



Mitie Group plc

Half Year Results 2017/18

20 November 2017



Disclaimer

This announcement contains forward-looking statements. Such statements do not relate strictly to historical facts and can be identified by the use of words such as 'anticipate', 'expect', 'intend', 'will', 'project', 'plan', 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 2017 and will not be updated during the year. These statements, by their nature, involve risk and uncertainty because they relate to, and depend upon, events that may or may not occur in the future. Actual events may differ materially from those expressed or implied 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, 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 insider information.



- **1H 17/18 Summary (Phil Bentley, CEO)**
- 1H 17/18 Financial review (Paul Woolf, CFO)
- Outlook (Phil Bentley, CEO)

Overview – 1H 17/18

- Solid 6 months building platform for success – 1H delivery in line with market expectations
 - 1H 17/18 Revenue up 3.9% to £959.7m¹ (£923.7m²)
 - 1H 17/18 Operating profit up 5.8% at £32.6m¹ (£30.8m²)
- Transformation programme on target
 - Project Helix fully mobilised
 - Mitie Earn-out Model wound up
 - Layers of systems, processes and management being removed
- Connected Workspace strategy now in pilot phase with a number of clients
- Period of investment & transformation, good progress, foundations being built, more to do
- We expect stated 3-year delivery and execution programme to be fully achievable, but will continue to be non-linear

1. Adjusted continuing operations (excluding Property Management).

2. 1H 16/17 Adjusted continuing operations (excluding Healthcare and Property Management).

Numbers at a glance

LIKE-FOR-LIKE REVENUE

£959.7m¹ | +3.9%

(1H 16/17 £923.7m²)

ORDER BOOK

£5,930m¹ | +1.0%

(FY2017 £5,869m²)

LIKE-FOR-LIKE OP. PROFIT

£32.6m¹ | +5.8%

(1H 16/17 £30.8m²)

Adjusted EPS (continuing)

5.2p | +6.1%

(1H 16/17 4.9p)

Reported EPS (continuing)

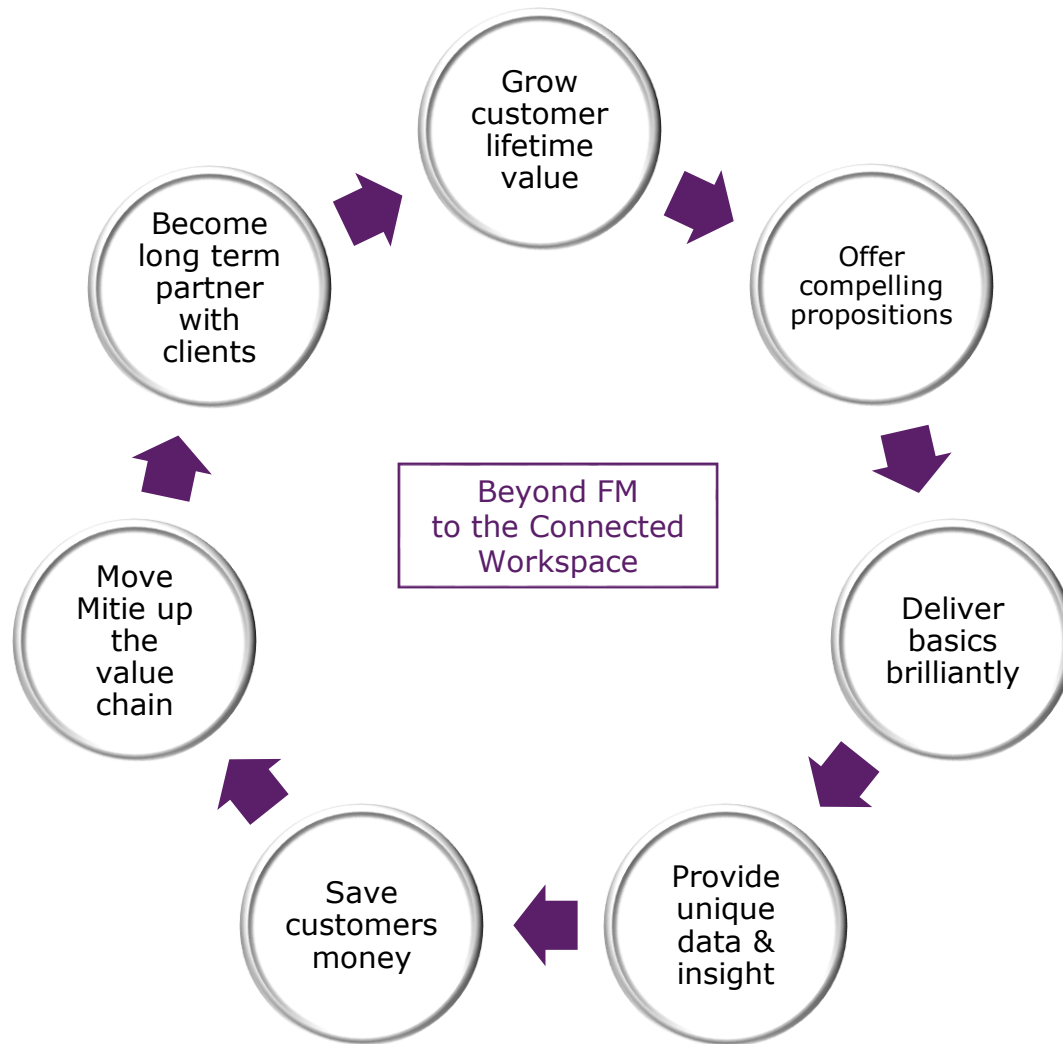
1.2p | (63.6)%

(1H 16/17 3.3p)

1. Adjusted continuing operations (excluding Property Management).

2. 1H 16/17 Adjusted continuing operations (excluding Healthcare and Property Management).

