

20 November 2025
Mitie Group plc

Interim results for the six months to 30 September 2025

Growing momentum after strong first half performance
Record contract awards, order book and bidding pipeline
Confidence in delivery of FY25-FY27 Strategic Plan and financial targets

HI highlights:

- **Group revenue** up 10.4% to £2,677m (HI FY25: £2,426m), including 6.4% organic growth driven primarily by net contract wins, projects and pricing, plus a 4.0% contribution from acquisitions
- **Record contract awards** of £3.8bn total contract value (HI FY25: £3.7bn)
- **Order book²** up 7% to £16.5bn (end FY25: £15.4bn); book to bill ratio³ 141%; renewals 86% (FY25: 59%)
- **Bidding pipeline** up 39% to £33.0bn (end FY25: £23.7bn); over 70% to be awarded in next 18 months
- **Operating profit before Other items¹** up 8% to £109m (HI FY25: £101m)
- **Operating profit margin before Other items** resilient at 4.1% (HI FY25: 4.2%), reflecting margin enhancement initiatives, offset by strategic investments as well as inflation and National Insurance headwinds
- **Basic EPS before Other items** up 6% to 5.7p (HI FY25: 5.4p), reflecting the increase in operating profit and reduction in average share count driven by share buybacks in the prior year, offset by higher interest costs
- **Operating profit** down 3% to £61m (HI FY25: £63m) and EPS down 13% to 2.6p (HI FY25: 3.0p); Other items¹ of £48m (HI FY25: £38m) incl. Marlowe transaction costs (£7m) and costs to achieve synergies (£2m)
- **Free cash flow generation** of £52m (HI FY25: £34m); operating cash flow of £115m (HI FY25: £81m)
- **Average net debt** up £113m to £332m, primarily reflecting the Marlowe acquisition
- **Marlowe acquisition** delivers 'Facilities Compliance' market leadership; integration continues to progress well, and synergies delivery remains on track
- **Refinancing of Marlowe bridge facility** completed post-HI with £180m of 3-7 year US Private Placement notes at average coupon of 5.4%
- **Interim dividend** up 8% to 1.4p per share (HI FY25: 1.3p)
- **AI** delivering early positive impact by reimagining and automating workflow and workforce management
- **New share buyback programme** of £100m underway; 15m shares purchased for £24m to date
- **Full year guidance reiterated** for operating profit before Other items of at least £260m and free cash flow of at least £120m

£m unless otherwise specified	Six months to 30 September 2025			Six months to 30 September 2024		
	Before Other items ^{1,3}	Other items ¹	Total	Before other items ^{1,3}	Other items ¹	Total
Revenue	2,677.2	-	2,677.2	2,425.6	-	2,425.6
Operating profit	108.8	(48.2)	60.6	101.1	(37.7)	63.4
Operating profit margin	4.1%	-	2.3%	4.2%	-	2.6%
Profit before tax	98.0	(48.2)	49.8	94.5	(37.7)	56.8
Profit for the period	73.8	(39.1)	34.7	71.1	(31.0)	40.1
Basic earnings per share	5.7p		2.6p	5.4p		3.0p
Dividend per share			1.4p			1.3p
Cash generated from operations			114.8			81.4
Free cash inflow ³			51.9			34.3
Average daily net debt ³			(331.6)			(219.0)
Closing net debt ³			(471.4)			(187.5)
Total order book ²			£16.5bn			£12.6bn
Return on invested capital (ROIC) ³			16.3%			25.4%

1. Other items are described in Note 3 to the condensed consolidated financial statements

2. Order book includes secured fixed term contracts and estimates for projects & variable works. Book to bill ratio is relationship of orders received to revenue recognised

3. Performance before Other items, net debt, free cash flow, EBITDA (rolling 12-month) and ROIC are presented as Alternative Performance Measures. Explanations as to why these measures are presented, and reconciliations to the equivalent statutory measures, are set out in Appendix 1 to the condensed consolidated financial statements

Commenting on the first six months and the outlook, Phil Bentley, Group Chief Executive, said:

“As we reach the halfway mark in our Three-Year Strategic Plan (FY25-FY27), it is good to see the progress that has been made and the growing momentum towards achieving our targets, and beyond, as the order book and pipeline continue to build. We are building a larger, more profitable and more cash generative business with greater capacity to invest for growth, as we have demonstrated with the acquisition of Marlowe. Our mission is to deliver increasing returns for shareholders, through share price appreciation, dividends and share buybacks.

“At the start of our Strategic Plan, our ambition was to increase revenue by £1.2bn to £5.6bn in FY27 through high single digit annual revenue growth. We are comfortably on track to exceed this target, having delivered double digit growth over several successive periods, including in the first half of this year.

“This sustained performance is a result of investments in sales & marketing; higher margin projects and compliance capabilities; and best-in-class customer-facing technologies and Artificial Intelligence (AI). It also reflects the hard work of our 84,000 colleagues who continue to deliver outstanding service to our customers. I am hugely thankful for their efforts not only in winning, retaining and growing contracts, but also making Mitie a truly inspiring environment, building better places and helping communities to thrive.

“Our business continues to demonstrate resilience and agility in navigating headwinds, including to mitigate the rise in employer National Insurance Contributions since April. We remain focused on delivering an operating margin of at least 5% by FY27 through higher margin Facilities Transformation and Facilities Compliance growth; operational leverage; and through accelerating automation and AI efficiencies.

“As we look ahead to the second half of our Strategic Plan, over the next 18 months, I am confident that the positive macro trends underpinning our business will continue to support our accelerating growth ambitions, with Mitie being uniquely positioned to both expand its market reach and capture further market share.

“Our scale, technology, broad capabilities and ability to adapt to the changing needs of our customers are increasingly making us the partner of choice across the public and private sectors. We will continue to unlock the value in our customers’ estates through Facilities Management, Transformation and Compliance, and deliver the Future of High Performing Places.”

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Analyst Presentation and Q&A

Phil Bentley (CEO) and Simon Kirkpatrick (CFO) will host a presentation and Q&A session today (20 November 2025) at 9.30am at The Shard and via a webcast. For dial in details please contact kate.heseltine@mitie.com. A copy of the presentation will be available on the company website in advance of the live presentation, www.mitie.com/investors.

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About Mitie: The Future of High Performing Places

Founded in 1987, Mitie employs 84,000 colleagues and is the leading technology-led Facilities Management, Transformation and Compliance company in the UK. We are a trusted partner to blue-chip 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

Chief Executive's strategic review

Overview

Mitie's strong momentum continued in the six months ended 30 September 2025 (H1 FY26), driving further progress towards the delivery of our Three-Year Strategic Plan (FY25-FY27) and financial targets.

Revenue in H1 FY26 grew by 10.4% to £2,677m (H1 FY25: £2,426m), including organic growth of 6.4% – significantly ahead of core FM market growth at c.3-4% per annum. Operating profit before Other items grew by 7.6% to £108.8m (H1 FY25: £101.1m), whilst basic EPS before Other items grew by 5.6% to 5.7p (H1 FY25: 5.4p).

The Group operating profit margin before Other items of 4.1% (H1 FY25: 4.2%), reflects our continued trading momentum and progress with our programme of margin enhancement initiatives, offset by strategic investments and inflationary cost headwinds. The prior year margin had also benefited (by 20bps) from higher margin 'surge response' security work, which was mobilised and demobilised at short notice.

Looking ahead, H2 margins are structurally higher than H1. We have a clear path to our operating margin target of at least 5.0% by FY27, driven by growth in higher margin projects and compliance work, operational leverage and our ongoing programme of margin enhancement initiatives, including those relating to AI and process automation.

Based on the equivalent statutory measure, operating profit reduced to £60.6m (H1 FY25: £63.4m), due to a £10.5m increase in Other items, largely due to acquisition-related costs for Marlowe. Basic EPS reduced to 2.6p (H1 FY25: 3.0p) due to the increase in Other items and higher net finance costs (also largely relating to Marlowe). Further details are set out in the Finance Review.

Three-Year Strategic Plan (FY25 – FY27)

Our Strategic Plan set out to pivot Mitie from traditional 'Facilities Management' to technology and project-led 'Facilities Transformation' leadership in the UK, with deep capabilities to aggregate workflow and workforce data across the built environment as a trusted partner to thousands of large public and private sector organisations.

The acquisition of Marlowe, in August, consolidated our leadership position and extended it further, into business-critical 'Facilities Compliance', with significant opportunities to cross-sell regulatory-driven fire safety & security and environmental services to Mitie's client base. As a result, we are well positioned to meet the evolving needs of our customers – underpinned by attractive macro trends – and deliver the 'Future of High Performing Places'.

At our Capital Markets Event in October 2023, where we launched our Facilities Transformation strategy, we set ambitious financial targets (based on alternative performance measures), inclusive of M&A, to accelerate growth and deliver superior returns to shareholders over the Strategic Plan:

- High single digit compound annual revenue growth
- Operating margin >5% by FY27
- Basic EPS growth above that of revenue growth, despite higher corporation tax rates
- Annual free cash flow of £150m by FY27

Our targets are underpinned by a proactive capital deployment policy, modest leverage of 0.75-1.5x (post-IFRS 16 average net debt/EBITDA) and a return on invested capital (ROIC) above 20%.

Growing momentum

Our Strategic Plan is expected to deliver growth through the three pillars of 1) key account growth and scope increases; 2) projects upsell/infill; and 3) M&A. We are targeting high single digit revenue growth annually, inclusive of the contribution from M&A.

In H1 FY26, organic growth through key accounts (net wins and contract growth) and projects upsell contributed 6.4% to revenue growth, including pricing of 3.2%. Inorganic growth of 4.0% primarily related to the acquisition of Marlowe, alongside infill M&A completed in the prior year.

Pillar 1: Record key account contract awards, order book and pipeline of bidding opportunities

During the period, we won, extended or renewed contracts worth up to £3.8bn total contract value, a record six-month performance following a strong out-turn in the same period last year (H1 FY25: £3.7bn).

Notable new contract wins in the period included Integrated Facilities Management (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.

Our contract renewals performance was strong in the period at 86% (FY25: 59%), with notable contract renewals/extensions included Security services 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 Engineering services at RAF Mildenhall.

Our total order book increased by £1.1bn (7%) to a record £16.5bn (end FY25: £15.4bn), net of £2.7bn revenue produced. This comprises a Facilities Management order book of £13.6bn (end FY25: £12.6bn) and a Projects order book of £2.9bn (end FY25: £2.8bn), with the latter typically being shorter term in nature than FM contracts.

Our bidding pipeline stands at a record £33.0bn (end FY25: £23.7bn), comprised of Facilities Management opportunities of £26.1bn (end FY25: £18.9bn) and Projects opportunities of £6.9bn (end FY25: £4.8bn). Across the pipeline, significant sectors include Immigration & Justice, Defence and Central Government in the public sector, alongside Retail, Critical National Infrastructure (including data centres), Transport & Aviation and Financial Services in the private sector. Over 70% of the pipeline is due to be awarded in the next 18 months.

Pillar 2: Transformational projects growth underpinned by attractive macro trends

We continue to see strong demand from our customers for transformational projects across their estates, reflected in a 15% increase in projects revenue to £636m (H1 FY25: £552m) across our two divisions. At our Capital Markets Event in October 2023, we set out plans to grow our Projects business to at least £1.5bn by the end of FY27. Based on the good progress to date, we expect to reach c.£2bn over the medium term.

Building modernisation, including lifecycle upgrades, continues to be a key driver of growth, where we are integrating systems to create 'intelligent buildings', and ensuring that buildings meet evolving legislative and regulatory requirements. This includes new fire and security legislation, which places a greater responsibility on building owners and managers to protect occupants, and minimum energy efficiency standards for commercial buildings. Decarbonisation technologies, such as air and ground source heat pumps, solar, electric vehicle charging and battery storage, are also increasingly being sought by our customers, alongside power and grid connections and upgrades.

The UK is one of the largest data centre markets in Europe and is growing rapidly as a result of the increasing demand for AI infrastructure. We have built leading capabilities to deliver mechanical & electrical, cooling and fire & security systems fit outs in these buildings, and across wider critical environments, and we have a good pipeline of opportunities to drive future growth.

We continue to deliver a range of projects work across our Defence contracts, reflecting the UK government's commitment to invest in the country's defence capabilities and the modernisation and decarbonisation of its estate. Across Healthcare, Local Government & Education contracts, lifecycle projects work is also a key driver of growth.

We have undertaken a number of management actions to turn around the telecoms infrastructure business over the last year, which have resulted in a small profit in H1 FY26, reversing a loss of £10m in the same period last year. Revenue reduced by 39% to £20m (H1 FY25: £33m) as we continue to hand back unprofitable work.

Pillar 3: Growth from M&A - Marlowe acquisition delivers 'Facilities Compliance' leadership

On 5 August, we completed the acquisition of Testing, Inspection and Certification specialist, Marlowe, for c.£350m, comprising 290p in cash (£228m) and 1.1 Mitie shares per Marlowe share (86.6m new Mitie shares).

Marlowe has outstanding and highly complementary fire safety & security and water & air hygiene capabilities in the fast growing £7.6bn UK 'Facilities Compliance' market. The combination of Mitie and Marlowe, with c.£550m of revenue, is now the leader in this market, with the potential to become a c.£1bn business in the medium term. Demand for compliance services is underpinned by increasing requirements for business-critical assurance as a result of new legislation and tighter regulation impacting buildings and their owners, including those relating to fire and building safety, energy and the environment.

Marlowe trading since acquisition has been in line with our expectations (£51m revenue and £3.1m operating profit over the period from 5 August to 30 September). We expect the business to contribute to Mitie an operating profit before Other items of at least £12m in FY26 (Marlowe plc reported FY25: £20m). Our integration programme, comprising resources from both Mitie and Marlowe, continues to progress at pace across multiple workstreams. We remain on track to deliver at least £30m of cost synergies by FY28, together with accelerated revenue growth through the cross-sell of regulatory driven services to existing Mitie clients.

Key integration workstreams include optimisation of field force deployments onto a single AI-enabled system; consolidation of certain roles and responsibilities in Finance, HR, IT and Admin; 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 that Mitie currently subcontracts to third parties to Marlowe companies. In addition, we have engaged specialist consultants to review the opportunities for Marlowe in the latest Water Industry Regulatory Cycle (Asset Management Period 8, £104bn investment between 2025-2030).

Operating margin progression

We have a clear path to our targeted operating profit margin before Other items of at least 5% by FY27. This will be achieved through our ongoing programme of margin enhancement initiatives, underpinned by AI, as well as operational leverage, alongside the contribution from higher margin projects and compliance work. We expect these management actions to more than offset headwinds from inflation and contract re-pricing dynamics in a competitive environment.

During the period we delivered margin enhancement initiative cost savings of £10m, which we expect to increase to £25m over the full year. Key workstreams included the use of technology and AI to streamline tasks and deploy resources more efficiently (see 'technology' section below); our 'Mitie First' initiative to increase self-delivery to customers and reducing our reliance on third-party contractors; working with strategic client accounts to define a best practice service delivery model; the continued outsourcing of certain finance functions; and the ongoing consolidation of Mitie's core systems and processes. We also completed the roll out of Coupa, our procurement supplier platform, in Technical Services during the period.

The investments we have been making into sales & marketing, contract re-bids and training and incentives for 'in-contract' teams to drive growth over the contract life are delivering tangible results, including strong revenue growth, good wins and renewals and a record pipeline of bidding opportunities. We also continue to invest in technology, by developing our 'Intelligent360' solutions and enabling AI in our core systems.

Sustainable free cash flow generation

We are targeting free cash flow generation of c.£150m per annum by FY27. As previously noted, we expect increased profitability and improved working capital management to offset the higher working capital requirements of our growing projects business, together with some customers (particularly in retail) demanding longer payment terms and the one-off negative impact (c.£10m) arising from the Procurement Act 2023 requiring faster payments to our SME suppliers.

