# Strong progress in Foundation Year of FY25-FY27 Strategic Plan

*Results presentation for the year ended 31 March 2025*

# Recommended cash and share offer for Marlowe plc

*5 June 2025*

The future of high-performing places

mitie

# FY25 highlights

Strong progress in Foundation Year of Strategic Plan (FY25 – FY27)

**Double digit revenue and operating profit growth**

**Record contract wins/renewals, order book and bidding pipeline**

**Three infill acquisitions expand Projects capabilities**

**Strong FCF generation supports growing capital deployments**

**On track to deliver ambitious Three-Year Plan targets**

**Marlowe plc acquisition builds ‘Facilities Compliance’ leadership**

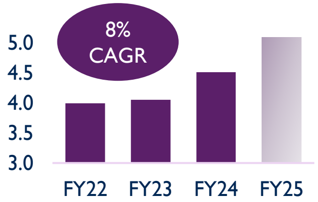
# FY25 highlights in charts

Continued growth across all key metrics

## Financial performance

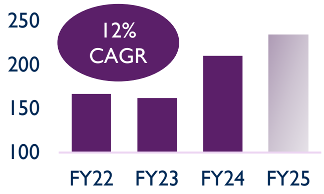
### Revenue: £5.1bn

**+13%**
**YoY**
(£bn)



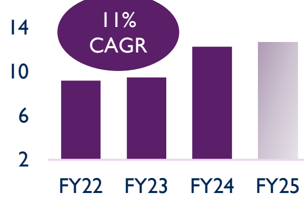

### Op. profit[1]: £234m

**+11%**
**YoY**
(£m)




### Basic EPS[1]: 12.7p

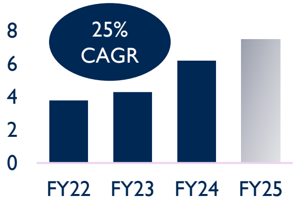
**+3%**
**YoY**
(p/share)




## Growth indicators

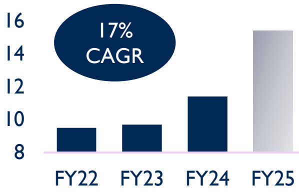
### Wins/renewals[2]: £7.5bn

**+21%**
**YoY**
(£bn)



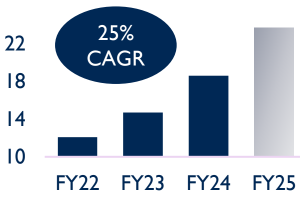

### Order book: £15.4bn

**+35%**
**YoY**
(£bn)




### Pipeline: £23.7bn

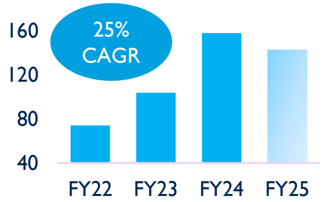
**+27%**
**YoY**
(£bn)




## FCF & capital deployment

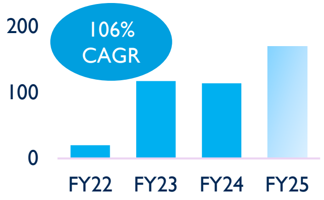
### Free Cash Flow[3]: £143m

**>£100m**
**guidance**
(£m)



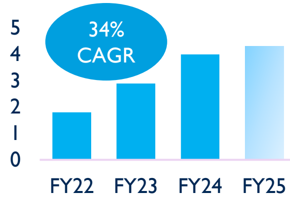

### Shareholder returns[4]: £170m

**+49%**
**YoY**
(£m)




### Full year dividend: 4.3p

**+8%**
**YoY**
(p/share)




*[1] Operating profit and Basic EPS before Other items*

*[2] Total contract value (TCV). Renewals include contract extensions*

*[3] Underlying FCF for FY22 & FY23, normalised for TTP, deferred payments, reduction in CID facility and Covid profits*

*[4] Dividends of £55m, £100m share buyback and £15m of share purchases for incentive schemes*

# Recommended cash and share offer to acquire Marlowe plc

## A compelling opportunity to build 'Facilities Compliance' leadership and create significant shareholder value

### TERMS OF OFFER

- Recommended cash and share offer: £2.90 in cash and 1.1 new Mitie shares per Marlowe share
- Implied value of £4.66 per Marlowe share[1], representing a premium of 26.5%[2]
- 'Mix and match' facility
- Total consideration of c.£366m, financed by:
  - £138m[1]/86.6m new Mitie shares (6.4% ISC)
  - £228m debt funding (via Bridge facility)

**The Mitie and Marlowe Boards have unanimously agreed terms; creating value for all shareholders**

### COMPELLING BENEFITS TO MITIE SHAREHOLDERS

- ✓ A leader in Facilities Compliance
- ✓ Accelerates margin progression towards >5% target
- ✓ High-single digit EPS accretion in FY28, upon delivery of £30m cost synergies (to exit FY27 at 100% run rate)
- ✓ Deal ROIC to materially exceed cost of capital in FY28
- ✓ Leverage to remain within 0.75-1.5x target range

**Acquisition accelerates Mitie's strategic progress and the delivery of its ambitious Three-Year Plan targets**

### TIMELINE

*5 June 2025*
R2.7 announcement
Bridge facility in place

*By end June 2025*
Publication of scheme documents

*Summer 2025*
Court approved scheme of arrangement
Anticipated completion

**Conditional on >75% Marlowe shareholder approval**

1) Based on Mitie closing share price of 159.6 pence on 4 June 2025; 2) To the undisturbed Marlowe share price (being 368.0 pence on 3 June 2025)

# Financial update

Simon Kirkpatrick

Chief Financial Officer

# Headlines

## Double digit revenue and profit growth in FY25

| Headlines (£m) | FY25 | FY24 | % change |
|---|---|---|---|
| Revenue[1] | 5,091 | 4,511 | +12.9 |
| Operating profit before Other items | 234.1 | 210.2 | +11.4 |
| Operating profit margin | 4.6% | 4.7% | (0.1ppt) |
| Profit after tax before Other items | 166.3 | 162.9 | +2.1 |
| Basic earnings per share before Other items | 12.7p | 12.3p | +3.3 |
| Dividend[2] | 4.3p | 4.0p | +7.5 |
| | | | |
| Free cash flow | 143 | 158 | |
| Average daily net debt | (264) | (161) | |
| Net assets | 428 | 474 | |