New strategy in action



FOUR STRATEGIC PILLARS

1 Customer

- New Sales & Commercial model
- Unitary management
- 62 Connected Workspace live pilots & engagements

2 Cost

- New Group unitary HR structure went live in November
- Finance, Sales & Engineering Services cost programmes in consultation

3 People

- Executive Team talent upgrades
- Retention and development programme for senior leaders
- Investment in front-line training for apprentices

4 Technology

- IS organisation and technology architecture agreed
- Development of products and platforms: Microsoft Azure; Data visualisation; and Internet of Things platform & customer apps
- Client pilots

Customer: integrated commercial function

NEW TEAM

- Head of Group Commercial appointed, previously led ISS UK sales, to drive our growth strategy
- New sales talent recruited
- Bringing capabilities to integrated sales, CRM, prospecting
- Driving commercial excellence

CLEAR PRIORITISATION

- Customer Development Plans for 40% of revenue – focus on retention and customer LTV
- Strong pipeline focus – top 10 opportunities with potential annual value of over £300m

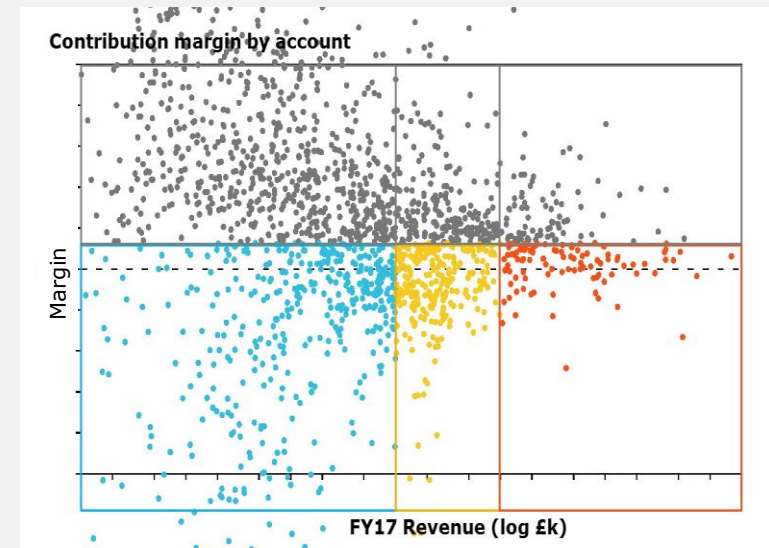
IMPROVED CRM CAPABILITIES

- Single sales process across Mitie
- Key input to prospecting, bid strategy, customer development and relationship management
- Reporting and analytics to support robust decision making

TIGHTER COMMERCIAL DISCIPLINE

- 900+ low value contracts reviewed for strategic fit: one of 4 actions: turn-around; reprice; non-renew; exit
- Pricing governance refreshed

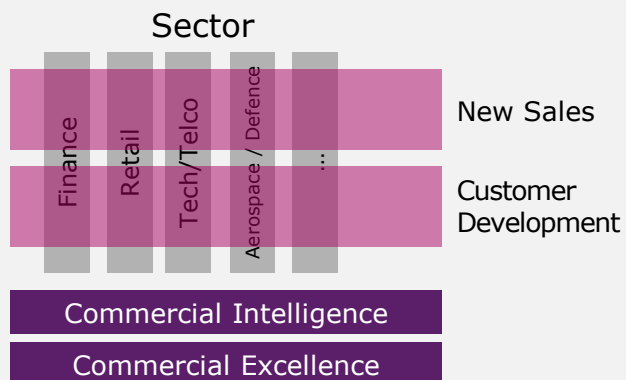
NEW MITIE COMMERCIAL DISCIPLINE



- Group-wide commercial recalibration ✓
- All accounts benchmarked ✓
- Rigour being applied across portfolio ✓
- Risk & opportunities assessed ✓
- Mitie-wide approach to account management, pricing, ownership and engagement ✓

1 Customer: injecting momentum for growth

NEW SALES ORGANISATION

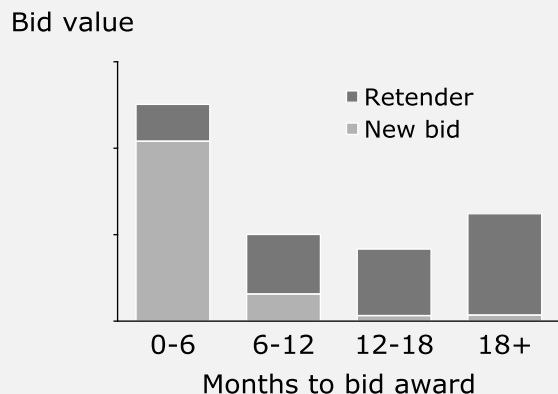


- Capacity aligned with growth
- Capabilities built
- Customer alignment
- Change the culture



Collective consultation for ~230 employees began November
Go live January 2018

THE MITIE WAY OF SELLING

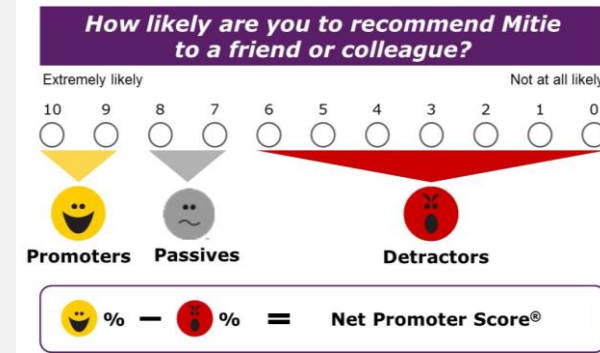


- Building strategic long-term relationships with new customers
- Sales team re-aligned to priority bids
- Next wave of Customer Development Plans
- New bid governance process



