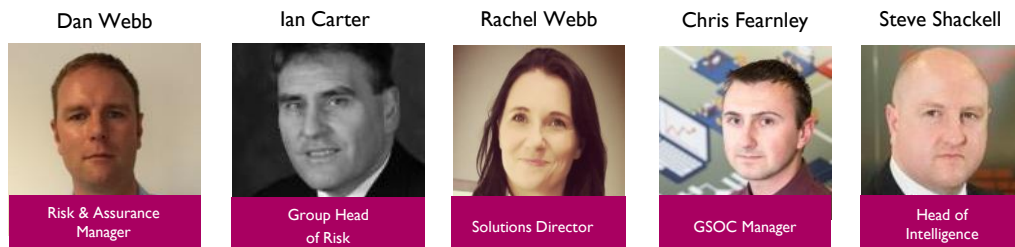
By attracting and retaining the best people we have made Security a stronger business



Stable and experienced leadership team



Ex-Military, Government and Police employees



Our future vision

Our strategy going forward is based on six key pillars



1

Continuing historically strong organic growth



2

Growing technology-enabled sales



3

Embedding new capabilities post acquisitions



A MITIE COMPANY



A MITIE COMPANY

4

Leveraging sector-based expertise



5

Targeting cross-selling opportunities and transforming strategic accounts



6

Pursuing scope acquisitions to supplement capabilities



I. Continuing historically strong organic growth will enable us to maintain our position as the leading UK technology and intelligence led security business



I

Continuing historically strong organic growth



1 in 3 bid win rate vs the industry average of 1 in 5



Win rate increases to 1 in 2 in specialist sectors such as retail and transport & aviation



Excellent customer retention rate 90%



Sector specialists and relationships that provide a strong sales engine



Focus on mutually beneficial commercial agreements



Consistently exceeding client KPIs and SLAs¹



National scale and breadth of service

2. Technology enabled sales will enable us to win and retain clients



2

**Growing
technology-
enabled sales**



Core services



Video Surveillance

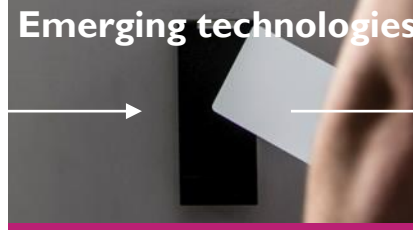


Fire Protection



Remote Monitoring

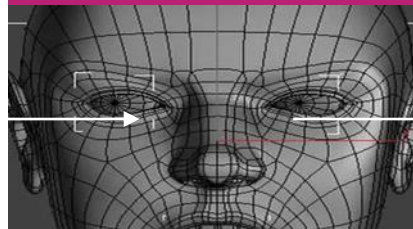
Emerging technologies



Analytics



Artificial Intelligence



Biometrics

Future state



3. Embedding new capabilities post acquisitions will significantly increase breadth & depth of service offering



3

Embedding new capabilities post acquisitions



A MITIE COMPANY

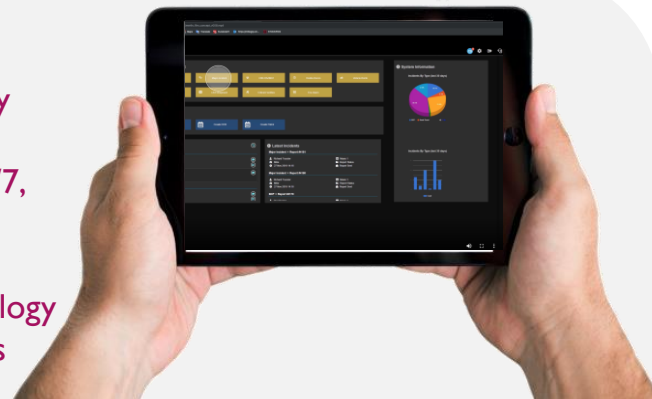


A MITIE COMPANY



Enhanced our intelligence offering with addition of GSOC services

Gained industry-leading proprietary software, Merlin Protect 24/7, enabling increased efficiency when developing technology services for clients



Continuous analysis of risks, driving priority of monitoring

Proactive **Artificial Intelligence** service warning security personnel of potential threats to location

Portfolio dashboard displays national protection vs risk picture

Merlin reduces instant reporting time by 50%

Automatic real-time incident, crime and trend analysis across your portfolio

Reports completed in under 20 seconds

4a. With our prominent position in retail and public space, we have enhanced our capabilities and introduced new innovative processes



4a

Leveraging
sector-based
expertise



Crime Centres



Security Operations Centres



National Incident
Communications Centres



People

Scale

Technology

Intelligence

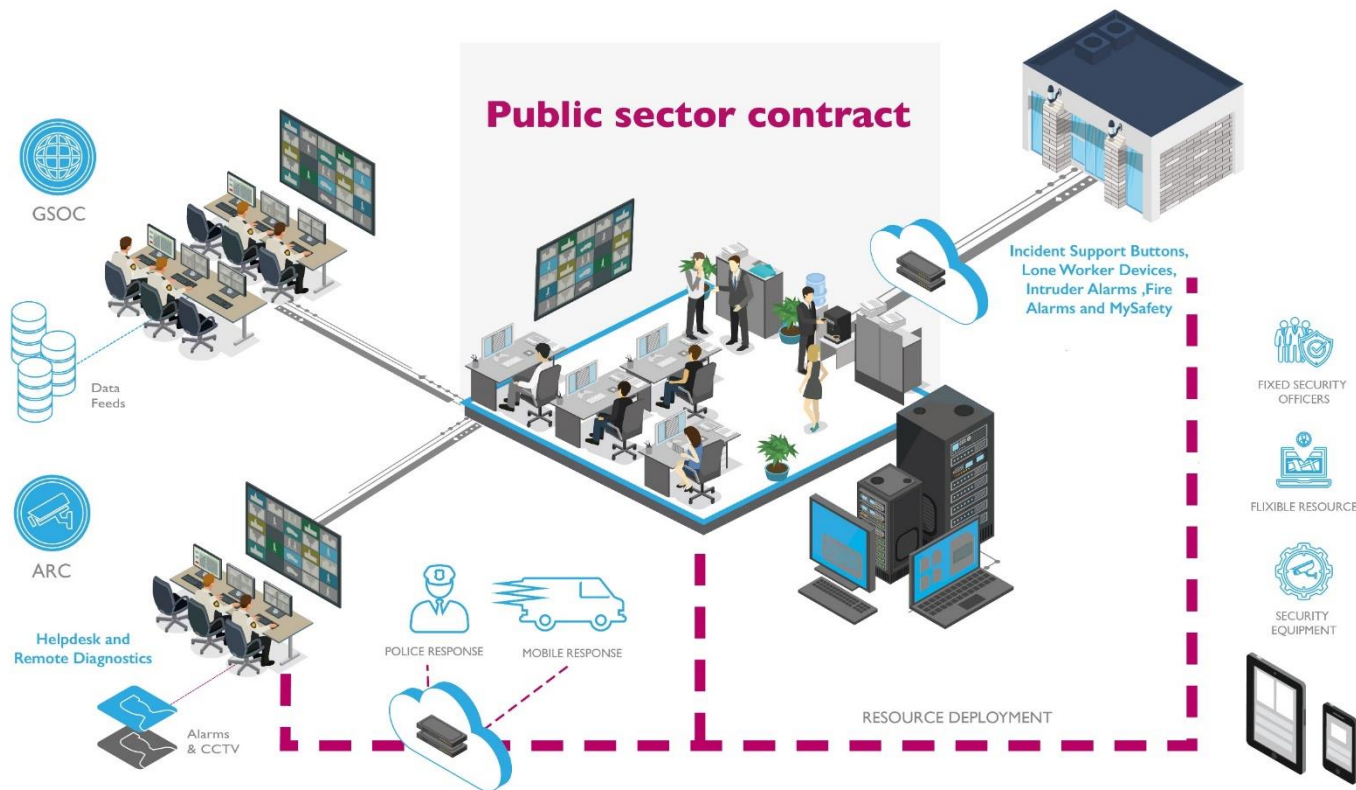
Fire & Security Systems

4b. Our new partnership demonstrates the convergence of multiple service lines through the introduction of technologies