In H1 FY26, the Group generated £115m of cash from operations (H1 FY25: £81m), leading to a free cash inflow of £52m (H1 FY25: £34m). Higher cash from operations reflects growth in operating profit before Other items,

primarily offset by higher capex, leases and interest payments alongside a £24m seasonal working capital outflow in H1. We remain on track to deliver at least £120m of free cash flow in FY26.

Proactive and growing capital deployment

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 of between 0.75-1.5x (post-IFRS 16 average net debt / EBITDA).

We prioritise a progressive dividend at a payout ratio of between 30-40%. We have also committed to purchase all shares required to fulfil colleague incentive schemes to prevent shareholder dilution. We will continue to pursue infill M&A opportunities that are a good strategic fit for our business although, following the Marlowe acquisition, these are likely to be modest in scale over the remainder of the Three-Year Plan. We remain committed to the return of surplus funds to shareholders to maintain leverage within our target range.

The Board has declared an interim dividend of 1.4p per share (H1 FY25: 1.3p), consistent with our approach of setting the interim dividend at one third of the prior year total dividend (FY25: 4.3p per share). The interim dividend will be paid on 20 February 2026 to all shareholders on the register at 9 January. Shares in Mitie will be quoted ex-dividend on 8 January, and the Dividend Reinvestment Plan election date is 26 January.

During the period, we completed the 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). As part of the acquisition, we incurred transaction costs of £7m (of which £5.7m was paid in H1). We also spent £3.7m on earnouts relating to infill acquisitions completed in prior periods.

On 14 October, we launched a new £100m share buyback programme to be completed over 12 months. Since the start of FY26, we have purchased 17m shares (£27m) at an average price of c.160p. This includes the 2m shares (£3m) purchased under our previous programme, which was paused to accommodate the Marlowe acquisition. In total we are holding 5m of the 17m shares purchased in treasury to fulfil the 2022 Save As You Earn scheme, vesting in February 2026, and we are cancelling all shares purchased in excess of this. Finally, separate to the share buybacks, we acquired 17m shares at a cost of £23m in H1 to fulfil colleague incentive schemes.

Strong balance sheet and modest leverage

Average daily net debt increased by £113m to £332m in H1 FY26 (H1 FY25: £219m), reflecting our proactive capital deployments across dividends, buybacks, share purchases for incentive schemes and M&A, and rolling 12-month leverage was 1.0x post-IFRS 16 average net debt / EBITDA (H1 FY25: 0.7x), within our targeted leverage range of 0.75-1.5x.

Closing net debt of £471m (FY25: £199m) reflects our proactive capital deployments totalling £305m, alongside a £19m increase in lease obligations as a result of the addition of Marlowe vehicles and leased properties, partially offset by good free cash flow generation of £52m.

Liquidity and funding

To facilitate the acquisition of Marlowe, Mitie put in place a £240m short-term bridge facility, which was fully drawn down upon completion of the acquisition in August. After the period end, in mid-October, £60m of the outstanding bridge loan was repaid from our existing balance sheet capacity. The balance of the bridge loan was refinanced by the issuance of £180m of US Private Placement notes on 12 November, and the bridge loan was fully repaid and cancelled on 13 November.

The new US Private Placement notes have maturities of between 3-7 years with a weighted average coupon of 5.44%. Mitie now has £360m of committed funding with maturities between 2028-2034, at an overall weighted average interest rate fixed at 4.65%, alongside a £250m Revolving Credit Facility maturing in October 2028.

Technology leadership

Our competitive advantage is embedded in our people and industry-leading technology, enabling us to deliver transformative, data-driven, 'intelligent' solutions to meet the changing needs of our customers.

This includes Intelligent Engineering – supporting the 24x7 remote monitoring and predictive maintenance of connected assets and promoting ‘well-being’ in the built environment; Intelligent Security – enabling the deployment of resources in response to the changing risk and threat profiles of our customers’ estates; Intelligent Hygiene – delivering demand-led hygiene based on building usage data and sensor technology; and Intelligent Projects – where our ‘Emissions Intelligence’ platform is enabling the automation of carbon emissions data capture and reporting as well as the creation of Net Zero carbon pathways for clients.

During the period we launched our leading Enterprise Insight Platform, Mozaic 360. Developed on Microsoft Fabric, the platform integrates operational data across each of our ‘intelligent’ solutions with customer and third-party information to provide comprehensive operational and strategic insights into the daily operations in the ‘Built Environment’. It utilises AI to identify patterns and deliver in-depth analysis, creating value maximising strategies for clients.

For example, four of the UK’s largest retailers use ‘Intelligent Security’ to assess store risk profiles and optimise resource allocation, while ‘Intelligent Hygiene’ has been implemented by organisations such as GSK, NATS and an international e-commerce business. Our new IoT platform, ‘Hark’, is being fully integrated with our Computer-Aided Facilities Management systems to enhance our remote monitoring, energy management and predictive maintenance capabilities.

We have introduced Sphere, a WELL-certified workplace wellbeing solution, which enables our consulting team to measure and enhance the workplace effectiveness. Our customer-facing mobile app, ‘Aria’, now processes c.40% of service requests without human intervention, having upgraded our ‘ESME’ chatbot with OpenAI’s large language model, and has been shortlisted for the UK IT Industry Award for innovation.

Intelligent Process Automation is central to our AI strategy, automating systems and processes from start to finish. Building on the success of our autonomous AI email agent, ‘Barry’, we have extended its use beyond the Engineering helpdesk to Business Services and HR helpdesks. We have also introduced an autonomous AI voice agent, ‘Ava’, to answer calls and create service requests for the Engineering field force. The autonomous AI email agent is now used by 38 customers, achieving over 90% success and saving c.9,000 hours within the Engineering helpdesk team.

Across areas such as supply chain management, scheduling, HR and transactional admin, we have launched AI-bots including ‘Jeff’, ‘Sunita’, ‘Sally’ and ‘Hazel’ to deliver efficiencies and cost savings. In Finance, ‘Alan’ and ‘Karim’ are identifying real-time savings in Fleet and enhancing purchase card data analysis. We have also upgraded our Government and Commercial Maximo systems to IBM MAS 9.1, enabling us to embed AI features into core engineering workflow processes.

Environmental, Social and Governance (ESG) leadership

Mitie is recognised as a leader in ESG and social value among global industry peers, with these initiatives forming a key part of how we do business. Our leading credentials, including CDP ‘A List’ and MSCI ESG ‘AA’ rating, also enable us to partner with our customers to realise their own sustainability and Net Zero carbon ambitions.

We launched our Plan Zero strategy in 2020, with the ambitious ‘Phase 1’ goal of becoming carbon neutral for our direct operations by the end of 2025. In recognition of our progress to date, including the electrification of our vehicle fleet and procurement of renewable energy, we marked the completion of Phase 1 ahead of schedule, in July 2025. We are now establishing a new emissions baseline and Plan Zero 2.0 will guide the next phase of our decarbonisation journey.

In July, we also launched our new ‘Plan Thrive’ initiative, supporting our corporate purpose: ‘Better Places; Thriving Communities’. This strategic framework is designed to embed social value across Mitie’s operations, with key pledges including to ‘uplift one million lives and enable 1,000 places to prosper’. Mitie has a strong track record of delivering impactful social initiatives, including through the Mitie Foundation, apprenticeship schemes, recruitment from disadvantaged cohorts, learning and development programmes and responsible supply chain management.

We continue to offer career development opportunities and industry-leading benefits to our colleagues to attract and retain the best talent. During the period, c.1,600 colleagues were actively learning on over 90 technical, professional and leadership programmes, and we welcomed 150 external apprentices in HI, our highest ever intake. We have expanded our 'Women in Leadership' pathway with a Level 7 Leadership cohort and continued our Inclusion Allies programme, underpinning our broader ED&I commitments.

Operating review

As part of our Facilities Transformation Three-Year Plan (FY25-FY27), we continue to simplify our organisational structure to align to our core service line capabilities of Engineering, Security and Hygiene. As such, from the start of FY26 we have absorbed the Communities division into Business Services (Care & Custody has been renamed Immigration & Justice) and Technical Services (Healthcare, Local Government & Education).

Business Services

Business Services is the UK's largest provider of technology-led Security and Hygiene services across c.2,500 larger contracts, including public sector expertise in Central Government and Immigration & Justice. Following the acquisition of Marlowe, it is also the largest provider of Facilities Compliance services alongside Landscaping and Waste Environmental services. Mitie's Spanish business is reported within the division.

Business Services, £m	HI FY26	Restated ¹ HI FY25	Change	Restated ¹ FY25
Revenue	1,415	1,229	15%	2,538
Security	580	517	12%	1,067
Hygiene & Environmental services	340	300	13%	629
Central Government	187	185	1%	384
Immigration & Justice	153	148	3%	291
Marlowe	51	-	-	-
Spain	104	79	32%	167
Operating profit before Other items	85.3	85.1	0.2%	180.4
Operating profit margin before Other items	6.0%	6.9%	(0.9ppt)	7.1%
Total order book	£7.1bn	£4.2bn	69%	£6.2bn

¹ Restated to combine Waste and Landscapes (as Environmental) with Hygiene services and include Immigration & Justice (formerly Care & Custody within the Communities division). Marlowe has also been reported in Business Services.

Performance highlights

- Revenue +15% to £1,415m (HI FY25: £1,229m), reflects new wins, fire safety & security projects, pricing and acquisitions, partially offset by the completion of certain projects programmes in central government
- Operating profit before Other items of £85.3m (HI FY25: £85.1m), with revenue growth and margin enhancement initiatives replacing the one-off benefits in the prior year from higher margin 'surge response' security work and a legal settlement
- £2.2bn total contract value of wins and extensions/renewals across key public and private sectors, resulting in a 15% increase in total order book to £7.1bn (end FY25: £6.2bn)
- UK market leadership position in 'Facilities Compliance' through the acquisition of Marlowe, complementing existing fire safety & security capabilities and adding new water & air hygiene capabilities

Operational performance

Business Services delivered a strong revenue performance, with the division benefiting from net wins in the current and prior year, projects and pricing, alongside contributions from the acquisition of Marlowe in August, and Argus Fire and Grupo Viseguridad in the prior year.

The 90bps reduction in operating margin largely reflects one-off benefits in the prior year, including the provision of higher margin 'surge response' security work (which had also benefited prior year revenue by £41m) and a legal settlement, alongside higher employer National Insurance Contributions in the current period, which are being recovered or mitigated through management actions. This has been partially offset by margin enhancement initiatives, including the technology-driven optimisation of workforce deployment, automation and AI-led solutions to improve productivity and procurement initiatives to consolidate spend across our Preferred Supplier List.

The division secured £2.2bn total contract value of contract wins and extensions/renewals across key sectors including retail, transport & aviation, financial services, pharmaceuticals and in the public sector. Retail is one of the division's largest sectors, with c.£450m of annual revenue and a blue-chip customer base of national retailers and flagship shopping centres. Alongside continued growth in existing accounts, the division won new contracts to deliver hygiene services for Landsec's Liverpool ONE complex and Walgreens Boots Alliance. The largest contract renewals in the period were for the provision of security services to one of the UK's largest supermarket chains, alongside Co-operative Group.

More widely, notable wins included security and hygiene services for Aviva, alongside contracts with the Home Office, Metropolitan Police Authority, Tate Gallery and Decathlon, whilst renewals included GSK, JLL, Manchester Airport Group, Associated British Ports and Transport for London.

Within the sub-divisions, Security delivered a strong performance against a tough prior year comparative, which had benefited from the 'surge response' security work noted above. In addition to net wins, pricing and prior year M&A (Argus Fire), RHI Industrials and GBE Converge delivered notably strong growth in fire safety & security projects work.

Overall, projects revenue within the division increased by 30% to £167m (H1 FY25: £128m). This included the delivery of end-to-end security, and fire detection & protection solutions for an Iron Mountain data centre, as well as the fit outs of an Ark data centre in Middlesex as part of a new relationship with Microsoft as an approved security integrator, and a Google data centre in Norway. For National Grid, the division delivered civil works, including perimeter fencing, concrete anti-burrow beams and automated sliding gate foundations, at the Didcot national storage facility alongside civil, structural and engineering works on 10 substations across the National Grid Electricity Transmission estate, whilst in Scotland it delivered essential earthing solutions for an expanding network of SSE and Scottish Power substations.

Hygiene and Environmental services benefited from prior and current year wins, with notable contracts including Community Health Partnerships, Pladis Global and Walgreens Boots Alliance, whilst in Central Government the completion of certain larger programmes of projects work in FY25 resulted in modest growth. In Immigration & Justice, HMP Millsike, the UK's first all-electric prison, became operational in April 2025, following a period, of mobilisation and is expected to reach capacity to house and rehabilitate c.1,500 Category C inmates by early 2026.

In August, Mitie extended its leadership position into the fast growing 'Facilities Compliance' market through the acquisition of Testing, Inspection and Certification specialist, Marlowe. Combined with the division's existing fire safety & security capabilities, the acquisition creates a unique 'Total Fire' offering across active and passive fire solutions and enhances our security systems offering. Marlowe also adds water & air hygiene services, complementing our Energy and Waste businesses. This enables the development of a 'Total Managed Water' offer in a rapidly expanding market with growth driven by increasingly stringent regulatory requirements, including those relating to water scarcity and quality, alongside customer sustainability and resilience targets.

The Marlowe integration programme is progressing well and to plan. Steps are also being taken to identify and facilitate the significant opportunities to cross sell Marlowe's compliance services to Mitie clients via our Strategic Client Directors, with initial awards including to Rolls Royce, University Hospitals Coventry & Warwickshire, NATS and Decathlon. Mitie's compliance works that are currently subcontracted to third parties are being transitioned to Marlowe, consistent with our wider 'Mitie First' initiative.

The strong performance in Mitie Spain reflected new contract wins (including AENA in the Canary Islands and Autonomous University of Madrid), scope increases and the contribution from Grupo Visegurity. At the end of the period, Mitie Spain acquired the client portfolio of SPM for a total consideration of up to €5m (of which €1.5m was paid during the period), as it continues to build its Security capability in the region. This complements the earlier acquisitions of Grupo Visegurity and Biservicus.

Technical Services

Technical Services is the UK's largest provider of Engineering services to manage facilities and critical assets across c.450 contracts, including contracts for the Ministry of Defence (MoD). The division also delivers transformational projects in the high growth areas of buildings infrastructure, decarbonisation and power and grid connections.

Technical Services, £m	HI FY26	Restated ¹ HI FY25	Change	Restated FY25 ¹
Revenue	1,262	1,197	5%	2,545
Engineering	683	652	5%	1,395
Defence	261	248	5%	556
Healthcare, Local Government & Education ¹	318	297	7%	594
Operating profit before Other items	50.4	41.0	22.9%	109.1
Operating profit margin before Other items	4.0%	3.4%	0.6ppt	4.3%
Total order book	£9.5bn	£8.1bn	17%	£9.2bn

¹ Restated to include Healthcare, Local Government & Education (formerly within the Communities division) within Technical Services

Performance highlights

- Revenue +5% to £1,262m (HI FY25: £1,197m), reflects new wins, projects and lifecycle works, partially offset by one notable public sector contract that ended in FY25
- Operating profit before Other items +22.9% to £50.4m (HI FY25: £41.0m), reflecting margin enhancement initiatives and the telecoms infrastructure business turnaround, offset by inflation and a provision on one contract ending in May 2026
- £1.6bn total contract value of contract wins and extensions/renewals resulted in a 3% increase in the total order book to £9.5bn (end FY25: £9.2bn)

Operational performance

Technical Services benefited from steady revenue growth across each subdivision, driven by new contract wins in the current and prior year, the acquisition of ESM Power in the prior year, pricing and projects and lifecycle works, partially offset by one notable, albeit relatively lower margin, public sector contract that was not renewed at the end of FY25.