Go live January 2018

NPS



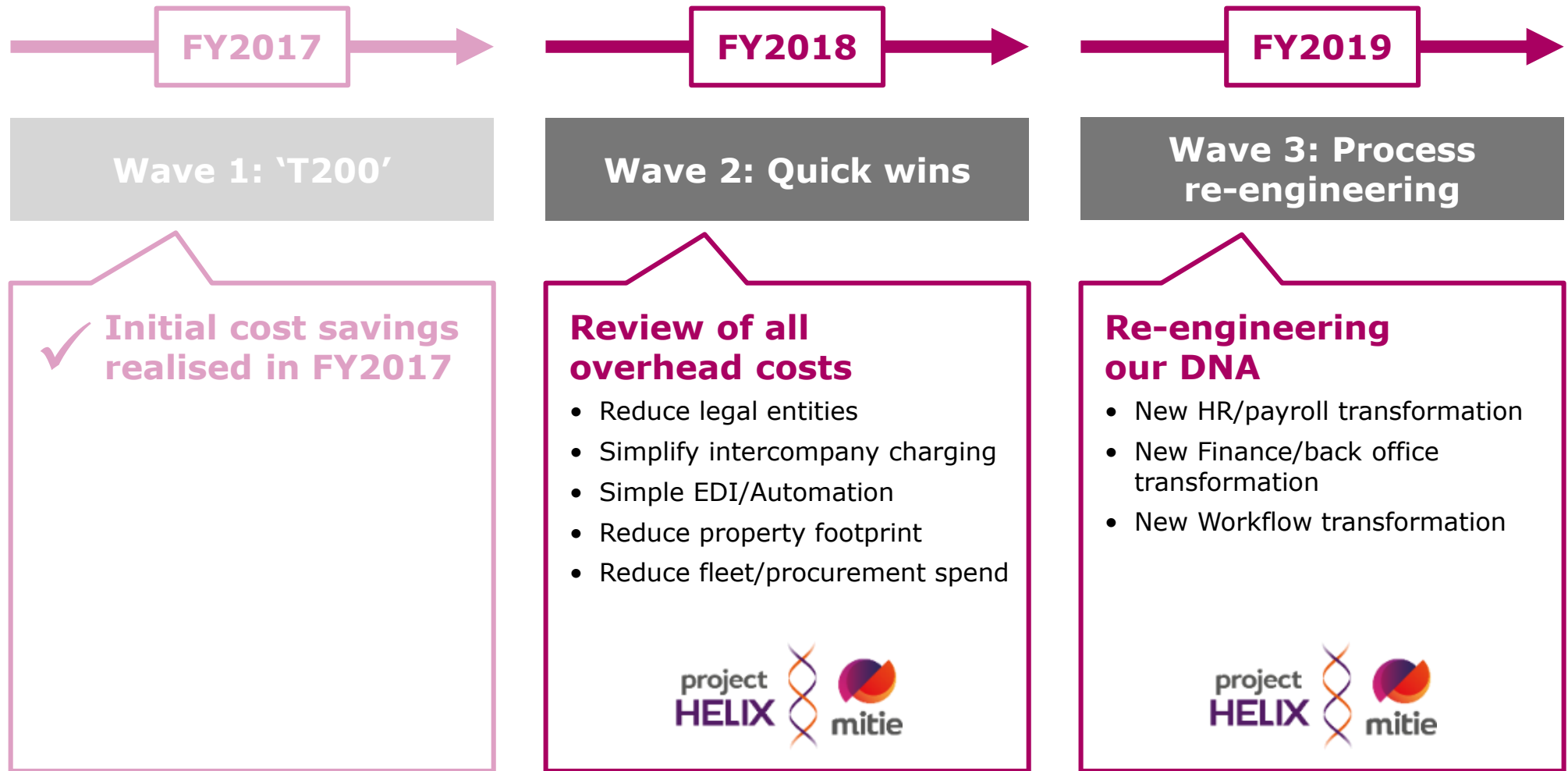
- Net Promoter Score – a customer experience system not just a number – including competitor, relationship, operational & employee views
- Sponsored by CEO & ELT – dedicated ownership company-wide accountability, embedded in bonus plans



Test & learn phase launched
Full roll-out through FY2019

Customer at the heart of our business and growth

2 Cost: roadmap



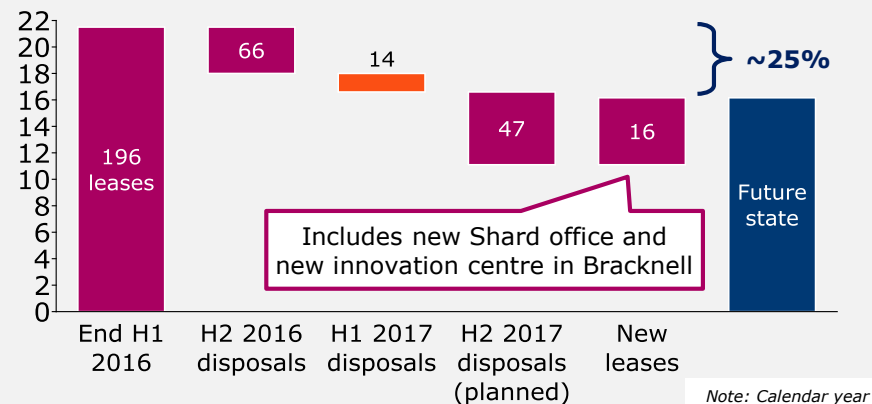
Cost: example quick wins

LEGAL ENTITIES & INTERCOMPANY

- Rationalise legal entity structure to a single trading entity
- Initial focus on entities that account for 75% of revenue - completion end 2H 17/18
- Simplify intercompany process and reduce volume of transactions

PROPERTY PORTFOLIO

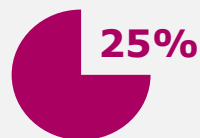
Operating cost of property footprint (£M)



FLEET

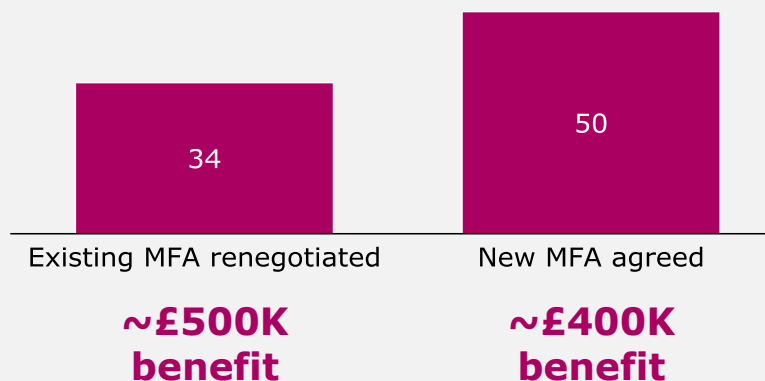
- Year-to-date reduction in fuel consumption – c.2.5% annual fuel spend
- Reduction in cost of hire cars
- Forecast cost savings from lease renegotiation based on mileage analysis