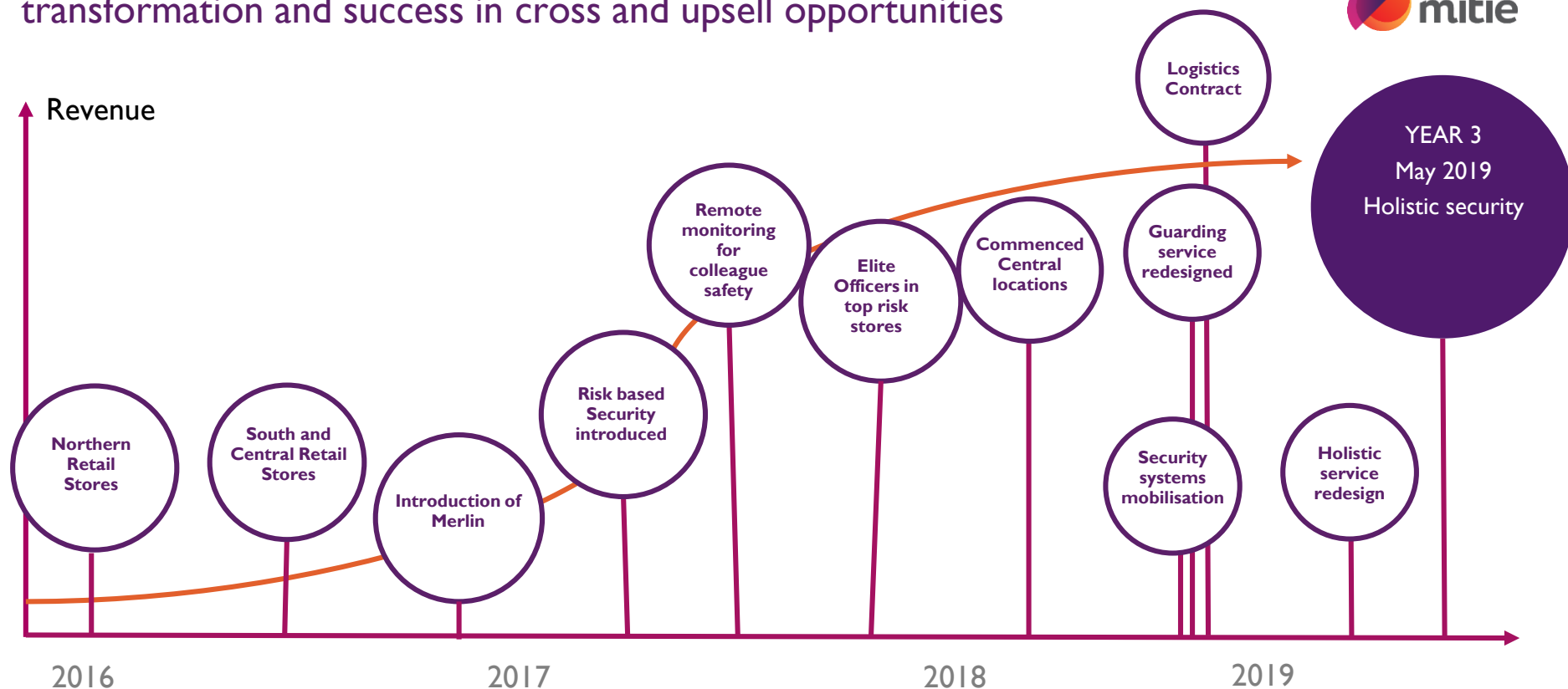


4b

Leveraging sector-based expertise



5. The Mitie and Sainsbury's Partnership demonstrates strategic account transformation and success in cross and upsell opportunities



We have a strong brand and clear identity



“We are an **intelligence-led** security business. We know the best way to create **safe and secure environments for our customers**, is by combining the deep expertise of our people, whilst harnessing the power of our systems, and deploying the best technology. Translating **operational data into meaningful insights**, gives our people the **actionable intelligence** to deliver effective security solutions, in the right place and at the right time.”

Key messages:



1. Our people have an unrivalled ability to identify and prioritise external threats to our customers.



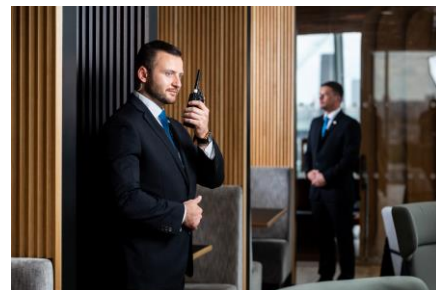
3. The intelligence we gather helps our people deploy the right resources in the right places at the right times.



2. Our technology and systems enable our people to generate insights for our customers from operational data.



4. Our security officers are trained, managed, informed and equipped to ensure they can respond efficiently and effectively when threats arise.



We have a clear vision for the future of Security

Improved productivity through AI & machine learning

Security a vital business enabler

Workspaces of the future

Ability to demonstrate tangible ROI

Increased influence within Government & Public Services

Medium-term margin target: contribution from Business Services



Medium-term **group** margin target of 4.5% - 5.5%

Margin uplift components

| | | | |
|------------------------|--------------|----------|---------------|
| Project Forte | 40bps | - | 70bps |
| SAM optimisation | 5bps | - | 15bps |
| Procurement | 15bps | - | 30bps |
| Technology penetration | 5bps | - | 15bps |
| Business Services | 10bps | - | 30bps |
| Process simplification | 5bps | - | 20bps |
| Total uplift | 80bps | - | 180bps |

- Cross-selling opportunities
- Standardise way of working
- Back-office synergy savings

MITIE: DELIVERING THE EXCEPTIONAL EVERY DAY



Specialist Services

Presenter

Peter Dickinson, Chief of Staff
and General Counsel



Strong position in target market in Care & Custody, Top 5 in Landscapes and niche but differentiated position in the Waste segment