- Revenue growth of 12.9% driven by strong organic growth of 8.5%
- Margin 10bps lower reflecting investments in Year 1 of 3YP
- 3.3% improvement in EPS from profit growth and share buybacks, offset by increase in effective tax rate and higher net finance cost
- 7.5% increase in FY25 total dividend
- Free cash inflow of £143m, supporting increasing capital allocation
- Average daily net debt of £264m, increased due to FY25 capital allocation actions

[1] *Revenue including share of joint ventures and associates*
[2] *Interim dividend of 1.3p paid in January 2025. Final dividend of 3.0p recommended by the Board and subject to shareholder approval*

# Revenue

## Strong revenue growth across all divisions

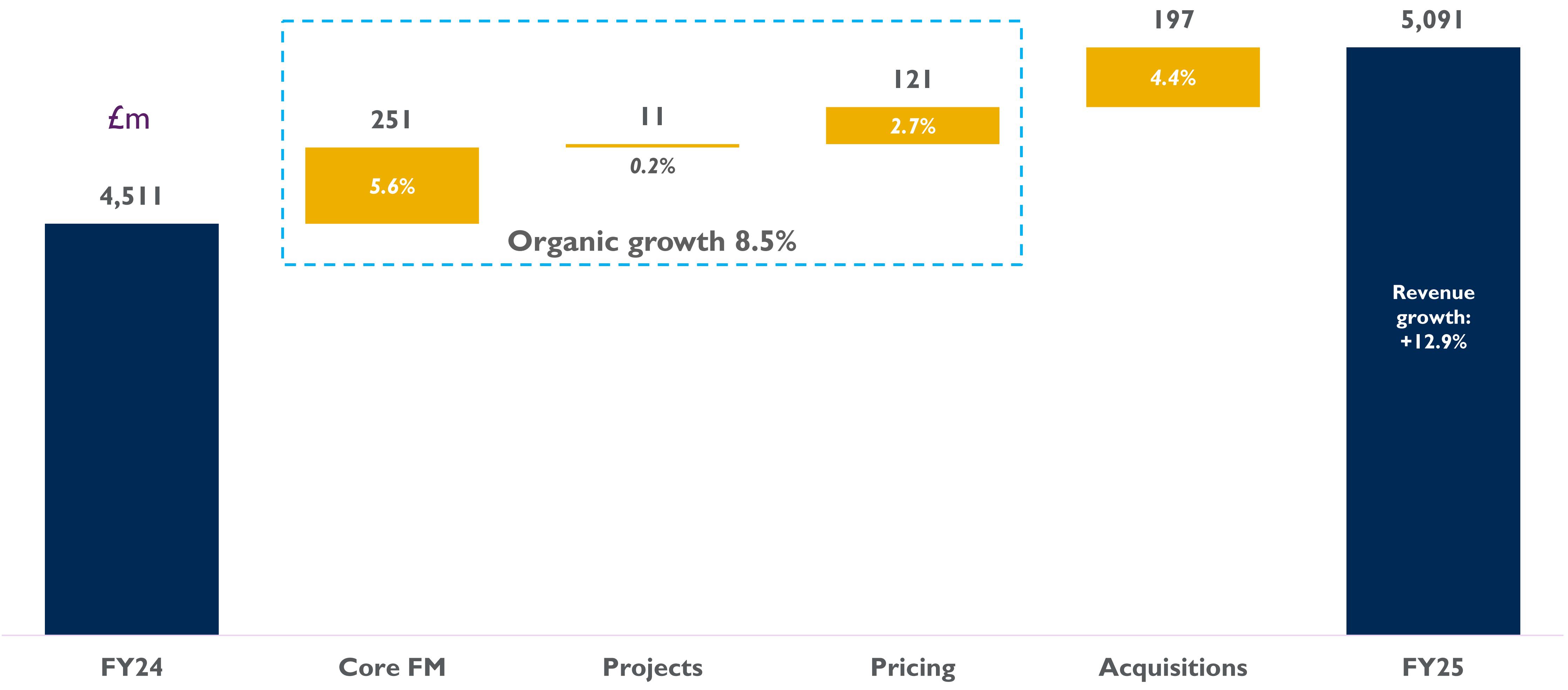
| Revenue[1] (£m) | FY25 | FY24[2] | % change |
|---|---|---|---|
| Business Services (BS) | 2,244 | 1,977 | +13.5 |
| Technical Services (TS) | 1,977 | 1,817 | +8.8 |
| Communities | 870 | 717 | +21.3 |
| **Mitie Group** | **5,091** | **4,511** | **+12.9** |

- BS growth due to new wins, 'surge response' security work, retail sector growth, acquisitions, and pricing, partly offset by completion of public sector contracts
- TS growth driven by new wins, scope increases, and acquisitions
- Communities increase mainly driven by growth in Care & Custody, new wins and additional project work

[1] *Revenue including share of joint ventures and associates*
[2] *FY24 restated to reflect the change to divisional reporting to include Police services and Central Government in Business Services and Defence in Technical Services*