The 60bps improvement in the operating margin to 4.0% (HI FY25: 3.4%) largely reflected margin enhancement initiatives and management actions to address challenges in our telecoms infrastructure business. This has been partially offset by the impact of inflation and employer National Insurance Contributions, alongside a £5m provision against one loss-making maintenance contract which ends in May 2026 and will not be renewed. The telecoms infrastructure business delivered a small profit in HI (compared to a loss of £10m in HI FY25), as we continue to implement steps to improve profitability, whilst revenue reduced by 39% to £20m (HI FY25: £33m), reflecting the planned exit from unprofitable contracts.

Divisional margin enhancement initiatives continued to focus on streamlining account structures, increasing self-delivery, cost savings following the divisional consolidation exercise as well as reducing divisional overheads. Additionally, work has been undertaken to implement GenAI assistants and drive process simplification and standardisation in order to deliver efficiency gains.

Notable new contracts awards during the period included IFM for Aviva, engineering services for Transport for London and projects work for Willmott Dixon. Notable extensions and renewals included for Barking, Havering & Redbridge University Hospital NHS Trust, GSK, Manchester Airport Group and RAF Mildenhall and Starbucks.

Overall, projects revenue within the division increased by 11% to £469m (HI FY25: £424m). Projects included the award and mobilisation of multi-site solar photovoltaic installations for customers including David Lloyd Clubs, Co-operative Group and Tesco; the completion of the mechanical & electrical design and build of the first phase

of a new data centre for Ark at Longcross Park in Surrey; and the design and construction of the second of four planned data centres at Kao's campus in Harlow.

In the division's power & grid connections business, investments to rebuild the order book for G2 Energy (acquired from liquidation in 2023) facilitated a £72m contract award from international renewable energy developer, Elements Green, to design and build Staythorpe Battery Energy System, one of the largest in Europe. Works commenced during the period, and the system is expected to be connected to the neighbouring National Grid power station by mid-2027. Upon completion it will have the capacity to store enough energy to power 95,000 homes daily, supporting UK energy resilience and accelerating the transition to net zero.

Mitie has been a trusted partner to the UK Armed Forces for over 30 years with Defence contracts now accounting for c.10% of Group revenue. To support a new era of modern, sustainable infrastructure, both domestically and in overseas military locations, we continue to deliver a range of projects work. In H1, this included the completion of refurbishment works on a critical airfield at RAF Mount Pleasant in the Falkland Islands, the installation and commissioning of a new bulk fuel facility at RAF Akrotiri in Cyprus and ongoing works to deliver phased roofing replacements at MoD Corsham.

In Healthcare, Local Government & Education, the one historically challenging PFI contract acquired with Interserve in 2020 delivered a small profit for the first time (H1 FY25: £0.7m loss), following a series of management actions to improve productivity and re-set pricing. Projects in the sub-division included a new urgent treatment centre at the Cumberland Infirmary in Carlisle and the construction of a new emergency department resuscitation building for Dudley Hospital, alongside wider lifecycle works.

After the period end, Mitie completed the acquisition of Forest Group, a specialist engineering business delivering critical refrigeration maintenance services, for a maximum cash consideration of £7m (comprising an initial payment of £4.5m and deferred payments of up to £2.5m over three years, linked to performance). The acquisition will enable Mitie to self-deliver critical refrigeration services, including into the Retail sector, where it already has a strong presence in Security and Hygiene through a customer base of national high street retailers and the major supermarket chains.

Corporate overheads

Corporate overheads represent the costs of running the Group and include costs for central functions such as commercial sales and business development, finance, marketing, legal and HR. Corporate overhead costs increased by 7.6% to £26.9m (H1 FY25: £25.0m), primarily reflecting the addition of Marlowe's central costs and strategic investments, offset by cost savings from margin enhancement initiative programmes.

Finance review

Alternative Performance Measures

In addition to presenting statutory measures, the Group presents its results before Other items. Management believes this is useful for users of the financial statements, providing both a balanced view of the financial statements, and relevant information on the Group's financial performance. Accordingly, the Group separately reports the cost of restructuring programmes, acquisition and disposal related costs (including the amortisation of acquisition-related intangible assets), gains or losses on business disposals, and other exceptional items as 'Other items'.

Financial performance

The reported Income Statement is set out below:

£m unless otherwise specified	HI FY26	HI FY25
Revenue	2,677.2	2,425.6
Operating profit before Other items	108.8	101.1
Other items	(48.2)	(37.7)
Operating profit	60.6	63.4
Net finance costs	(10.8)	(6.6)
Profit before tax	49.8	56.8
Tax	(15.1)	(16.7)
Profit after tax	34.7	40.1
Less: Profit attributable to non-controlling interest	(3.2)	(2.9)
Profit attributable to owners of the parent	31.5	37.2
Basic earnings per share before Other items	5.7p	5.4p
Basic earnings per share	2.6p	3.0p

Revenue

Revenue for HI FY26 of £2,677m has grown by 10.4% (HI FY25: £2,426m). Of this growth, 6.4% (£154m) was organic, driven by growth in Core FM (+2.9ppt), Projects (+2.0ppt), and pricing (+3.2ppt), offset by the completion of 'surge response' security work (-1.7ppt). The remaining 4.0% (£97m) of growth was inorganic.

Organic Core FM growth of £70m reflects significant contract wins, such as Integrated Facilities Management (IFM) for Aviva and security for the Metropolitan Police Authority. Contract renewals have also been strong including security for Associated British Ports and one of the UK's largest supermarket chains, and IFM for GSK and JLL, resulting in a renewal rate of 86% for HY26 (FY25: 59%).

Organic Projects growth of £48m in the period was driven by good momentum in the Defence sector, and in Healthcare, Local Government & Education. Building modernisation and decarbonisation projects have also helped to drive growth, together with increasing demand for services related to fits outs for the fast growing data centre market.

The impact of the repricing of revenue in HI FY26 was £77m (HI FY25: £68m), which related to inflation and employer National Insurance Contribution increases.

The £97m of inorganic growth primarily related to the strategic acquisition of Marlowe, completed in August 2025, combined with the full year impact of the prior year acquisitions of ESM Power, Argus Fire and Grupo Visegurity.

Operating profit

Operating profit before Other items was £108.8m (HI FY25: £101.1m), an increase of £7.7m (+7.6%). This improvement was driven by Core FM and Projects growth (£6.4m), the turnaround of our Telecoms business (£10.2m), and inorganic growth (£4.7m), partially offset by the completion of 'surge response' security work (-£7.8m) and investments being made to underpin our growth strategy (-£6.2m). Unrecovered costs associated

with inflation and the changes to employer National Insurance Contributions (-£9.6m) have been more than offset by margin enhancement initiative savings (£10.0m).

The Core FM and Projects profit growth was driven by the revenue growth outlined above, in particular from some higher margin projects works, as well as contract margin improvements in a number of different sectors. This increase came despite the headwinds from a £5.4m charge relating to a provision for a loss-making maintenance contract that will complete in May 2026, which sits in a structurally low margin sector that we are exiting.

Of the incremental £10.0m of profit from margin enhancement initiatives, the Target Operating Model programme contributed £5.2m, through overhead efficiencies, primarily through optimisation of the Group's organisational structure and outsourcing of back office functions, as well as £1.8m from efficiencies on contracts and operations. Savings on contracts and operations were achieved through focusing on the design and optimisation of our account structures, and increasing the levels of 'self-delivery' to customers by reducing our reliance on third-party contractors. We completed the roll out of Coupa (our digital supplier platform) during the period, which generated an incremental £3.0m of savings.

Of the £4.7m of inorganic profit growth, £3.1m relates to the acquisition of Marlowe, and £1.6m to the prior year acquisitions of ESM Power, Argus Fire and Grupo Visegurity.

The investments of £6.2m have largely focused on enhancing our sales capabilities and investing in technology to help to drive growth in the final 18 months of our Three-Year Plan, and into FY28 and beyond. We have incurred above average mobilisation costs of £2.8m in H1 FY26 as a result of our ongoing success at winning large contracts, with the most notable cost being our investment in Millsike prison, which will drive good revenue and profit growth in future periods.

Operating profit after Other items was £60.6m (H1 FY25: £63.4m), with the increase in operating profit from the factors outlined above being more than offset by higher Other items of £48.2m (H1 FY25: £37.7m), which are explained below.

Other items

£m	H1 FY26	H1 FY25
Target Operating Model	(9.9)	(8.2)
Digital supplier platform	(0.7)	(1.8)
Margin enhancement initiatives costs	(10.6)	(10.0)
Acquisition transaction costs	(7.0)	(1.9)
Employment-linked earnout charges	(4.4)	(5.3)
Other acquisition-related costs	(3.6)	(0.4)
Acquisition-related cash costs	(15.0)	(7.6)
Amortisation of acquisition-related intangible assets	(15.6)	(14.0)
Acquisition-related costs	(30.6)	(21.6)
Pension-related cash costs	-	(3.0)
Pension-related non-cash costs	(7.0)	(3.1)
Pension-related costs	(7.0)	(6.1)
Total Other items	(48.2)	(37.7)
of which cash Other items	(25.6)	(20.6)

Cash Other items of £25.6m in H1 FY26 were £5.0m higher than H1 FY25 (£20.6m), and comprised the costs of delivering the Group's margin enhancement initiatives of £10.6m (H1 FY25: £10.0m) and acquisition-related costs of £15.0m (H1 FY25: £7.6m).

The margin enhancement initiative costs included the implementation teams, related redundancy costs, professional fees and dual running costs incurred to decommission systems.

Acquisition-related costs in H1 FY26 included professional fees for the Marlowe acquisition of £7.0m, and employment-linked earnout charges of £4.4m (H1 FY25: £5.3m) which are cash in nature and will be payable to former owners of acquired businesses if post-acquisition performance targets are achieved and employment conditions are satisfied. Other acquisition-related costs include £2.0m in H1 FY26 related to the integration of Marlowe.

Non-cash Other items of £22.6m (H1 FY25: £17.1m) comprised £15.6m (H1 FY25: £14.0m) of amortisation of acquisition-related intangible assets, and £7.0m (H1 FY25: £3.1m) of pension-related costs (which are further explained in Note 3 to the condensed consolidated financial statements).

Net finance costs

Net finance costs increased to £10.8m in H1 FY26 (H1 FY25: £6.6m), primarily due to the interest costs on the £240m bridge facility drawn down in August to finance the Marlowe acquisition, and the issuance of £60m of US Private Placement notes in December 2024 (at a coupon of 5.71%), to replace £30m of maturing notes (at a coupon on 4.04%). The interest charge on leases increased by £0.9m due to the higher lease liabilities, which are explained below.

Tax

The tax charge for the period was £15.1m (H1 FY25: £16.7m), comprising a tax charge on profit before Other items of £24.2m (H1 FY25: £23.4m) and a tax credit for Other items of £9.1m (H1 FY25: £6.7m).

The effective tax rate on profit before Other items of 24.7% (H1 FY25: 24.8%) is slightly lower than the UK statutory rate of 25%, primarily due to the impact of lower tax rates on overseas profits.

After Other items, the tax charge for the period equated to an effective tax rate of 30.3%, which is higher than the standard corporation tax rate of 25% due to certain Other items costs, primarily related to acquisitions, not being deductible for tax purposes.

The Group paid corporation tax of £9.5m in the period (H1 FY25: £10.3m), of which £7.7m (H1 FY25: £8.6m) was paid in the UK, and £1.8m (H1 FY25: £1.7m) overseas.

Earnings per share

Basic earnings per share before Other items increased to 5.7p in the period (H1 FY25: 5.4p). This improvement was a result of the increase in operating profit before Other items in the period (+0.4p), and the reduction in the weighted average number of shares driven by the full year impact of the prior year share buyback programme (+0.2p), partially offset by the increase in net finance charges (-0.3p).

Basic earnings per share reduced to 2.6p (H1 FY25: 3.0p), with the improvement from the factors outlined above being more than offset by the increase in Other items (explained above, but primarily relating to the Marlowe acquisition costs).

Return on invested capital (ROIC)

£m unless otherwise specified	HI FY26 (R12M) ¹	HI FY25 (R12M) ¹
Operating profit before Other items	241.8	222.5
Tax ²	(58.3)	(48.0)
Operating profit before Other items after tax	183.5	174.5
Invested capital	1,125.3	688.0
ROIC %	16.3%	25.4%

¹ R12M represents a rolling 12-month basis

² Tax charge has been calculated on operating profits before Other items using the effective tax rate for the last 12 months of 24.1% (HI FY25: 21.6%)

ROIC on a rolling 12-month basis has decreased by 9.1ppt to 16.3% in HI FY26 (HI FY25: 25.4%), as a result of the temporary impact of the Marlowe acquisition, which completed in August 2025. ROIC is adversely impacted by the Marlowe acquisition because invested capital increases by the full balance sheet value, whereas operating profit before Other items only benefits from the two month period post acquisition. ROIC is expected to improve significantly in FY27, once a full 12 months of profit is included for Marlowe and as we start to realise the planned synergy savings.

Balance sheet

£m	HI FY26	FY25
Goodwill and intangible assets	1,001.6	664.5
Property, plant and equipment	279.9	246.9
Working capital balances	(175.5)	(202.9)
Provisions	(97.4)	(84.1)
Net debt	(471.4)	(199.0)
Net retirement benefit assets	18.0	13.9
Deferred tax liabilities	(25.6)	(17.9)
Other net assets	14.6	6.6
Net assets	544.2	428.0

As at 30 September 2025 the Group's reported net assets were £544.2m, an increase of £116.2m since 31 March 2025. This increase is primarily driven by the acquisition of Marlowe, which added £123.3m to Group net assets, including £342.0m of provisional goodwill, partially offset by the increase in net debt related to the cash consideration for the acquisition of £228.2m. The £123.3m increase in net assets from the Marlowe acquisition resulted from the shares issued as part of the total consideration (86.6m shares at £1.42 per share).

The other elements of the overall increase in net debt of £272.4m are explained further below (in the Cash flow and net debt section).

Goodwill and intangible assets

As noted above, the increase of £337.1m is primarily driven by £342.0m of provisional goodwill related to the Marlowe acquisition that was completed during the period. Given that we are still in the 12 month 'measurement period' following the date of acquisition, a review is currently underway to determine the fair value of assets and liabilities acquired with Marlowe, including valuing the intangible assets acquired, such as customer contracts and relationships. The completion of this review is expected to reduce the value attributed to goodwill, compared with the provisional value reported at 30 September 2025. See Note 15 to the condensed consolidated interim financial statements for further details on the acquisition of Marlowe.

The remaining increase relates to software acquired with Marlowe of £2.9m, goodwill and intangible assets arising from other current and prior year acquisitions of £10.1m and the capitalisation of software development costs of £2.4m. This increase is partially offset by the amortisation of intangible assets of £20.3m.

Property, plant and equipment

The increase of £33.0m is primarily due to the acquisition of Marlowe, which expanded our property and vehicle fleet lease portfolio by £25.3m and added a further £8.1m of owned assets.

Provisions

At 30 September 2025, provisions totalled £97.4m (FY25: £84.1m), which largely comprised contract specific costs of £25.4m (FY25: £33.0m), onerous contracts of £14.4m (FY25: £10.0m) and the insurance reserve of £36.0m (FY25: £27.3m). The net increase in provisions during the period of £13.3m included the acquisition of Marlowe, which added £12.7m, primarily related to insurance reserves and dilapidation provisions. The reduction in contract specific provisions was a result of commercial settlements with customers that led to utilisation of the related provisions. The increase in onerous contracts provision included £5.4m against one loss-making maintenance contract which ends in May 2026, and will not be renewed. See Note 10 to the condensed consolidated interim financial statements for further details on provisions.

Retirement benefit schemes

At 30 September 2025, the Group's net retirement benefit assets on an IAS 19 basis were £18.0m (FY25: £13.9m net assets). The net improvement of £4.1m was driven by favourable movements in financial assumptions, which resulted in an increase in the surplus on the main Group scheme to £18.8m (FY25: £14.4m surplus).

The latest triennial valuation for the main Group scheme, which concluded in March 2024, showed an actuarial deficit of £19.4m at 31 March 2023 (materially lower than the previous £72.7m triennial valuation deficit). As a result, deficit repair contributions reduced from c.£14m in FY24 to £8.4m in FY25, and the Group paid a further £3.2m in H1 FY26.

