

14 October 2025
Mitie Group plc

HI FY26 Trading Update

Strong revenue growth underpins continued momentum
FY26 operating profit guidance upgraded to at least £260m
Share buybacks resumed with launch of new £100m programme

Mitie Group plc ("Mitie" or "the Group") (LSE: MTO), the UK's leading Facilities Management, Transformation and Compliance company, today provides a trading update for the six months ended 30 September 2025 ("HI FY26" or "the period").

HI FY26 Highlights

- **Revenue growth** of c.10% to £2.7bn¹ (HI FY25: £2.4bn), including c.6.1% organic growth
- **Contract wins/extensions/renewals** of c.£3.0bn TCV² against a record prior year comparative (HI FY25: £3.7bn); record £31bn pipeline of bidding opportunities
- **Marlowe acquisition** completed in August; integration progressing well and to plan
- **Strong financial position** with post-IFRS 16 average net debt of c.£332m and leverage of c.1.0x³, within our 0.75-1.5x target range

Outlook

- **Operating profit guidance upgraded** to at least £260m in FY26 (FY25: £234m)
- **Free cash flow generation** expected to be at least £120m in FY26 (FY25: £143m)
- **Share buybacks resumed** with launch of new £100m programme over 12 months
- **On track** to deliver our ambitious FY25-FY27 Strategic Plan and financial targets

Commenting on the HI results and outlook, Phil Bentley, CEO, said:

"Mitie's strong momentum has continued in the first half of the year, reflective of the progress we are making to deliver our Strategic Plan and financial targets. We are well on the way to building a larger, more profitable and cash generative business with greater capacity to invest for growth and deliver increasing returns for shareholders.

"The acquisition of Marlowe in early August marked a major milestone in our Strategic Plan, consolidating Mitie's technology and project-led 'Facilities Transformation' leadership and extending it into business-critical 'Facilities Compliance'. The integration programme is progressing well, and we continue to expect to achieve at least £30m of cost synergies by FY28 alongside accelerated revenue growth through the cross-sell of regulatory driven services to Mitie's clients.

"Our first half performance, combined with our continued growth momentum and progress with the Marlowe integration, provides the confidence to resume share buybacks with the launch of a new £100m programme, to be executed over the next 12 months."

¹ Including share of joint ventures and associates

² Total contract value (TCV), including estimates for projects and variable works

³ Rolling 12-month basis

Revenue growth

Mitie delivered strong revenue growth in H1 FY26, with revenue up by c.10% to c.£2.7bn (H1 FY25: £2.4bn). This included c.6.1% organic growth driven by net contract wins, scope increases, pricing and higher projects volumes (including in the defence and healthcare, local government & education sectors). M&A, including the initial contribution from Marlowe and prior year acquisitions, added c.3.9% to revenue growth.

Contract wins and extensions/renewals

During the period we won, extended or renewed contracts with up to c.£3.0bn TCv, following a record out-turn in the same period last year (H1 FY25: £3.7bn), which included two notable public sector wins and the extension of our largest private sector contract.

Notable contract wins in the period included IFM for Aviva; immigration services for the Home Office; hygiene services for Landsec's Liverpool ONE complex, Manchester Airport Group and Walgreens Boots Alliance; security services for the Metropolitan Police Authority and Tate Gallery; engineering services for Transport for London; and projects work for Willmott Dixon Construction.

Notable contract renewals and extensions included security for Associated British Ports, Co-operative Group and one of the UK's largest supermarket chains; IFM for GSK, JLL and Manchester Airport Group; soft services for Barking Havering & Redbridge University Hospital NHS Trust; and the RAF Mildenhall Defence Infrastructure Organisation contract.

Capital deployments

Our capital deployment policy is determined by the best use of capital to deliver superior returns to shareholders and drive growth in the business, whilst maintaining a strong financial position, with leverage within our 0.75-1.5x target range (post-IFRS 16 average net debt / EBITDA).