# Revenue

Strong organic growth supplemented by infill acquisitions



# Operating profit

## 11.4% profit improvement with all divisions increasing year-on-year

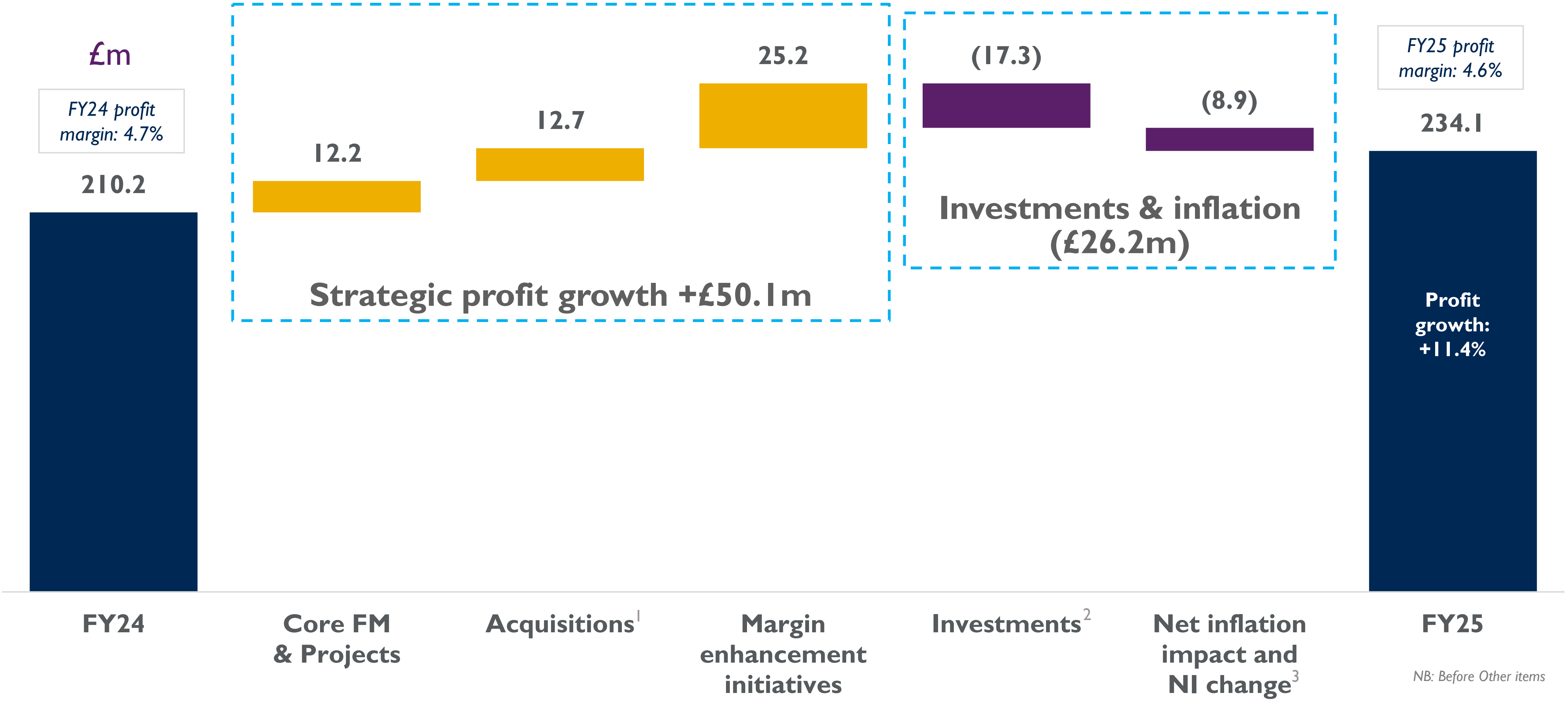
| Operating profit[1] (£m) | FY25 | FY24[2] | % change |
|---|---|---|---|
| Business Services (BS) | 163.0 | 149.8 | +8.8 |
| Technical Services (TS) | 79.0 | 74.9 | +5.5 |
| Communities | 47.5 | 36.1 | +31.6 |
| Corporate Centre costs | (55.4) | (50.6) | +9.5 |
| **Mitie Group** | **234.1** | **210.2** | **+11.4** |

- BS profit increase from 'surge response' security work, new wins and MEIs, partly offset by headwinds from completed public sector contracts
- TS profit improvement driven by wins, MEIs, and acquisitions, partly offset by one IFM contract loss
- Communities' improvement driven by new wins, increased immigration work, and project growth
- Corporate centre costs increase from investments in Sales, Technology and Marketing, with MEIs offsetting inflation

[1] *Before Other items*
[2] *FY24 restated to reflect the change to divisional reporting to include Police services and Central Government in Business Services and Defence in Technical Services*

# Operating profit

## 11.4% profit growth after more than £26m of investments and inflation headwinds




NB: Before Other items

[1] Includes Landmarc consolidation profit impact of +£6.4m and G2 Energy costs of -£1.1m
[2] Includes £7.0m of mobilisation costs for the Millsike prison contract
[3] Includes £2.1m of cost related to increase in Employers' NI, which due to HMRC rules impacts the final payroll of FY25 (i.e. March)

# Cost inflation and regulatory changes

## Inflation tightly managed in FY25; additional inflation and NI headwind in FY26

### INFLATION IMPACT

| | FY25 | FY26 outlook |
|---|---|---|
| **Total cost inflation** | (£128.2m) | (£140.0m) |
| Recovery from pricing | £121.4m | £130.0m |
| **Net P&L impact** | (£6.8m) | (£10.0m) |
| *Inflation recovery %* | *95%* | *c.93%* |

### AUTUMN BUDGET: NI HEADWIND

| | FY25 | FY26 outlook |
|---|---|---|
| Estimated cost increase from Employers' NI[1] | (£2.1m) | (£50.0m) |
| Estimated recovery from pricing | - | £35.0m |
| **Residual cost (before mitigations)** | (£2.1m) | (£15.0m) |

- FY25 net P&L impact from cost inflation of £6.8m, reflecting 95% pricing pass through on contracts
- NLW increase of 6.7%, expected to be passed through on contracts, consistent with previous years
- FY26 inflation headwind expected to be £10m with continued >90% pricing pass through
- Employers' NI cost increase of £50m (c.30%) to £225m in FY26
- Contractual protection and commercial negotiations expected to recover at least c.£35m
- Residual c.£15m cost to be mitigated by additional MEIs underpinned by AI

[1] *£2.1m in FY25 arises on salaries paid in April 2025 (after the increase to Employers' NI cost takes effect). The higher NIC tax rate applies because the salaries were paid in the new tax year, and HMRC applies tax at the point the payroll is paid (i.e. April 2025), not when the wages are earned (i.e. March 2025)*

# Cash flow

## Good free cash flow generation, despite anticipated working capital outflow and higher lease and interest payments

| Cash flow (£m) | FY25 | FY24 |
|---|---|---|
| Operating profit before Other items | 234.1 | 210.2 |
| Add back: depreciation and amortisation | 76.8 | 57.9 |
| Other items | (34.3) | (37.6) |
| Other operating movements | 9.0 | 3.9 |
| **Cash from operations before movements in working capital** | **285.6** | **234.4** |
| Working capital movements[1,2] | (37.0) | (4.3) |
| Capex, capital leases, interest and other | (105.8) | (72.5) |
| **Free cash inflow (FCF)** | **142.8** | **157.6** |
| | | |
| Capital allocation | (236.5) | (148.7) |
| Increase in lease liabilities (and other) | (24.5) | (45.6) |
| Increase in net debt | (118.2) | (36.7) |

- Strong profit generation drives £142.8m of FCF inflow in FY25
- Cash Other items of £34.3m relates mainly to costs of implementing MEI savings, and infill acquisition costs
- Working capital outflow of £37.0m, reflecting growth in the projects business and longer payment terms on several contracts in the retail sector, partly offset by process improvements
- Capex £31.0m, Leases £56.1m, Interest £14.7m and Tax £11.0m
- Capital allocation includes: £100m share buybacks, £14.6m share incentive purchases, £64.6m dividends[3], £57.3m infill acquisitions[4]
- Lease liabilities increase: continued transition to EVs, higher proportion of more expensive vans, expansion of fleet through acquisitions

