



# Strong HI FY26: Growing momentum in delivery of FY25-FY27 Strategic Plan

*Interim results presentation for the six months ended 30 September 2025*

20 November 2025

The Future of High-Performing Places



# HI FY26 highlights

Strong HI FY26: Growing momentum in delivery of FY25-FY27 Strategic Plan

**Maintained double digit revenue growth and good margin resilience**

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

**Good FCF generation & low leverage supports new £100m buyback programme**

**FY26 op. profit >£260m guidance, with Marlowe integration progressing well**

**AI efficiencies across business will underpin operating margin**

**On track to deliver ambitious Strategic Plan & financial targets by end of FY27**

**Growing momentum beyond FY27 as order book and pipeline grow**



# Financial update

Simon Kirkpatrick

Chief Financial Officer

# Durable financial model: compounding earnings, value accretion, increased shareholder returns

## 2023 Capital Markets Event (CME)

FY27 Financial Targets

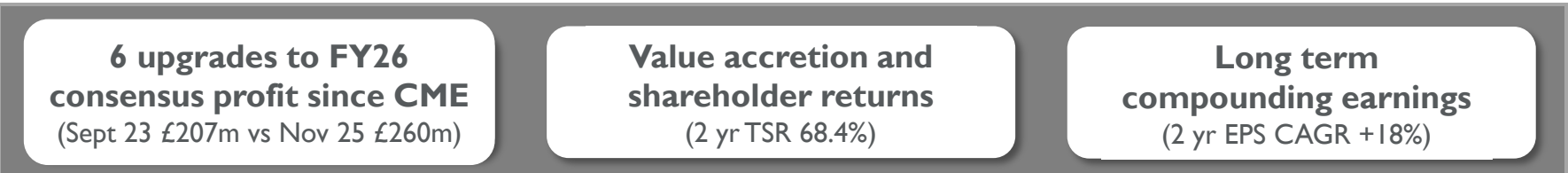
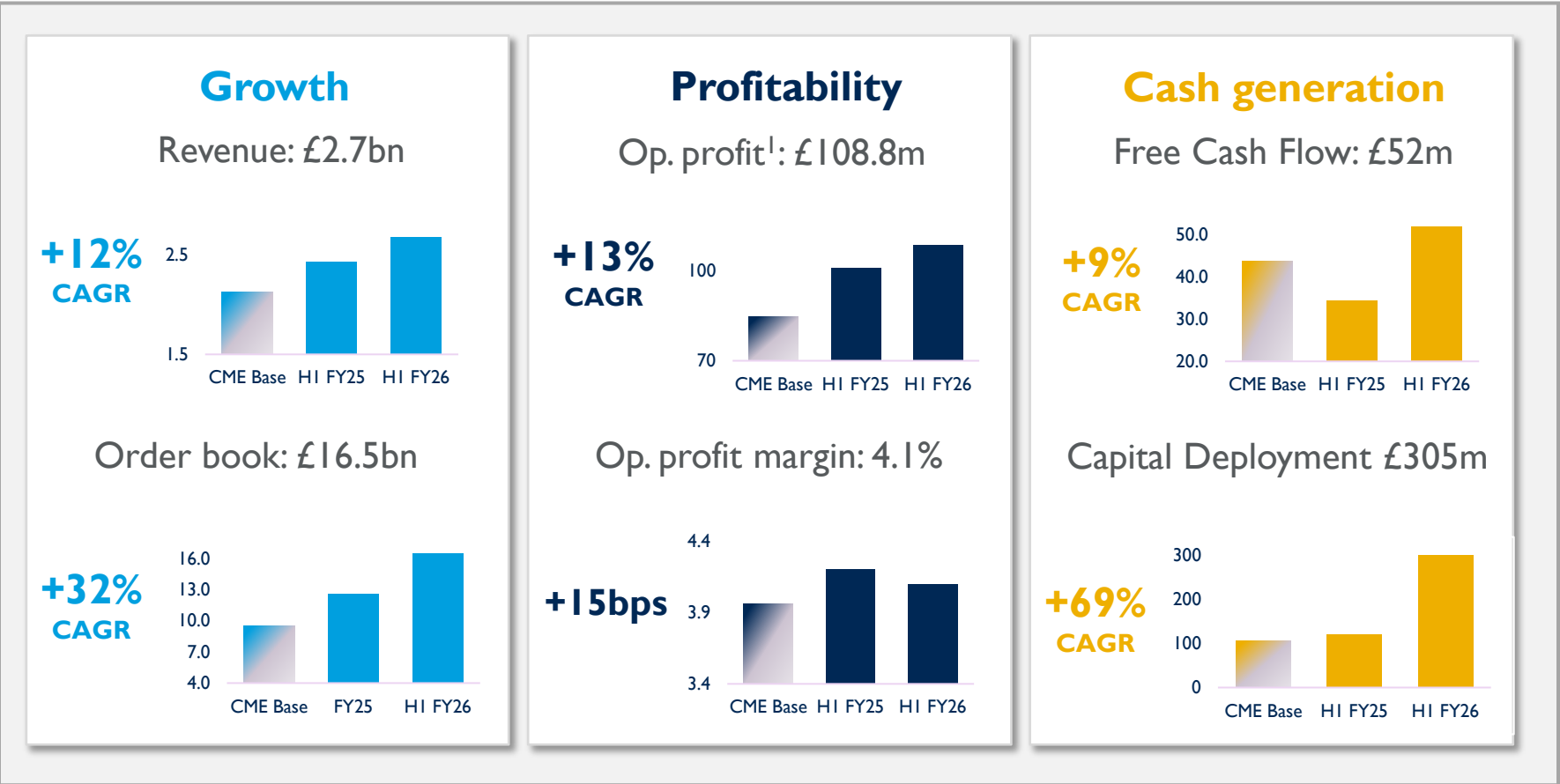
**High single digit revenue growth**  
(CME baseline: £4.4bn)

**Operating profit margin >5%**  
(CME baseline: 4.0 – 4.5%)

**EPS growth > revenue growth**  
(CME baseline: 10.5 – 11.0p)

**FCF generation of c.£150m p.a.**  
(CME baseline: >£100m)

**ROIC >20%**  
(CME baseline: c.25%)



'CME Baseline' represents the FY24 financial forecasts on which the 3YP growth rates and targets were set at the October 2023 CME (i.e. market consensus for HI FY24 and FY24)