Niche markets and strong margins

Good top-line growth



Care & Custody

IRC/FME



Landscapes

National footprint



Waste

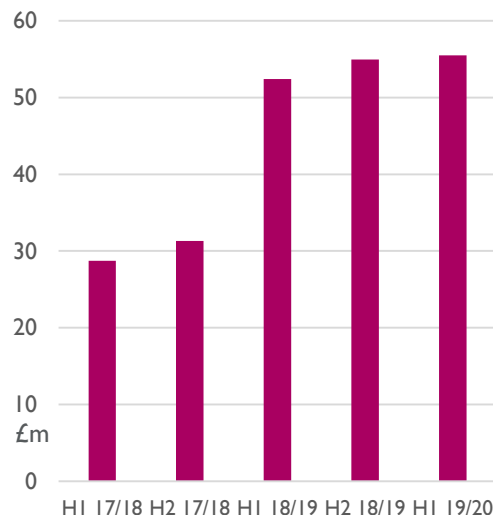
Consultancy services

... but with strong revenue growth and margins versus the rest of Mitie business



Care & Custody

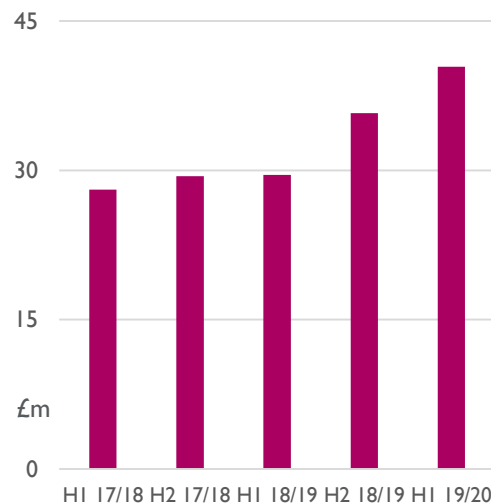
Revenue CAGR¹=39%



HI 19/20 EBIT² margin=7.4%

Waste

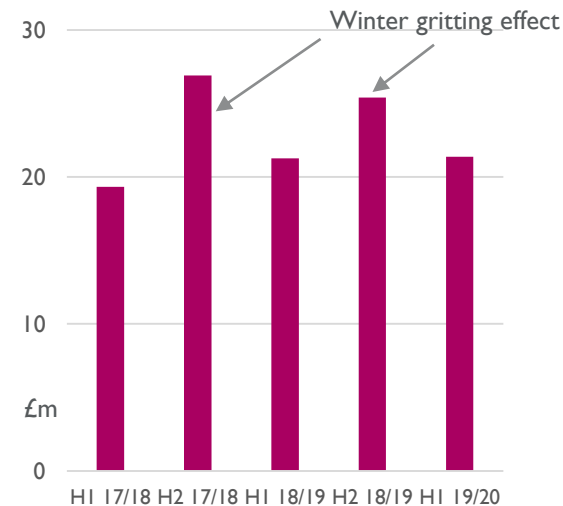
Revenue CAGR¹=19%



HI 19/20 EBIT² margin=9.5%

Landscapes

Revenue CAGR¹=5%



Annualised EBIT² margin=c.20%

Care & Custody



- 3 market segments: Immigration, Justice and Health
- Credibility and reference 'ticket' for Crown Commercial Services Frameworks
- Exceptional customer relationships (NPS: +75)
- Outstanding reputation for service delivery with core client base
- Market leader in core markets
- Great brand, in a market with very few credible competitors
- Wide range of future opportunities



Home Office

Waste



- Unique service offering
- 70 degree standard qualified Chemists
- Targeting large scale existing Mitie customers for cross-sell opportunities
- Growth potential given long-term corporate sustainability-focus trends
- Plan Zero – a new Mitie Initiative

‘One Mitie’



Landscapes



- Top 5 UK landscaping services provider with national delivery capability
- Differentiated operating model enabling high asset utilisation and driving competitive cost structure and market-leading margins
- Broad self-delivered service offering with underlying seasonality hedging
- Winter services – balanced portfolio of fixed price contracts and pay-as-you-go contracts
- Loyal blue-chip customer base overseen by best in class account management team, with successful track record of contract retention and scope expansion
- Primarily private sector focused (81% of revenues), with strong presence in the managing agents' sector (51% of revenues) and good overlap with Mitie core clients (40%)



MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY



Capability Development

“The Mitie Way” of Managing Change

David Cooper, Chief Transformation
& Technology Officer

10 December 2019

Mitie IT Capability Transformation



-
- Recruited a new **strong IS team**
 - **Standardising** on a smaller set of technologies and platforms
 - Migrated to a **strategic outsource partner**, Wipro
 - Introduced a **Service Management Regime** and **robust contract renegotiations**
 - **New governance**, compliance, QA and adherence to legal, audit and regulatory standards
 - **GDPR embedded** as part of the business and IT controls framework and operations
 - Now Mitie's comprehensive cybersecurity capability has enabled Mitie to become a **CE+ compliant company and ISO 27001 certified**
 - **New IoT capability and Connected Workspace products (Sainsbury's, RR...)**
-



Reduced cost-to-serve, flexible cost base, deliver service excellence, increased digitalisation of Mitie

IS Transformation of Mitie's IS People and Systems



Core systems moved to the **Cloud** to deliver scalability & resilience at a lower cost

- SAP ERP, Finance data warehouse, Waste, Cash, Genpact VDI, Hyperion, RPA ...

Born in the **Cloud**

- Data Lake, Connected Workspace, Mozaic, Dashboards, Aria ...

Procured **SAAS Cloud** for functionality and flexibility

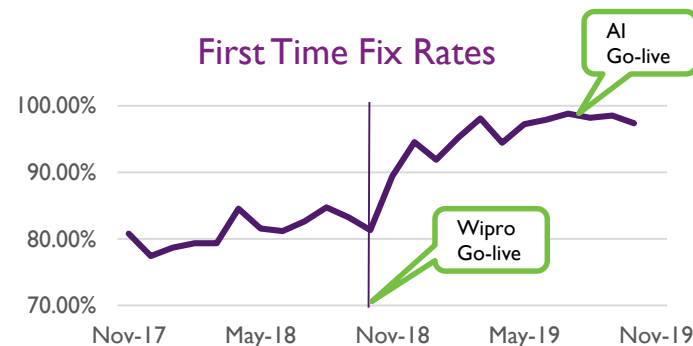
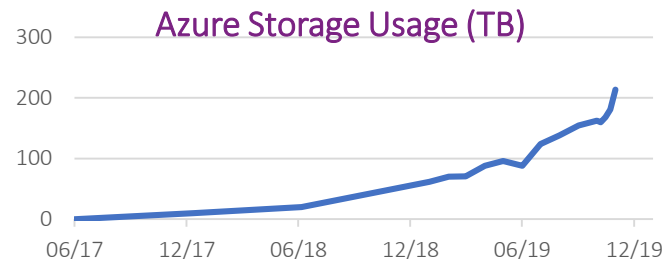
- SuccessFactors, Concur, APIM, O365, Microsoft Mobility & Security

Single Desktop

- Single Windows 10 image, latest Office suite

Transition from in-house fixed cost base to Wipro Partnership

- Applications maintenance moved offshore with a 45% labour cost saving moving from 8am-5pm support to 24/7 and significantly improved service levels
- Applications Development moved to a dev/sec/ops mixed onshore/offshore model with no minimum commitment



Business Applications Strategy & Capability



Principles

- Reduce the number of applications
- Leverage the existing portfolio
- Introduce new technology to transform
 - Customer experience
 - Democratised the data
 - Simplify integration

SalesForce
(8 to 1)

SAP
(Rationalised
finance systems)