The scheme actuary provides a quarterly funding update on the main Group scheme. As a result of the continued improvement in the funding position (through a combination of deficit repair contributions and investment returns), the Group has agreed with the trustees that the remaining £4.8m of deficit repair contributions (£1.61m quarterly) due between October 2025 and April 2026 will only become payable if, and to the extent that, the quarterly funding position falls below the level reported at 30 June 2025.

As previously reported, the Group reached a settlement agreement with the trustees on certain Section 75 liabilities (related to the multi-employer defined benefit Plumbing & Mechanical Services (UK) Industry Pension Scheme), which will extinguish any future liabilities relating to this scheme. The total £24.5m liability is being settled over a three-year period in equal monthly payments (which commenced in H2 FY25).

Deferred tax

The net deferred tax liability was £25.6m at 30 September 2025, which increased by £7.7m compared with the liability at 31 March 2025, primarily as a result of net deferred tax liabilities acquired with Marlowe and the utilisation of tax losses which reduced deferred tax assets.

Cash flow and net debt

£m	HI FY26	HI FY25
Operating profit before Other items	108.8	101.1
Add back: depreciation, amortisation & impairment	45.5	35.6
EBITDA	154.3	136.7
Other items	(25.6)	(20.6)
Other operating movements	8.7	3.1
Operating cash flows before movements in working capital	137.4	119.2
Working capital movements ¹	(24.4)	(37.6)
Capex, capital element of lease payments & other	(41.8)	(30.9)
Interest payments	(9.8)	(6.1)
Tax payments	(9.5)	(10.3)
Free cash inflow	51.9	34.3
Share buybacks	(2.9)	(54.6)
Purchase of own shares into trusts	(22.6)	(9.4)
Acquisitions ²	(239.1)	(12.2)
Dividends paid	(40.5)	(44.5)
Lease liabilities & other	(19.2)	(20.3)
Increase in net debt during the period	(272.4)	(106.7)
Closing net debt	(471.4)	(187.5)
Average daily net debt	(331.6)	(219.0)
Leverage ³ (average daily net debt/EBITDA)	1.0x	0.7x

¹ Adjusted to exclude movements in restricted cash and other adjustments which do not form part of net debt (as explained in the Alternative Performance Measures Appendix to the condensed consolidated financial statements)

² Acquisitions includes acquisition transaction cost payments and employment-linked earnout payments, the related charges for which are reported within Other items

³ Leverage is calculated on a 12-month rolling basis, and uses post-IFRS 16 net debt

Operating cash flows before movements in working capital improved by £18.2m to £137.4m (HI FY25: £119.2m), driven by the good trading performance reflected in the increased EBITDA. This flowed through to an increased free cash inflow of £51.9m (HI FY25: £34.3m), with the lower cash outflows from working capital broadly offsetting the higher capex, lease payments and tax payments compared to HI FY25.

The cash outflow from working capital of £24.4m (HI FY25: £37.6m) reflects our seasonal working capital outflow in HI, with the improvement compared with prior year reflecting the ongoing working capital process improvements, partially offset by the impact of longer payment terms being demanded by some customers.

Capex, capital element of lease payments & other increased by £10.9m compared to HI FY25. Capex increased by £8.7m in HI FY26, primarily related to the mobilisation of the Millsike prison contract and the DWP Security contract, together with AI investments in the apps that support the services we provide to our customers. Capital lease repayments increased by £5.2m, due to the continued transition of our leased fleet to electric vehicles, as well as the expansion of the fleet through acquisitions and new contracts, both in the UK and overseas. Net interest payments increased by £3.7m due to the higher levels of net debt associated with our capital deployment actions and higher lease liabilities.

Net debt movements associated with acquisitions totalled £239.1m, largely relating to the strategic acquisition of Marlowe, which included net cash consideration of £219.4m (after offsetting net cash acquired of £8.8m) and debt acquired of £9.0m. Acquisitions also included employment-linked earnout payments of £3.7m related to prior periods acquisitions, initial consideration of £1.3m for a Spanish security business (SPM) acquired during the period, and payments related to acquisition transaction costs of £5.7m, mainly for Marlowe.

During the period, we purchased 2m shares for £2.9m into treasury to fulfil the 2022 Save as You Earn scheme, and a further 17m shares were purchased into employee trusts to satisfy share incentive schemes (at a cost of £22.6m). In October, we resumed our share buyback programme, with a £100m programme to be completed over 12 months.

Dividends paid of £40.5m include the final FY25 dividend of £36.6m (3.0p per share), which was paid in August 2025, and a £3.9m dividend paid to the Landmarc minority shareholder.

Lease liabilities & other include an increase in lease liabilities in H1 FY26 (net of capital repayments) of £19.6m (H1 FY25: £20.7m), primarily driven by the lease liabilities acquired with Marlowe of £25.3m.

Net debt

Average daily net debt of £331.6m for H1 FY26 was £67.6m higher than in FY25 (£264.0m), contributing to a leverage ratio (average daily net debt / EBITDA) of 1.0x for H1 FY26 on a rolling 12-month basis (FY25: 0.8x), which is at the lower end of our target range of 0.75–1.5x. Closing net debt at 30 September 2025 of £471.4m was £272.4m higher than at 31 March 2025 (£199.0m).

As noted above, the increases in net debt during H1 FY26 were driven by acquisitions and distributions to shareholders (totalling £305.1m), combined with the additional lease liabilities & other of £19.2m, partially offset by the free cash inflow of £51.9m.

Liquidity and covenants

As at 30 September 2025, the Group had £670.0m of committed funding arrangements, comprising £180m of US Private Placement notes with long-dated maturities between 2030 and 2034 at a blended average interest rate of 3.86%, a £250m Revolving Credit Facility maturing in October 2028, and a £240m short-term bridge facility, which was put in place to facilitate the acquisition of Marlowe.

On 13 October 2025, £60m of the Marlowe bridge facility was repaid from Mitie's existing balance sheet capacity, and the balance was refinanced by the issuance of £180m of US Private Placement notes on 12 November 2025. The new US Private Placement notes have maturities of between 3-7 years, and a weighted average interest rate fixed at 5.44%.

On 18 July 2025, DBRS Morningstar confirmed that Mitie's BBB investment grade credit rating remains unchanged.

Mitie's two key covenant ratios are leverage (ratio of consolidated total net borrowings to adjusted consolidated EBITDA) and interest cover (ratio of consolidated EBITDA to consolidated net finance costs), with a maximum of 3.0x and minimum of 4.0x respectively. Covenant ratios are measured on a post-IFRS 16 basis with appropriate adjustments for leases, being primarily the exclusion of lease liabilities from net debt and the inclusion of a charge equivalent to lease payments against EBITDA.

As at 30 September 2025, the Group was operating well within these ratios at 0.88x covenant leverage and 25.4x interest cover. A reconciliation of the calculations is set out in the table below:

£m	HI FY26 (R12M) ⁶	HI FY25 (R12M) ⁶
Operating profit before Other items	241.8	222.5
Add: depreciation, amortisation & impairment	86.8	67.2
Headline EBITDA	328.6	289.7
Add: covenant adjustments ¹	19.8	21.6
Leases adjustment ²	(71.7)	(53.8)
Consolidated EBITDA (a)	276.7	257.5
Full-year effect of acquisitions & disposals	15.8	6.6
Full-year effect of Landmarc step acquisition	-	0.3
Adjusted consolidated EBITDA (b)	292.5	264.4
Net finance costs	20.4	11.5
Less: covenant adjustments	-	(0.6)
Leases adjustment ³	(9.5)	(7.1)
Consolidated net finance costs (c)	10.9	3.8
Interest cover (ratio of (a) to (c))	25.4x	68.0x
Net debt	471.4	187.5
Covenant adjustment ⁴	0.1	-
Impact of hedge accounting & upfront fees	2.7	2.2
Leases adjustment ⁵	(217.8)	(194.7)
Consolidated total net debt/(cash) (d)	256.4	(5.0)
Covenant leverage (ratio of (d) to (b))	0.88x	< 0x

¹ Covenant adjustments to EBITDA relate to share-based payments charges, and pension administration expenses and past service costs

² Leases adjustment for EBITDA relates to depreciation charge for leased assets and interest charge for lease liabilities (i.e. application of a charge equivalent to lease payments)

³ Leases adjustment for net finance costs relates to interest charge for lease liabilities (i.e. removal of interest on lease liabilities)

⁴ Covenant adjustment for net debt relates to cash held in a bank in Cyprus

⁵ Leases adjustment for net cash relates to lease liabilities (i.e. removal of lease liabilities)

⁶ R12M represents a rolling 12-month basis

Principal risks and uncertainties affecting the business

Mitie continues to demonstrate its commitment to effective risk management practices while navigating a rapidly evolving external environment characterised by global instability and economic volatility. The Group remains responsive to challenges spanning political, economic, environmental, and technological domains, which present ongoing risks to the broader business landscape. In the first half of FY26, Mitie addressed significant developments, including heightened geopolitical tensions, evolving labour policies, and threats to critical infrastructure, all of which influenced its operational and strategic landscape. This period was underlined by a notable rise in sophisticated cyber-attacks, particularly ransomware incidents targeting prominent UK organisations. Such events have underscored the importance of safeguarding critical systems and driven increased investment in cybersecurity measures and risk mitigation strategies.

Importantly, Mitie successfully oversaw the go-live of HMP Millsike (a new 1,468 place Category C resettlement prison), marking a critical milestone in its work within the prison sector. This development underlines Mitie's expansion into key infrastructure settings, strengthening its position in delivering essential services to communities across the UK. Through its active involvement in the prison sector, Mitie continues to leverage its expertise to ensure effective operational outcomes, while robust risk oversight remains integral to its approach. This focus aligns with the Group's broader strategy of maintaining resilience and delivering high-quality services under challenging economic and social conditions.

The Group also completed the acquisition of Marlowe during this period, significantly enhancing its capabilities in compliance, environmental, and safety services. While this acquisition offers substantial growth potential, it introduces inherent integration risks that Mitie continues to manage proactively. Comprehensive efforts are underway to align Marlowe's operations with Mitie's processes and culture, ensuring a seamless transition, operational efficiency, and long-term value creation.

A cornerstone of Mitie's resilience is its enterprise risk management framework, which it continues to prioritise with rigour. Central to this framework is the Group's advanced online risk management tool, which currently captures over 6,000 risks across its operations. This system enables the ongoing monitoring of control effectiveness through assurance activities, allowing the Group to identify, mitigate, and manage risks at both strategic and operational levels. By maintaining this robust approach, Mitie enhances accountability and resilience in an increasingly complex and volatile business environment.

The adoption of the "three lines of defence" model remains fundamental to Mitie's risk management approach. The first line consists of operational management teams, who are responsible for identifying and managing risks within their day-to-day roles. The second line comprises the Group's enterprise risk management function, which provides oversight, offering guidance, policies, and tools to support risk assessment and mitigation. Finally, the third line is formed by the Group's internal audit function, which delivers independent assurance on the effectiveness of risk controls and processes. This structured approach ensures risks are managed comprehensively at every level of the Group, fostering a strong culture of accountability and continual improvement.

As Mitie transitions into the second half of FY26, the Group anticipates facing key risks including escalating geopolitical instability, economic uncertainty, threats to critical infrastructure, and increasingly sophisticated cyber-attacks. Additionally, it remains focused on aligning its operations with forthcoming policy changes and maintaining the momentum in integrating Marlowe's capabilities seamlessly into its existing framework and enhancing its work in the prison management sector. Despite these pressures, Mitie has demonstrated resilience, adaptability, and a proactive stance in managing risks, ensuring its operations remain robust and responsive to the external challenges.

Further details on Mitie's risk management strategies, controls, and mitigation measures can be found in the Group's Annual Report and Accounts 2025, pages 76 to 87.

Responsibility statement

The Directors of Mitie Group plc confirm that, to the best of their knowledge:

- the unaudited condensed consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34 Interim Financial Reporting; and
- the interim management report, as required by rules 4.2.7R and 4.2.8R of the Disclosure Guidance and Transparency Rules, includes a fair review of:
 - important events during the six months ended 30 September 2025 and their impact on the unaudited condensed consolidated financial statements;
 - a description of the principal risks and uncertainties for the second half of the year; and
 - related parties' transactions and changes therein.

The names and functions of the Directors of Mitie Group plc are available on the Group's website: www.mitie.com/investors/corporate-governance/our-board.

On behalf of the Board

Phil Bentley
Chief Executive Officer
19 November 2025

INDEPENDENT REVIEW REPORT TO MITIE GROUP PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2025 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related Notes 1 to 18.

Basis for conclusion

We conducted our review in accordance with the International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 1 (a), the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, Interim Financial Reporting.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
19 November 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Condensed consolidated income statement

For the six months ended 30 September 2025

	Notes	30 September 2025			30 September 2024		
		Before Other items £m	Other items ¹ £m	Total £m	Before Other items £m	Other items ¹ £m	Total £m
Revenue	2	2,677.2	–	2,677.2	2,425.6	–	2,425.6
Cost of sales		(2,386.1)	–	(2,386.1)	(2,171.8)	–	(2,171.8)
Gross profit		291.1	–	291.1	253.8	–	253.8
Administrative expenses		(182.8)	(48.2)	(231.0)	(157.5)	(37.7)	(195.2)
Other income		0.8	–	0.8	4.5	–	4.5
Share of (loss)/profit of joint ventures and associates		(0.3)	–	(0.3)	0.3	–	0.3
Operating profit/(loss)²	2	108.8	(48.2)	60.6	101.1	(37.7)	63.4
Finance income		2.2	–	2.2	1.9	–	1.9
Finance costs		(13.0)	–	(13.0)	(8.5)	–	(8.5)
Net finance costs		(10.8)	–	(10.8)	(6.6)	–	(6.6)
Profit/(loss) before tax		98.0	(48.2)	49.8	94.5	(37.7)	56.8
Tax	4	(24.2)	9.1	(15.1)	(23.4)	6.7	(16.7)
Profit/(loss) for the period		73.8	(39.1)	34.7	71.1	(31.0)	40.1
Attributable to:							
Equity holders of the parent		69.9	(38.4)	31.5	67.4	(30.2)	37.2
Non-controlling interests		3.9	(0.7)	3.2	3.7	(0.8)	2.9
Profit/(loss) for the period		73.8	(39.1)	34.7	71.1	(31.0)	40.1
Earnings per share (EPS) attributable to owners of the parent							
Basic	6	5.7p		2.6p	5.4p		3.0p
Diluted	6	5.3p		2.4p	5.0p		2.7p

Notes:

1. Other items are as described in Note 3.

2. Including impairment losses on trade receivables, other receivables and accrued income of £1.7m (2024: £3.2m).

Condensed consolidated statement of comprehensive income

For the six months ended 30 September 2025

	Notes	30 September 2025 £m	30 September 2024 £m
Profit for the period		34.7	40.1
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement of retirement benefit assets/liabilities	16	7.9	6.9
Tax charge relating to items that will not be reclassified to profit or loss in subsequent periods		(2.0)	(0.5)
		5.9	6.4
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		1.2	(0.9)
		1.2	(0.9)
Other comprehensive income for the period		7.1	5.5
Total comprehensive income for the period		41.8	45.6
Attributable to:			
Equity holders of the parent		38.6	42.6
Non-controlling interests		3.2	3.0
Total comprehensive income for the period		41.8	45.6

Condensed consolidated statement of financial position

As at 30 September 2025

	Notes	30 September 2025 £m	31 March 2025 £m
Non-current assets			
Goodwill	7	747.6	397.8
Other intangible assets		254.0	266.7
Property, plant and equipment ¹	13	279.9	246.9
Interests in joint ventures and associates		1.3	1.6
Trade and other receivables	8	22.8	20.5
Contract assets		1.6	1.9
Retirement benefit assets	16	20.7	16.3
Deferred tax assets		0.3	–
Total non-current assets		1,328.2	951.7
Current assets			
Inventories		26.6	14.9
Trade and other receivables	8	1,056.3	967.9
Contract assets		1.4	0.7
Current tax receivable		12.6	4.1
Cash and cash equivalents	11	169.8	180.4
Total current assets		1,266.7	1,168.0
Total assets		2,594.9	2,119.7
Current liabilities			
Trade and other payables	9	(1,089.0)	(1,012.6)
Deferred income		(143.7)	(140.9)
Current tax payable		(5.4)	(3.4)
Financing liabilities	12	(61.4)	(52.2)
Provisions	10	(44.1)	(37.4)
Total current liabilities		(1,343.6)	(1,246.5)
Net current liabilities		(76.9)	(78.5)
Non-current liabilities			
Trade and other payables	9	(14.7)	(22.2)
Deferred income		(36.8)	(33.1)
Financing liabilities	12	(573.7)	(322.9)
Provisions	10	(53.3)	(46.7)
Retirement benefit liabilities	16	(2.7)	(2.4)
Deferred tax liabilities		(25.9)	(17.9)
Total non-current liabilities		(707.1)	(445.2)
Total liabilities		(2,050.7)	(1,691.7)
Net assets		544.2	428.0

Note:

1. Includes owned property, plant and equipment of £68.3m (31 March 2025: £54.5m) and right-of-use assets of £211.6m (31 March 2025: £192.4m). During the six months ended 30 September 2025, owned property, plant and equipment additions were £13.4m, and acquisitions of businesses added a further £8.1m. These increases were partially offset by depreciation of £7.5m and disposals of £0.2m. Refer to Note 13 for right-of-use assets.