~350K litres



>£500K

PROCUREMENT



MFA: master framework agreement

Cost: process re-engineering

FINANCE – FY2019 COMPLETION

- Strategic partner selected for transactional processes – Genpact
- Letter of intent signed for 5-year contract
- Employee consultation underway, ~500 employees impacted
- Go live for Q1 FY2019



Target reduction in cost of Finance function



More time spent on strategic support to our business



Pan-Mitie standard systems and processes



HR – FY2019 COMPLETION

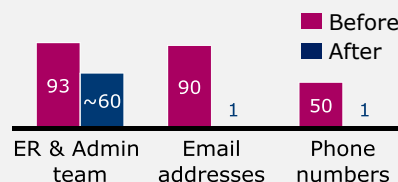
- New 'People Services' function created
- Technology solution selected – 'SAP SuccessFactors'
- Employee consultation completed, net 20% reduction in headcount
- New partner, 3aaa, selected for apprenticeships
- Work ongoing for recruitment and learning & development



Reduction in cost of admin; of which ~half to be re-invested in business partnering



Simplified employee interfaces



ENGINEERING – FY2020 COMPLETION

- Introduced daily performance metrics for every team/engineer
- Rolling out planning best practices nationally to all teams
- Van tracking implemented to aid route optimisation
- Reduced management layers and consolidated team locations
- Targeting 15% productivity improvements



Reduction in overhead cost



Reduction in job backlog



Volume of job certifications



2 Cost: summary guidance table

£m	FY2018 forecast					FY2019 plan				
	In year savings	Run rate savings	Opex investment	Capex	Cost of change	In year savings	Run rate savings	Opex investment	Capex	Cost of change
Project Helix										
HR transformation		3	-	(2)	(3)	3	3	-	-	-
Finance transformation	3	10	-	(2)	(10)	10	10	-	-	-
Workflow transformation	-	-	-	-	(5)	5	20	-	(10)	(7)
Other	2	2	-	(1)	(6)	2	2	-	-	(3)
Other										
T200	10	10				10	10			
Connected Workspace			(5)	(10)				(5)	(10)	
Maintenance				(10)					(10)	
TOTAL	15	25	(5)	(25)	(24)	30	45	(5)	(30)	(10)

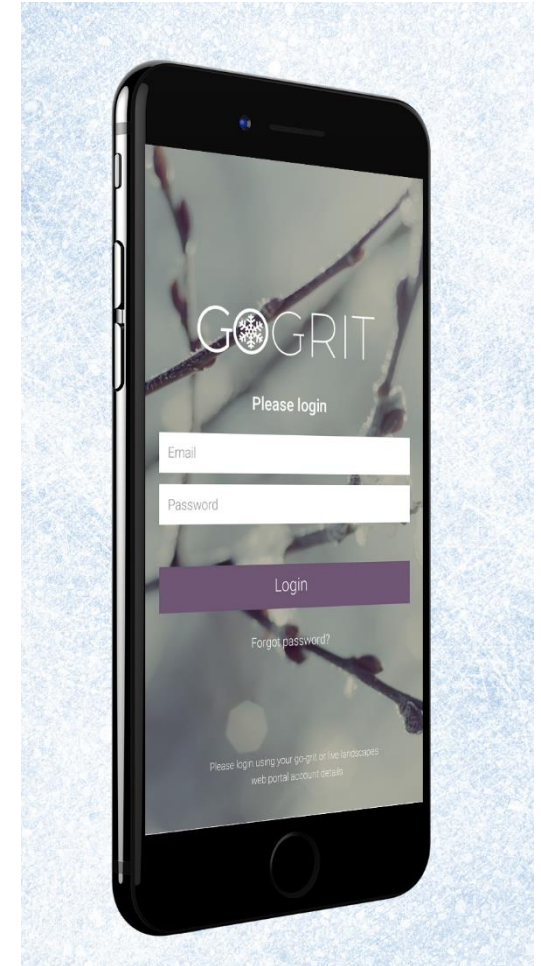
£45m

Total Project Helix cost programme realised in FY2020

- HR transformation
 - Reorganisation complete and headcount reduced by 20%
 - Investment in 'SAP SuccessFactors' system approved for deployment
 - Further work on recruitment and training will be focus in 2H 17/18
- Talent
 - Continued focus on hiring senior talent
 - Executive team review of top 100 talent – to assess performance/potential and key development themes
 - Establishing apprenticeship programmes for front-line leaders and technical Facilities Management
- Reward
 - New Group-wide bonus and LTIP plan in place
 - Final salary section of the Mitie Group defined benefit scheme closed for future accrual
 - Job grading system being implemented; this will provide critical structure for reward and benchmarking career paths



- Group IS focus – digitally enabling organisation
 - 110+ Group technology projects live or in planning
 - Enterprise architecture team created
- Connected Workspace apps in development
 - Strategic customer intelligent portal – initial release in January 2018
 - 4 new Connected Workspace modules: Resilience, Wellbeing, Utilisation and Sustainability
- Customer and employee app development – bespoke & tailored
 - New mobile Cleaning app being rolled out for major customer
 - Realtime
 - Space and resource utilisation driven by cognitive technology
 - Innovative 'Go-Grit' app live in Landscape business



Mitie transformation on track

Full accounting review completed



Helix cost programme underway and on track



Talent acquisition & development programme rolled out



Employee consultation in HR, Finance, Engineering, Sales completed or near completion



Technology, Workflow, Cleaning programmes identified and live



Central commercial & customer management programme being implemented



***At pace, across the business, Mitie is being transformed...
...we are building the foundations for success, but have more to do***



- 1H 17/18 Summary (Phil Bentley)
- **1H 17/18 Financial review (Paul Woolf)**
- Outlook (Phil Bentley)

