



11 October 2023

## Mitie Group plc: H1 FY24 pre-close trading update

**Good trading momentum continuing**  
**FY24 expectation for operating profit increased to at least £190m**  
**Next £25m tranche of £50m share buyback programme launched**

Mitie Group plc ("Mitie" or "the Group") (LSE: MTO), the UK's leading facilities management company, today provides a pre-close trading update for the six months ended 30 September 2023 ("H1 FY24").

### H1 FY24 Highlights

- H1 Group revenue<sup>1</sup> expected to be up by c.11% to £2.1bn (H1 FY23: £1.9bn)
- c.£2.2bn total contract value<sup>2</sup> ("TCV") of new contract wins and extensions/renewals
- £46m invested in five higher growth, higher margin strategic bolt-on acquisitions
- First £25m tranche of £50m share buyback programme completed (26m shares purchased); next £25m tranche launched today
- Average daily net debt increased to c.£160m (H1 FY23: £62m) and closing net debt to c.£115m (H1 FY23: £64m), reflecting higher M&A spend and ongoing shareholder returns

### Outlook

- Agreement to amend Landmarc shareholders' agreement to fully consolidate Landmarc's revenue and profits (H2 operating profit benefit c.£5m)
- FY24 expectation for operating profit before other items raised to at least £190m, underpinned by good ongoing trading and delivery of margin enhancement initiatives

### Revenue growth

H1 FY24 group revenue (including share of joint ventures and associates) increased by c.11% to £2.1bn, compared with the same period last year (H1 FY23: £1.9bn). This good performance was driven by an increase in projects and variable work, pricing, and the contribution from recent acquisitions.

### Contract wins and extensions/renewals

During the period we won or extended a number of significant new contracts with up to c.£2.2bn TCV (H1 FY23: £1.5bn). Notable new wins included new Amazon sites, the Defence Infrastructure Organisation in Germany, the Home Office, and Phoenix Group. Notable extensions/renewals included the Foreign Commonwealth and Development Office, Lloyds Banking Group, the Ministry of Justice, Network Rail, and Sky.

### Acquisitions

We have continued our strategy of adding high growth infill acquisitions to grow our Projects business, focused on upselling to our existing customers.

---

<sup>1</sup> From continuing operations and including share of JV and associates

<sup>2</sup> Including estimates for projects and variable works



During H1 we have added to our position as the leader in the intelligence and technology-led fire and security market, acquiring Linx International (April) – a leading risk management and consulting business; RHI Industrials (May) – a leading installer of high-tech security and access controls; and Biservicus Group (September) – a Spanish security business.

Enhancing our Mechanical & Electrical engineering credentials, we acquired JCA Engineering (September), a leading principal contractor for complex engineering projects across the UK, with a particular focus on critical environments including data centres, healthcare and life sciences. We also purchased the assets of G2Energy (August), a leading high voltage and battery energy storage contractor, via a liquidation process.

Acquisitions contributed c.1.7% of inorganic revenue growth to the Group in H1 FY24.

### **Net debt**

We expect to end the six-month period with average daily net debt of c.£160m (H1 FY23: £62m). Closing net debt at 30 September 2023 was c.£115m, an increase of c.£70m from 31 March 2023. This increase since 31 March 2023 reflects our good free cashflow generation (c.£45m), offset by increased lease costs (c.£10m), and capital allocations totalling £107m. The capital allocations relate to the five acquisitions completed in the period (£46m), dividends paid (£29m), shares bought back (£25m), and share purchases for future employee incentive schemes (£7m).

### **Second tranche of share buyback programme launched**

We have launched today the second £25m tranche of our current £50m share buyback programme. In the first £25m tranche, 26m shares were purchased at an average price of 96p, of which 5m shares were cancelled. The balance of 21m shares were held in treasury to satisfy the 2020 SAYE scheme vesting in December 2023 (30m shares required in total).

### **FY24 Operating profit guidance and outlook**

Based on the encouraging performance in H1, we now expect operating profit before other items for the year ended 31 March 2024 (“FY24”) to be at least £190m, inclusive of the contribution from the acquisitions completed in the year to date. Our guidance is underpinned by good ongoing trading and positive momentum within the margin enhancement initiatives implemented in the first half of the year.

From H2 FY24, it is expected that the Landmarc military training estate joint venture will be consolidated as a subsidiary of Mitie, reflecting agreement reached with Mitie’s joint venture partner to amend the Landmarc shareholders’ agreement<sup>3</sup>. This will enable Landmarc to benefit from the wider capabilities of Mitie, and will result in full consolidation of Landmarc into the Mitie accounts, adding an incremental c.£40m of revenue and c.£5m of operating profit in H2 FY24 (included within our expectation for operating profit of at least £190m, as above). EPS is not impacted.

---

<sup>3</sup> The change of control in relation to Landmarc requires a mandatory notification under the UK National Security and Investment Act 2021 due to Landmarc’s business of providing services for the management and operation of the UK Defence Training Estate. The amendments to the shareholders’ agreement will not become effective until clearance has been granted, which is expected to be received in early November 2023



### **Capital Markets Event**

Mitie will host a Capital Markets Event at The Shard on Thursday, 12 October 2023 at 1.00pm BST. The event will introduce the Group's new three-year plan for FY25-FY27, and will feature a series of presentations and technology demonstrations from the Mitie Senior Leadership Team.

For further details and to register please contact [kate.heseltine@mitie.com](mailto:kate.heseltine@mitie.com).

### **Interim results release and presentation**

Mitie's interim results for the six months ended 30 September 2023 will be released on Thursday, 23 November 2023. A presentation will be held for analysts at 9.30am.

*HI FY24 financials disclosed in the above trading update (and in the interim results announced on 23 November 2023) are unaudited.*

*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.*

- END -

### **For further information**

**Kate Heseltine** M: +44 (0)738 443 9112 E: [kate.heseltine@mitie.com](mailto:kate.heseltine@mitie.com)  
Group IR Director

**Claire Lovegrove** M: +44 (0)790 027 6400 E: [claire.lovegrove@mitie.com](mailto:claire.lovegrove@mitie.com)  
Director of Corporate Affairs

**Richard Mountain** M: +44 (0)790 968 4466  
FTI Consulting

### **About Mitie**

Founded in 1987, Mitie's job is to look after places where Britain works, and it is the leading facilities management company in the UK. We offer a range of services to the public sector through our Central Government & Defence and Communities (Healthcare, Education, Campus & Critical and Care & Custody) divisions. Our Technical Services (Engineering Services, Energy, Water and Real Estate Services) and Business Services (Security, Cleaning, Landscapes, Spain and Waste) divisions serve private sector customers in areas such as Financial & Professional Services, Industrials, Retail and Transport, and increasingly the public sector.

Mitie employs 64,000 people. We take care of our customers' people and buildings, through the 'Science of Service', and we are transforming facilities to be more flexible, safe, sustainable, and attractive to all. Mitie continues to execute its technology-led strategy and in the past twelve months has received multiple awards and validation for its ambitious near and long-



term science-based emissions reduction targets from the Science Based Targets initiative (SBTi). Find out more at [www.mitie.com](http://www.mitie.com).