1 *Adjusted to exclude movements in restricted cash which do not form part of net debt*
2 *FY24 working capital outflow includes one-off working capital process improvements of c.£25m related to the implementation of the Coupa digital supplier platform, as well as rationalisation of our supplier base and alignment of our VAT groups*
3 *Dividends include £10.1m paid to the Landmarc minority shareholder*
4 *Acquisitions include net cash considerations and employment-linked earnout payments*

# Balance sheet

## Strong and stable balance sheet underpins ongoing shareholder returns, and M&A

| £m | FY25 | FY24 |
|---|---|---|
| Closing net (debt) | (199) | (81) |
| Average daily net (debt) | (264) | (161) |
| Leverage ratio (average daily net debt / EBITDA)[1] | 0.8x | 0.6x |
| Covenant leverage ratio[2] | 0.04x | < 0x |
| Debtor days[3] | 29 | 30 |
| Creditor days[3] | 32 | 31 |
| ROIC (%) | 24.5 | 26.4 |
| Net assets | 428 | 474 |

[1] *Calculated using EBITDA and post-IFRS 16 net debt (i.e. including leases). Leverage ratio based on closing net debt is 0.6x*
[2] *Calculated using net debt excluding leases*
[3] *Debtor and creditor days are calculated as averages for the year*

- Increase in net debt due to capital allocation actions undertaken and higher lease liabilities
- Average leverage (0.8x) at the bottom end of target range of 0.75x-1.5x
- Covenant leverage remains at zero
- Average debtor and creditor days broadly consistent with FY24. Longer payment terms demanded by certain retail sector customers partly offset by process improvements
- Return on invested capital (ROIC) of 24.5%, higher than >20% target
- Net assets reduced to £428m, after distributing £179m through dividends, share buybacks and the market purchase of shares for incentive schemes

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# Summary

## Good FY25 performance provides confidence in delivering ambitious 3YP targets

### 2023 Capital Markets Event (CME)

FY27 Financial Targets

- High single digit revenue growth (CME baseline: £4.4bn)
- Operating profit margin >5% (CME baseline: 4-4.5%)
- EPS growth > revenue growth (CME baseline: 10.5-11.0p)
- FCF generation of c.£150m p.a. (CME baseline: >£100m)
- ROIC >20% (CME baseline: c.25%)

### FY25 Performance

- **Double digit** revenue (and operating profit) **growth**
- **Margins stable** (4.6%) after investments to enhance growth
- **Basic EPS** of 12.7p, up 3.3% despite higher effective tax rate, and interest costs
- **Good FCF generation** (£143m) supporting capital allocation strategy
- **ROIC** of 24.5%

### FY26 Outlook*

**Tailwinds and management actions:**

- Good growth momentum to continue from Core FM and Projects
- Inorganic growth from FY25 acquisitions
- Margin enhancement initiatives, underpinned by AI savings

**Headwinds and investments:**

- National Insurance and Inflation
- FY25 contract losses
- Competitive pricing environment
- Ongoing investment in technology and capabilities

**Additional guidance**: ETR 25%, Higher leverage, FCF >£120m, ROIC >20%

*Mitie standalone, excluding new potential acquisition

# Strategic update

Phil Bentley

Chief Executive Officer

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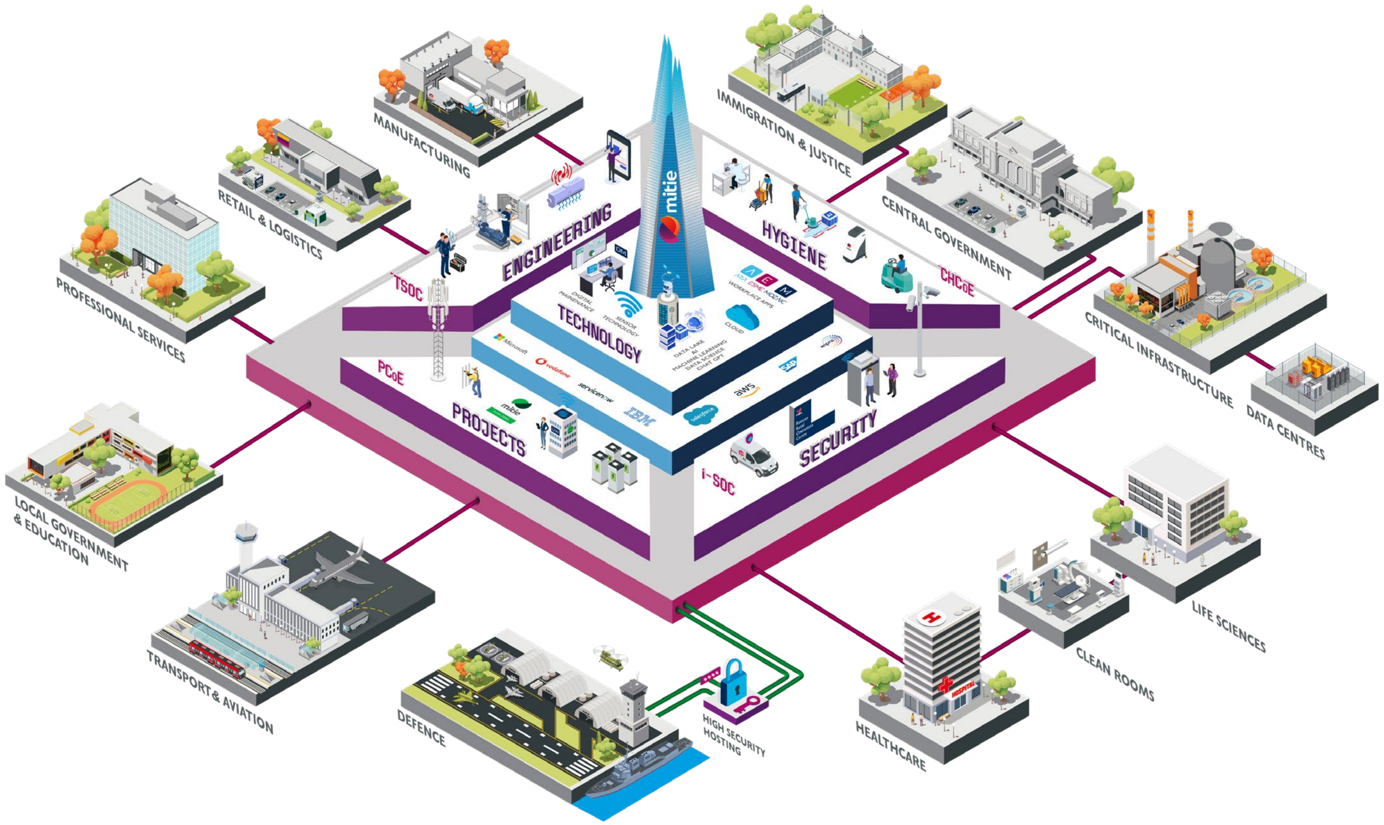
# Recap: the Mitie-Verse