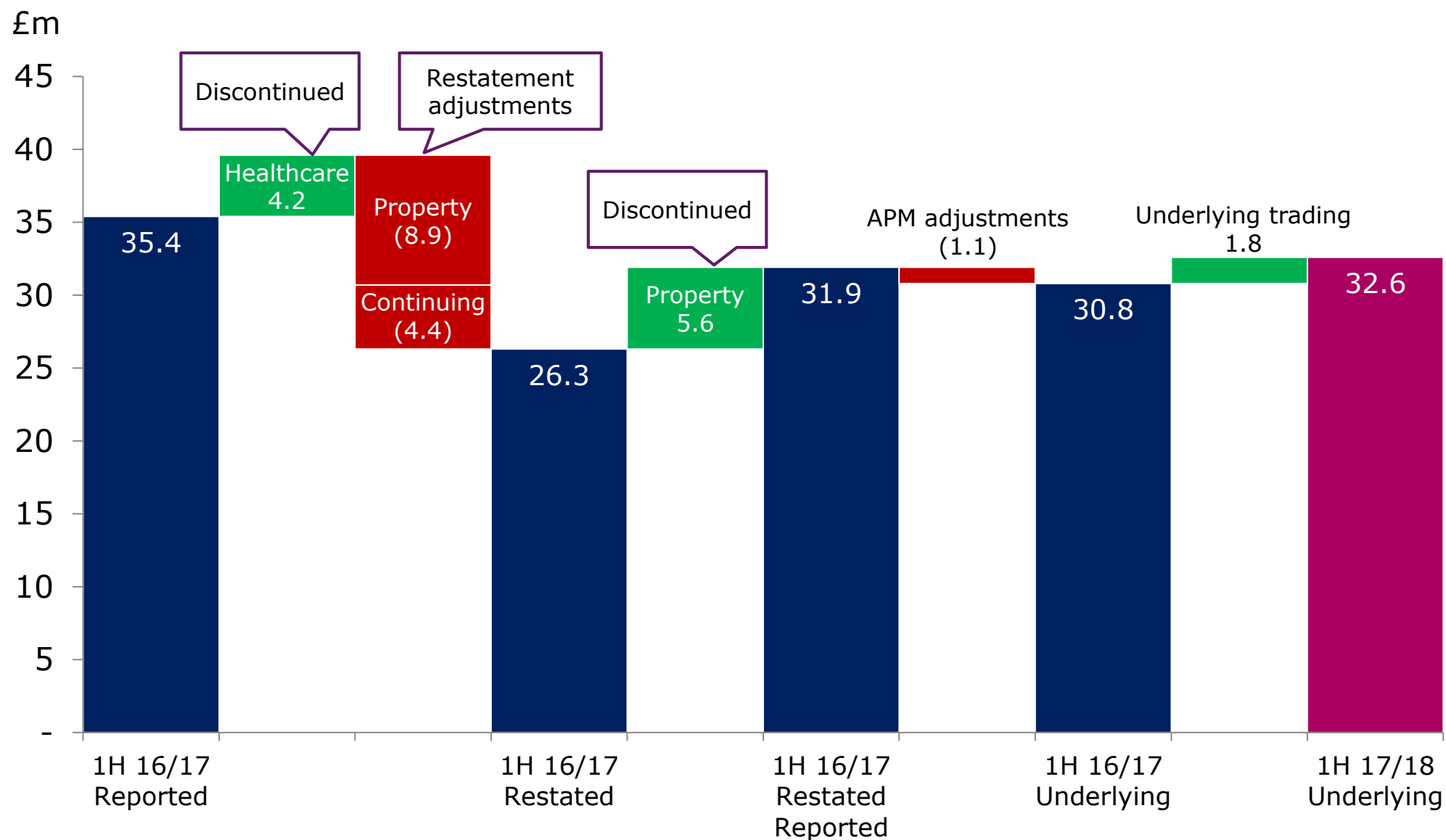
1H 17/18 Financial review summary

- Like-for-like revenues up 3.9% to £959.7m¹ (1H 16/17: £923.7m²)
- Like-for-like operating profit up 5.8% at £32.6m¹ (1H 16/17: £30.8m²)
- Property Management business held for sale – shown as discontinued operations
- Net debt £172.6m (FY2017: £147.2m) – covenant compliance at 1H 17/18
- Interim dividend of 1.33p (1H 16/17: 4.0p), set at 1/3rd of prior year's total dividend
- Pensions
 - Final salary section of the Mitie Group defined benefit scheme closed to future accrual
 - Triennial actuarial valuation completed resulting in an actuarial liability of £46.6m as at 03/17. Funding plan over 10 years agreed with Trustees

1. Adjusted continuing operations (excluding Property Management).

2. 1H 16/17 Adjusted continuing operations (excluding Healthcare and Property Management).

Operating profit bridge



Underlying income statement

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£m	%
Underlying revenue	959.7	923.7	36.0	3.9
Cost of sales	(847.0)	(815.8)	(31.2)	(3.8)
Underlying gross profit	112.7	107.9	4.8	4.4
Gross profit margin	11.7%	11.7%		
Business overheads	(72.5)	(68.4)	(4.1)	(6.0)
Corporate overheads	(7.6)	(8.7)	1.1	12.6
Underlying operating profit	32.6	30.8	1.8	5.8
Operating profit margin, %	3.4%	3.3%		

Like-for-like revenue – divisional analysis

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£m	%
Cleaning & Environmental Services	197.2	199.3	(2.1)	(1.1)
Security	213.7	194.4	19.3	9.9
Catering	72.7	71.1	1.6	2.3
Engineering Services	404.3	389.7	14.6	3.7
Professional Services & Connected Workplace	43.0	46.8	(3.8)	(8.1)
Care & Custody	28.8	22.4	6.4	28.6
Total continuing	959.7	923.7	36.0	3.9
Property Management	120.5	130.4	(9.9)	(7.6)
Group total	1,080.2	1,054.1*	26.1	2.5

* Excluding Healthcare.

Like-for-like operating profit – divisional analysis

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£m	%
Cleaning & Environmental Services	9.4	8.7	0.7	8.0
Security	11.8	9.7	2.1	21.6
Catering	2.9	3.2	(0.3)	(9.4)
Engineering Services	15.1	12.5	2.6	20.8
Professional Services & Connected Workplace	(0.5)	4.0	(4.5)	(112.5)
Care & Custody	1.5	1.4	0.1	7.1
Continuing operations before corporate overheads	40.2	39.5	0.7	1.8
Corporate overheads	(7.6)	(8.7)	1.1	12.6
Total continuing	32.6	30.8	1.8	5.8
Property Management	(0.7)	6.8	(7.5)	(110.3)
Group total	31.9	37.6*	(5.7)	(15.2)

* Excluding Healthcare.