API
Management

O365
Apps

Success
Factors

Data
Lake

Mobility
& Security

Concur

PowerBI

Click

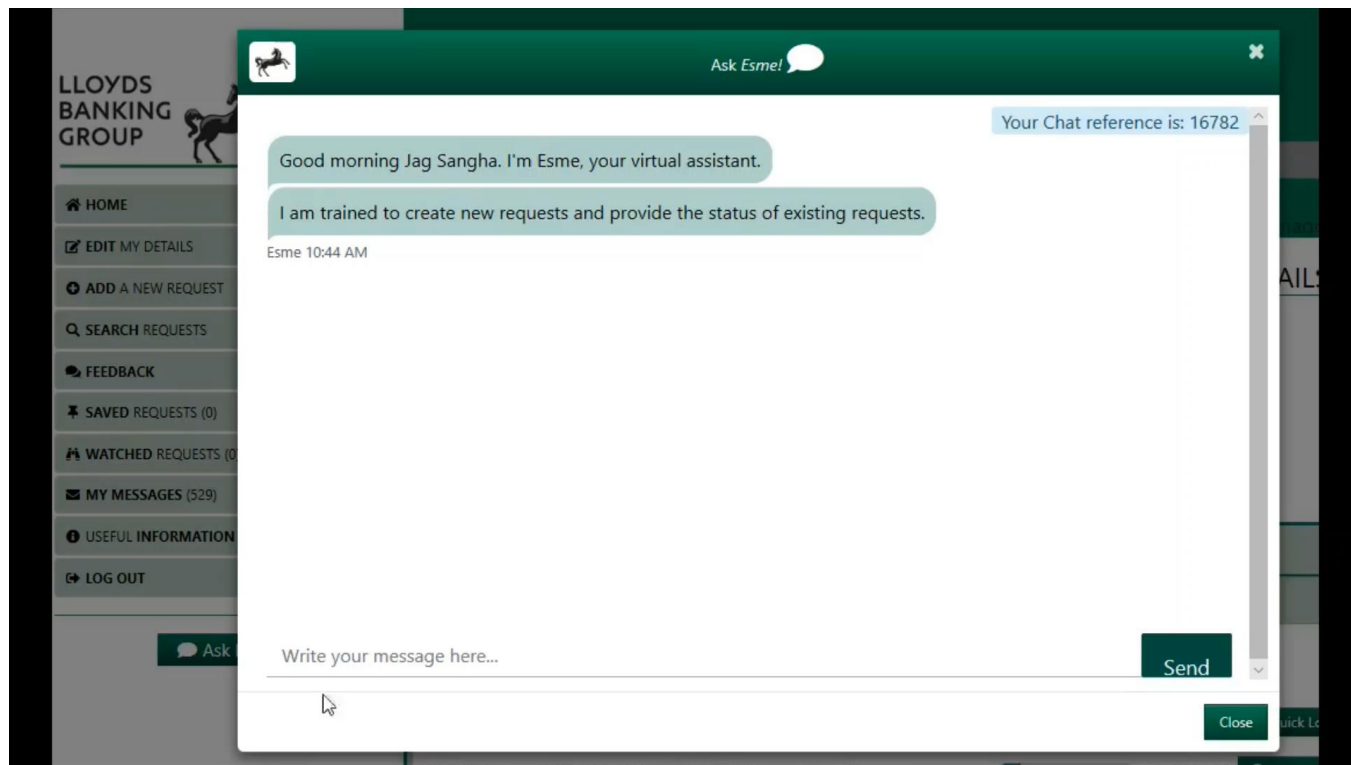
Smart
Recruiters

AI Chatbot
(ESME)

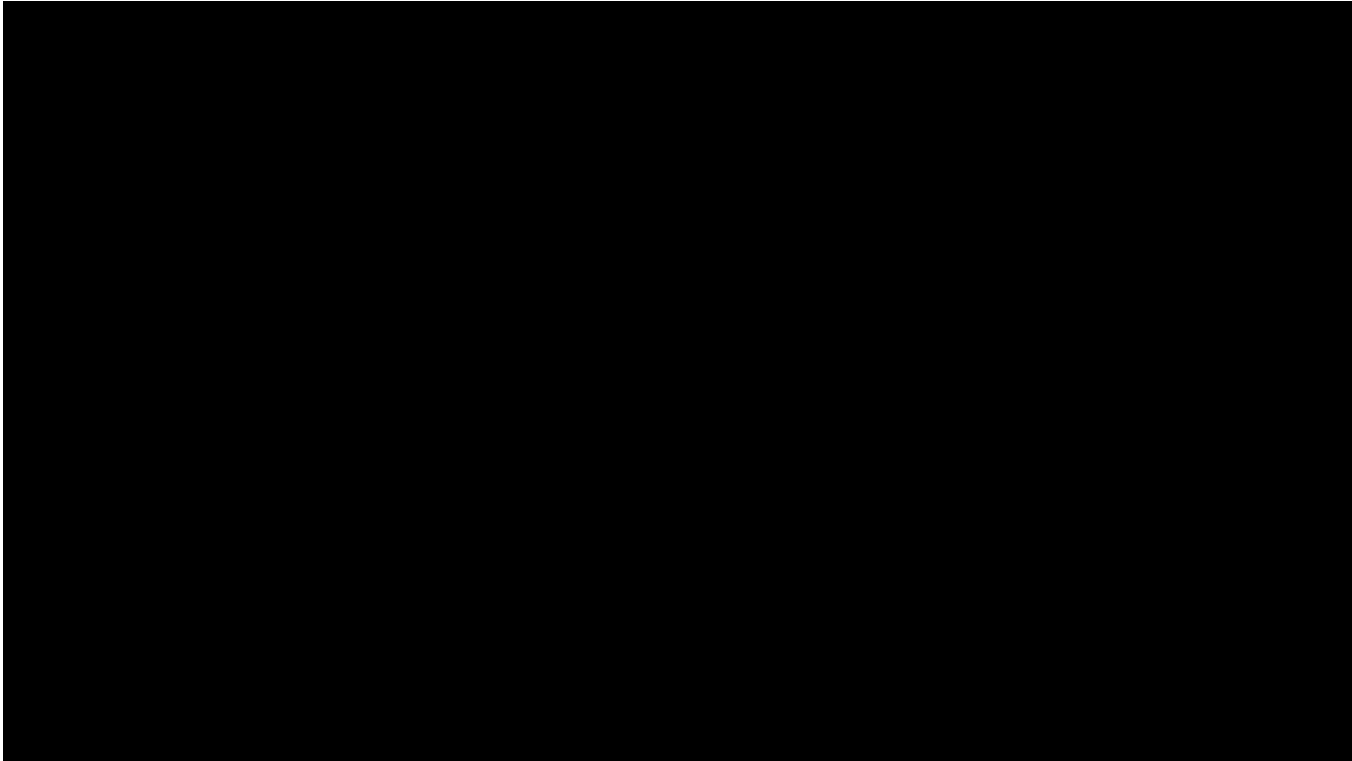
AI Chatbot for Customer Service (ESME)



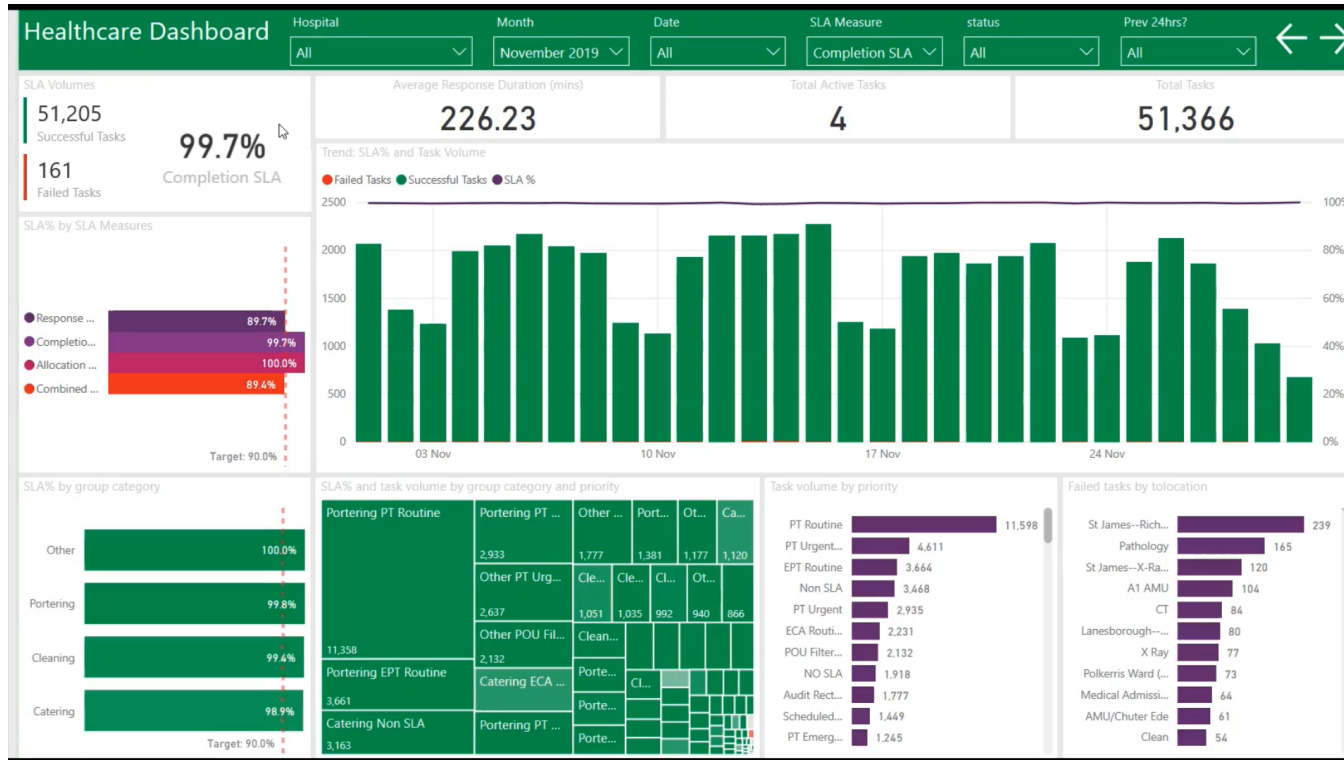
- People generally prefer to self serve
- Available at times of greatest need (e.g. snowing)
- Call Centres are a significant cost and variable quality
- AI more reproducible and improved outcomes



