

## MACRO TRENDS

# Underpinning our growth

Our service lines and sectors have attractive growth prospects that are underpinned by favourable macro trends, ranging from decarbonisation and the modernisation of the built environment to changes in the regulatory landscape and public sector areas of investment.



£5.5bn

spent on crime prevention in past five years

▲ Facilities Management

### Rising business crime

The British Retail Consortium Crime Report 2026 highlights that crime remains a significant operational and financial burden for UK retailers. The combined known cost of crime and prevention remains close to £1bn per annum, alongside continued high levels of violence and abuse against shopworkers. Retail crime drives higher security costs, operational disruption and risks to colleague safety, reinforcing the need for sustained investment in prevention and enforcement.



£8.8bn

UK security market

▲ Facilities Management

### Private sector as first line of defence

The Terrorism (Protection of Premises) Act 2025, known as 'Martyn's Law', received Royal Assent in 2025, placing statutory responsibility for public safety on those responsible for certain buildings and events. Mitie contributed to the development of this legislation and is supporting customers with security best practice and compliance. Together with increased government outsourcing, rising levels of business crime and greater demand for technology-enabled security solutions. We compete in a £8.8bn UK security market comprising core facilities management services, active fire and security systems.



£64bn

government commitment to maintain the NHS estate until 2035

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### NHS estate maintenance

The UK Government has committed £64bn over the next decade to maintain the NHS estate, with allocations protected in real terms until 2035. The NHS capital guidance outlines a £4.0bn annual allocation for provider operational capital, covering day-to-day maintenance, the renewal of plant and equipment, and minor building works. Complementing this is a dedicated £750m per annum Estates Safety Fund to tackle critical infrastructure risks and ensure statutory compliance.



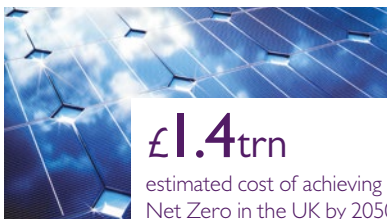
£10bn

government investment to increase prison capacity

▲ Facilities Management

### Prison capacity shortage

At the end of 2025, 87,000 individuals were held in the UK's adult prison estate, significantly exceeding designed operational capacity. In response, the Ministry of Justice's 10-year Prison Capacity Strategy sets out plans to deliver an additional 14,000 prison places by 2031, supported by c.£10bn of investment in new prisons, new houseblocks, rapid deployment cells and the refurbishment of existing facilities.



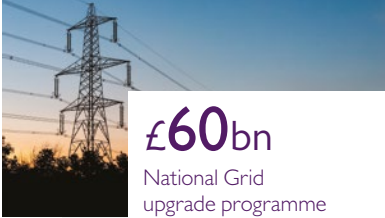
£1.4trn

estimated cost of achieving Net Zero in the UK by 2050

▲ Facilities Transformation

### Decarbonising and modernising the built environment

As the UK progresses towards Net Zero, the energy performance requirements for commercial buildings are becoming more stringent. Around 80% of UK buildings require investment to meet the Minimum Energy Efficiency Standards (MEES) by 2030. This increasing, compliance-driven investment is complemented by spending on workplace redesigns that support hybrid working. These redesigns place greater emphasis on amenities, technology, wellbeing and sustainability in order to attract and retain talent.



**£60bn**

National Grid upgrade programme

▲ Facilities Transformation

### Repurposing the electricity grid

The UK's energy requirements are becoming increasingly reliant on renewable sources, requiring substantial investment to modernise and upgrade Grid infrastructure and build sufficient storage capacity. To meet these needs, National Grid is investing up to £60bn in its infrastructure network by 2029. This also creates opportunities for Independent Connection Providers to deliver private network solutions supporting growing demand from data centres, batteries and renewable energy developments.



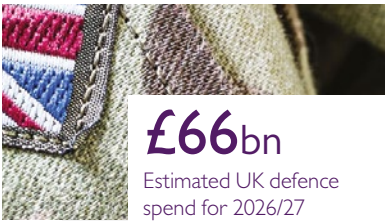
**£45bn**

UK data centre investments

▲ Facilities Transformation

### Accelerating data centre investment

The UK has designated data centres as Critical National Infrastructure, underlining their strategic importance to AI and the digital economy. Industry analysis identifies over £45bn of announced UK data centre investments since 2023, with rapid near-term expansion driven by AI workloads, hyperscale cloud demand and data sovereignty requirements, despite ongoing power and regulatory constraints.



**£66bn**

Estimated UK defence spend for 2026/27

▲ Facilities Transformation

### Increasing investment in UK Defence

The UK's estimated core military expenditure for the 2026/27 financial year is £66bn, according to the Labour government's 2025 Budget. This figure represents a rise of £13.3bn over five years, driven by plans to increase spending to 2.6% of GDP by 2027 and eventually reach 3.5% of GDP for armed forces by 2035.



**£7.6bn**

Facilities Compliance market

▲ Facilities Compliance

### Growing building legislation

Demand is growing for business-critical compliance services as a result of more stringent building regulations, including those relating to fire and building safety and the environment, alongside increasing insurance and sustainability requirements. In the public sector alone, the National Audit Office estimates a £49bn maintenance backlog across government buildings, highlighting the scale of investment required to meet statutory requirements and increased levels of scrutiny.



**£104bn**

Asset Management Period 8 (AMP8) investment

▲ Facilities Compliance

### Investment in UK water infrastructure

AMP8 represents a step change in UK water infrastructure investment, with Ofwat approving c.£104bn of spend between 2025 and 2030. This funding is focused on improving water quality, reducing pollution and leakage, strengthening resilience to climate change and population growth, and accelerating progress towards Net Zero. Delivery of AMP8 will require sustained investment in asset maintenance, upgrades and new infrastructure across the water estate.