Condensed consolidated statement of financial position continued
For the six months ended 30 September 2025

	30 September 2025 £m	31 March 2025 £m
Equity		
Share capital	33.5	31.3
Share premium	132.0	132.0
Merger reserve	278.1	157.0
Own shares reserve	(72.0)	(65.1)
Share-based payments reserve	44.2	40.4
Capital redemption reserve	5.3	5.3
Hedging and translation reserve	(1.6)	(2.8)
Retained profits	107.8	112.3
Equity attributable to owners of the parent	527.3	410.4
Non-controlling interests	16.9	17.6
Total equity	544.2	428.0

Condensed consolidated statement of changes in equity

For the six months ended 30 September 2025

30 September 2025

	Share capital £m	Share premium £m	Merger reserve ¹ £m	Own shares reserve £m	Share-based payments reserve £m	Capital redemption reserve £m	Hedging and translation reserve £m	Retained profits £m	Total attributable to owners of parent £m	Non-controlling interests £m	Total equity £m
At 1 April 2025	31.3	132.0	157.0	(65.1)	40.4	5.3	(2.8)	112.3	410.4	17.6	428.0
Profit for the period	–	–	–	–	–	–	–	31.5	31.5	3.2	34.7
Other comprehensive income	–	–	–	–	–	–	1.2	5.9	7.1	–	7.1
Total comprehensive income	–	–	–	–	–	–	1.2	37.4	38.6	3.2	41.8
Transactions with owners											
Issue of shares ²	2.2	–	121.1	–	–	–	–	–	123.3	–	123.3
Dividends paid	–	–	–	–	–	–	–	(36.6)	(36.6)	–	(36.6)
Purchase of own shares ³	–	–	–	(22.6)	–	–	–	–	(22.6)	–	(22.6)
Share buybacks ⁴	–	–	–	(2.9)	–	–	–	–	(2.9)	–	(2.9)
Share-based payments	–	–	–	18.6	3.8	–	–	(12.1)	10.3	–	10.3
Tax on share-based payments	–	–	–	–	–	–	–	6.8	6.8	–	6.8
Dividends paid to Non-controlling interest	–	–	–	–	–	–	–	–	–	(3.9)	(3.9)
Total transactions with owners	2.2	–	121.1	(6.9)	3.8	–	–	(41.9)	78.3	(3.9)	74.4
At 30 September 2025	33.5	132.0	278.1	(72.0)	44.2	5.3	(1.6)	107.8	527.3	16.9	544.2

Notes:

1. The merger reserve represents amounts relating to premiums arising on shares issued subject to the provisions of Section 612 of the Companies Act 2006.
2. As part of consideration for the acquisition of Marlowe plc (Marlowe), 86.6 million shares were issued with premium of £121.1m arising (see Note 15). These share issues qualified for merger relief under Section 612 of the Companies Act 2006, such that total premium arising of £121.1m was not required to be credited to the share premium account.
3. During the period the Employee Benefit Trust acquired 16.8m ordinary shares through market purchases for a consideration of £21.8m and the Share Incentive Plan Trust acquired 0.6m shares for a consideration of £0.8m.
4. The share buybacks resulted in the purchase of 2.0m ordinary shares for a consideration of £2.9m, which were bought into Treasury.

30 September 2024

	Share capital £m	Share premium £m	Merger reserve £m	Own shares reserve £m	Share-based payments reserve £m	Capital redemption reserve £m	Hedging and translation reserve £m	Retained profits £m	Total attributable to owners of parent £m	Non-controlling interests £m	Total equity £m
At 1 April 2024	33.3	132.0	157.0	(69.8)	42.1	3.3	(2.1)	157.4	453.2	20.5	473.7
Profit for the period	–	–	–	–	–	–	–	37.2	37.2	2.9	40.1
Other comprehensive income	–	–	–	–	–	–	(0.9)	6.3	5.4	0.1	5.5
Total comprehensive income	–	–	–	–	–	–	(0.9)	43.5	42.6	3.0	45.6
Transactions with owners											
Dividends paid	–	–	–	–	–	–	–	(38.5)	(38.5)	–	(38.5)
Purchase of own shares ¹	–	–	–	(9.4)	–	–	–	–	(9.4)	–	(9.4)
Share buybacks ²	(0.8)	–	–	(13.4)	–	0.8	–	(41.2)	(54.6)	–	(54.6)
Share-based payments	–	–	–	21.3	(5.3)	–	–	(7.6)	8.4	–	8.4
Tax on share-based payments	–	–	–	–	–	–	–	(0.7)	(0.7)	–	(0.7)
Dividends paid to Non-controlling interest	–	–	–	–	–	–	–	–	–	(6.0)	(6.0)
Total transactions with owners	(0.8)	–	–	(1.5)	(5.3)	0.8	–	(88.0)	(94.8)	(6.0)	(100.8)
At 30 September 2024	32.5	132.0	157.0	(71.3)	36.8	4.1	(3.0)	112.9	401.0	17.5	418.5

Notes:

1. During the period the Employee Benefit Trust acquired 7.7m ordinary shares through market purchases for a consideration of £8.8m and the Share Incentive Plan Trust acquired 0.5m shares for a consideration of £0.6m.
2. The share buybacks resulted in market purchases of 45.2m ordinary shares for a consideration of £54.6m, of which 33.9m shares were subsequently cancelled and 11.3m shares were bought into Treasury.

Condensed consolidated statement of cash flows

For the six months ended 30 September 2025

	Notes	30 September 2025 £m	30 September 2024 £m
Operating profit before Other items	2	108.8	101.1
Other items	3	(48.2)	(37.7)
Operating profit		60.6	63.4
Adjustments for:			
Share-based payments expense		10.9	8.5
Defined benefit pension costs	16	8.3	4.5
Defined benefit pension contributions	16	(3.9)	(6.4)
Depreciation of property, plant and equipment		40.2	31.5
Amortisation of other intangible assets		20.3	17.8
Share of loss/(profit) of joint ventures and associates		0.3	(0.3)
Amortisation of contract assets		0.4	0.3
Impairment of non-current assets		0.2	–
Loss/(gain) on disposal of property, plant and equipment		0.1	(0.1)
Operating cash flows before movements in working capital		137.4	119.2
Increase in inventories		(0.7)	(0.4)
Increase in receivables		(25.2)	(146.8)
Increase in contract assets		(0.9)	(0.3)
Increase in deferred income		2.3	34.3
Increase in payables		7.0	82.2
Decrease in provisions		(5.1)	(6.8)
Cash generated from operations		114.8	81.4
Income taxes paid	4	(9.5)	(10.3)
Interest paid ¹		(11.5)	(7.9)
Net cash generated from operating activities		93.8	63.2
Investing activities			
Acquisition of businesses, net of cash acquired ²	15	(220.7)	(5.8)
Interest received		1.7	1.8
Purchase of property, plant and equipment		(16.0)	(7.0)
Purchase of other intangible assets		(3.3)	(3.7)
Disposal of property, plant and equipment		0.1	0.2
Net cash used in investing activities		(238.2)	(14.5)

Notes:

1. Interest paid includes £4.9m (2024: £4.1m) in relation to lease liabilities. Refer to Note 13.
2. Acquisition of businesses is net of cash acquired of £8.8m (2024: £1.4m). Refer to Note 15.

Condensed consolidated statement of cash flows continued

For the six months ended 30 September 2025

	Notes	30 September 2025 £m	30 September 2024 £m
Financing activities			
Purchase of own shares		(22.6)	(9.4)
Shares bought back		(2.9)	(54.6)
Capital element of lease rentals	13	(32.0)	(26.8)
Proceeds from new bridge loan facility		240.0	–
Repayment of bank loans		(9.0)	–
Payment of arrangement fees		(0.7)	–
Proceeds received on settlement of share-based payment transactions		1.2	0.9
Equity dividends paid	5	(36.6)	(38.5)
Dividends paid to non-controlling interest		(3.9)	(6.0)
Net cash generated/(used) in financing activities		133.5	(134.4)
Net decrease in cash and cash equivalents		(10.9)	(85.7)
Net cash and cash equivalents at beginning of the period		180.4	244.9
Effect of foreign exchange rate changes		0.3	(0.2)
Net cash and cash equivalents at end of the period	11	169.8	159.0

Notes to the condensed consolidated financial statements

For the six months ended 30 September 2025

1. Basis of preparation and material accounting policies

(a) Basis of preparation

Mitie Group plc (the Company) is a company incorporated in the United Kingdom and registered in Scotland. The Company's registered office is at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. The Group comprises the Company and all its subsidiaries.

These unaudited condensed consolidated financial statements (the condensed consolidated financial statements) for the six months ended 30 September 2025 have been prepared in accordance with UK-adopted International Accounting Standard (IAS) 34 *Interim Financial Reporting*, and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The condensed consolidated financial statements have been reviewed by BDO LLP but have not been audited. They do not include all the information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 March 2025 (Annual Report and Accounts 2025).

These condensed consolidated financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 March 2025 has been delivered to the Registrar of Companies and is available upon request from the Company's registered office or at mitie.com/investors. The independent auditor's report for the year ended 31 March 2025 was unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

The condensed consolidated financial statements were approved by the Board of Directors on 19 November 2025.

Going concern

The condensed consolidated financial statements for the six months ended 30 September 2025 have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered the Group's business activities as set out on pages 3 to 75 of the Annual Report and Accounts 2025 and the principal risks and uncertainties as set out on pages 76 to 87 and the viability statement on page 89 of the same.

The Directors have carried out an assessment of the Group's ability to continue as a going concern for the period of at least 12 months from the date of approval of the condensed consolidated financial statements (the Going Concern Assessment Period). This assessment was based on the latest medium-term cash forecasts from the Group's cash flow model (the Base Case Forecasts), which is based on the Board approved budget. These Base Case Forecasts indicate that the debt facilities currently in place are adequate to support the Group over the Going Concern Assessment Period.

The Group's principal debt financing arrangements as at 30 September 2025 were a £250m Revolving Credit Facility maturing in October 2028, which was undrawn as at 30 September 2025, £180m of US Private Placement notes and a £240m bridge facility which was fully drawn as at 30 September 2025. These financing arrangements are subject to certain financial covenants which are tested every six months on a rolling 12-month basis, as set out in the Finance review.

Of the US Private Placement notes, £120.0m were issued in December 2022 and are split equally between 8, 10 and 12-year maturities, and were issued with an average coupon of 2.94%. The remaining £60m of US Private Placement notes were drawn from the shelf facility in December 2024 at a coupon rate of 5.71% and mature in December 2031. The remaining undrawn capacity of this uncommitted US Private Placement shelf facility was c.£260m as at 30 September 2025, which can be drawn down until October 2027.

The bridge facility was put in place and drawn down to facilitate the acquisition of Marlowe. In October 2025, £60m of the outstanding bridge loan amount was repaid from our existing balance sheet capacity, with the balance being refinanced by the issuance of £180m of US Private Placement notes on 12 November 2025. The new US Private Placement notes have maturities of between 3-7 years, and a weighted average coupon of 5.44%.

Mitie currently operates within the terms of its agreements with its lenders, with consolidated net debt (i.e. net debt adjusted for covenant purposes, primarily by the exclusion of lease liabilities) of £254m at 30 September 2025. The Base Case Forecasts indicate that the Group will continue to operate within these terms and that the headroom provided by the Group's debt facilities currently in place is adequate to support the Group over the Going Concern Assessment Period.

The Directors have also completed a reverse stress test using the Group cash flow model to assess the point at which the financial covenants, or facility headroom, would be breached. The sensitivities considered have been chosen after considering the Group's principal risks and uncertainties.

The primary financial risks related to adverse changes in the economic environment and/or a deterioration in commercial or operational conditions are listed below. These risks have been considered in the context of any further UK fiscal or monetary policy changes, the current economic climate including high inflation, as well as wider geopolitical uncertainties such as the Russian invasion of Ukraine and conflict in the Middle East:

- A downturn in revenues: this reflects the risks of not being able to deliver services to existing customers, or contracts being terminated or not renewed;
- A deterioration of gross margin: this reflects the risks of contracts being renegotiated at lower margins, or planned cost savings not being delivered;
- An increase in costs: this reflects the risks of a shortfall in planned overhead cost savings, including margin enhancement initiatives not being delivered, or other cost increases such as sustained higher cost inflation; and
- A downturn in cash generation: this reflects the risks of customers delaying payments due to liquidity constraints, the removal of ancillary debt facilities or any substantial one-off settlements related to commercial issues.

As a result of completing this assessment, the Directors concluded that the likelihood of the reverse stress scenarios arising was remote. In reaching the conclusion of remote, the Directors considered the following:

- All stress test scenarios would require a very severe deterioration compared to the Base Case Forecasts. Revenue is considered to be the key risk, as this is less within the control of management. Revenue would need to decline by approximately 27% in the 12 months to 30 September 2026 compared to the Base Case Forecasts, which is considered to be very severe given the high proportion of Mitie's revenue that is fixed in nature and the fact that even in the Covid-hit year ended 31 March 2021, Mitie's revenue excluding Interserve declined by only 1.6%; and

- In the event that results started to trend significantly below those included in the Base Case Forecasts, additional mitigation actions have been identified that would be implemented. These include the short-term scaling down of capital expenditure, overhead efficiency/reduction measures including cancellation of discretionary bonuses and reduced discretionary spend, asset disposals and reductions in cash distributions and share buybacks.

Based on these assessments, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of these condensed consolidated financial statements. In addition, the Directors have concluded that the likelihood of the reverse stress scenarios arising is remote and therefore no material uncertainty exists.

(b) Material accounting policies

In preparing these condensed consolidated financial statements for the six months ended 30 September 2025, the Group's accounting policies and methods of computation are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025, which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The only IFRS amendment effective for the first time in the financial year ending 31 March 2026 relates to IAS 21 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*. This amendment did not have a material effect on the Group.

None of the new standards and amendments that are not yet effective are expected to have a material effect on the Group other than presentational changes that will be required for the year ending 31 March 2028 under IFRS 18 *Presentation and Disclosure In Financial Statements*, the impact of which is being assessed.

Statutory and non-statutory measures of performance

In the condensed consolidated financial statements, the Group has elected to provide some further non-statutory disclosures and performance measures, reported as 'before Other items', in order to assist in understanding the underlying financial performance achieved by the Group. The accounting policy used in determining the non-statutory measures of performance has remained unchanged in the six months ended 30 September 2025, and is set out below.