Real-time dashboards – Waste



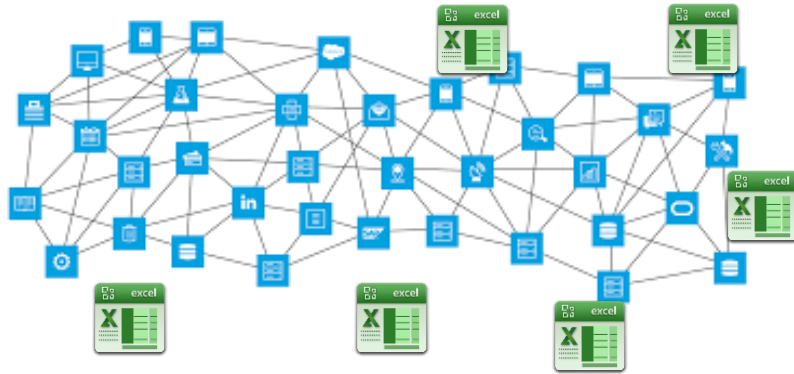
Real-time dashboards – Healthcare



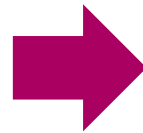
Open API Approach for internal systems and customer integration



- Standard, simple, secure connections of systems both within Mitie and to Customers
- Uses Microsoft Azure API Management cloud functionality
- Cheaper and faster to implement



Old internal integration – bespoke and often manual



New model – Microsoft API Management

Simplifying Mitie

**Who**

Quality Improvement Council

Steering Groups

Where

Property



Payroll

Operational
ExcellenceQIC
FinanceModernising
Finance

FORTE

Working
Capital**How**Process visibility and
accountabilityCulture of improvement
and speaking upSystem and data
improvements**Why**Fit for
Purpose**Easier**
to do our jobOperational
Excellence**Better serve**
Our customers

Delivering the exceptional, every day

Quality Improvement Council



- Mitie in the past has put in a number of systems but the process, data and people caused an under-delivery of benefits
- **GIVE A MAN** a fish and you feed him for a day. Teach him how to fish and you feed him for his lifetime.
- We are reviewing the end to end efficiency of the processes to minimise the number of exceptions and significantly increase the efficiency

Driving future efficiencies and leveraging past investments



- Further increase the levels of system use/automation associated with PTP, OTC and RTR processes will save significant amounts of cost and time
- Streamline the HR and payroll processes
- Moving from our Private Cloud Hosting to Public Cloud to further reduce costs
- Leverage additional Cloud technology with pay per use models, i.e. Amazon Connect
- Further use of RPA
- Driving more gig economy solutions, i.e. InTouch

MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY



Capability Development

“The Mitie Way” of winning in sales

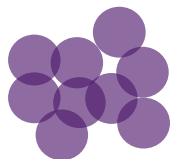
Simon Venn, Chief Government
& Strategy Officer

10 December 2019

We have built strong foundations in sales and marketing...



We have moved from a siloed, fragmented sales capability to a strategic, focused one...