Growing legislative and regulatory requirements are relevant to each of our customer sectors




| NEW LEGISLATION AND REGULATIONS | |
|---|---|
| Fire | • Fire Safety Act 2021<br>• Building Safety Act 2022 |
| Security | • National Security Act 2023<br>• Worker Protection Act 2023<br>• Terrorism Act 2025 |
| Energy & Environment | • Environment Act 2021<br>• Separation of Waste Regs 2024<br>• Water Act 2025<br>• Legionella Control Association<br>• Fluorinated Gas (F-Gas) Regs 2024<br>• Minimum Energy Efficiency Standards<br>• Energy Savings Opportunity Scheme |

***"Provision of UK Public Services disrupted by government buildings 'left to crumble'. Spending watchdog says maintenance backlog totals £49bn"***

NAO National Audit Office

FT FINANCIAL TIMES

22 January 2025

# Our FY25-FY27 Strategic Plan is targeted on growth

## Focused on meeting customer needs, delivering Facilities Management; Transformation; and now Compliance

| OUR PILLARS OF GROWTH… | … ENABLE US TO SATISFY EVOLVING CUSTOMER NEEDS… | | | … AND BUILD A LEADING OFFERING |
|---|---|---|---|---|
| M&A | **Sustainability**<br>mitie PLAN ZERO<br>mitie WASTE<br>Biotecture<br>cliniwaste | **Fire & Security Regulations**<br>MARLOWE FIRE & SECURITY GROUP | **Environmental Compliance**<br>MARLOWE Environmental Services | 'Facilities Compliance' |
| Projects upsell/infill | **Transform estates and workplaces**<br>JCA | **Protect Duty**<br>RHI INDUSTRIALS<br>argusfire<br>gbe:converge | **Accelerate the path to Net Zero**<br>CUSTOM SOLAR<br>ROCK POWER CONNECTIONS<br>G2 ENERGY<br>ESM POWER LIMITED | 'Facilities Transformation' |
| Key account growth and scope increases | **Condition-based Engineering Maintenance**<br>Optimise asset performance / maximise productivity | **Risk-based Security**<br>Protect people, property and assets | **Demand-led Hygiene**<br>Create healthier and more sustainable spaces | 'Facilities Management' |

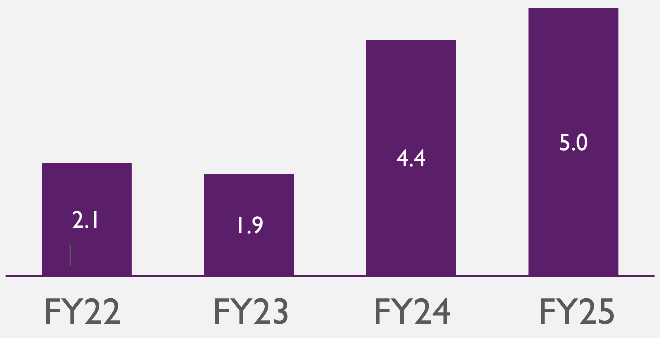
# Strong **Facilities Management** growth in Key Accounts

## Investments in the Foundation Year of the Plan have driven record growth

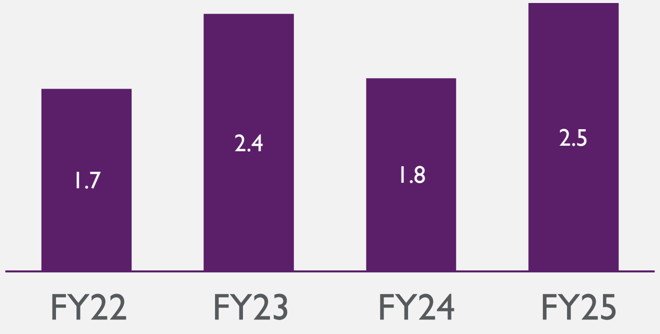
Key account growth and scope increases

£372m
(£600m 3Y target)

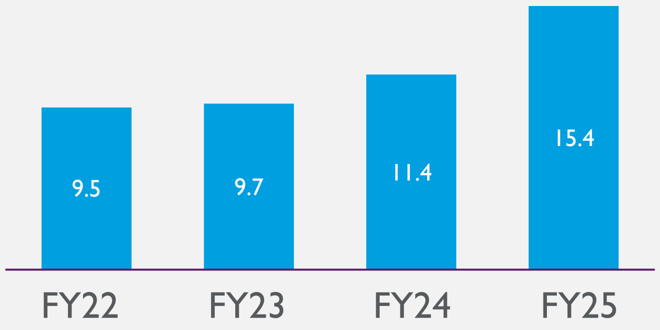
### Record New Wins (£bn TCV)
(+34% CAGR, +14% y-o-y)



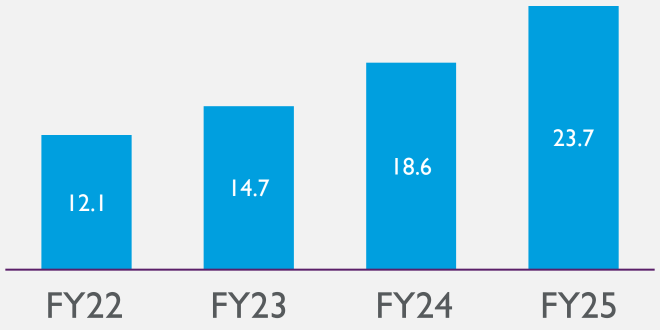

### Record Renewals (£bn TCV)
(+14% CAGR, +39% y-o-y)




### Record Total Order Book (£bn TCV)
(+17% CAGR, +35% y-o-y)




### Record Pipeline (£bn TCV)
(+25% CAGR, +27% y-o-y)




**£1bn TCV**
7+3 year security contract award from DWP

**35%**
New customer win rate

**13%**
Growth in in Top 10 Key Accounts

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# Strong **Facilities Transformation** growth in projects