# Headlines

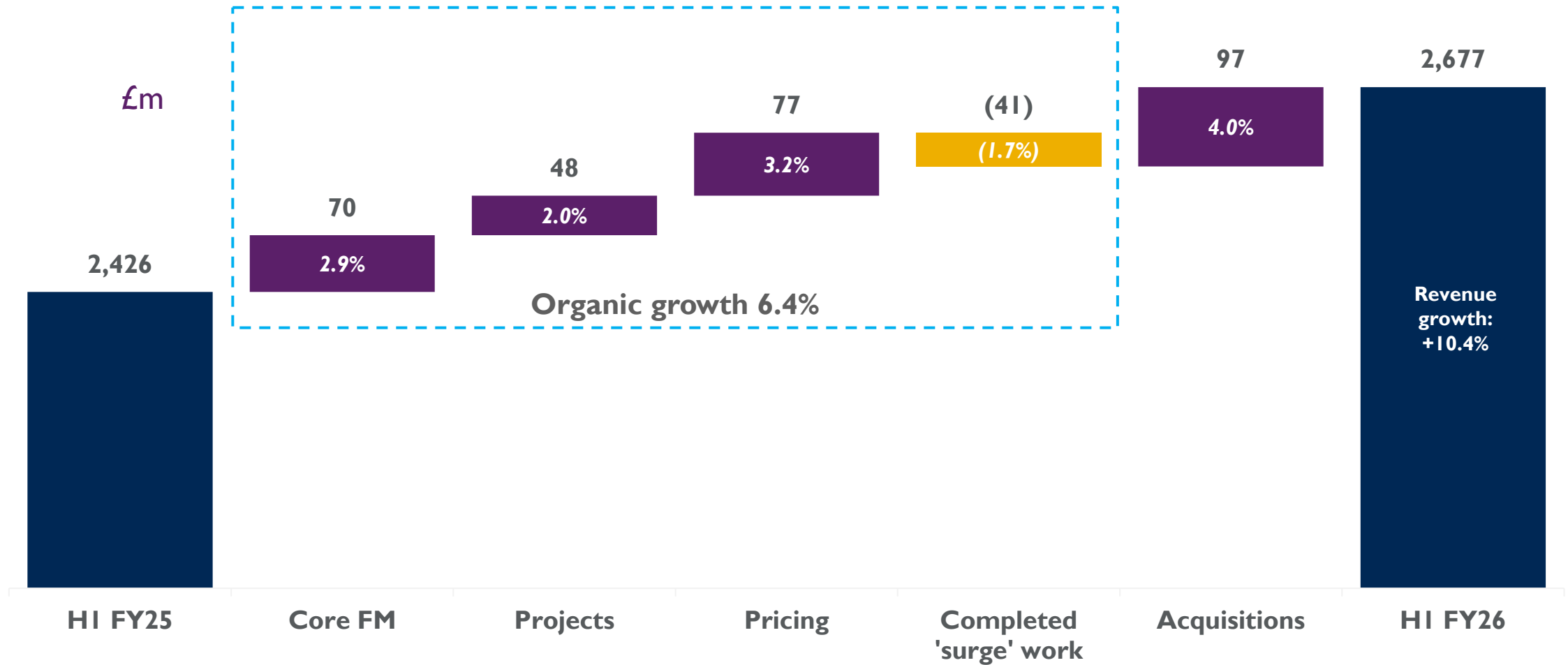
## Good revenue and profit growth in HI FY26

| £m  | HI FY26 | HI FY25 | % change |
|---|---------|---------|----------|
| Revenue                                     | 2,677   | 2,426   | +10.4    |
| Operating profit before Other items         | 108.8   | 101.1   | +7.6     |
| Operating profit margin                     | 4.1%    | 4.2%    | (10 bps) |
| Profit after tax before Other items         | 73.8    | 71.1    | +3.8     |
| Basic earnings per share before Other items | 5.7p    | 5.4p    | +5.6     |
| Dividend                                    | 1.4p    | 1.3p    | +7.7     |
| Free cash flow                              | 51.9    | 34.3    |          |
| Average daily net debt                      | (332)   | (219)   |          |
| Net assets                                  | 544     | 419     |          |

- Revenue growth of 10.4% driven by strong organic growth of 6.4%
- Margin maintained at >4% despite headwinds (NIC impact and completed higher margin work)
- 5.6% improvement in EPS from profit growth and share buybacks, offset by higher net finance cost
- 7.7% increase in interim dividend
- Free cash inflow of £51.9m, supporting increased capital deployment
- Average daily net debt of £332m, increased due to HY26 capital deployment

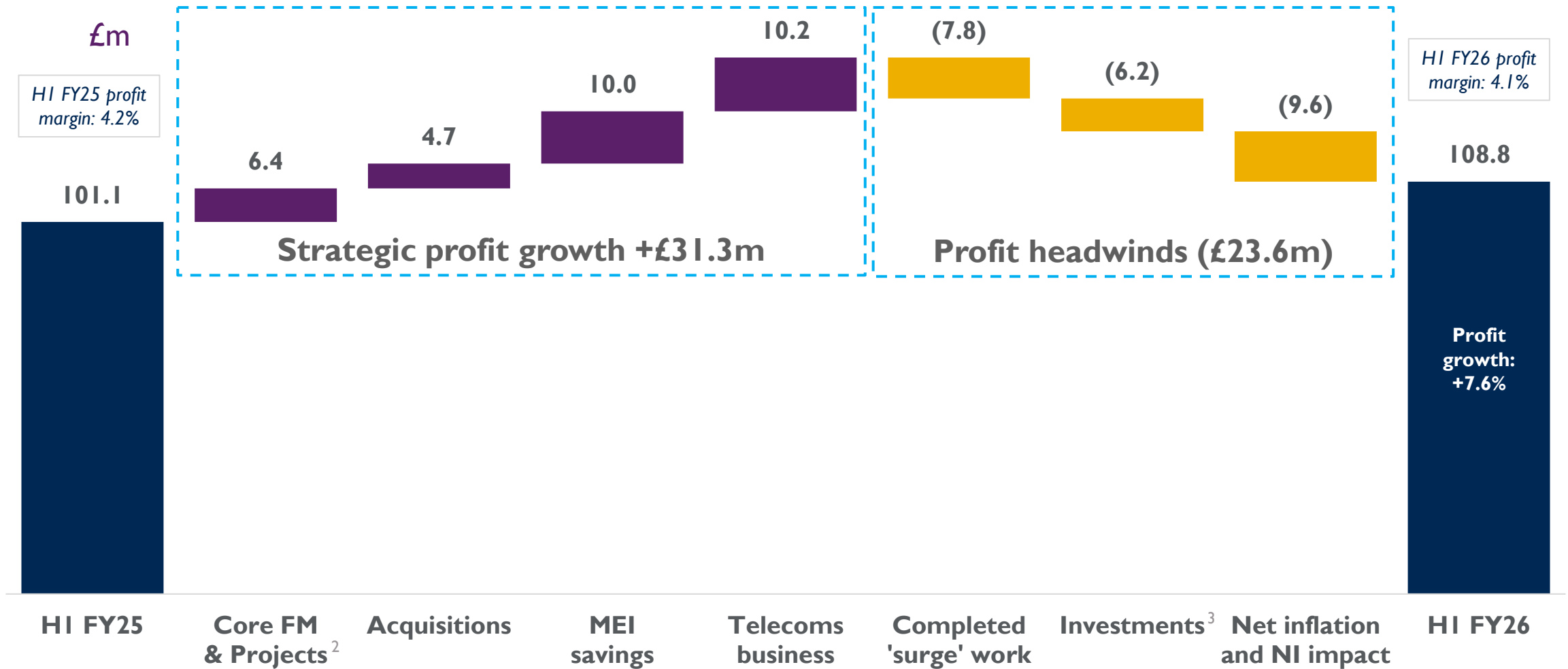
# Revenue

Good organic growth supplemented by acquisitions



# Operating profit<sup>1</sup>

7.6% profit growth after £23.6m of profit headwinds



<sup>1</sup> Before Other items

<sup>2</sup> Includes a £5.4m loss for one onerous contract in Technical Services