Fragmented

Pre-FY 17/18

Sales capability

Siloed businesses

- Low levels of governance
- Low quality reactive bidding

Strategic account management

Minimal focus and accountability

- Poor MI and customer insight with no mechanism for feedback or improvement

Government

No relationship with government

Marketing

Ad hoc communication approach

- Minimal digital content and channels

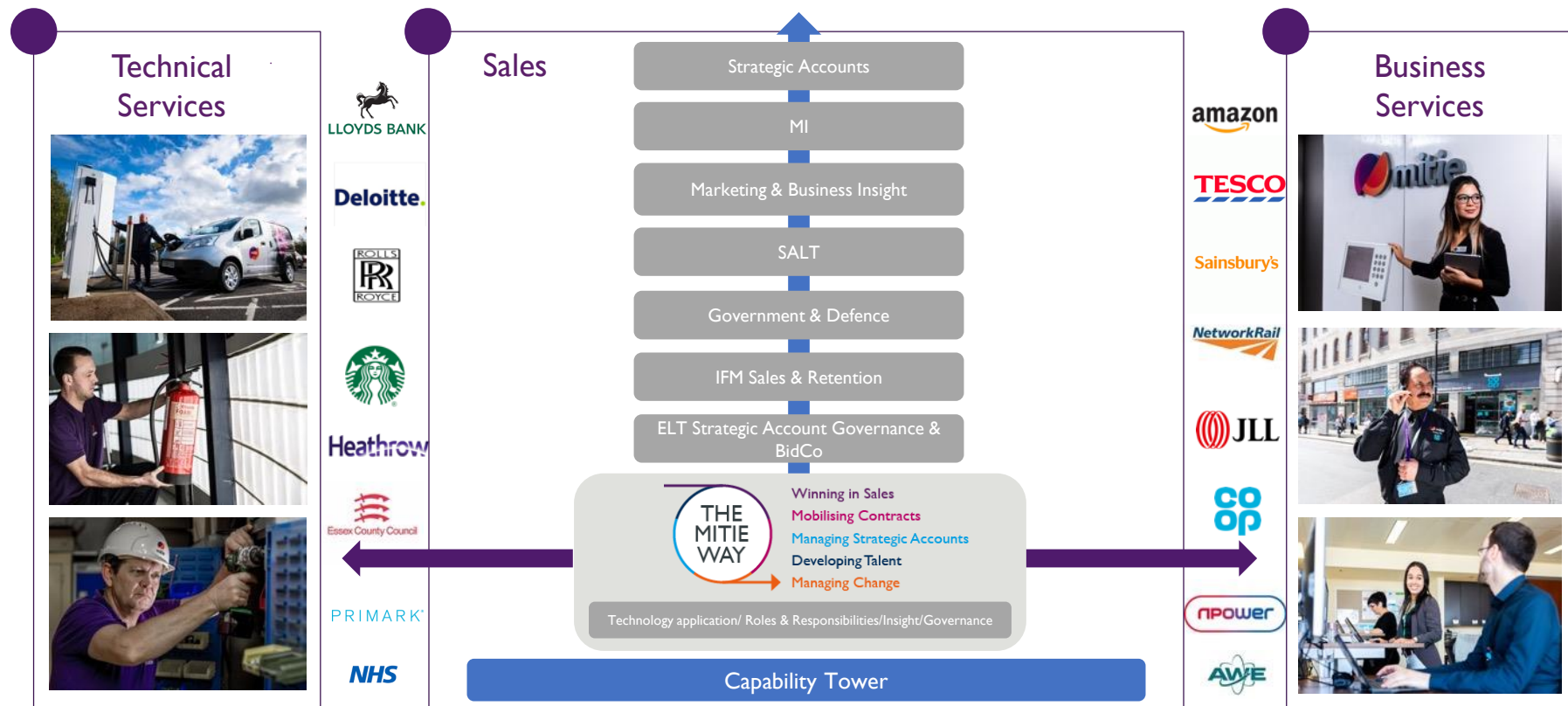


Simplified

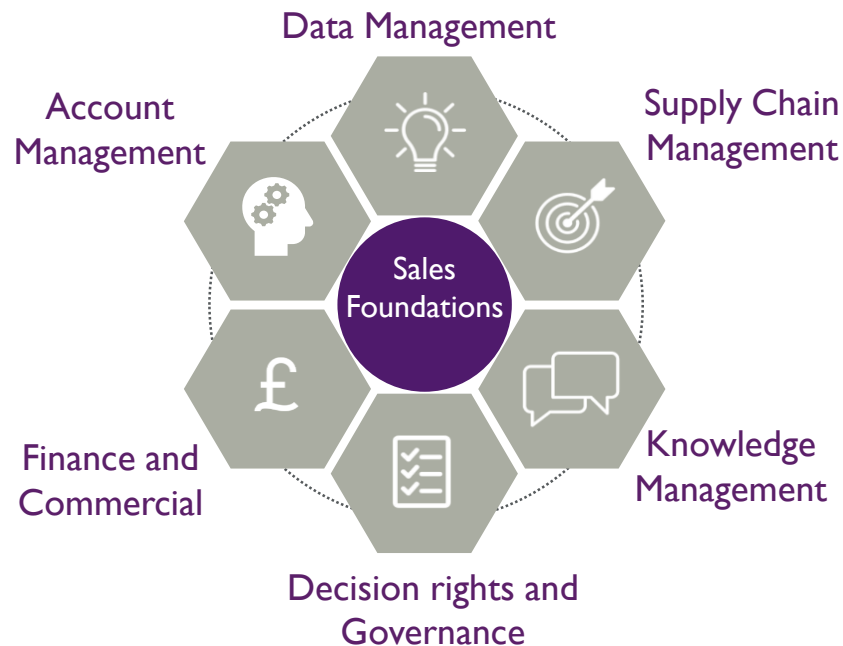
FY 19/20

- “One Mitie” with single SaLT and upgrade in commercial talent
- High levels of governance and commercial rigour (BidCo, SAR, RAID etc)
- Increased quality (Bid Library, Bid Perfect, Miller Heiman, NPS)
- Launched Mitie Sales Academy
- Early market/customer engagement with better MI
- Implemented Strategic Account Management
- Insight led bids and value propositions backed by technology and data analytics
- Building public sector reputation & market share through CCS Framework
- Campaign based marketing with digital at its core

...with a tower of capability that binds our business together as “One Mitie”...



This provides the foundations for accelerated value creation as well as defining “The Mitie Way”...



- Accurate and growing pipeline
- Strong retention rates
- NPS improvement over 2 years from -27 to +12
- Our Strategic Accounts deliver 60% of revenue

Our new Strategic Account Management approach enables us to “fish where the fish are” whilst improving service delivery...



Inputs

- Single point of accountability
- Empowered
- Build trust & customer advocacy
- Responsible for service delivery
- Reduce risk
- Create a high performance environment for account team



Outcomes

- Best in class customer relationships
- SAM NPS is improving FY 17/18 -21 to today's + 43
- Faster response to opportunities and customer issues
- Improved retention and tenure
- Market success – GSK, BMW
- Business case
- Differentiated account growth at 10%
- Improved cost control yielding +/- £5m pa

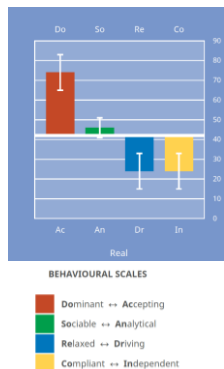
Key to our customer vision and business performance

...investing in the development of our Strategic Account Managers ensures we remain “World Class”...



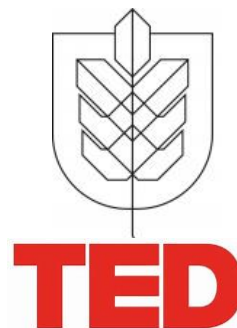
Assessment

- Framework built from Exec, HiPo and client view of “World Class” SAM
- HiPo population profiled to define psychometric ideal
- Comprehensive assessment completed including competency-based interviews with Exec and GLT



Development

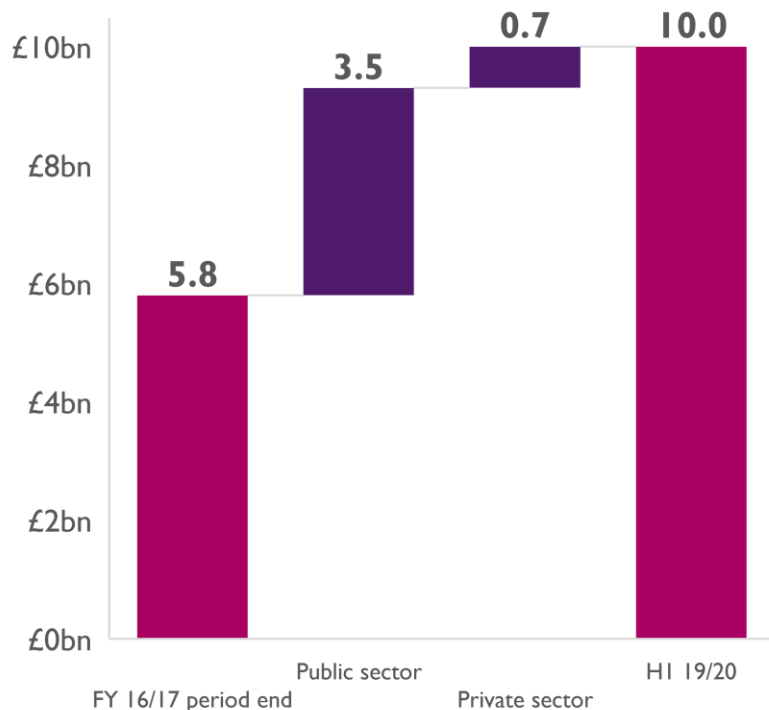
- Online **academy interactive toolkit** created focusing on development of each competency
- Individually curated Performance Development Plans
- A tailored portal developed by **Ashridge Executive Education**
- Access to **London Business Forum** seminars



All of which is driving growth in our pipeline...



Pipeline growth, adjusted for disposals



- Material increase in like-for-like pipeline growth
- Increase driven by public sector and qualification as a supplier on frameworks
- £0.9bn at BAFO
- Strong win rates at 50%+
- Retention rates at 90%+



BANK OF ENGLAND



MANCHESTER CITY COUNCIL



HM Revenue & Customs



...we have built a really strong strategic government relationship...



Post-Carillion, new era

- New Outsourcing Playbook
- Balanced transfer of risk
- Improved evaluation – value



Cabinet Office view

- Strategic supplier
- Strong UK FM reputation
- Solid financial status



Competitors in difficulty

- Issues with financial stability
- Interserve/Amey challenges
- Kier FM not bidding



↑ Revenue,
profit &
market sector
reputation

Mitie strengths

- Private sector innovation
- Digital & technological
- Social Value



...and, as a result, we have secured a place on major CCS government frameworks...



FM framework (RM3830) – £12.0bn

Covers all FM services including: M&E, cleaning, security



Defence framework (RM6089) – £6.0bn

Covers all FM services into DIO estate led by M&E



Security framework (RM6089) – £1.5bn

Covers all security services



Prison Operator Services framework – £1.5bn

Covers FM & custodial services into Prison estate



We are currently bidding for RM 6155 framework
(provision of training estate services)



... which is underpinned by a world-class marketing capability



From minimal marketing infrastructure to a comprehensive digital approach

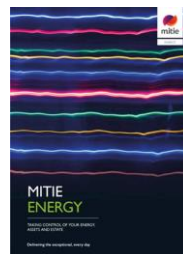
- Digital infrastructure in place (Pardot, Salesforce, Website relaunch imminent)
- Measurement systems in place (google and platform analytics, Hootsuite, Brandwatch)
- Step-up in social media communication (10-15 posts per week, 47% yoy increase in twitter followers; 29% increase in LinkedIn followers, highest engagement in the industry at 3.5%)

From exclusive focus on physical marketing assets to a full range of high quality assets

- Assets include conferences, brochures, thought pieces, organic and paid social media, sponsorships, videos, influencers, programmes, blogs, podcasts
- World-class marketing partners; Microsoft, Red Bull, Army Rugby Union
- “These are easily the best partnership videos we have ever seen...”