## Our expanded capabilities delivered £1.2bn (+14% yoy) of transformational projects

Projects upsell/infill

**£139m**
(£200m 3Y target)

- M&E, HVAC, Building fabric
- Fire & Security
- Power & Grid connections
- Renewables, Battery storage
- Electric Vehicle charging
- Telecoms infrastructure

Eden Project 140 kWp roof-mounted solar PV system on plant and education facility

Longcross Park data centre design, delivery and commissioning of MEP infrastructure

Battersea Power Station fire suppression systems

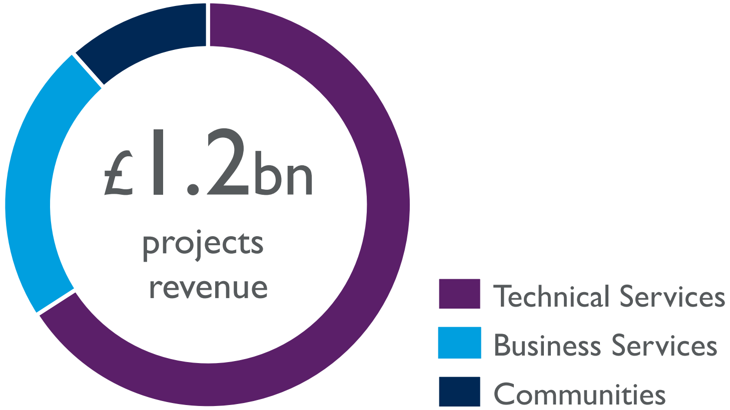
DWP upgrade of critical security infrastructure

**c.80%** projects for existing customers

**£250k** typical project size (+65% yoy)

**£2.8bn** projects order book (+40% yoy)

**£4.8bn** projects pipeline (+45% yoy)




# **Facilities Compliance** is an attractive growth market

Large market with strong growth rates, high recurring revenues and attractive margins, underpinned by the increasing building compliance requirements



| | Market Size[1] (£bn) | CAGR[1] ('24-'29) |
|---|---|---|
| Active & Passive Fire | 3.9 | 4-7% |
| Security Systems | 1.1 | 3-4% |
| Environmental Services | 2.6 | 3-4% |
| **Compliance market** | **7.6** | **4-6%** |

## COMPLIANCE MARKET CHARACTERISTICS

- ✓ **Large addressable market:** c.1.5m commercial and public buildings in the UK, most of which require 'Facilities Compliance'
- ✓ **High level of outsourcing:** c.90% of services are out-sourced, with a customer preference to direct award to specialists
- ✓ **Increasing regulations:** Tighter fire, security and environmental regulations, with greater enforcement and high costs of failure
- ✓ **Growing insurance requirements:** To support obtaining/ claiming on insurance policies or to reduce annual premiums
- ✓ **Recurring non-discretionary spend:** Long-term mandatory and structural demand drivers (e.g. statutory inspection regimes)
- ✓ **Attractive margins:** Specialists typically command higher prices and achieve higher margins than IFM 'generalists'

1) Independent research commissioned by Mitie


£300m
(£400m
3Y target)

# Two complementary businesses…

## Adding compliance capabilities to cross-sell to Mitie's underserved customers

### MARLOWE PLC

**£300m** revenue


**75%** recurring revenue

**~11%** EBITDA margin

**1,700** fee earners

**27,000** customers, incl. SMEs

**Specialist provider to clients**

- 80% self delivery
- National coverage

**Leading F&S and Water business**

### mitie

**£250m** revenue


**35%** recurring revenue

**~9%** EBITDA margin

**950** fee earners

**500** customers

**Underserved client base**

- Mostly subcontracted
- <20% of Accounts use Mitie

**Primarily F&S projects**

### FACILITIES COMPLIANCE LEADER

**£550m** revenue

**~10%** EBITDA margin

**70%** self-delivery

**60%** recurring revenue

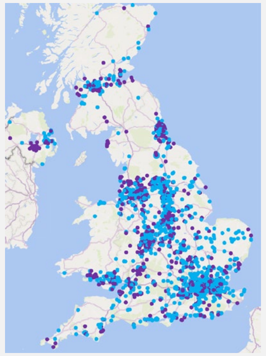
**Diversified** blue-chip customers

**Combined Offering:**

- ✓ 'Total Fire'
- ✓ Security Systems
- ✓ Environmental services

**National Coverage**

**c.2,650** fee earners covering every UK postcode



All figures are estimates

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# …with significant revenue opportunities to expand capabilities

Building scale, leadership and self-delivery in the key segments of Facilities Compliance

M&A

**£300m**
(£400m
3Y target)

## CREATES 'TOTAL FIRE' OFFERING

### Creates a leader in £3.9bn UK market

- Significant Active Fire cross-sell opportunities
- Bid for complex/multi-site/national contracts, with existing and new customers
- New capabilities in high growth Passive Fire market, addressing new legislation

**Active Fire**


Detection


Suppres-sion

**Passive Fire**

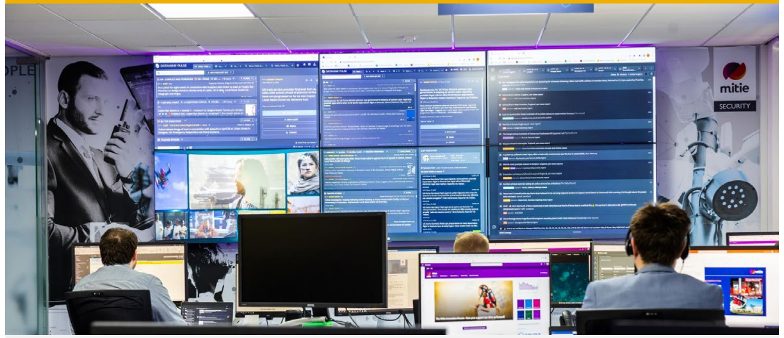

Fire stopping


Fire dampers

**Fire Risk**

Fire risk assessment

## ENHANCES SECURITY SYSTEMS OFFERING




### Creates a leader in £1.1bn UK market

- RHI and GBE projects capability for Mitie
- Cross sell Marlowe's services into key Mitie sectors incl. NHS, education, retail,, hospitality
- Enhance remote monitoring revenue streams with new ARC customers and connections

**Security Systems**


CCTV


Access Control


Remote Monitoring


Intrusion Detection


Lone Worker Protection

## ADDS ENVIRONMENTAL SERVICES

### Creates a leader in £2.6bn UK market

- Complements 'Mitie Energy' and 'Mitie Waste'
- Creates 'Total Managed Water' offer – supply; treatment; discharge; recycling; and drainage
- Engineering capabilities to design and deliver water and effluent treatment projects