<sup>3</sup> Includes £2.8m of mobilisation costs

## Cost inflation and NIC changes

Inflation and NIC increases have been tightly managed in HI FY26, in line with guidance

### INFLATION IMPACT

|                                     | HI FY26  | FY26      |
|-------------------------------------|----------|-----------|
| <b>Cost increase from inflation</b> | (£62.7m) | (£133.0m) |
| Recovery from pricing               | £59.3m   | £125.0m   |
| <b>Residual cost</b>                | (£3.4m)  | c.(£8.0m) |
| <i>Pricing recovery %</i>           | 95%      | c.94%     |

### NIC HEADWIND

|  | HI FY26  | FY26     |
|--|----------|----------|
| <b>Cost increase from employer NIC</b> | (£24.2m) | (£50.0m) |
| Recovery from pricing                  | £18.0m   | £37.0m   |
| <b>Residual cost</b>                   | (£6.2m)  | c.(£13m) |
| <i>Pricing recovery %</i>              | 74%      | c.70%    |

|              |                |                    |
|--------------|----------------|--------------------|
| <b>Total</b> | <b>(£9.6m)</b> | <b>(£20m-£25m)</b> |
|--------------|----------------|--------------------|

- Net P&L impact from cost inflation of £3.4m, reflecting 95% pricing pass through on contracts
- Net P&L impact from NIC change of £6.2m, reflecting 74% pricing pass through on contracts – lower recovery due to lower levels of contractual protection
- Residual c.£10m cost in HI has been mitigated by MEIs
- FY26 profit headwind from inflation and NIC expected to be £20m-£25m

# Business Services

HI FY26 revenue growth of 15.1% combined with resilient profit performance

| £m   | HI FY26      | HI FY25 <sup>1</sup> | % change     |
|--|--------------|----------------------|--------------|
| Security                                   | 580          | 517                  | 12.2%        |
| Hygiene & Environmental Services           | 340          | 300                  | 13.3%        |
| Central Government                         | 187          | 185                  | 1.1%         |
| Immigration & Justice                      | 153          | 148                  | 3.4%         |
| Spain                                      | 104          | 79                   | 31.6%        |
| Marlowe                                    | 51           | -                    | n/a          |
| <b>Revenue</b>                             | <b>1,415</b> | <b>1,229</b>         | <b>15.1%</b> |
| <i>Of which projects</i>                   | 167          | 128                  | 30.5%        |
| <b>Operating profit before Other items</b> | <b>85.3</b>  | <b>85.1</b>          | <b>0.2%</b>  |
| Operating margin before Other items, %     | 6.0%         | 6.9%                 | (90 bps)     |

- Security: Strong growth despite headwind from completion of surge work. Good organic & inorganic project growth, new wins, and pricing
- Hygiene: growth driven by significant wins in FY25
- Central Gov: FY25 wins and pricing offset by lower project volumes
- I&J: HMP Millsike win offset by scope changes in Escorting Services work
- Spain: growth from expansion into Security and large public sector wins
- Operating profit resilient, as revenue growth and MEIs offset impact of cost inflation, NIC changes, and completion of surge work
- Marlowe adds £51m of revenue and £3.1m of operating profit before Other items in HI

<sup>1</sup> HI FY25 restated to reflect the change to divisional reporting

# Technical Services

HI FY26 revenue growth of 5.4%, significant improvement in profit and margins

| £m  | HI FY26      | HI FY25 <sup>1</sup> | % change     |
|---|--------------|----------------------|--------------|
| <i>Engineering</i>                                  | 683          | 652                  | 4.8%         |
| <i>Defence</i>                                      | 261          | 248                  | 5.2%         |
| <i>Healthcare, Local Government &amp; Education</i> | 318          | 297                  | 7.1%         |
| <b>Revenue</b>                                      | <b>1,262</b> | <b>1,197</b>         | <b>5.4%</b>  |
| <i>Of which projects</i>                            | 469          | 424                  | 10.6%        |
| <b>Operating profit before Other items</b>          | <b>50.4</b>  | <b>41.0</b>          | <b>22.9%</b> |
| Operating margin before Other items, %              | 4.0%         | 3.4%                 | 60 bps       |

- Engineering: good growth from new wins, project work and pricing, offset loss of one notable contract and Telecoms contract exits
- Defence: growth driven by good projects performance
- HLG&E: projects growth in Healthcare across multiple hospital contracts
- Significant profit (and margin) improvement from revenue growth, MEIs and turnaround of the telecoms infrastructure business - more than offsets impact of inflation, NIC, and a provision on one loss making contract that will end in May 2026

<sup>1</sup> HI FY25 restated to reflect the change to divisional reporting

# Group operating profit<sup>1</sup>

7.6% profit improvement and margin maintained at >4%, despite headwinds

| £m                     | HI FY26      | HI FY25 <sup>2</sup> | % change    |
|------------------------|--------------|----------------------|-------------|
| Business Services      | 85.3         | 85.1                 | +0.2        |
| Technical Services     | 50.4         | 41.0                 | +22.9       |
| Corporate Centre costs | (26.9)       | (25.0)               | (7.6)       |
| <b>Mitie Group</b>     | <b>108.8</b> | <b>101.1</b>         | <b>+7.6</b> |
| % Margin               | 4.1%         | 4.2%                 |             |

- Corporate centre costs 7.6% higher, reflecting inflation, National Insurance Contributions, and strategic investments, offset by MEIs

<sup>1</sup> Before Other items

<sup>2</sup> HI FY25 restated to reflect the change to divisional reporting

# Cash flow

Good free cash flow generation, despite structural HI working capital outflow and higher capex and lease payments

| £m  | HI FY26        | HI FY25        |
|---|----------------|----------------|
| Operating profit before Other items                             | 108.8          | 101.1          |
| Add back: depreciation and amortisation                         | 45.5           | 35.6           |
| Other items   | (25.6)         | (20.6)         |
| Other operating movements                                       | 8.7            | 3.1            |
| <b>Cash from operations before movements in working capital</b> | <b>137.4</b>   | <b>119.2</b>   |
| Working capital movements <sup>1</sup>                          | (24.4)         | (37.6)         |
| Capex, capital leases, interest and other                       | (61.1)         | (47.3)         |
| <b>Free cash inflow (FCF)</b>                                   | <b>51.9</b>    | <b>34.3</b>    |
| Capital allocation  | (305.1)        | (120.7)        |
| Increase in lease liabilities (and other)                       | (19.2)         | (20.3)         |
| <b>Increase in net debt</b>                                     | <b>(272.4)</b> | <b>(106.7)</b> |