From isolated marketing events to a 360 campaign-based approach

- 3 successful campaigns (Connected Workspace, Energy, Defence) which generated c.5m impressions and 175 leads



MITIE: DELIVERING THE EXCEPTIONAL, EVERY DAY



Capability Development

The Mitie Way of Developing Talent

Jo Davis, Group HR Director

10 December 2019



Building core underlying HR systems and capability enhancing programmes ...



Core to our talent strategy is ensuring we have the **right people, in the right roles** with the **tools** to do their job and the **ability to learn and develop** their career within Mitie.



People Hub

'One-stop-shop' for everything people

End-to-end digital journeys

People processes managed in real time

Data easily accessible

Self-service model – employees can update personal information online – reducing paper forms

Team visibility – easily managing tasks – such as approving annual leave



Learning Hub

Online learning portal providing access to a host of online learning

Defined learning journeys, delivered on demand, by skill type

Drives individualisation, supporting the social nature of learning

Self-directed and seamless learning experiences

Ensures mandatory learning and tracks compliance



Talent Hub

Leading-edge 'cloud' technology

Addressing critical resourcing challenges in new and imaginative ways

Enabling internal mobility

Building career journeys and creating opportunities for our people to grow and develop

Transforming the way we interact and engage with our workforce – our employee experience matters

Greater emphasis on understanding our talent

... leading to material improvement in employee engagement



Employee engagement



Employee engagement improved to **45%** from **33%** last year

UPLOAD
You said. We did.



Exceptional Magazine



The Mitie Download



Chord – BAME

Mitie Military

Proud to Be

Generations

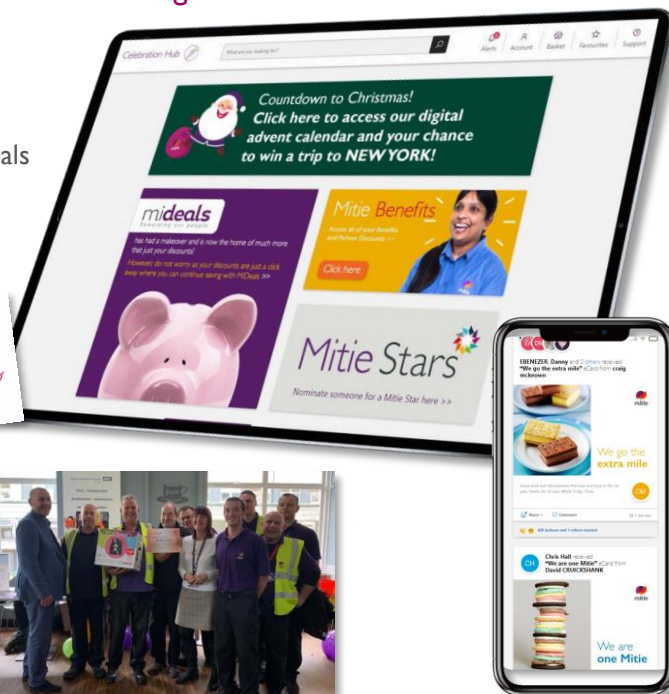
Engender

Enable

Celebration Hub

Our one-stop-shop for reward and recognition at Mitie:

- E-cards
- Birthday Cards
- Long Service awards
- Deals and discounts – Mideals
- Wellbeing centre
- Values 'thank you cards'
- Social Recognition Wall



Developing a Social Value ethos across the business



Mission:

To consider ways in which we can **maximise social value** in both our day-to-day business operations and every partnership that we create, to **benefit individuals, communities, supply chains and the environment**.

2030 Commitments:

We will always employ colleagues from the **local community first**

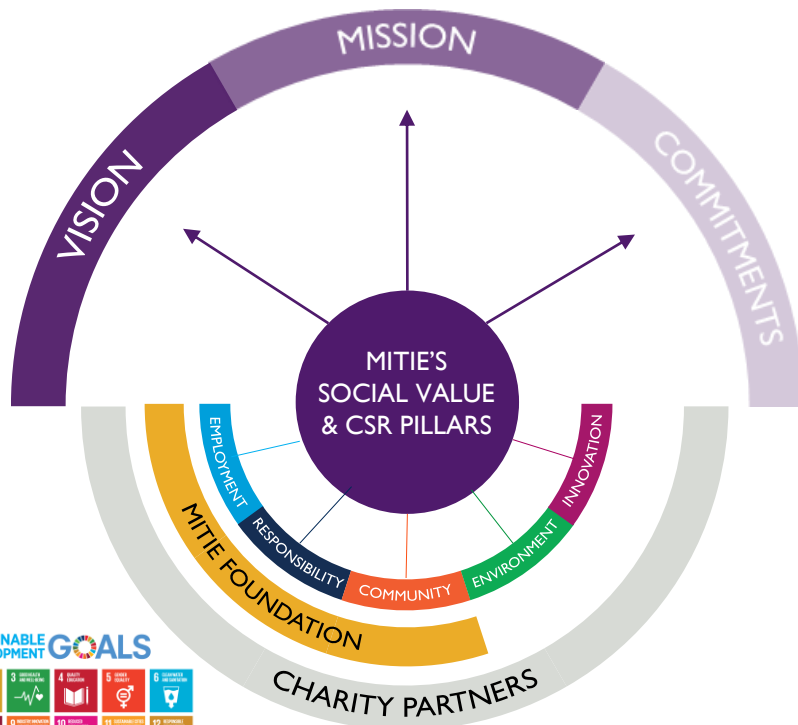
We will **support SMEs** and voluntary, community and social enterprise organisations

We will **create safer communities** for our customers and neighbours

We will find new and inspired ways of delivering **social value through innovation and fresh thinking**

We will **protect and consider the environment**, and by 2030 we propose to...

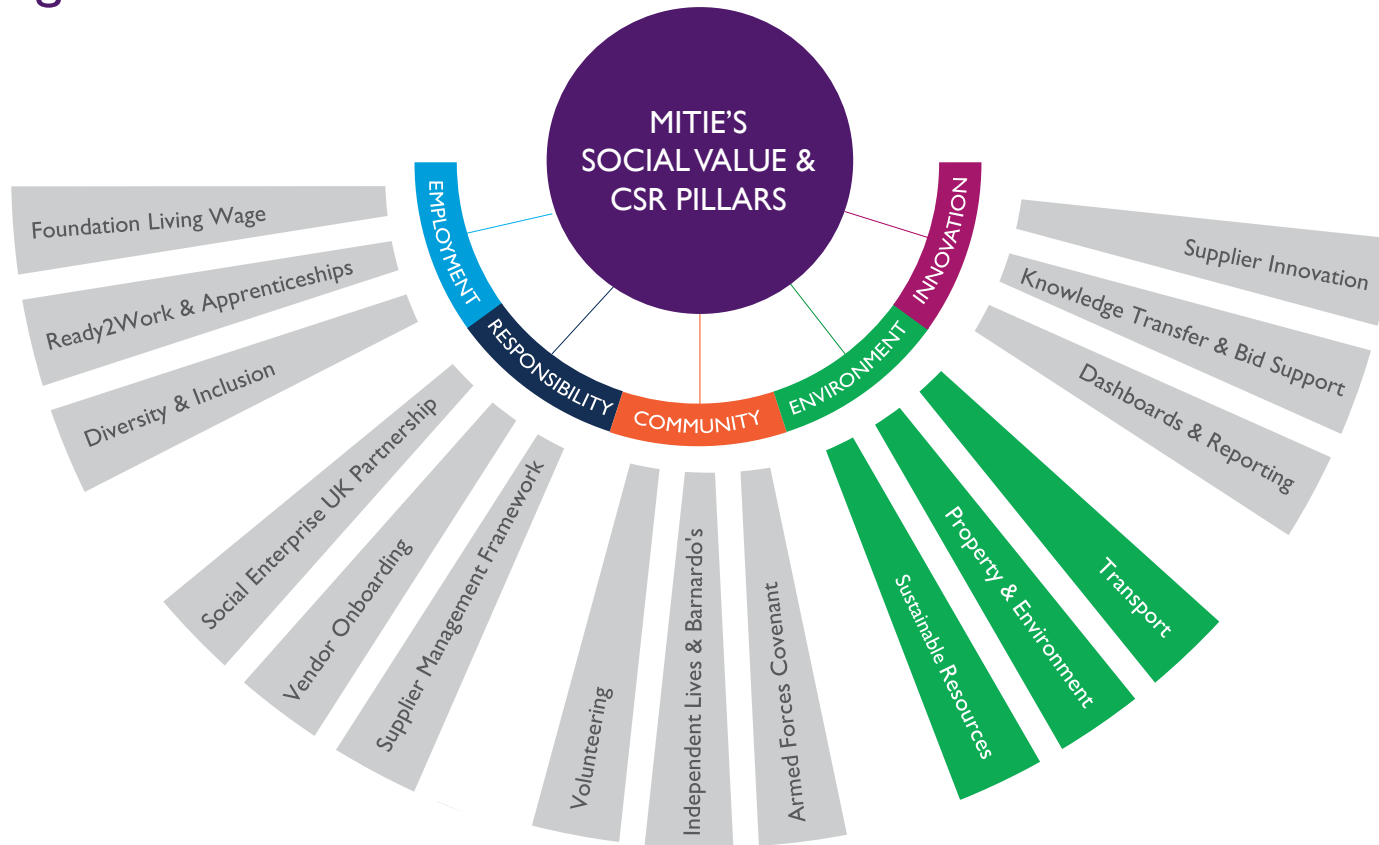
- Reduce our **carbon footprint** by 50%
- Have ecological enhancement improvement and **water reduction plans** in place for 100% of the Mitie estate
- **Reduce resource** use by 50%
- Achieve a Mitie-wide **recycling rate** of 80%
- Operate 100% of contracts against a **Sustainability Improvement Plan**
- Operate a fleet comprised of 100% **non-petrol or diesel vehicles**