Cleaning & Environmental Services

– 1H 17/18 financials

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£	%
Underlying revenue	197.2	199.3	(2.1)	(1.1)
Underlying gross profit	27.9	26.9	1.0	3.7
<i>Gross profit, %</i>	14.1%	13.5%		
Underlying operating profit	9.4	8.7	0.7	8.0
<i>Operating profit, %</i>	4.8%	4.4%		
Order book (1H 17/18 vs FY2017)	803	811		

– 1H 17/18 highlights

- Business starting to stabilise in a market defined by price pressures
- Number of new wins including major UK food retailer and a distribution centre
- Revenue broadly in line with prior year – FY2017 contract losses replaced in 1H 17/18
- Investment in client engagement, management and service, strengthening relationships
- Pest and Landscape continue to perform well
- **Outlook:** Full reorganisation 2H 17/18, Workplace+ roll out commences early 2018

Key facts

Key stats

- ~26,500 employees
- ~1,500 corporate clients
- ~14,000 cleaning sites
- #2 market share

Operational highlights

- Appointed new MD – Matthew Thompson (Ex. Zenith and Compass)
- Staff retention improved by 4.5% to 78% (five months to 9/17)

Innovation focus

- Foundation Living Wage trial indicating positive results

Security

– 1H 17/18 financials

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£	%
Underlying revenue	213.7	194.4	19.3	9.9
Underlying gross profit	24.4	22.5	1.9	8.4
<i>Gross profit, %</i>	11.4%	11.6%		
Underlying operating profit	11.8	9.7	2.1	21.6
<i>Operating profit, %</i>	5.5%	5.0%		
Order book (1H 17/18 vs FY2017)	798	876		

– 1H 17/18 highlights

- Strong revenue growth of 9.9% underpinned by new contract wins. New wins include a large national grocer, a high street national homeware retailer, as well as a contract expansion with Linklaters
- Operating profit margin improvement driven by a combination of cost saving initiatives, new contract stabilisation and introduction of new technology eg risk-based software implemented for major food retailer and offsite control room go live for significant client
- Forward order book remains strong at £798m with c.£41m of new annualised wins in 1H 17/18
- **Outlook:** Continued growth from new wins, technology service lines, overhead reductions from savings initiated during 1H 17/18: 2H 17/18 outlook positive

Key facts

Key stats

- ~14,000 total employees
- No. of clients: ~1,100
- Client sites: ~11,000
- #2 market share

Operational highlights

- Staff retention improved from 81% in Mar to 86% in Sep
- Business retention improved from 87% to 95%
- Winner of 2 PFM awards

Innovation focus

- Strong customer interest in Mitie "Safer Community" model

Catering

– 1H 17/18 financials

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£	%
Underlying revenue	72.7	71.1	1.6	2.3
Underlying gross profit	7.2	7.6	(0.4)	(5.3)
<i>Gross profit, %</i>	9.9%	10.7%		
Underlying operating profit	2.9	3.2	(0.3)	(9.4)
<i>Operating profit, %</i>	4.0%	4.5%		
Order book (1H 17/18 vs FY2017)	428	458		

– 1H 17/18 highlights

- Delivered solid revenue growth of 2.3% on prior year
- Major wins include incremental contract for media group & new contract for major global healthcare provider
- Creativevents business and Gather & Gather Ireland performing well
- **Outlook:** Sector continues to experience food price inflation and consumer spend continues to decline under economic uncertainty. Menu optimisation and flexible resource planning to combat headwinds

Key facts

Key stats

- ~2,500 total employees
- No. of clients: ~90
- Client sites: ~300
- #6 market share

Operational highlights

- Winner of Foodservice Cateys Award

Innovation focus

- Flexible labour model being rolled out

Engineering Services

– 1H 17/18 financials

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£	%
Underlying revenue	404.3	389.7	14.6	3.7
Underlying gross profit	40.4	38.1	2.3	6.0
<i>Gross profit, %</i>	10.0%	9.8%		
Underlying operating profit	15.1	12.5	2.6	20.8
<i>Operating profit, %</i>	3.7%	3.2%		
Order book (1H 17/18 vs FY2017)	3,443	3,259		

– 1H 17/18 highlights

- Solid revenue growth of 3.7% underpinned by new business wins and an uptick in project work
- New client wins include a multi-year contract with major food retailer, and a 3-year extension with Heathrow Airport Group. This will be partially offset by the loss of previously announced top 20 contract
- **Outlook:** Workflow re-engineering programme has now commenced nationwide – rollout to 200 planners and 1,500 engineers, due to complete by calendar Q1 2018

Key facts

Key stats

- ~8,000 total employees
- No. of clients: ~1,000
- Client sites: ~12,000
- #2 market share
- Public sector <20%

Operational highlights

- 6% mean increase in jobs per day: 8% in South, 3% in North

Innovation focus

- 2-year property rationalisation started, significantly reducing the number of sites to a small number of key centres of excellence

Professional Services & Connected Workspace

– 1H 17/18 financials

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£	%
Underlying revenue	43.0	46.8	(3.8)	(8.1)
Underlying gross profit	9.5	9.8	(0.3)	(3.1)
<i>Gross profit, %</i>	22.1%	20.9%		
Underlying operating profit	(0.5)	4.0	(4.5)	(112.5)
<i>Operating profit, %</i>	(1.2)%	8.5%		
Order book (1H 17/18 vs FY2017)	237	221		

– 1H 17/18 highlights

- Continued to invest in talent in the PSCW space, and likely to continue for the remainder of FY2018
- Revenue impacted by a waste contract loss in 1H 17/18
- Assembling a team of experienced individuals from the real estate and commercial professionals. Major hires from ISS, IBM, Diageo, Sodexo, and BAE Systems
- New Sales/Commercial team established
- **Outlook:** Major internal investments made in CW, investment to continue in 2H 17/18. Waste wins building momentum

Key facts

Key stats

- ~500 total employees
- No. of clients: ~350
- Client sites: ~8,000

Key hires

- Head of Commercial, Head of Marketing, Head of Security, Head of Connected Workspace

Innovation focus

- 62 customers engaged
- 13 pilots, +5,000 sensors already deployed
- Top 100 Microsoft partner worldwide