- Strong profit generation drives £51.9m of FCF inflow in HI FY26
- Cash Other items of £25.6m relates mainly to costs of implementing MEI savings, and acquisition costs
- Structural working capital outflow in HI FY26 of £24.4m, improved from FY25. Reflects growth in projects business and longer payment terms on contracts in the retail sector, partly offset by process improvements
- Capex £19.2m, Leases £32.0m, Interest £9.8m
- Capital allocation includes: £2.9m share buybacks, £22.6m share incentive purchases, £40.5m dividends<sup>2</sup>, £239m acquisitions<sup>3</sup>
- Lease liabilities increase: expansion of fleet through acquisitions and new contract wins

<sup>1</sup> Adjusted to exclude movements in restricted cash which do not form part of net debt

<sup>2</sup> Dividends include £3.9m paid to the Landmarc minority shareholder

<sup>3</sup> Acquisitions include net cash considerations, employment-linked earnout and acquisition transaction cost payments

# Balance sheet

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

| £m  | HI FY26 | FY25  |
|---|---------|-------|
| Closing net (debt)  | (471)   | (199) |
| Average daily net (debt)                                      | (332)   | (264) |
| Leverage ratio (average daily net debt / EBITDA) <sup>1</sup> | 1.0x    | 0.8x  |
| Covenant leverage ratio <sup>2</sup>                          | 0.88x   | 0.04x |
| Debtor days <sup>3</sup>                                      | 30      | 29    |
| Creditor days <sup>3</sup>                                    | 34      | 32    |
| ROIC (%)  | 16.3%   | 24.5% |
| Invested capital  | 1,125   | 730   |
| Net assets  | 544     | 428   |

- Increase in net debt due to capital allocation actions undertaken and higher lease liabilities
- Average leverage (1.0x) at lower end of target range of 0.75-1.5x
- Covenant leverage (0.88x) well within the maximum ratio of 3.0x
- Refinancing of Marlowe bridge facility (£240m) completed with £180m of USPP notes (5yrs / 5.4%)
- Debtor days consistent with FY25; improvement in creditor days through ongoing process improvements and rationalisation of the supplier base
- Return on invested capital (ROIC) of 16.3%: c.£380m of invested capital added for Marlowe, only two months of operating profit
- Net assets increased by shares issued to acquire Marlowe and net profit for the year, less dividends, share buybacks and market purchase of shares

<sup>1</sup> Calculated using EBITDA and post-IFRS 16 net debt (i.e. including leases). Leverage ratio based on closing net debt is 1.4x

<sup>2</sup> For covenant calculations, both net debt and EBITDA are adjusted for leases

<sup>3</sup> Debtor and creditor days are calculated as averages for the period

# Summary & Guidance

## 2023 Capital Markets Event (CME)

FY27 Financial Targets

High single digit revenue growth

(CME baseline: £4.4bn)

Operating profit margin >5%

(CME baseline: 4.0 – 4.5%)

EPS growth > revenue growth

(CME baseline: 10.5 – 11.0p)

FCF generation of c.£150m p.a.

(CME baseline: >£100m)

ROIC >20%

(CME baseline: c.25%)

On track to meet FY26 expectations after good progress in H1, despite headwinds

### H1 Performance

- ✓ Double digit revenue growth with both divisions showing good momentum
- ✓ Margins broadly stable (4.1%), resilient against headwinds
- ✓ Profit growth and share buyback drives 5.6% EPS growth, despite higher interest costs
- ✓ On-going strong FCF generation, in line with our expectations
- ✓ ROIC temporarily reduced due to Marlowe acquisition

### FY26 Guidance

- ➔ Revenue growth to continue in double digits in H2
- ➔ Margins structurally higher in H2, despite ongoing headwinds
- ➔ Operating profit “at least £260m”
- ➔ EPS will grow, despite higher finance costs, and shares issued to acquire Marlowe
- ➔ FCF >£120m, underpinning new £100m share buyback programme (over 12 months)
- ➔ ROIC will increase back towards 20% target

# Strategic update

Phil Bentley

Chief Executive Officer

# On track to deliver FY25-FY27 Strategic Plan, targeting growth/margin expansion

Evolving customer needs: from Facilities Management to Facilities Transformation and now Facilities Compliance

Our pillars of growth...

... Enable us to satisfy evolving customer needs...

... And build a leading offering



# Macro trends and £33bn pipeline (+50% YoY) underpin growing momentum



**Decarbonising and modernising the built environment**

£1.4trn cost of achieving Net Zero in the UK

01

**Prison capacity shortage**

£10bn government investment to increase prison capacity

06

**Private sector as first line of security**

£8.6bn UK security market with 3% annual growth

02

**Evolving response to immigration**

£4.7bn annual spending on asylum support and accommodation

07

**Repurposing the electricity grid**

£60bn National Grid upgrade programme

03

**Rising business crime**

£4.2bn annual cost of retail crime

08

**Accelerating data centre investment**

£12.7bn estimated UK investments

04

**Growing legislation**

£49bn Government buildings maintenance backlog

09

**Increasing Defence spending**

£60bn estimated UK defence spend for 2025/26.

05

**Investment in UK Water Infrastructure**

£104bn AMP8 investment, 2025-2030

10

**New**

**Largest Pipeline Sectors**

Immigration & Justice  
£8bn

Defence  
£5bn

Retail  
£2bn

Central & Local Gov  
£2bn

Healthcare  
£2bn

CNI & Data Centres  
£2bn

Transport & Aviation  
£2bn

Financial Services  
£1bn

# Good revenue growth, new wins and record order book in H1 ...

We have high visibility over near-term (1-3 years) order book, plus >£2bn of pipeline in final stage BAFO