**Water, Air and Asbestos**


Water Hygiene


Water Engineering


Wastewater & Effluent Treatment


Air Quality


Ventilation Hygiene


Asbestos Testing & Removal

# Significant cost synergies have been independently verified

## £30m cost synergies will drive margin accretion

M&A

**£300m**
(£400m
3Y target)

### SOURCES OF COST SYNERGIES[1]

**£30m**

| | |
|---|---|
| 55% | **Support functions** – Eliminate duplicate corporate, head office, administrative, support and other central management functions |
| 20% | **Procurement** – Consolidate under Mitie's Preferred Supplier category management and leverage volume-based discounts across materials, consumables and third-party costs |
| 15% | **Operational effectiveness** – Adoption of Mitie's systems and operating model, including route density efficiencies and self delivery |
| 10% | **Property** – Rationalise estate properties, consolidating space and relocating to nearby Mitie sites where appropriate |

### COST SYNERGY DELIVERY PROFILE

**Phasing** – Expect to exit FY27 at 100% run rate (£30m)

**Cost to Achieve** – £27m

### WE HAVE A PROVEN APPROACH TO M&A INTEGRATION

- Strong governance structure: experienced integration team
- Migrate core applications onto Mitie IT infrastructure and systems
- Deploy 'AI at Mitie' strategy to improve operational decision making
- One Mitie – leverage people programmes, processes and Employee Value Proposition to retain and develop the best talent
- Open communication channels; cultural alignment

BRITAIN'S MOST ADMIRED COMPANIES

Silver MEMBER OF The 5% Club 2024/25

INCLUSIVE TOP50 UK EMPLOYERS 2024/25

9th MOST INCLUSIVE EMPLOYER

50 GREAT BRITISH EMPLOYERS OF VETERANS

top EMPLOYER United Kingdom 2025

Apprenticeships Top 100 Employers 2024 52

1) See PwC Quantified Financial Benefits Statement (QFBS)

# Accelerates progress towards our FY27 targets

Compelling financial benefits, creating value for shareholders

Key account growth and scope increases

Projects upsell/infill

M&A

## CAPITAL MARKETS EVENT

- Target of c.£75m p.a. spend over 4 years (£300m)
- Acquired 5 businesses for £74m **(£128m projects revenue growth)**
- Owner/founder-led with earn outs

## MARLOWE ACQUISITION

- Public company **(£300m revenue p.a.)**
- Portfolio of c.50 infill acquisitions
- 75% maintenance and long-term contracts
- Higher margins with cross-sell opportunities

| | THE ENLARGED GROUP | FY27 FINANCIAL TARGETS |
|---|---|---|
| SUPERIOR FINANCIAL RETURNS | Accelerates revenue growth | High single digit revenue growth |
| | Immediately margin accretive | Operating profit margin >5% |
| | Sustainable FCF generation | FCF generation of c.£150m p.a. |
| PROACTIVE CAPITAL DEPLOYMENT | Value creative | ROIC >20% |
| | Leverage within target range | Average leverage 0.75x - 1.5x |
| | Proactive capital deployments | Return of surplus capital |
| | | Progressive dividend policy |

# FY25 Summary

Strong progress in Foundation Year of Strategic Plan (FY25 – FY27)

**Double digit revenue and operating profit growth**

**Record contract wins/renewals, order book and bidding pipeline**

**Three infill acquisitions expand Projects capabilities**

**Strong FCF generation supports growing capital deployments**

**Marlowe plc acquisition builds ‘Facilities Compliance’ leadership**

**On track to deliver ambitious Three-Year Plan targets**

# Appendix I

# Our record £24bn pipeline of bidding opportunities

## Over two thirds of the pipeline is due to be awarded in the next 18 months

Key account growth and scope increases

*Improving social outcomes*

IMMIGRATION & JUSTICE

**£6bn**

Eight prisons, MoJ Property Transformation, Immigration Removal Centres

*Better value for taxpayers*

CENTRAL & LOCAL GOV

**£3bn**

TfL, FCDO, National Highways and other government departments

*Tackling theft and violence*

RETAIL

**£3bn**

Multiple large national grocery and high street retailers

*Keeping the nation safe*

DEFENCE

**£2bn**

RAF hard services bid, DIO bids, commercial defence renewal

*Delivering innovation & Net Zero*

FINANCIAL SERVICES/OFFICES

**£2bn**

London FS market, office upgrades projects work

*Cleaner power connections*

CNI & DATA CENTRES

**£2bn**

Grid connections and data centre projects work

*A safer, more resilient transport system*

TRANSPORT & AVIATION

**£1bn**

Three airport re-bids, two airline bids, Great British Rail

*Improved outcomes for patients*

HEALTHCARE

**£1bn**

c.40 hospital bids (mainly soft services)

# AI-led technology leadership

**>5%** Operating margin by FY27

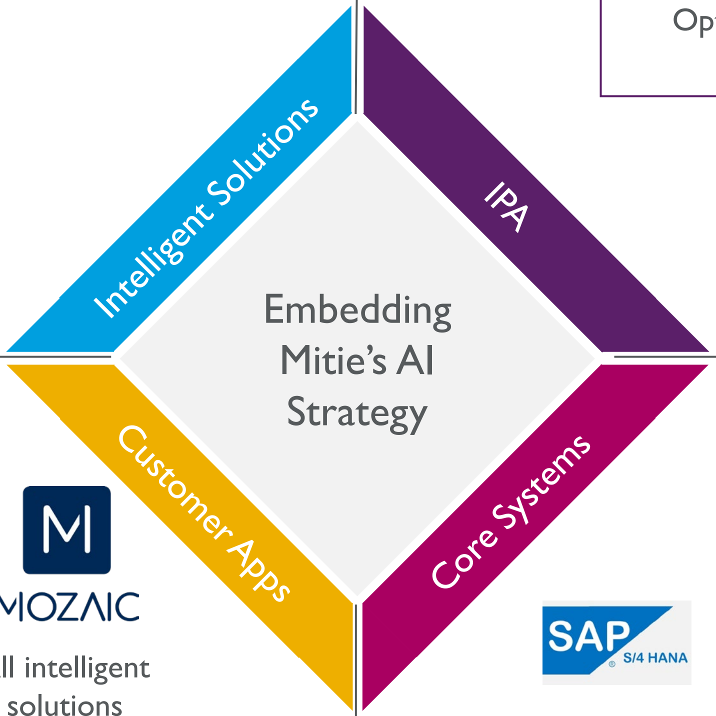
Our strategic focus on AI and Intelligent Process Automation (IPA) differentiates our core capabilities and will contribute to the delivery of margin enhancement initiatives in FY26