SUSTAINABLE DEVELOPMENT GOALS



Developing a Social Value ethos across the business



An environmental focus



3,700



Tonnes of carbon saved by Mitie in the last two years

81%



Carbon Trust Standard (highest in our sector)

20%

of vans and cars to be electric by 2020



Development

eLearning platform

- Social Value
- Energy
- Waste
- Water



37.4%

reduction in carbon emissions (a year ahead of 2020 target)



62,304

tonnes of card and paper recycled



Contracted over

10TWh

of renewable energy for our customers



EV100

Joined EV100, one of only 50 organisations in the world.

Launched first

100

electric cars



ISO50001

Certified Energy Management Standard for Mitie Energy

Saved over

544GWh

of energy which equates to £49M (High street bank)



Creating a 'Mitie way' to enable a consistent and best practice approach across the business



The Mitie way of developing talent...

Recruit

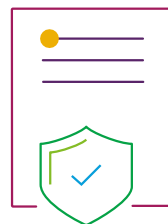
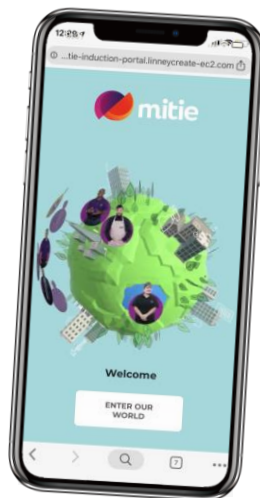
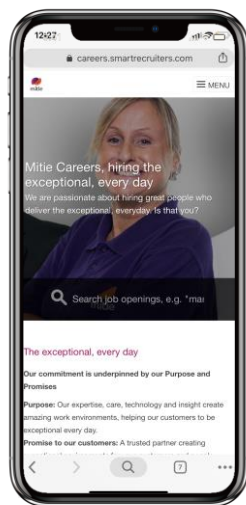
Onboard & Induction

Training

People Management

Talent Mapping & Career Paths

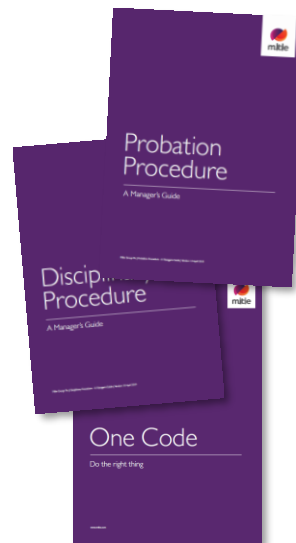
Offboarding



Licence to Operate



Licence to Lead



There's much to shout about as our cultural transformation nears completion...



5,753

People are part of an incentive scheme



2,604

people received a Mitie stars award



2,226

People employed above the current UK retirement age of 65



64%

of our Managers have completed the Licence to Lead course



2.2% 24%

reduction in gender pay gap

reduction in mean bonus pay gap

15,218

people completed our upload survey

£400K

Total savings for our colleagues on MiDeals



12%

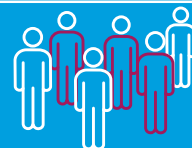
improvement



in engagement score

800

Apprentices



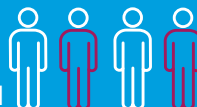
12%

Reduction in turnover over the last 2 years



3,816

Long Service Milestones celebrated



19%

Reduction in accidents in the workplace over the last 2 years



Capital Markets Day

Delivering 'Accelerated Value Creation'
in a changing FM Industry

Closing remarks



Phil Bentley, CEO, 10 December 2019

Where are we today?



- Built strong foundations
- Technology is delivering
- Further cost saving opportunities
- Growing capability momentum
- Confidence in forward guidance
- Moving into 'Accelerated Value Creation'



We now have a much healthier business...



| | From FY 16/17... | | ... To FY 19/20 |
|---|------------------|---|-------------------------|
| Revenue ¹ | £1.8bn | → | £2.2bn ³ |
| Revenue ¹ growth (3-year CAGR) | -1% | → | 6.8% ³ |
| EBIT ¹ before other items | £76m | → | £83m ⁴ |
| EBIT ¹ margin before other items | 4.2% | → | 3.7% ⁴ |
| Average daily net debt/EBITDA ² | 3.5x | → | 2.6x ³ |
| Net Promoter Score | -27 | → | +20 points ⁵ |
| Employee engagement | 25% | → | >50% ⁵ |
| Market Share (Technical & Business) | #4, #3 | → | #3, #1 ⁶ |
| Public sector share | ~24% | → | ~30% ⁶ |
| Pipeline | £6bn | → | £10bn ⁶ |

... with market leadership at the heart of our vision



“Building Foundations”

FY 17/18 – H1 19/20
Phase I

Revenue growth



Operating profit margin



Free cashflow



Customer satisfaction



Employee engagement



Pipeline



Leverage



Simplifying business



... with market leadership at the heart of our vision



“Building Foundations”

FY 17/18 – H1 19/20
Phase 1

Revenue growth



Operating profit margin



Free cashflow



Customer satisfaction



Employee engagement



Pipeline



Leverage



Simplifying business



“Accelerated Value Creation”

MEDIUM-TERM GUIDANCE

H2 19/20 – FY 21/22
Phase 2

2%-4% organic growth

4.5%-5.5%

£20-30m run-rate

NPS: +mid-30s

EE: 50%+

Further CCS opportunities

TFO <2.0x

Further strategic partnership opportunities

... with market leadership at the heart of our vision



“Building Foundations”

FY 17/18 – H1 19/20
Phase 1

Revenue growth



Operating profit margin



Free cashflow



Customer satisfaction



Employee engagement



Pipeline



Leverage



Simplifying business



“Accelerated Value Creation”

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H2 19/20 – FY 21/22
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LONGER-TERM VISION

1-2-3

- Market leadership
- Operating margin of 6%+
- Retention rates of 90%+
- Infill M&A

#1 market share
<2x TFO leverage
£200m of EBITDA
£3bn of revenue

Questions

Mitie.com



mitie.com

10 December 2019