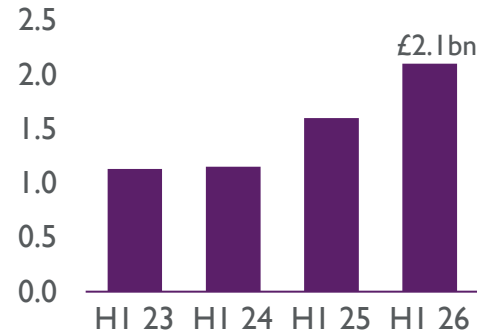
**Group revenue (£bn)**



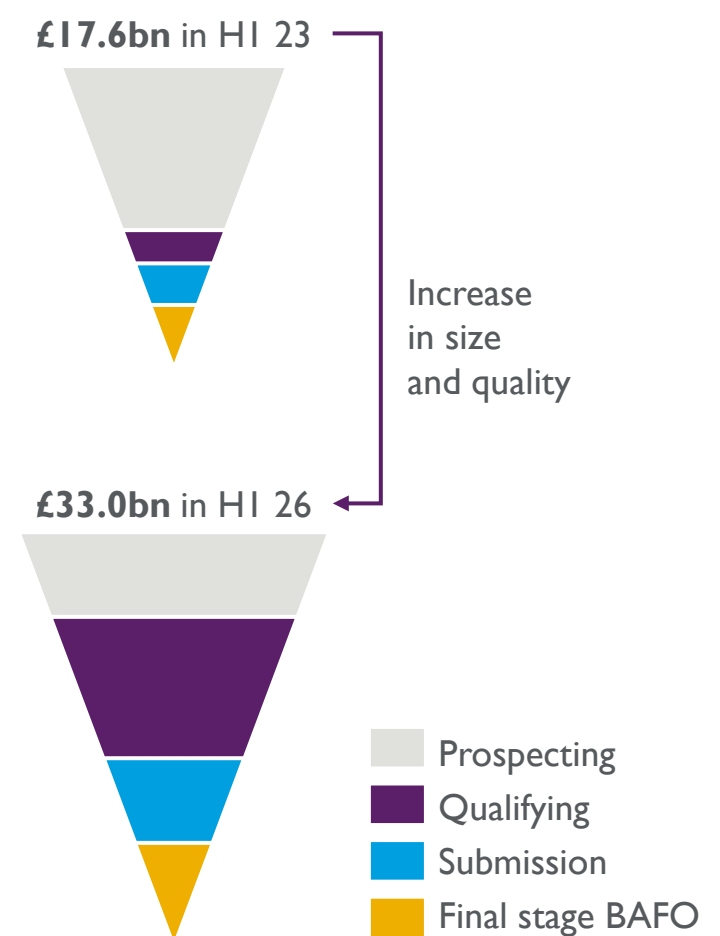
**New Wins (TCV £bn)**



**Renewals (TCV £bn)**

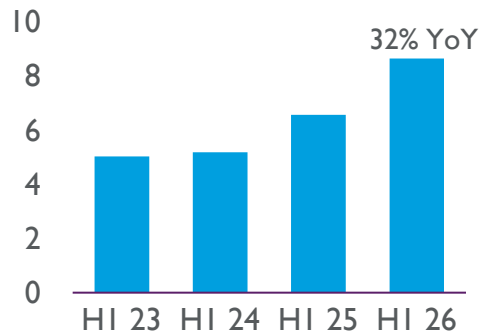


**Pipeline doubled in size**

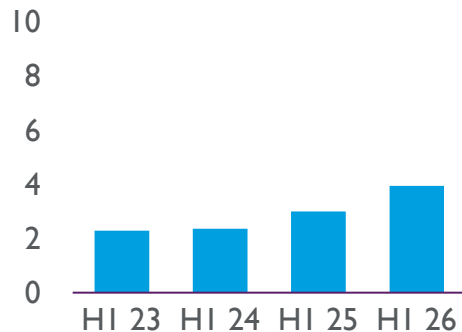


**Total Order Book (TCV £bn) – HI FY26: £16.5bn (+31% YoY)**

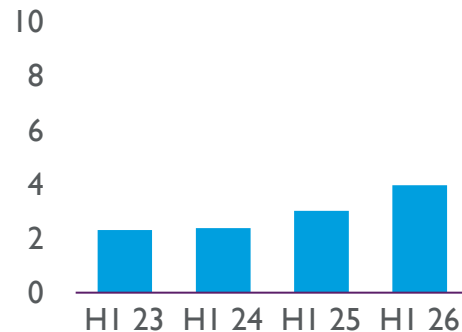
**Near Term (1-3 Years)**



**Mid Term (4-5 Years)**



**Longer Term (6+ Years)**



... with our strategic imperatives providing growing momentum beyond

**Investment in Sales & Marketing**



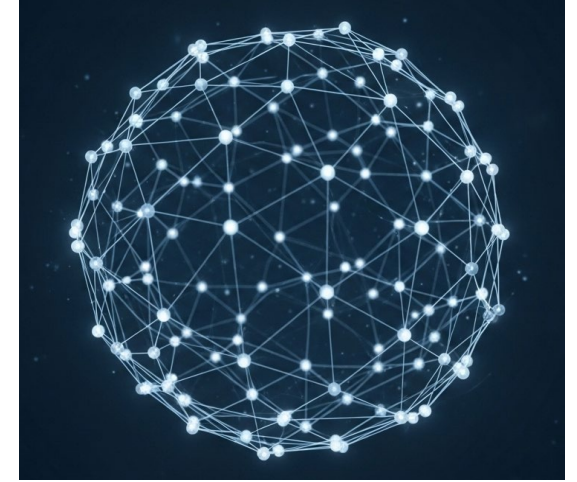
**Investment in Projects capability**



**Investment in Marlowe**



**Investment in Technology and AI**



**CAPTURING CLIENT 'SHARE OF WALLET' THROUGH SCDs**

**TURBO-CHARGING PROJECTS**

**ACCELERATING GROWTH IN COMPLIANCE/WATER**

**EXECUTING AI STRATEGY AT PACE TO DRIVE EFFICIENCIES**

**>£1bn of FM opportunity with existing customers**

**Building a >£2bn Projects business**

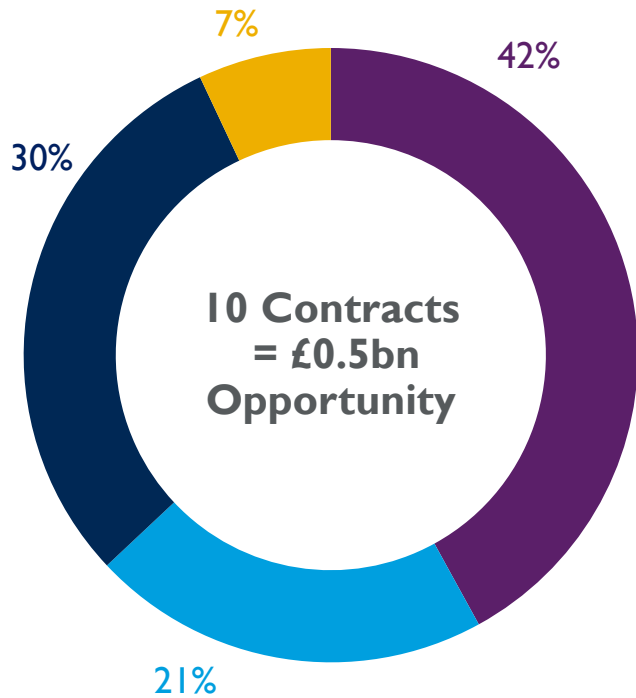
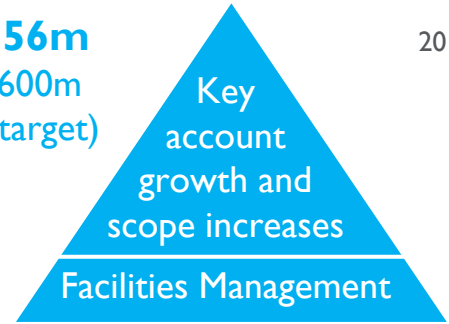
**Building a >£1bn Compliance/Water business**