**Intelligent Engineering**
Condition-based maintenance at 700 connected sites

**Intelligent Hygiene**
Demand-led hygiene at 100+ customer sites

**Intelligent Security**
Risk-based security at 8,200 retail sites

**Intelligent Projects**
Net Zero carbon reporting for 25 large customers




**Digital Twins**
Optimising back-office processes

**Task Mining**
SkanAI deployed across 5,000 workstations

**Autonomous AI email agent**
Consolidated 14 engineering help desks

**MERLIN Connect**
> 260 customer sites with > 100 weekly hours connected

**MERLIN Secure**
7.2m incident datapoints analysed per month across UK retail locations

**ARIA**
30% of service requests automated

**ESME**
Auto 'Chat-bot'

**MOZAIC**
All intelligent solutions integrated in unified platform

**coupa**
Rollout to TS, Communities and expenses

**WorkPlace**
Re-platforming with AI enablement planned for June 2025

**SAP S/4 HANA**
Rollout late 2025

**IBM maximo**
Maximo systems upgraded to MAS 9.0, enabling AI in core processes

3,000 MS Copilot licenses to streamline tasks and improve decision making

Underpinned by industry leading cyber credentials (A95; NIST 4.1; ISO 27001:2022)

# One Mitie

## We are an award-winning destination employer in our industry

### OUR PEOPLE PLAN

**01** Investing in skills to fuel growth

**02** An industry leading employee experience

**03** Digitally driven to enhance productivity

**04** An inclusive culture which drives performance and social value

### OUTCOMES

***Investment in skills***

*Technical early career apprentices*

*Engineering graduate scheme*

*Flagship launch of Sales & Growth Academy*

*Focus on leadership and people managers*

***Record low attrition of 12%***[1]

*2 x free share awards in Q1 FY26*

*Enhanced benefits, e.g. paternity and wellbeing*

***Digital Academy launched***

*Industry first AI apprenticeships*

*Tech investments for efficiency, e.g. Copilot*

***27,000 Mitie Recognition Stars awarded***

*'This is Me' and Inclusion Allies Campaigns*

*20 Board Listening and 655 Team Talk Local events*

[1] *Excluding during Covid (FY21: 12%)*

# Appendix 2

mitie



# Business Services

| £m | FY25 | FY24[1] | Increase / (decrease) | % change |
|---|---|---|---|---|
| Security[1] | 1,067 | 863 | 204 | +24 |
| Hygiene | 461 | 407 | 54 | +13 |
| Central Government[1] | 384 | 447 | (63) | (14) |
| Spain | 167 | 114 | 53 | +47 |
| Waste | 85 | 77 | 8 | +10 |
| Landscapes | 80 | 69 | 11 | +16 |
| **Total revenue** | **2,244** | **1,977** | **267** | **+14** |
| | | | | |
| **Operating profit before Other items** | **163.0** | **149.8** | **13.2** | **+8.8** |
| Operating margin before Other items, % | 7.3% | 7.6% | | (0.3ppt) |
| | | | | |
| Total order book | £5.3bn | £3.3bn | £2.0bn | +61 |
| Number of employees | 49,646 | 43,418 | 6,228 | +14 |

[1] *Restated to reflect the change to divisional reporting to include Police services (within Security) and Central Government in Business Services*

# Technical Services

| £m | FY25 | FY24[1] | Increase / (decrease) | % change |
|---|---|---|---|---|
| Engineering | 1,421 | 1,326 | 95 | +7 |
| Defence[1] | 556 | 491 | 65 | +13 |
| **Total revenue** | **1,977** | **1,817** | **160** | **+9** |
| | | | | |
| **Operating profit before Other items** | **79.0** | **74.9** | **4.1** | **+5.5** |
| Operating margin before Other items, % | 4.0% | 4.1% | | (0.1ppt) |
| | | | | |
| Total order book | £5.0bn | £4.0bn | £1.0bn | +25 |
| Number of employees | 13,831 | 12,684 | 1,147 | +9 |

[1] *Restated to reflect the change to divisional reporting to include Defence in Technical Services*

# Communities

| £m | FY25 | FY24[1] | Increase / (decrease) | % change |
|---|---|---|---|---|
| Local Government & Education | 300 | 265 | 35 | +13 |
| Healthcare | 321 | 275 | 47 | +17 |
| Care & Custody[1] | 249 | 177 | 72 | +41 |
| **Total revenue** | **870** | **717** | **153** | **+21** |
| | | | | |
| **Operating profit before Other items** | **47.5** | **36.1** | **11.4** | **+31.6** |
| Operating margin before Other items, % | 5.5% | 5.0% | | +0.5ppt |
| | | | | |
| Total order book | £5.1bn | £4.1bn | £1.0bn | +24 |
| Number of employees | 12,764 | 11,870 | 894 | +8 |

[1] *Restated to reflect the change to divisional reporting to report Police services (previously in Care & Custody) in Business Services*

# Return on invested capital (ROIC)

| £m | FY25 | FY24 | % change |
|---|---|---|---|
| Operating profit before Other items | 234.1 | 210.2 | +11 |
| Tax[1] | (55.5) | (39.7) | +40 |
| **Operating profit before Other items after tax** | **178.6** | **170.5** | **+5** |
| **Invested capital[2]** | **730.2** | **645.0** | **+13** |
| **ROIC %** | **24.5%** | **26.4%** | **(1.9ppt)** |

*[1] Tax charge has been calculated on operating profit before Other items using the effective tax rate for the year of 23.7% (FY24: 18.9%)*
*[2] A detailed breakdown of invested capital has been provided on the next slide*

# Invested capital (for ROIC)

| £m | FY25 | FY24 | Increase / (decrease) | % change |
|---|---|---|---|---|
| Net assets | 428.0 | 473.7 | (45.7) | (10) |
| **Add:** | | | | |
| Non-current liabilities | 445.2 | 327.6 | 117.6 | +36 |
| Current provisions | 37.4 | 66.5 | (29.1) | (44) |
| Current private placement notes | - | 30.0 | (30.0) | (100) |
| **Deduct:** | | | | |
| Non-current deferred tax assets | - | (7.9) | 7.9 | (100) |
| Cash and cash equivalents | (180.4) | (244.9) | 64.5 | (26) |
| **Invested capital** | **730.2** | **645.0** | **85.2** | **+13** |

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