Other items are items of financial performance which management believes should be separately identified on the face of the condensed consolidated income statement to assist in understanding the underlying financial performance achieved by the Group. The Group separately reports impairment of goodwill, impairment and amortisation of acquisition related intangible assets, acquisition and disposal costs, charges with respect to employment-linked earnouts, gain or loss on business disposals, cost of restructuring programmes, charges arising on exit of pension schemes and other exceptional items and their related tax effect as Other items. Should these items be reversed, disclosure of this would also be as Other items. The associated post-acquisition trading results generated by acquired businesses and the benefits from restructuring programmes are not included as Other items.

Separate presentation of these items is intended to enhance understanding of the financial performance of the Group in the period and the extent to which results are influenced by material unusual and/or non-recurring items. Further detail of Other items is set out in Note 3.

In addition, following the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority, the Group has included an Alternative Performance Measures appendix to the condensed consolidated financial statements (refer to Appendix 1).

(c) Critical accounting judgements and key sources of estimation uncertainty

In preparing these condensed consolidated financial statements, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Report and Accounts 2025.

2. Business segment information

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance. The Group has determined the Chief Operating Decision Maker to be its Board of Directors.

The Group manages its business on a service division basis. During the period, the Group re-organised its Communities division, where the Healthcare, Local Government & Education business was moved into the Technical Services division and the Immigration & Justice business was moved into the Business Services division. The Compliance business, which was previously reported within the Technical Services division, has also moved to the Business Services division.

As a result of the re-organisation, Communities is not considered to be an operating segment for the six months ended 30 September 2025, and the Group has two reportable segments (2025: three segments). The change in operating segments reflects how the Chief Operating Decision Maker evaluates the divisions and their performance and decides on resource allocation.

The comparatives for the six months ended 30 September 2024 have been restated for the change in the composition of reportable segments.

Revenue, operating profit before Other items and operating profit margin before Other items are the primary measures of performance that are reported to and reviewed by the Board. Segment assets and liabilities have not been disclosed as they are not reviewed by the Board.

No single customer accounted for more than 10% of external revenue in the period ended 30 September 2025 or in the comparative period. The UK Government is not considered to be a single customer.

Income statement information

	Six months ended 30 September 2025			Six months ended 30 September 2024		
	Revenue £m	Operating profit/(loss) before Other items ² £m	Operating margin before Other items ² %	Revenue £m	Operating profit/(loss) before Other items ² £m	Operating margin before Other items ² %
Business Services	1,415.3	85.3	6.0	1,228.8	85.1	6.9
Technical Services	1,261.9	50.4	4.0	1,196.8	41.0	3.4
Corporate centre	–	(26.9)	–	–	(25.0)	–
Total for the Group	2,677.2	108.8	4.1	2,425.6	101.1	4.2

Notes:

1. The comparatives for the six months ended 30 September 2024 have been restated for the change in the composition of reportable segments.
2. Other items are as described in Note 3.

A reconciliation of operating profit before Other items to total profit before tax is provided below:

	Six months ended 30 September 2025	Six months ended 30 September 2024
	£m	£m
Operating profit before Other items	108.8	101.1
Other items ¹	(48.2)	(37.7)
Net finance costs	(10.8)	(6.6)
Profit before tax	49.8	56.8

Note:

1. Other items are as described in Note 3.

Disaggregated revenue

The Group disaggregates revenue from contracts with customers by sector (government and non-government). Management believes this best depicts how the nature and amount of revenue and cash flows are affected by economic factors. The following table includes a reconciliation of disaggregated revenue with the Group's reportable segments.

	Six months ended 30 September 2025			Six months ended 30 September 2024		
	Sector ²			Sector ²		
	Government £m	Non-government £m	Total £m	Government £m	Non-government £m	Total £m
Business Services	610.9	804.4	1,415.3	605.3	623.5	1,228.8
Technical Services	728.9	533.0	1,261.9	680.4	516.4	1,196.8
Revenue	1,339.8	1,337.4	2,677.2	1,285.7	1,139.9	2,425.6

Notes:

1. The comparatives for the six months ended 30 September 2024 have been restated for the change in composition of reportable segments.
2. Sector is defined by the end customer on any contract, for example, if the Group is a subcontractor to a company repairing a government building, then the contract would be classified as government.

3. Other items

Other items are items of financial performance which management believes should be separately identified on the face of the condensed consolidated income statement to assist in understanding the underlying financial performance achieved by the Group.

The Group separately reports impairment of goodwill, impairment and amortisation of acquisition related intangible assets, acquisition and disposal costs, charges with respect to employment-linked earnouts, gain or loss on business disposals, cost of restructuring programmes, charges arising on exit of pension schemes and other exceptional items and their related tax effect as Other items.

	Six months ended 30 September 2025			
	Restructure costs £m	Acquisition and disposal related costs £m	Other exceptional items £m	Total £m
Other items before tax	(9.9)	(30.6)	(7.7)	(48.2)
Tax	2.5	4.7	1.9	9.1
Other items after tax	(7.4)	(25.9)	(5.8)	(39.1)

	Six months ended 30 September 2024			
	Restructure costs £m	Acquisition and disposal related costs £m	Other exceptional items £m	Total £m
Other items before tax	(8.2)	(21.6)	(7.9)	(37.7)
Tax	2.1	2.7	1.9	6.7
Other items after tax	(6.1)	(18.9)	(6.0)	(31.0)

Note:

- Other items for the six months ended 30 September 2024 have been re-presented to reclassify £6.1m of pension costs, and the associated tax credit of £1.5m, between two Other items categories. These costs were previously reported within the 'acquisition and disposal related costs' category, and have been reclassified to 'other exceptional items', to ensure consistency with the presentation adopted in the Annual Report and Accounts 2025.

Restructure costs

The Group has been undertaking a major transformation programme involving the restructuring of operations to reposition the business for its next phase of growth. Material transformation programmes are included as Other items where initiatives are not considered to be normal operating costs of the business. Restructure costs of £9.9m (2024: £8.2m) are in respect of the Target Operating Model transformation programme, and includes the further outsourcing of back-office functions, intelligent automation initiatives, consolidating systems and processes, and optimising the organisation structure. Since its launch in the year ended 31 March 2022, cumulative costs of £55.1m have been recognised within the condensed consolidated income statement and classified as Other items, of which £52.9m were cash costs.

The costs associated with the Group transformation programme include professional fees for external consultancy of £3.2m (2024: £2.7m), fixed-term staff costs of £2.9m (2024: £2.6m) to manage and implement changes, redundancy costs of £2.0m (2024: £2.9m). In addition, dual run licence costs of £1.1m were incurred in relation to a decommissioned operating system, and costs associated with lease exits of £0.7m were also incurred. The associated tax credit for restructure costs recognised as Other items is £2.5m (2024: £2.1m).

Acquisition and disposal related costs

	Six months ended 30 September 2025	Restated ¹ Six months ended 30 September 2024
	£m	£m
Amortisation of acquisition related intangible assets	(15.6)	(14.0)
Transaction costs ²	(7.0)	(1.9)
Employment-linked earnout charges	(4.4)	(5.3)
Integration costs ³	(2.3)	(0.3)
Other acquisition related costs	(1.3)	(0.1)
Acquisition and disposal costs	(30.6)	(21.6)
Tax	4.7	2.7
Acquisition and disposal costs net of tax	(25.9)	(18.9)

Note:

- Other items for the six months ended 30 September 2024 have been re-presented to reclassify £6.1m of pension costs, and the associated tax credit of £1.5m, between two Other items categories. These costs were previously reported within the 'acquisition and disposal related costs' category, and have been reclassified to 'other exceptional items', to ensure consistency with the presentation adopted in the Annual Report and Accounts 2025.
- Relates to professional fees.
- Comprises costs in relation to professional fees of £0.9m, redundancy costs of £0.6m, cost associated with lease exits of £0.6m and fixed-term staff costs of £0.2m.

Other exceptional items

	Six months ended 30 September 2025 £m	Restated ¹ Six months ended 30 September 2024 £m
Pension-related costs ^{1,2}	(7.0)	(6.1)
Digital supplier platform ³	(0.7)	(1.8)
Other exceptional items	(7.7)	(7.9)
Tax	1.9	1.9
Other exceptional items, net of tax	(5.8)	(6.0)

Notes:

- Other items for the six months ended 30 September 2024 have been re-presented to reclassify £6.1m of pension costs, and the associated tax credit of £1.5m, between two Other items categories. These costs were previously reported within the 'acquisition and disposal related costs' category, and have been reclassified to 'other exceptional items', to ensure consistency with the presentation adopted in the Annual Report and Accounts 2025.
- For the six months ended 30 September 2025, a £7.3m contract settlement charge has been recognised to reverse the gross surplus on a Local Government Pension Scheme (2024: £2.0m), however an asset ceiling had been applied, and therefore no net surplus was recognised on the condensed consolidated statement of financial position. The reversal of the asset ceiling has been credited to other comprehensive income. There is also a £0.3m income for the final settlement agreement (2024: £2.8m charge) with the trustees of the Plumbing Scheme with respect to its Section 75 debt in relation to the previously disposed Social Housing business. For the six months ended 30 September 2024, a £1.1m past service cost and £0.2m of administrative expenses were charged with respect to the Landmarc pension scheme.
- Comprises costs in relation to the implementation of a new digital supplier platform resulting in a step change in the Group's supply chain management capabilities. These comprise fixed-term staff costs of £0.7m (2024: £1.3m). For the six months ended 30 September 2024, there were additional third-party implementation costs of £0.5m. This implementation, which is transformational in nature, is expected to be completed during the year ending 31 March 2026. Since its launch in 2022, cumulative cash costs of £15.6m have been recognised within the condensed consolidated income statement and classified as Other items.

4. Tax

The tax charge for the period has been calculated based upon the effective tax rate expected to apply to the Group for the year ending 31 March 2026 using rates substantively enacted by 30 September 2025. The rate of tax on profit before Other items for the period was 24.7% (2024: 24.8%). The rate of 24.7% is slightly lower than the UK statutory rate of 25%, mainly due to the effective rate on overseas profits being lower than 25%. The rate incorporates the impact of Pillar Two income taxes, which is estimated to be a charge of £0.2m for the year ending 31 March 2026 (31 March 2025: £0.2m).

The effective tax rate on total profits was 30.3% (2024: 29.4%), which is higher than the UK statutory rate primarily due to non-tax deductible acquisition related costs which are charged to Other items. The tax credit on Other items equates to a rate of tax of 18.9% (2024: 17.8%).

Corporation tax payments for the period amounted to £9.5m (2024: £10.3m), of which £7.7m (2024: £8.6m) was paid in the UK and £1.8m (2024: £1.7m) was paid overseas.

The Group has unutilised income tax losses of £85.0m (31 March 2025: £88.7m) that are available for offset against future profits. A deferred tax asset has been recognised in respect of £46.7m (31 March 2025: £56.5m) of these losses to the extent that it is probable that taxable profits will be generated in the future and be available for utilisation. When considering the recoverability of deferred tax assets, the taxable profit forecasts are based on the same information used to support the going concern and goodwill assessments.

No deferred tax asset has been recognised in respect of losses of £23.1m (31 March 2025: £17.0m) and disallowed interest under UK corporate interest restriction rules of £15.2m (31 March 2025: £15.2m) because recoverability is uncertain. All amounts may be carried forward indefinitely. Deferred tax has been calculated using tax rates that were substantively enacted at the condensed consolidated statement of financial position date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax receivables against current tax payables; or when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax receivables and payables on a net basis.

5. Dividends

During the six months ended 30 September 2025, the Group paid £36.6m in respect of the final dividend for the year ended 31 March 2025 of 3.0p per share (31 March 2024: 3.0p). The Board has declared an interim dividend for the year ending 31 March 2026 of 1.4p per share (31 March 2025: 1.3p per share) which will be paid on 20 February 2026 to all shareholders on the register at the close of business on 9 January 2026.

6. Earnings per share

The calculation of the basic and diluted EPS is based on the following data:

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m
Profit before Other items attributable to owners of the parent	69.9	67.4
Other items net of tax ¹	(38.4)	(30.2)
Profit attributable to owners of the parent	31.5	37.2

Note:

- Other items are as described in Note 3.

Number of shares	Six months ended 30 September 2025 million	Six months ended 30 September 2024 million
Weighted average number of ordinary shares for the purpose of basic EPS ¹	1,223.7	1,258.5
Effect of dilutive potential ordinary shares	104.2	101.1
Weighted average number of ordinary shares for the purpose of diluted EPS ¹	1,327.9	1,359.6

Note:

1. The weighted average number of ordinary shares in issue during the period excludes those accounted for in the own shares reserve.

	Six months ended 30 September 2025 pence per share	Six months ended 30 September 2024 pence per share
Basic EPS before Other items ¹	5.7	5.4
Basic EPS	2.6	3.0
Diluted EPS before Other items ¹	5.3	5.0
Diluted EPS	2.4	2.7

Note:

1. Other items are as described in Note 3.

7. Goodwill

	£m
Cost	
At 31 March 2025	430.3
Arising on business combinations ¹	349.8
At 30 September 2025	780.1
Accumulated impairment losses	
At 31 March 2025	32.5
At 30 September 2025	32.5
Net book value	
At 31 March 2025	397.8
At 30 September 2025	747.6

Note:

1. During the six months ended 30 September 2025, the Group completed the acquisitions of Marlowe and SPM, resulting in initial goodwill recognition of £342.0m and £2.5m, respectively. Additionally, measurement period adjustments related to the prior acquisitions of ESM and Argus led to increases in goodwill of £4.5m and £0.8m, respectively. Further details are provided in Note 15.

8. Trade and other receivables

	30 September 2025 £m	31 March 2025 £m
Trade receivables	549.4	538.3
Accrued income	387.2	339.3
Prepayments	91.5	59.5
Other receivables	51.0	51.3
Total	1,079.1	988.4
Included in current assets	1,056.3	967.9
Included in non-current assets	22.8	20.5
Total	1,079.1	988.4

Management considers that the carrying amount of trade and other receivables approximates their fair value.

9. Trade and other payables

	30 September 2025 £m	31 March 2025 £m
Trade payables	290.1	205.0
Other taxes and social security	205.0	202.1
Other payables	74.3	70.5
Accruals	534.3	557.2
Total	1,103.7	1,034.8
Included in current liabilities	1,089.0	1,012.6
Included in non-current liabilities	14.7	22.2
Total	1,103.7	1,034.8

Management considers that the carrying amount of trade and other payables approximates their fair value.

10. Provisions

	Contract specific costs £m	Onerous contracts £m	Insurance reserve £m	Dilapidations £m	Other £m	Total £m
At 31 March 2025	33.0	10.0	27.3	10.4	3.4	84.1
Additional provisions	1.0	5.4	11.4	0.2	0.5	18.5
Released to the income statement	(0.6)	(0.2)	-	(0.4)	-	(1.2)
Utilised	(8.0)	(5.0)	(7.0)	(0.3)	(0.6)	(20.9)
Arising on business combinations ¹	-	4.2	4.3	7.7	0.7	16.9
At 30 September 2025	25.4	14.4	36.0	17.6	4.0	97.4
Included in current liabilities	10.8	9.6	15.4	4.3	4.0	44.1
Included in non-current liabilities	14.6	4.8	20.6	13.3	-	53.3
Total	25.4	14.4	36.0	17.6	4.0	97.4

Note:

1. Onerous contract provisions arising on business combinations relate to the prior year acquisition of ESM Power Limited. The insurance reserve and dilapidations provisions arising on business combinations relate to the acquisition of Marlowe. Refer to Note 15.

Contract specific costs

Contract specific provisions have been made primarily to cover remedial and rectification costs required to meet clients' contract terms, and include a £10.8m (31 March 2025: £10.8m) provision relating to a liability risk on a certain contract which is subject to dispute and £4.1m (31 March 2025: £5.3m) for rectification works on a certain contract. The value of these provisions reflects the single most likely outcome and is expected to be utilised over a maximum period of seven years. In the period ended 30 September 2025, a settlement has been reached on a certain contract, resulting in provision utilisation of £4.7m. Given the complex nature of these contracts, the calculation of contract specific provisions is a key source of estimation uncertainty, as disclosed in the Annual Report and Accounts 2025. The remaining provision relates to other potential commercial claims and rectification work for other contracts.