During the period, we completed the strategic acquisition of Marlowe for c.£350m, comprising 290p in cash (£228m) and 1.1 Mitie shares per Marlowe share (86.6m new Mitie shares issued). We purchased 2m shares for £3m to fulfil the 2022 Save as You Earn scheme and 17m shares for £22m to fulfil employee incentive schemes and free share awards.

Following the Marlowe acquisition, we expect leverage to reduce quickly from the upper end of our target range through free cash flow generation and increasing profitability. Consequently, we are resuming the return of surplus funds to shareholders via the launch of a new £100m share buyback programme. This will increase the cumulative total of share buybacks undertaken since FY23 to £303m.

We will maintain our progressive dividend policy at a payout ratio of between 30-40% and continue to pursue value creating infill M&A opportunities that are a good strategic fit.

Marlowe integration

Following an extensive period of preparation, our integration programme, comprising resources from both Mitie and Marlowe, is progressing well across multiple workstreams and we remain on track to deliver at least £30m of cost synergies by FY28, and an operating profit of at least £12m in FY26.

Key workstreams include optimisation of field force deployments; elimination of duplicate head office costs; consolidation of certain roles and responsibilities; rationalisation of the Marlowe property portfolio; and the migration of Marlowe onto Mitie's cyber-secure and AI-enabled systems. Negotiations with key suppliers have commenced as part of the consolidation of procurement activities, and we are beginning the transition of compliance work to Marlowe companies that Mitie currently subcontracts to third parties.

Net debt

Closing net debt (post-IFRS 16) at 30 September 2025 was c.£475m, an increase of c.£276m from 31 March 2025. This increase since FY25 year-end reflects the £228m cash element of the Marlowe acquisition (funded through a £240m short-term bridge facility); £66m of shareholder returns (dividends, share purchases for incentive schemes and share buybacks); £11m of other deployments (earnouts and acquisition-related costs); and a c.£22m increase in lease liabilities as a result of the addition of Marlowe vehicles and leased properties. These increases were partially offset by good free cash flow generation of c.£50m (H1 FY25: £34m). H1 FY26 average daily net debt was c.£332m (H1 FY25: £220m).

FY26 Operating profit guidance upgrade and outlook

Based on our encouraging performance in H1, we now expect operating profit before Other items for the year ended 31 March 2026 ("FY26") to be at least £260m, inclusive of the contribution from the Marlowe acquisition. Our guidance is underpinned by strong ongoing trading momentum, further benefits from the margin enhancement initiatives implemented in the first half of the year, good recovery of cost increases arising from inflation and NIC changes, and early progress with the Marlowe integration.

Interim results release and presentation

Mitie's interim results for the six months ended 30 September 2025 will be released on Thursday, 20 November 2025. A presentation for analysts will be held at 9.30am.

H1 FY26 financials disclosed in the above trading update (and in the H1 FY26 results to be announced on 20 November 2025) are unaudited.

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For further information

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About Mitie: The Future of High Performing Places

Founded in 1987, Mitie employs 80,000 colleagues and is the leading technology-led Facilities Management, Transformation and Compliance company in the UK. We are a trusted partner to around 3,000 customers across the public and private sectors, working with them to transform their built estates, and the lived experience for their colleagues and customers, as well as providing data-driven insights to inform better decision-making.

In each of our core services of engineering (hard services) and security and hygiene (soft services) we hold market leadership positions. We also deliver transformational projects in the areas of power and grid connections, building fit outs & modernisation, decarbonisation, fire safety & security and telecoms infrastructure, alongside compliance capabilities in fire safety & security and environmental services. Our sector expertise includes central government, critical national infrastructure, defence, financial services, healthcare & life sciences, local government & education, retail & logistics, manufacturing & media and transport & aviation.

We hold industry-leading ESG credentials, including a place on the CDP Climate change A List, and we have received multiple awards including Best Low Carbon Solution and Net Zero Carbon Strategy of the year. We have validated science-based targets that support our ambitions to reach Net Zero. We have been recognised as a UK Top Employer for the seventh consecutive year and Most Admired Company in the Support Services sector. We are also ranked 16th in the Top 100 Apprenticeship employers and ninth in the Inclusive Top 50 UK Employers list. Find out more at www.mitie.com