**Delivering continued margin accretion**

# Capturing client 'share of wallet' through SCDs

Significant opportunity to add additional service lines to existing strategic accounts

£556m  
(£600m  
3Y target)



■ Security/Hygiene    ■ Projects  
■ Engineering    ■ Compliance

## Enablers to identify and capture share of wallet:

- 1
**Customer insights & sector prioritisation:**  
 50 strategic clients prioritised by size and high-growth potential
- 2
**Strategic Client Directors (SCDs):**  
 Dedicated and incentivised to identify and capture 'share of wallet' (structured hunting)
- 3
**Service development:**  
 Value propositions, AI enablement, new adjacencies (e.g., complex outsourcing)
- 4
**Organisational effectiveness:**  
 Alignment of operations, sales and marketing, and cross-sector collaboration

## Client case studies

### Retail Customer

£16m

Started FY13

➔

£55m

FY26e

- Cleaning (2012)
- Integrated FM (2019)
- Security & Projects (2020)
- Fire & Security Systems (2021)
- Security Expansion & Solar (2025)

### Transport Customer

£25m

Started FY14

➔

£119m

FY26e

- Integrated FM (2014)
- North sites (2017)
- South sites (2020)
- Extensions (2023)
- Document Management (2025)
- Mobility (2025)

IFM only provided to 40% of Top 50 contracts, representing significant opportunities

# Turbo-charging Projects

Strong momentum in transformational projects; targeting £2bn of revenue in medium-term

**£198m**  
(£200m  
3Y target)



## Fire Safety & Security

**62%**  
FY26e YoY



**National Grid**  
Civil works incl. fencing and anti-burrow beams



**SSE & Scottish Power**  
Earthing solutions across network of substations

## Key stats

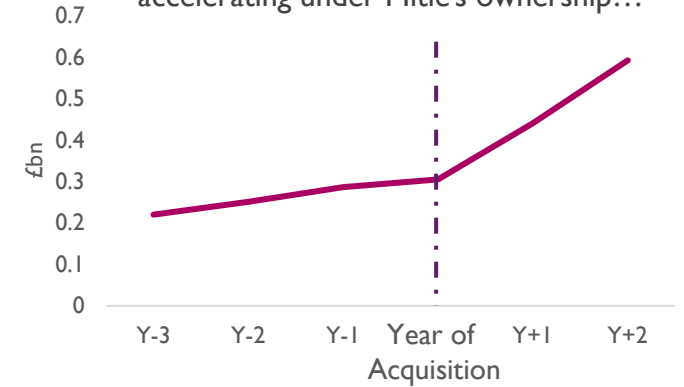
**£2.9bn**  
Projects order book (+53% YoY)

**£6.9bn**  
Projects pipeline (+130% YoY)

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

**£270k**  
typical project size (+80% YoY)

Acquisitions revenue performance is accelerating under Mitie's ownership...



## Power & Grid/Decarb

**50%**  
FY26e YoY

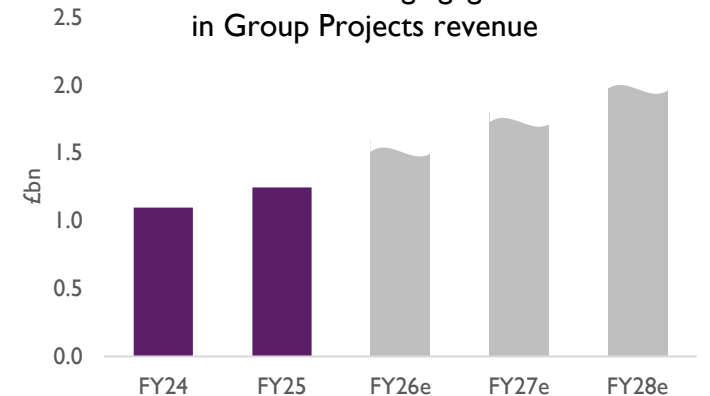


**Staythorpe**  
One of largest battery energy systems in Europe



**Multi-site Solar PV**  
Installed for Co-Op, Tesco, David Lloyd

...and 'turbo-charging' growth in Group Projects revenue



## Building Engineering

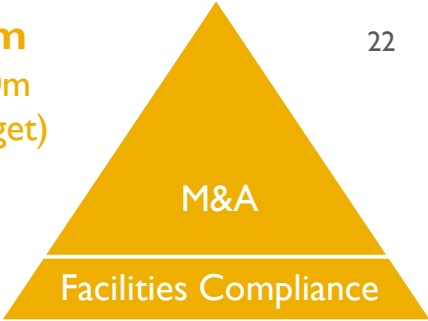
**77%**  
FY26e YoY



**Ark, Longcross Park**  
M&E design and build of first phase of new data centre



**AstraZeneca DISC**  
M&E services to support Helium Recovery System

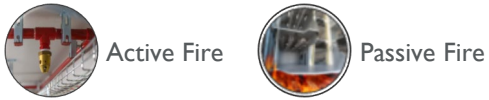


# Accelerating growth in Compliance/Water

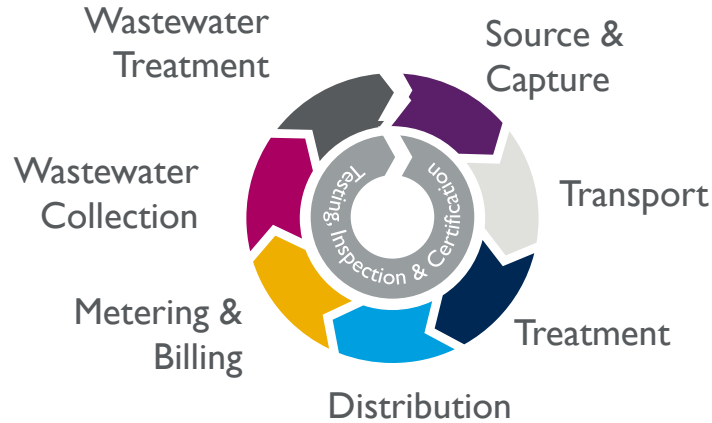
‘Total Fire & Security’ (#1 market leader) and new ‘Total Managed Water’ capabilities contribute to our >£1bn Facilities Compliance revenue ambition in £7.6bn Compliance market

## #1 in ‘Total Fire & Security’

- Active Fire cross-sell
- Complex national contracts
- New Passive Fire capability
- Systems & Projects cross-sell

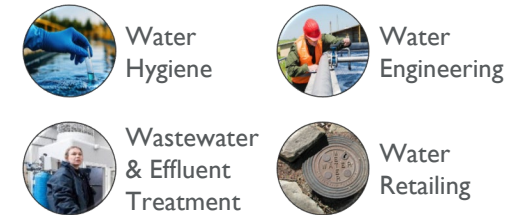


## Water Services Value Chain (AMP8 £104bn investment)



## ‘Total Managed Water’ solution

- £165m revenue
- Complements ‘Mitie Energy’ & ‘Mitie Waste’
- Existing capabilities include:



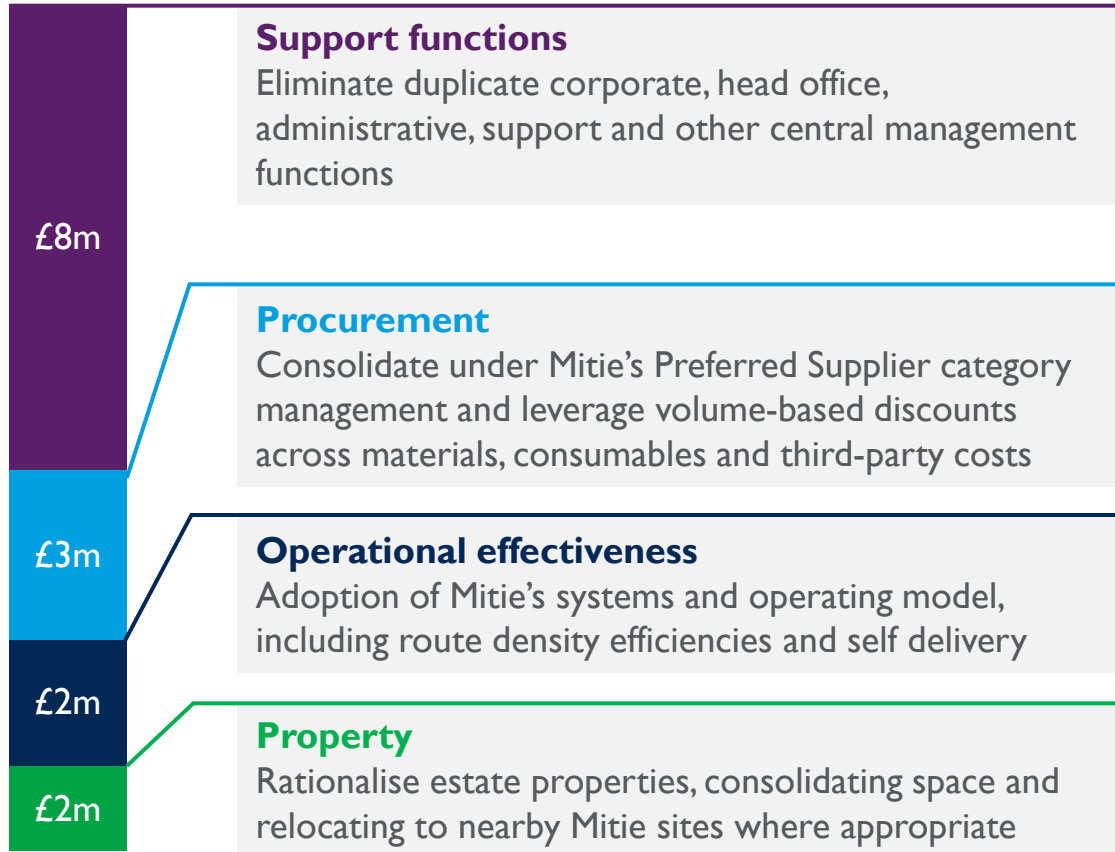


# Marlowe integration improves margin mix...

£15m of cost synergies to be delivered by end-FY27, 100% run rate (£30m) entering FY28

FY27: £15m of cost synergies in year

£15m



Good progress after only 3.5 months of ownership

### Cost initiatives underway:

- ✓ Optimisation of field force deployments into AI-enabled system
- ✓ Consolidation of roles in Finance, HR and IT
- ✓ Rationalisation of property portfolio
- ✓ Migration onto Mitie's cyber-secure, AI-enabled systems
- ✓ Consolidation of procurement

### Cross sell of regulatory driven services:

- ✓ New 'Total Fire' and 'Total Water' propositions
- ✓ Build out of 'Tier 1' sales team for larger opportunities
- ✓ Compliance pipeline development, including Public Sector
- ✓ 'Marlowe First' transition of sub-contracted work from third parties