Onerous contracts

Onerous contracts include provisions for certain long-term Private Finance Initiative, and other contracts. Due to the long-term nature of Private Finance Initiative contracts, it is expected that these provisions will be utilised over a weighted average period of nine years. During the six months ended 30 September 2025, an onerous contract provision held for a certain contract was increased by £5.4m, where the contract will expire within twelve months from the condensed consolidated statement of financial position date.

Insurance reserve

The Group retains a portion of the exposure in relation to insurance policies for employer liabilities and motor and fleet liabilities. The provision includes claims incurred but not yet reported and is based on information available at the statement of financial position date. The provision is expected to be utilised over five years.

The insurance reserve of £36.0m is presented gross of an insurer reimbursement asset of £6.9m (31 March 2025: £4.2m), which represents the amount the Group is virtually certain to recover for claims under its insurance policies. Of this other receivable, £2.1m (31 March 2025: £2.7m) is presented as non-current.

Dilapidations

The provision for dilapidations relates to the legal obligation for leased properties to be returned to the landlord in the contracted condition at the end of the lease period. This cost would include repairs of any damage and wear and tear, and is expected to be utilised over the next ten years.

11. Cash and cash equivalents

	30 September 2025 £m	31 March 2025 £m
Cash and cash equivalents	169.8	180.4

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The Group operates cash-pooling arrangements with certain banks for cash management purposes.

At 30 September 2025, included within cash and cash equivalents is £6.1m (31 March 2025: £4.3m) which is subject to various constraints on the Group's ability to utilise these balances. These constraints relate to amounts held through a joint operation, where cash is not available for use by the Group.

12. Financing liabilities

	30 September 2025 £m	31 March 2025 £m
Bridge loan facility	240.0	–
Private placement notes	180.0	180.0
Lease liabilities (Note 13)	217.8	197.5
Prepaid arrangement fees	(2.7)	(2.4)
Total	635.1	375.1
Included in current liabilities	61.4	52.2
Included in non-current liabilities	573.7	322.9
Total	635.1	375.1

The Group has a Revolving Credit Facility of £250m with a maturity date of October 2028. During the period to 30 September 2025, the Revolving Credit Facility was utilised for short-term borrowings, with the average borrowing amounting to £20.0m (31 March 2025: £22.6m) over an average period of 7 days (31 March 2025: 10 days). Amounts drawn down during the period accumulated to £120m (31 March 2025: £812m) with equal amounts repaid (31 March 2025: £812m). There were no amounts outstanding as at 30 September 2025 (31 March 2025: £nil).

In December 2022, the Group issued £120m of US Private Placement notes, which are split equally between 8, 10 and 12 year maturities, and were issued with an average coupon of 2.94%.

In October 2024, the Group additionally entered into a three-year uncommitted shelf facility with total undrawn capacity of c.£260m as at 30 September 2025 (31 March 2025: c.£260m at constant currency to 30 September 2025), which can be drawn until October 2027. In December 2024, the Group issued £60m of new US Private Placement notes, drawn from the new shelf facility to replace the existing £30m note that matured in the same month. The new notes have a seven-year maturity and were issued with a coupon rate of 5.71%.

To facilitate the acquisition of Marlowe, a £240m bridge facility was secured, which was fully drawn as at 30 September 2025. The facility was due to mature in June 2026, with an option to extend to June 2027. In October 2025, £60m of the bridge facility loan was repaid, with the remaining £180m refinanced through a US Private Placement draw down from the shelf facility on 12 November 2025. The new US Private Placement notes have maturities of between 3-7 years, and a weighted average interest rate fixed at 5.44%.

The Revolving Credit Facility, bridge facility, and US Private Placement notes are unsecured but have financial and non-financial covenants and obligations commonly associated with these arrangements. The two key covenant ratios are leverage (ratio of 'consolidated total net borrowings' to 'adjusted consolidated EBITDA') and interest cover (ratio of 'consolidated EBITDA' to 'consolidated net finance costs'), with a maximum of 3.0x and a minimum of 4.0x respectively. Covenant ratios are measured after adjustments for IFRS 16 primarily excluding lease liabilities from net debt and the inclusion of a charge equivalent to lease payments against EBITDA. The Group was compliant with these covenants as at 30 September 2025, with leverage of 0.88x (31 March 2025: 0.04x) and interest cover of 25.4x (31 March 2025: 38.7x) (as set out in the Finance review) and hence all amounts are classified in line with repayment dates. The covenants are measured bi-annually on a rolling 12-month basis at 31 March and 30 September.

As at 30 September 2025, the Group had available £250m (31 March 2025: £250m) of undrawn committed borrowing facilities in respect of the Revolving Credit Facility to which all conditions precedent had been met.

13. Leases

Right-of-use assets

	Properties £m	Plant and vehicles £m	Total £m
At 31 March 2025	34.7	157.7	192.4
Additions	2.3	20.9	23.2
Arising on business combinations	6.2	19.1	25.3
Modifications to lease terms and disposals	1.0	1.7	2.7
Depreciation	(4.9)	(27.8)	(32.7)
Effect of movements in exchange rates	0.1	0.6	0.7
At 30 September 2025	39.4	172.2	211.6

Lease liabilities

	£m
At 31 March 2025	197.5
Additions	23.2
Arising on business combinations	25.3
Modifications to lease terms and disposals	3.1
Interest expense related to lease liabilities	4.9
Repayment of lease liabilities (including interest)	(36.9)
Effect of movements in exchange rates	0.7
At 30 September 2025	217.8
Included in current liabilities	62.6
Included in non-current liabilities	155.2
Total	217.8

14. Analysis of net debt

	Notes	30 September 2025 £m	31 March 2025 £m
Cash and cash equivalents	11	169.8	180.4
Adjusted for: restricted cash	11	(6.1)	(4.3)
Bridge loan facility	12	(240.0)	–
Private placement notes	12	(180.0)	(180.0)
Prepaid arrangement fees	12	2.7	2.4
Net debt before lease obligations		(253.6)	(1.5)
Lease liabilities	13	(217.8)	(197.5)
Net debt		(471.4)	(199.0)

Reconciliation of net cash flow to movements in net debt	Notes	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m
Net decrease in cash and cash equivalents		(10.9)	(85.7)
(Increase)/decrease in restricted cash		(1.8)	0.2
Net decrease in unrestricted cash and cash equivalents		(12.7)	(85.5)
Cash drivers			
Proceeds from new bridge loan facility		(240.0)	–
Repayment of bank loans		9.0	–
Payment of arrangement fees		0.7	–
Capital element of lease rentals	13	32.0	26.8
Non-cash drivers			
Non-cash movement in bank loans		(0.4)	(0.3)
Non-cash movement in lease liabilities	13	(26.3)	(47.5)
Effect of foreign exchange rate changes		(0.4)	(0.2)
Increase in net debt during the period		(238.1)	(106.7)
Opening net debt		(199.0)	(80.8)
Debt acquired as part of business combinations ¹	15	(34.3)	–
Closing net debt		(471.4)	(187.5)

Note:

- As part of the Marlowe acquisition, the Group assumed total debt of £34.3 million, comprising lease liabilities of £25.3m and a £9.0m loan. The loan was subsequently repaid by the Group following completion of the transaction. For further details, refer to Note 15.

15. Acquisitions

Marlowe

On 4 August 2025, the Group completed the acquisition of the entire issued share capital of Marlowe plc (Marlowe) for a total transaction consideration of £351.5m. This comprised a cash payment of £228.2m, and the issuance of 86.6 million ordinary shares valued at £123.3m. Marlowe is a leading provider of Testing, Inspection & Certification services in the UK.

The acquisition of Marlowe will enhance Mitie's existing Testing, Inspection & Certification business, allowing it to become a leading Facilities Compliance provider across each of the key sub-sectors of Testing, Inspection & Certification. Since acquisition, Marlowe contributed £51.2m of revenue and £3.1m of operating profit before Other items.

The Group's assessments of the fair values of the assets and liabilities recognised as a result of the acquisition are provisional. The purchase price allocation, including the valuation of identifiable intangible assets arising on acquisition, will be finalised within 12 months of the acquisition date. The provisional purchase price allocation is as follows:

	Provisional fair value £m
Property, plant and equipment (owned)	8.1
Right-of-use assets	25.3
Other intangible assets	2.9
Trade and other receivables	64.0
Inventories	11.0
Cash and cash equivalents	8.8
Current tax asset	2.3
Trade and other payables	(63.4)
Lease liabilities	(25.3)
Financing liabilities	(9.0)
Provisions	(12.7)
Deferred tax liabilities	(2.5)
Net identifiable assets acquired	9.5
Goodwill	342.0
Total consideration	351.5

Cash consideration	228.2
Shares consideration ¹	123.3
Total consideration	351.5

Note:

1. The share based consideration consisted of 86.6m ordinary shares issued, valued at £1.424 per share based on the closing price on 4 August 2025..

SPM

On 30 September 2025, the Group completed the acquisition of trade and assets of 'Seguridad Professional Mediterranea' and 'Serveis Puntuals i Manteniment' (together SPM), a security services business in Spain. The transaction consideration comprised £4.3m in cash, of which £3.0m is deferred over the next three years.

The provisional fair value of the identifiable acquired assets and liabilities totalled £1.8m, and comprised of £2.3m of customer relationships, £0.6m of deferred tax liability associated with customer relationships, and £0.1m of property, plant and equipment. The Group's assessments of the fair values of the assets and liabilities recognised as a result of the acquisition are provisional and will be finalised within 12 months of the acquisition date.

As a result of the acquisition, goodwill of £2.5m has been recognised provisionally, which represents the premium associated with acquiring a mobilised workforce and achieving expansion of security services in Spain.

Prior year acquisitions

On 1 August 2024, the Group completed the acquisition of Woodford Investments Limited and its subsidiary ESM Power Limited (together ESM). Subsequently on 24 October 2024, Slademain Limited and its subsidiary Argus Fire Protection Company Limited (together Argus) were also acquired by the Group.

The accounting for these acquisitions was disclosed as provisional within the Group's Annual Report and Accounts 2025, as these acquired businesses were in the 12-month measurement period as allowed by IFRS 3 Business Combinations. During the six months ended 30 September 2025, Management have finalised the acquisition accounting for these businesses, and measurement period adjustments have been recognised to reflect new information about conditions and circumstances that existed at the acquisition date.

Following the measurement period adjustments, the fair value of acquired net assets for ESM decreased by £4.5m. This reduction was due to an increase in onerous contract provisions of £4.2m and deferred income of £1.8m related to specific projects, and an increase in deferred tax assets of £1.5m resulting in a corresponding increase in goodwill of £4.5m.

Additionally, the fair value of acquired net assets for Argus decreased by £0.8m due to derecognition of certain reimbursement assets of £1.1m, and an increase in current tax receivables of £0.3m, resulting in a corresponding increase in goodwill of £0.8m.

As these adjustments to acquisition accounting are not material for the Group, goodwill values have been adjusted in the current period rather than re-presenting goodwill as at 31 March 2025.

Cash flows on acquisitions

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m
Cash consideration	229.5	7.2
Less: cash balance acquired	(8.8)	(1.4)
Net outflow of cash – investing activities	220.7	5.8

16. Retirement benefit schemes

The Group has a number of pension arrangements for employees:

- Defined contribution schemes for the majority of its employees; and
- Certain Defined benefit schemes.

The Group operates a number of defined contribution pension schemes for qualifying employees. During the six months ended 30 September 2025, the Group made a total contribution to defined contribution schemes of £12.0m (2024: £10.3m) and contributions to the auto-enrolment scheme of £13.7m (2024: £12.2m), which are included in the income statement charge.

The defined benefit schemes include the Mitie Group plc Pension Scheme (Group scheme), which is comprised of two segregated sections: the Group section (Group Part A) and the Interserve section (Group Part B), the Landmarc Pension Scheme (the Landmarc scheme) and other smaller schemes.

In December 2022 the Trustee of the Landmarc scheme entered into a qualifying insurance buy-in to secure the remaining uninsured benefits of the scheme.

The Group also operates a number of smaller defined benefit schemes; MacLellan Group 2000 Retirement Benefit Scheme, THK Insulation Limited Retirement Benefits Scheme and Cyprus Provident Fund. Due to the size of the smaller schemes, the Directors present the results and position of these schemes within this disclosure note as 'Other schemes'. Other schemes also include the Admitted Body schemes, which are largely sections of Local Government Pension Schemes, in respect of certain employees who joined the Group under the Transfer of Undertakings (Protection of Employment) Regulations 2006 or through the acquisition of subsidiary companies.

Principal accounting assumptions at statement of financial position date

	Group Part A		Group Part B		Landmarc scheme		Other schemes	
	30 September 2025 %	31 March 2025 %	30 September 2025 %	31 March 2025 %	30 September 2025 %	31 March 2025 %	30 September 2025 %	31 March 2025 %
Key assumptions used for IAS 19 valuation:								
Discount rate	5.83	5.79	5.87	5.82	5.80	5.70	5.87	5.82
Expected rate of pensionable pay increases	2.38	2.57	2.55	2.70	2.50	2.60	3.20	3.39
Retail price inflation	2.96	3.18	2.97	3.15	3.00	3.20	2.97	3.15
Consumer price inflation	2.38	2.57	2.55	2.70	2.50	2.60	2.55	2.70
Future pension increases	2.38	2.57	2.55	2.70	2.90	3.10	2.67	2.82

Sensitivity of defined benefit obligations to key assumptions

The sensitivity of defined benefit obligations to changes in principal actuarial assumptions is shown below.

		Impact on defined benefit obligations	
	Change in assumption	(Decrease)/increase in obligations %	(Decrease)/increase in obligations £m
Increase in discount rate	0.25%	(3.1)	(7.6)
Increase in retail price inflation	0.25%	2.1	5.2
Increase in consumer price inflation (excluding pay)	0.25%	0.9	2.2
Increase in life expectancy	1 year	3.2	7.9

Some of the above changes in assumptions may have an impact on the value of the scheme's investment holdings, such as a change in discount rates as a result of a change in UK corporate bond yields.

Amounts recognised in financial statements

Amounts recognised in the condensed consolidated income statement are as follows:

	30 September 2025					30 September 2024				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Current service cost	–	(0.1)	–	(0.3)	(0.4)	–	(0.2)	–	(0.4)	(0.6)
Past service cost (including curtailments/settlements) ¹	–	–	–	(7.3)	(7.3)	–	–	(1.1)	(2.0)	(3.1)
Total administrative expense	(0.3)	(0.1)	(0.2)	–	(0.6)	(0.5)	–	(0.2)	(0.1)	(0.8)
Amounts recognised in operating profit	(0.3)	(0.2)	(0.2)	(7.6)	(8.3)	(0.5)	(0.2)	(1.3)	(2.5)	(4.5)
Net interest income	0.3	0.1	0.1	–	0.5	–	–	0.1	–	0.1
Amounts recognised in profit before tax	–	(0.1)	(0.1)	(7.6)	(7.8)	(0.5)	(0.2)	(1.2)	(2.5)	(4.4)

Notes:

- During the six months ended 30 September 2025, the Group formally exited a certain Local Government Pension Scheme, resulting in a £7.3m (2024: £2.0m) contract settlement charge, which was recognised within Other items. Refer to Note 3.