Care & Custody

– 1H 17/18 financials

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£	%
Underlying revenue	28.8	22.4	6.4	28.6
Underlying gross profit	3.3	3.0	0.3	10.0
<i>Gross profit, %</i>	11.5%	13.4%		
Underlying operating profit	1.5	1.4	0.1	7.1
<i>Operating profit, %</i>	5.2%	6.3%		
Order book (1H 17/18 vs FY2017)	221	244		

– 1H 17/18 highlights

- Strong revenue growth of 28.6% driven by new contract wins
- £300k investment in bid opportunity
- 100% contract retention with the award of British Transport Police Forensic Medical Examiner (FME) (TCV £2.4m over 4 years) and Cleveland Police FME (TCV £2.4m over 3 years)
- **Outlook:** Pipeline strong, awaiting major contract decisions

Key facts

Key stats

- ~1,000 total employees
- No. of clients: ~20
- Client sites: ~60
- #1 market share in addressable market

Operational highlights

Successful mobilisation of:

- Staffordshire FME contract
- Cleveland Police Detention Services

Innovation focus

- Medical Response Centre brought in-house: smarter customer experience, savings identified, digitalisation opportunity

Property Management – discontinued

– 1H 17/18 financials

£m	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			£	%
Underlying revenue	120.5	130.4	(9.9)	(7.6)
Underlying gross profit	29.1	31.0	(1.9)	(6.1)
<i>Gross profit, %</i>	24.1%	23.8%		
Underlying operating profit	(0.7)	6.8	(7.5)	(110.3)
<i>Operating profit, %</i>	(0.6%)	5.2%		
Order book (1H 17/18 vs FY2017)	657	663		

– 1H 17/18 highlights

- 1H 17/18 impacted by combination of deferral by one council of scheduled projects; the loss of prior period contracts, now at full run rate; & the closure of a small division which reported revenue of £15m in 1H 16/17 but only £5m in 1H 17/18
- Renewed momentum following recent implementation of transformation initiatives
- Recent wins include Home Group (£84m: 7yrs, + further 7yr option), £50m of social housing contracts in Scotland
- c.£3m reduction in costs with further incremental savings of £1-2m identified, driving improved margins in FY2018
- Settlement of an outstanding litigation (£4m), simplifying sale process, and increased debt provision of £1.2m. Expect sale process to conclude in FY2018
- **Outlook:** 80%+ of FY2018 revenue secured by 1H 17/18, order book £657m, biggest ever total pipeline

Key facts

Key stats

- ~2,500 total employees
- No. of clients: ~1,000
- ~300,000 homes serviced pa
- #1 painting contractor in the UK
- Revenues split evenly across Private, Local Authority & Housing Association contracts

Operational highlights

New leadership & restructuring of management team

Innovation focus

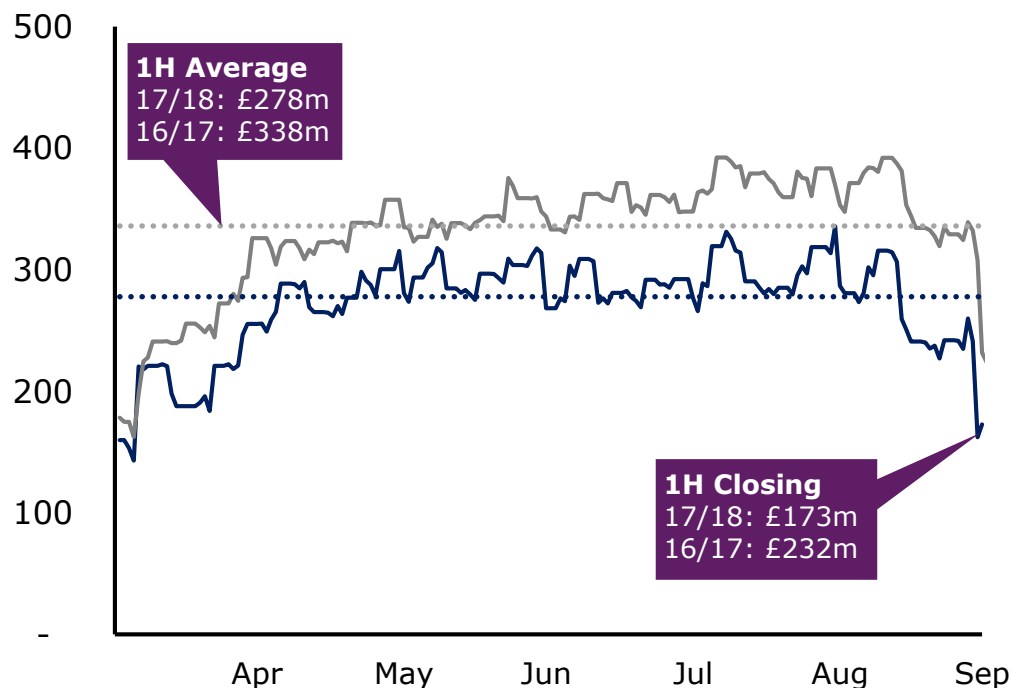
- New Commercial Models rolled out – Partnership Solutions, Painting by Design

Cash flow

£m	1H 17/18	1H 16/17 (restated)	YoY change	
			£	%
Opening net debt	(147.2)	(178.3)	31.1	17.4
EBITDA	27.9	28.0	(0.1)	(0.4)
Other non-cash items	0.9	3.9	(3.0)	(76.9)
Operating cash flow before movements in working capital	28.8	31.9	(3.1)	(9.7)
Working capital movement	(35.5)	(33.5)	(2.0)	(6.0)
Operating cash flow	(6.7)	(1.6)	(5.1)	(318.8)
Invoice discounting	(7.5)	29.2	(36.7)	(125.7)
Cash (used in)/generated by operations	(14.2)	27.6	(41.8)	(151.4)
Disposal of subsidiaries	(9.8)	-	(9.8)	na
Dividends and share buybacks	-	(47.7)	47.7	na
Interest, tax, capex	(4.1)	(31.7)	27.6	87.1
Other financing and investing	(1.0)	(2.1)	1.1	52.4
Cash flow	(29.1)	(53.9)	24.8	46.0
Non-cash movement on net debt	3.7	0.5	3.2	640.0
Closing net debt	(172.6)	(231.7)	59.1	25.5