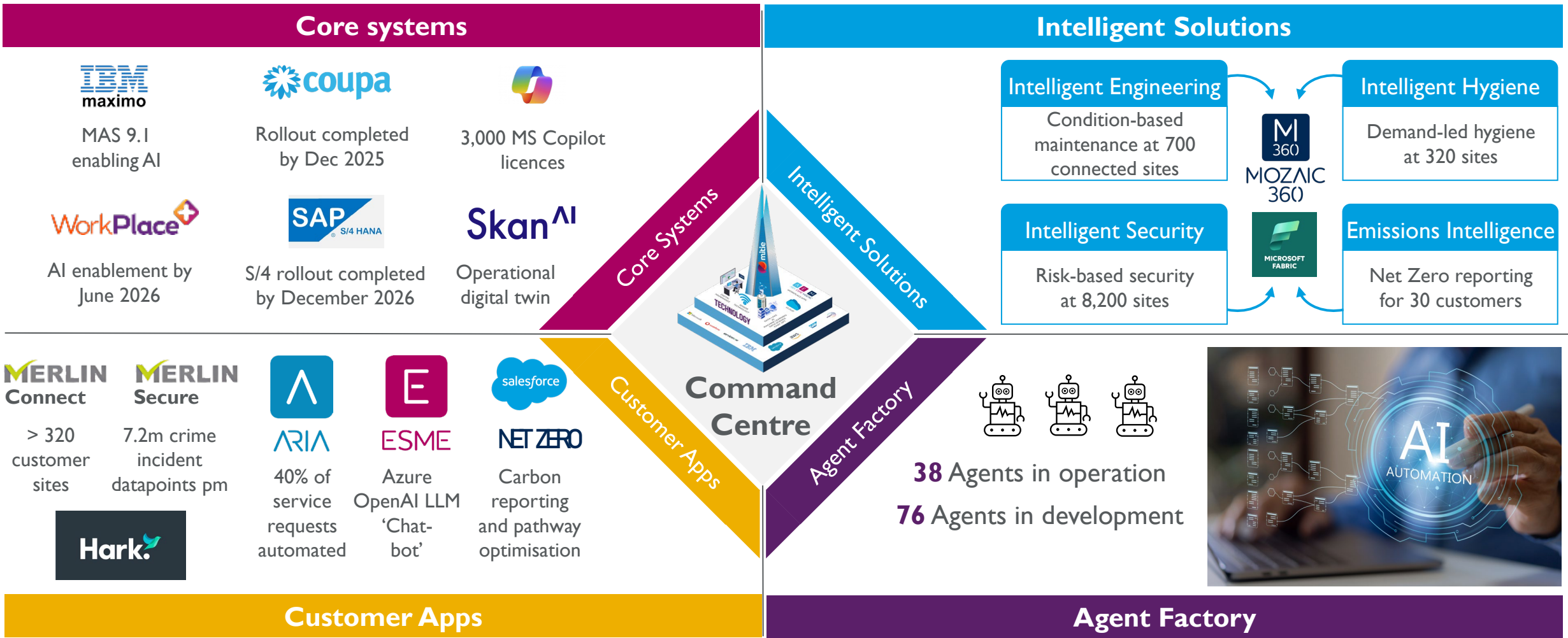
Rolls-Royce



University Hospitals  
Coventry and Warwickshire  
NHS Trust

# ...and AI strategy is also driving margin accretion...

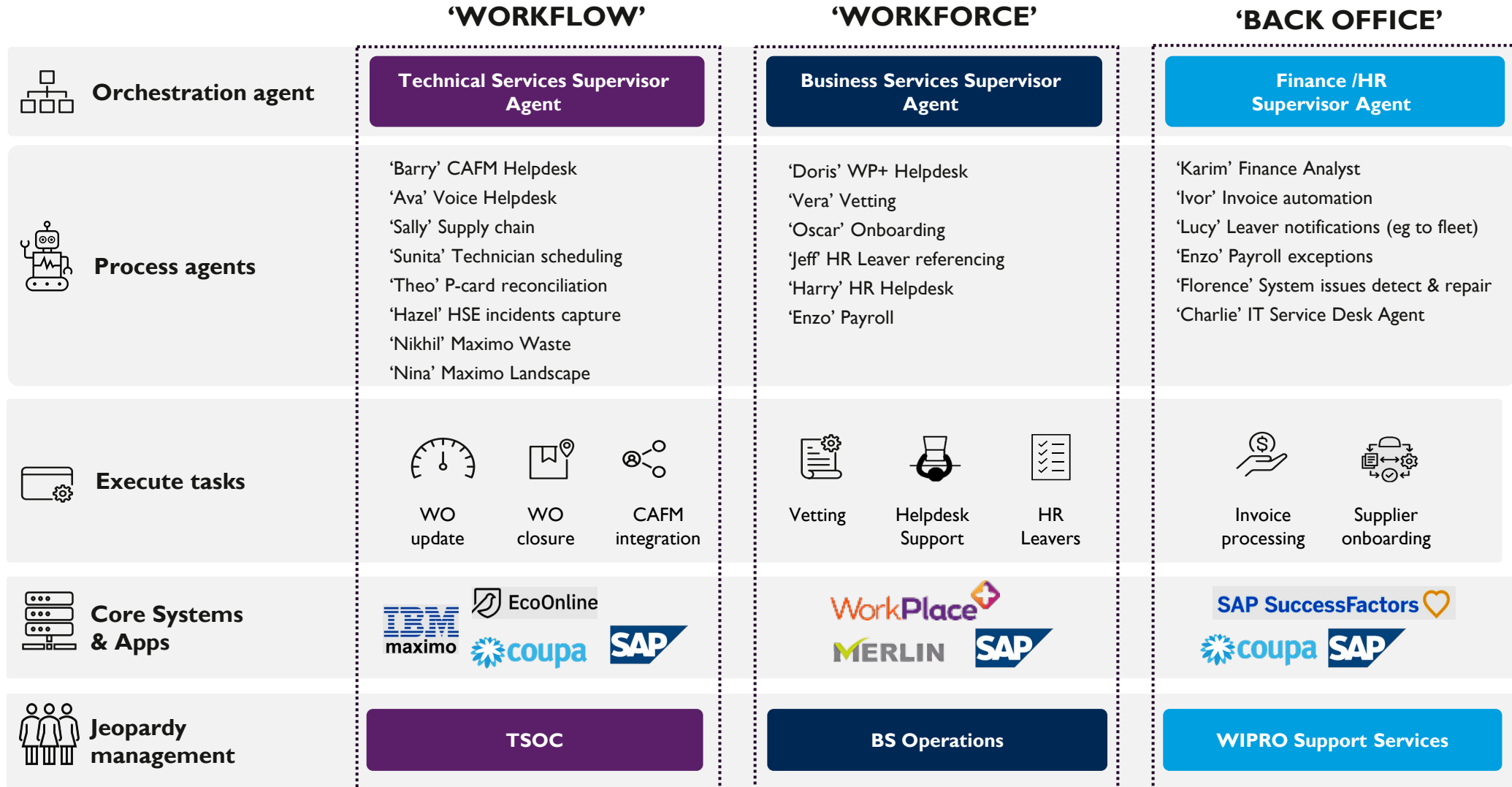
**>5%**  
Operating margin by FY27



Underpinned by industry leading cyber credentials (A99; NIST 4.1; ISO 27001:2022)

# ...with Agentic Mesh to connect & orchestrate AI Agents by end FY26

Reimagining and automating workflow and workforce management



# HI FY26 highlights

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**Maintained double digit revenue growth and good margin resilience**

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

**Good FCF generation & low leverage supports new £100m buyback programme**

**FY26 op. profit >£260m guidance, with Marlowe integration progressing well**

**AI efficiencies across business will underpin operating margin**

**On track to deliver ambitious Strategic Plan & financial targets by end of FY27**

**Growing momentum beyond FY27 as order book and pipeline grow**





# Appendix

# Return on invested capital (ROIC)

| £m   | HI FY26<br>(RI2M) <sup>3</sup> | HI FY25<br>(RI2M) <sup>3</sup> | % change         |
|--|--------------------------------|--------------------------------|------------------|
| Operating profit before Other items                  | 241.8                          | 222.5                          | +9               |
| Tax <sup>1</sup>                                     | (58.3)                         | (48.0)                         | +21              |
| <b>Operating profit before Other items after tax</b> | <b>183.5</b>                   | <b>174.5</b>                   | <b>+5</b>        |
| <b>Invested capital<sup>2</sup></b>                  | <b>1,125.3</b>                 | <b>688.0</b>                   | <b>+64</b>       |
| <b>ROIC %</b>  | <b>16.3%</b>                   | <b>25.4%</b>                   | <b>(910 bps)</b> |

<sup>1</sup> Tax charge has been calculated on operating profit before Other items using the effective tax rate for the year of 24.1% (HY25: 21.6%)

<sup>2</sup> A detailed breakdown of invested capital has been provided on the next slide

<sup>3</sup> RI2M represents a rolling 12-month basis

## Invested capital (for ROIC)

| £m                              | HI FY26        | HI FY25      | Increase /<br>(decrease) | % change   |
|---------------------------------|----------------|--------------|--------------------------|------------|
| Net assets                      | 544.2          | 418.5        | 125.7                    | +30        |
| <b>Add:</b>                     |                |              |                          |            |
| Non-current liabilities         | 707.1          | 359.1        | 348                      | +97        |
| Current provisions              | 44.1           | 39.4         | 4.7                      | +12        |
| Current private placement notes | -              | 30.0         | (30)                     | (100)      |
| <b>Deduct:</b>                  |                |              |                          |            |
| Non-current deferred tax assets | (0.3)          | -            | (0.3)                    | nm         |
| Cash and cash equivalents       | (169.8)        | (159.0)      | (10.8)                   | +7         |
| <b>Invested capital</b>         | <b>1,125.3</b> | <b>688.0</b> | <b>437.3</b>             | <b>+64</b> |