Amounts recognised in the condensed consolidated statement of comprehensive income are as follows:

	30 September 2025					30 September 2024				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Actuarial gains arising due to changes in financial assumptions	3.3	0.5	0.7	0.8	5.3	8.0	1.0	1.6	2.7	13.3
Actuarial (losses)/gains arising from liability experience	(1.5)	(0.1)	(0.6)	(0.7)	(2.9)	–	2.0	(0.3)	(0.2)	1.5
Actuarial (losses)/gains arising due to changes in demographic assumptions	(0.4)	(0.1)	–	–	(0.5)	(0.2)	0.3	–	0.5	0.6
Movement in asset ceiling, excluding interest ¹	–	–	–	3.6	3.6	–	–	–	(2.6)	(2.6)
Return on scheme assets, excluding interest income	(1.1)	0.1	–	3.4	2.4	(5.6)	(1.2)	(1.1)	2.0	(5.9)
Amounts recognised in condensed consolidated statement of comprehensive income	0.3	0.4	0.1	7.1	7.9	2.2	2.1	0.2	2.4	6.9

Note:

- During the six months ended 30 September 2025, the Group formally exited a certain Local Government Pension Scheme, resulting in reversal of asset ceiling of £7.3m (2024: £2.0m). Excluded within the movement in asset ceiling is £0.6m of interest which is recorded within finance costs.

The amounts included in the condensed consolidated statement of financial position are as follows:

	30 September 2025					31 March 2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Fair value of scheme assets	167.4	23.2	36.5	61.5	288.6	165.3	22.7	36.7	69.1	293.8
Present value of defined benefit obligations	(152.8)	(19.0)	(34.6)	(39.5)	(245.9)	(154.7)	(18.9)	(34.8)	(43.8)	(252.2)
Surplus without restriction	14.6	4.2	1.9	22.0	42.7	10.6	3.8	1.9	25.3	41.6
Effect of asset ceiling	–	–	–	(24.7)	(24.7)	–	–	–	(27.7)	(27.7)
Net pension asset/(liability)	14.6	4.2	1.9	(2.7)	18.0	10.6	3.8	1.9	(2.4)	13.9

The total of schemes in surplus position is £20.7m (31 March 2025: £16.3m)

Movements in the present value of defined benefit obligations were as follows:

	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
At 31 March 2025	154.7	18.9	34.8	43.8	252.2
Current service cost	–	0.1	–	0.3	0.4
Interest cost	4.5	0.5	0.9	1.0	6.9
Contributions from scheme members	–	0.1	–	0.1	0.2
Actuarial gains arising due to changes in financial assumptions	(3.3)	(0.5)	(0.7)	(0.8)	(5.3)
Actuarial losses arising from experience	1.5	0.1	0.6	0.7	2.9
Actuarial losses due to changes in demographic assumptions	0.4	0.1	–	–	0.5
Benefits paid	(5.0)	(0.3)	(1.0)	(0.6)	(6.9)
Contract settlement	–	–	–	(5.0)	(5.0)
At 30 September 2025	152.8	19.0	34.6	39.5	245.9

Movements in the fair value of scheme assets were as follows:

	Group Part A £m	Group Part B £m	Landmark scheme £m	Other schemes £m	Total £m
At 31 March 2025	165.3	22.7	36.7	69.1	293.8
Interest income	4.8	0.6	1.0	1.7	8.1
Actuarial (losses)/gains on assets	(1.1)	0.1	–	3.4	2.4
Contributions from the sponsoring companies	3.7	0.1	–	0.1	3.9
Contributions from scheme members	–	0.1	–	0.1	0.2
Expenses paid	(0.3)	(0.1)	(0.2)	–	(0.6)
Benefits paid	(5.0)	(0.3)	(1.0)	(0.6)	(6.9)
Contract settlement	–	–	–	(12.3)	(12.3)
At 30 September 2025	167.4	23.2	36.5	61.5	288.6

17. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

Mitie Group plc has a related party relationship with the Mitie Foundation, a charitable company. During the six months ended 30 September 2025, the Group made payments of £0.2m (2024: £0.2m) to the Mitie Foundation to fund operations.

During the six months ended 30 September 2025, the Group recognised revenue from transactions with joint ventures and associates of £0.4m (2024: £2.0m), and no expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by joint ventures and associates (2024: £nil). The amounts due from joint ventures and associates at 30 September 2025 was £nil (31 March 2025: £0.1m).

All transactions with these related parties were made on terms equivalent to those that prevail in arm's length transactions.

No other transactions during the six months ended 30 September 2025 meet the definition of related party transactions.

18. Events after the reporting period

On 14 October 2025, the Group announced the initiation of a new £100m share buyback programme. The programme commenced on the date of the announcement and is scheduled to conclude by October 2026.

On 12 November 2025, the Group issued £180m of US Private Placement notes to refinance the previous bridge loan, which on 13 November 2025 was repaid in full.

On 19 November 2025, the Group acquired Forest Group Holdings Limited for a cash consideration of £4.5m. In addition, amounts up to a maximum of £2.5m are payable to the former owners of the business, subject to certain performance conditions and post-acquisition employment services. Given the proximity of the acquisition to the reporting date, management has provided information available at the time of approval of the condensed consolidated financial statements. Further disclosures will be made within the Group's Annual Report and Accounts for the year ending 31 March 2026.

Appendix 1 - Alternative Performance Measures

The Group presents various Alternative Performance Measures as management believes that these are useful for users of the financial statements in helping to provide a balanced view of, and relevant information on, the Group's financial performance.

In assessing its performance, the Group has adopted certain non-statutory measures which, unlike its statutory measures, cannot be derived directly from its financial statements. The Group commonly uses the following measures to assess its performance:

Performance before Other items

The Group adjusts the statutory income statement for Other items which, in management's judgement, need to be disclosed separately by virtue of their nature, size and incidence in order to assist in understanding the underlying financial performance achieved by the Group.

These Other items include impairment of goodwill, impairment and amortisation of acquisition related intangible assets, acquisition and disposal costs, charges with respect to employment-linked earnouts, gain or loss on business disposals, cost of restructuring programmes, charges arising on exit of pension schemes and other exceptional items, and their related tax effect as Other items. Further details of these Other items are provided in Note 3.

		Six months ended 30 September 2025 £m	Restated ¹ Six months ended 30 September 2024 £m
Operating profit			
Operating profit	Statutory measures	60.6	63.4
Adjust for: restructure costs	Note 3	9.9	8.2
Adjust for: acquisition and disposal related costs	Note 3	30.6	21.6
Adjust for: other exceptional items	Note 3	7.7	7.9
Operating profit before Other items	Performance measures	108.8	101.1

Note:

- Other items for the six months ended 30 September 2024 have been re-presented to reclassify £6.1m of pension costs, and the associated tax credit of £1.5m, between two Other items categories. These costs were previously reported within the 'acquisition and disposal related costs' category, and have been reclassified to 'other exceptional items', to ensure consistency with the presentation adopted in the Annual Report and Accounts 2025.

Reconciliations are provided below to show how the Group's segmental reported results are adjusted to exclude Other items.

	Six months ended 30 September 2025 £m			Restated ¹ Six months ended 30 September 2024 £m		
	Reported results	Adjust for: Other items (Note 3)	Performance measures	Reported results	Adjust for: Other items (Note 3)	Performance measures
Operating profit/(loss)						
Segment						
Business Services	75.4	9.9	85.3	81.9	3.2	85.1
Technical Services	41.7	8.7	50.4	31.9	9.1	41.0
Corporate centre	(56.5)	29.6	(26.9)	(50.4)	25.4	(25.0)
Total	60.6	48.2	108.8	63.4	37.7	101.1

Note:

- The comparatives for the six months ended 30 September 2024 have been restated for the change in the composition of reportable segments.

In line with the Group's measurement of profit from operations before Other items, the Group also presents its basic earnings per share before Other items. The table below reconciles this to the statutory basic earnings per share.

		Six months ended 30 September 2025 pence	Six months ended 30 September 2024 pence
Earnings per share			
Statutory basic earnings per share	Statutory measures	2.6	3.0
Adjust for: Other items per share		3.1	2.4
Basic earnings per share before Other items	Performance measures	5.7	5.4

Net debt

Net debt is defined as the difference between total borrowings and cash and cash equivalents. It is a measure that provides additional information on the Group's financial position. Restricted cash, which is subject to various constraints on the Group's ability to utilise these balances, has been excluded from the net debt measure.

Total Financial Obligations is defined as the Group's net debt including net retirement benefit liabilities. Total Financial Obligations represents all debt-like financing items the Group has made use of at period end.

A reconciliation from reported figures is presented below:

		30 September 2025 £m	31 March 2025 £m	30 September 2024 £m
Net debt				
Cash and cash equivalents	Statutory measures	169.8	180.4	159.0
Adjusted for: restricted cash	Note 11	(6.1)	(4.3)	(4.0)
Financing liabilities	Note 12	(635.1)	(375.1)	(342.5)
Net debt	Performance measures	(471.4)	(199.0)	(187.5)
Net retirement benefit assets	Note 16	18.0	13.9	8.2
Total Financial Obligations	Performance measures	(453.4)	(185.1)	(179.3)

The Group uses an average net debt measure as this reflects its financing requirements throughout the period. The Group calculates its average net debt based on the daily closing figures, including its foreign currency bank loans translated at the closing exchange rate for the previous month end. This measure showed average daily net debt of £331.6m for the six months ended 30 September 2025, compared with £264.0m for the year ended 31 March 2025 and £219.0m for the six months ended 30 September 2024.

Free cash flow

Free cash flow is a measure representing the cash that the Group generates after accounting for cash flows to support operations and maintain its capital assets. It is a measure that provides additional information on the Group's financial performance as it highlights the cash that is available to the Group after operating and capital expenditure requirements are met.

The table below reconciles net cash generated from operating activities to free cash inflow.

		Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m
Free cash flow			
Net cash generated from operating activities	Statutory measures	93.8	63.2
Add: net (increase)/decrease in restricted cash	Note 11	(1.8)	0.2
Interest received		1.7	1.8
Employment-linked earnouts ¹		3.7	6.4
Acquisition transaction costs ²		5.7	-
Purchase of property, plant and equipment		(16.0)	(7.0)
Purchase of other intangible assets		(3.3)	(3.7)
Disposal of property, plant and equipment		0.1	0.2
Capital element of lease rentals paid	Note 13	(32.0)	(26.8)
Free cash inflow	Performance measures	51.9	34.3

Note:

- During the six months ended 30 September 2025, payments totalling £3.7m (2024: £6.4m) have been made to the former owners of certain acquired businesses with respect to earnout payments, which are conditional on the owners remaining employed with the Group as well as the underlying performance of the acquired business. During the period, costs related to such performance-based employment-linked earnouts of £4.4m were charged to the condensed consolidated income statement and classified as Other items. Refer to Note 3.
- During the six months ended 30 September 2025, acquisition transaction costs charged to the income statement totalled £7.0m (Refer to Note 3), of which £5.7m has been settled in cash during the period. Free cash flow has been adjusted to exclude the impact of acquisition transaction costs, reflecting the significant transaction expenses incurred on the acquisition of Marlowe. The comparative free cash flow for the period ended 30 September 2024 has not been adjusted to reflect £1.9m of acquisition transaction costs, as the amount is immaterial for a prior period re-presentation.

Earnings before interest, tax, depreciation and amortisation

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a measure of the Group's profitability. EBITDA is measured as profit before tax excluding the impact of net finance costs, Other items, depreciation on property, plant and equipment, amortisation and impairment of non-current assets and amortisation of contract assets.

		Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m
EBITDA			
Profit before tax	Statutory measures	49.8	56.8
Add: net finance costs		10.8	6.6
Operating profit		60.6	63.4
Add: Other items	Note 3	48.2	37.7
Operating profit before Other items		108.8	101.1
Add:			
Depreciation of property, plant and equipment		40.2	31.5
Amortisation of non-current assets ¹		4.7	3.8
Amortisation of contract assets		0.4	0.3
Impairment of non-current assets		0.2	–
EBITDA	Performance measures	154.3	136.7

Note:

1. Excludes amortisation of acquisition related intangible assets of £15.6m (2024: £14.0m), as these are classified as Other items in the condensed consolidated income statement. Refer to Note 3.

Revenue including share of joint ventures and associates

Revenue including share of joint ventures and associates is a measure of the Group's revenue performance including the contribution from joint ventures and associates, which is excluded from statutory Group revenue.

		Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m
Group revenue	Statutory measures	2,677.2	2,425.6
Add: share of revenue of joint ventures and associates		2.0	4.8
Revenue including share of joint ventures and associates	Performance measures	2,679.2	2,430.4

Return on invested capital

Return on invested capital (ROIC) is a measure of how efficiently the Group utilises its invested capital to generate profits. The table below reconciles the Group's net assets to invested capital and summarises how the ROIC is derived, based on a 12-month rolling operating profit before Other items after tax.

		30 September 2025 £m	31 March 2025 £m	30 September 2024 £m
Net assets	Statutory measures	544.2	428.0	418.5
Add:				
Non-current liabilities		707.1	445.2	359.1
Current provisions	Note 10	44.1	37.4	39.4
Current Private Placement notes		—	—	30.0
Deduct:				
Non-current deferred tax assets		(0.3)	—	—
Cash and cash equivalents	Note 11	(169.8)	(180.4)	(159.0)
Invested capital	Performance measures	1,125.3	730.2	688.0
Operating profit before Other items¹		241.8	234.1	222.5
Tax ²		(58.3)	(55.5)	(48.0)
Operating profit before Other items after tax¹		183.5	178.6	174.5
ROIC %	Performance measures	16.3%	24.5%	25.4%

Notes:

1. Operating profit is presented on a rolling 12-month basis.
2. The tax charge has been calculated at the effective tax rate on pre-tax profits before other items on a rolling 12-month basis of 24.1% (31 March 2025: 23.7%, 30 September 2024: 21.6%).

Appendix 2 - Change in divisional reporting

As part of the Group's Facilities Transformation Three-Year Plan (FY25 – FY27), the Group has further simplified its organisational structure. From 1 April 2025, the Communities division was absorbed into Technical Services (Healthcare, Local Government & Education) and Business Services (Immigration & Justice). The Compliance business, which was previously reported within the Technical Services division, has also moved to the Business Services division.

The prior year/period comparatives, restated to reflect the resulting change in reportable segments, are provided below.

For the six months ended 30 September 2024

	Restated Six months ended 30 September 2024 £m		As reported Six months ended 30 September 2024 £m	
	Revenue ¹	Operating profit/(loss) before Other items	Revenue ¹	Operating profit/(loss) before Other items
Business Services	1,228.8	85.1	1,079.2	72.8
Technical Services	1,196.8	41.0	913.1	30.1
Communities	–	–	433.3	23.2
Corporate centre	–	(25.0)	–	(25.0)
Total	2,425.6	101.1	2,425.6	101.1

Note:

1. Revenue excludes the share of revenue from joint ventures and associates of £4.8m within Technical Services that was previously reported within Communities.

For the year ended 31 March 2025

	Restated Year ended 31 March 2025 £m		As reported Year ended 31 March 2025 £m	
	Revenue ¹	Operating profit/(loss) before Other items	Revenue ¹	Operating profit/(loss) before Other items
Business Services	2,538.0	180.4	2,244.0	163.0
Technical Services	2,544.6	109.1	1,977.4	79.0
Communities	–	–	861.2	47.5
Corporate centre	–	(55.4)	–	(55.4)
Total	5,082.6	234.1	5,082.6	234.1

Note:

1. Revenue excludes the share of revenue from joint ventures and associates of £8.6m within Technical Services that was previously reported within Communities.

For the year ended 31 March 2024

	Restated Year ended 31 March 2024 £m		As reported Year ended 31 March 2024 £m	
	Revenue ¹	Operating profit/(loss) before Other items	Revenue ¹	Operating profit/(loss) before Other items
Business Services	2,198.1	165.2	1,977.2	149.8
Technical Services	2,247.1	95.6	1,761.4	74.9
Communities	–	–	706.6	36.1
Corporate centre	–	(50.6)	–	(50.6)
Total	4,445.2	210.2	4,445.2	210.2

Note:

1. Revenue excludes the share of revenue from joint ventures and associates of £65.5m within Technical Services. Of the £65.5m, £10.0m was previously reported within Communities and £55.5m relating to the Landmarc joint venture was reported within Technical Services. From 16 November 2023, Landmarc has been consolidated as a subsidiary of the Group.