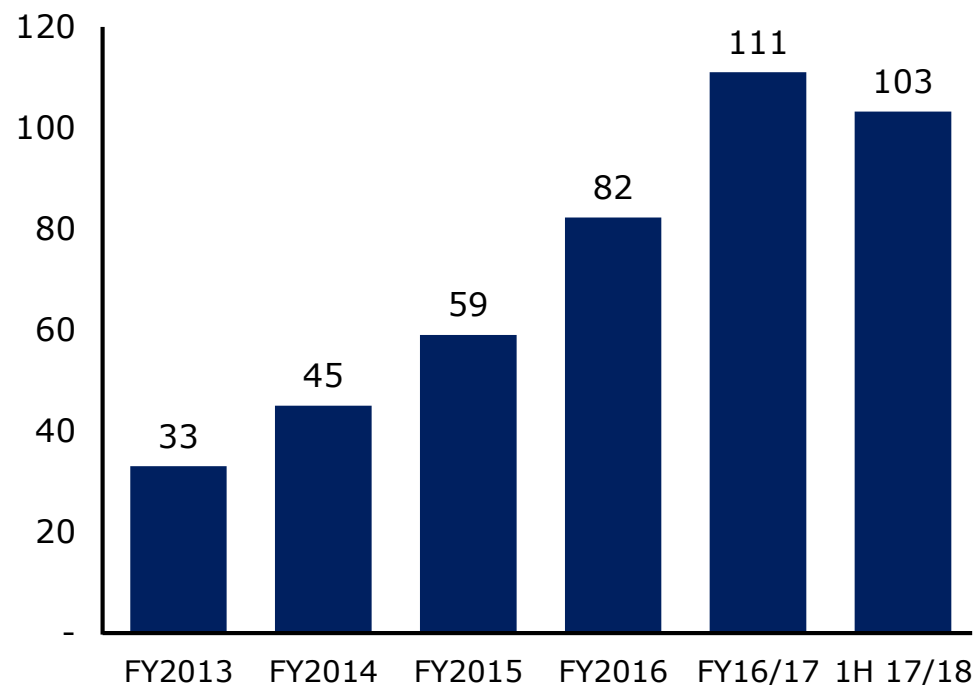
Net debt and leverage

Net Debt (£m)



- Balance sheet discipline & focus continues
- Net debt remained within covenant leverage limit at 1H 17/18 and expected to remain so at year end
- Medium term 2x average net debt/EBITDA target remains

Receivables Purchase Agreement (£m)



- Foundation steps taken to reduce reliance on invoice discounting
- Medium term focus to use discounting tactically

Balance sheet

£m	1H 17/18	FY 16/17*	YoY change		FY 16/17 (as reported)
			£	%	
Goodwill	273.9	273.7	0.2	0.1	343.9
Acquisition related intangibles	4.6	6.2	(1.6)	(25.8)	6.3
Software and development intangibles	44.1	43.6	0.5	1.2	46.9
Property, plant and equipment	28.3	31.6	(3.4)	(10.6)	32.3
Other non-current assets	60.5	72.3	(11.8)	(16.3)	72.5
Current assets	356.0	343.3	12.7	3.7	400.5
Total assets	767.4	770.7	(3.3)	(0.4)	902.4
Current trade & other payables	(476.6)	(502.5)	25.9	(5.2)	(559.9)
Retirement benefit liabilities	(64.9)	(74.2)	9.3	(12.6)	(74.2)
Other liabilities	(24.4)	(26.4)	2.0	(7.5)	(31.3)
Net debt	(172.6)	(147.2)	(25.4)	17.3	(147.2)
Net assets held for sale (excluding cash)	70.6	69.3	1.3	1.8	-
Net assets Group	99.5	89.8	9.7	10.8	89.8

* For comparative purposes Discontinued operations excluded in comparative and shown as asset held for resale.

EPS and DPS

	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
				%
Weighted avg. share count for basic EPS, m	355.6	348.7	6.9	2.0
Adjusted basic earnings per share, p	5.2	4.9	0.3	6.1
DPS, p	1.33	4.0*	(2.67)	(66.8)

- Adjusted EPS from continuing operations was up 6.1% from previous year
- DPS of 1.33p declared for 1H 17/18, set at 1/3rd of FY2017 DPS

* 1H 16/17: No further dividend declared at full year.

1H 17/18 forward order book

£m	1H 17/18	FY2017
Cleaning & Environmental Services	803	811
Security	798	876
Catering	428	458
Engineering Services	3,443	3,259
Professional Services & Connected Workspace	237	221
Care & Custody	221	244
Total continuing	5,930	5,869
Property Management	657	663
Total Group	6,587	6,532



- 1H 17/18 Summary (Phil Bentley)
- 1H 17/18 Financial review (Paul Woolf)
- **Outlook (Phil Bentley)**

Outlook

- Market remains competitive and fragmented
- Encouraging progress on transformation programme
- Revenue growth expected to continue in the range of 3%-4%
- Medium term margin recovery expectations unchanged at 4.5%-5.5%
- Improved balance sheet management, continuing to target 2x average net debt to EBITDA
- All historic adjustments to numbers now complete
- On target, foundations being built, more to do, medium term outlook positive



Appendix

Detailed EPS and DPS Table

	1H 17/18	1H 16/17 (restated, post APM)	YoY change	
			pps	%
Weighted avg. share count for basic EPS, m	355.6	348.7	6.9	2.0
Adjusted basic earnings per share, p	5.2	4.9	0.3	6.1
Adjusted basic earnings per share after other items, p	1.2	3.0	(1.8)	(60.0)
Basic earnings per share, (reported) p	1.2	3.3	(2.1)	(63.6)
Basic earnings per share from continuing and discontinued operations, (reported) p	(1.8)	(25.1)	23.3	92.8
DPS, p	1.33	4.0*	(2.67)	(66.8)

- Adjusted EPS from continuing operations was up 6.1% from previous year
- DPS of 1.33p declared for 1H 17/18, set at 1/3rd of FY2017 DPS

* 1H 16/17: No further dividend declared at full year.