Mitie Group plc

The UK's Leading
Facilities Management Company

A defining year of strategic progress and financial resilience

Full Year 2021 Results Presentation

10 June 2021

FY21: A defining year – Strategic progress and financial resilience

- **Good trading resilience** during the COVID pandemic
- **Strengthened balance sheet** – rights issue, refinancing, **BBB** credit rating
- **Interserve acquisition** performing better than expected and accelerates value creation
- **Market leadership** in our three core markets: **Cleaning, Security** and **Technical Services**
- **Outlook for FY22** anticipated to be **materially ahead** of our prior expectations
- **New strategy** focused on **growth, margin enhancement and cash generation**

Simon Kirkpatrick

Chief Financial Officer

A resilient performance, with Interserve delivering ahead of expectations

Continuing operations (£m)	FY21	FY20	Change %
Revenue[1]	2,589	2,174	19.1%
Mitie standalone revenue[2]	2,139	2,174	(1.6)%
Operating profit before other items	63.4	86.1	(26.4)%
Operating profit before other items margin	2.4%	4.0%	(1.6ppts)
Profit after tax before other items	37.5	58.0	(35.3)%
Basic earnings per share before other items[3]	3.5p	8.3p	(57.8)%
Dividends per share[3]	-	0.69p	
Interserve synergies in FY21	6.2		
Net assets	361.8	80.5	349%
Closing net debt[4]	(86.7)	(153.0)	43%
Average daily net debt	(47.1)	(327.6)	86%
Order book	7,202	4,294	68%

- Headline revenue growth of 19.1%
- Operating profit ahead of expectations despite repayment of Mitie furlough and re-instatement of incentives
- Synergies of £6.2m captured in FY21
- Average daily net debt improved by £280.5m
- Order book increase due to Interserve acquisition

[1] Revenue including share of joint ventures and associates; [2] Mitie standalone revenue including share of joint ventures and associates but excluding Interserve; [3] FY20 EPS and dividends per share have been restated for the bonus element of the rights issue; [4] FY20 closing net debt has been restated for change in accounting policy for BACS payments

New public sector revenue in Business Services offset impact of COVID on Technical Services variable and project works

Continuing operations (£m)	FY21	FY20	Change %
Technical Services	820.7	947.2	(13.4)%
Business Services	1,085.0	986.9	9.9%
Specialist Services	233.6	239.6	(2.5)%
Mitie standalone	**2,139.3**	**2,173.7**	**(1.6)%**
Interserve	450.0		
Mitie Enlarged Group	**2,589.3**	**2,173.7**	**19.1%**

- Technical Services impacted by reduction in variable and projects works
- Public sector wins drive Business Services growth
- Specialist Services resilient in full year of pandemic
- Interserve revenue ahead of expectations

NB: Revenue including share of joint ventures and associates from continuing operations

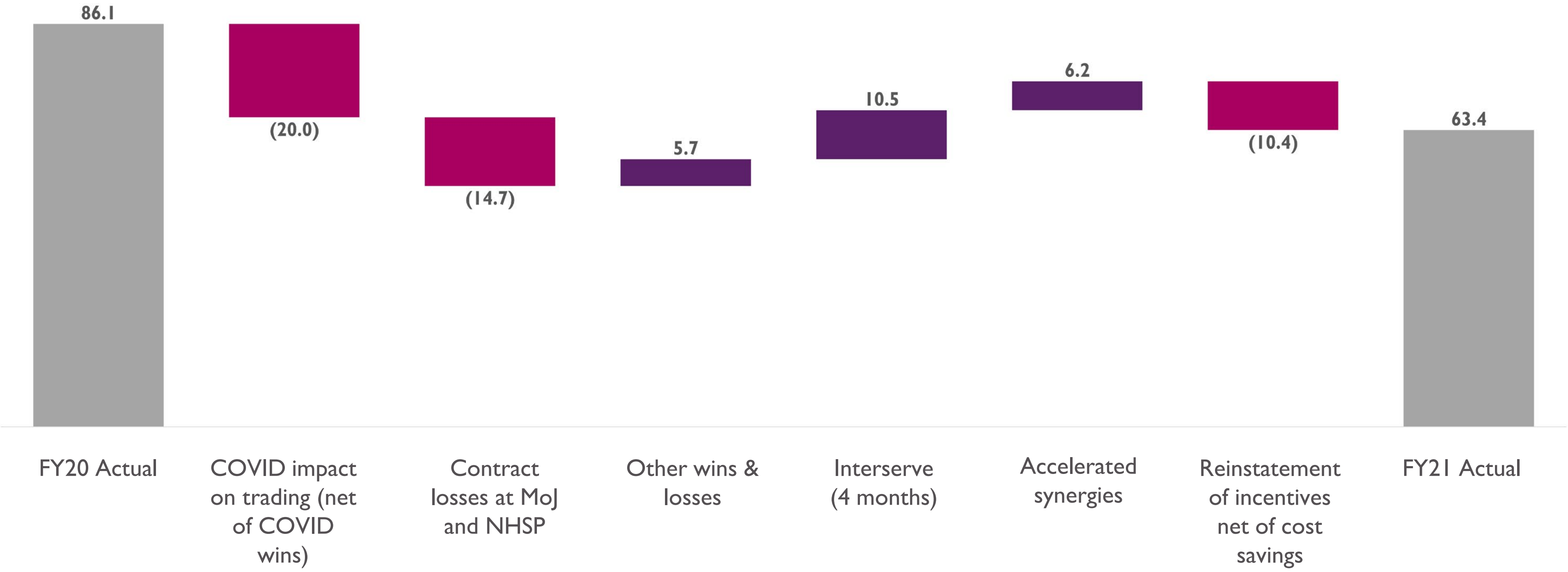
Operating profit impacted by revenue mix, reduced project work and re-instated incentives

Continuing operations, before other items (£m)	**FY21**	FY20	Change %
Technical Services	26.4	55.9	(52.8)%
Business Services	49.4	42.2	17.1%
Specialist Services	22.5	25.3	(11.1)%
Corporate centre	(48.2)	(37.3)	29.3%
Mitie standalone	**50.1**	**86.1**	**(41.8)%**
Interserve	13.3		
Mitie Enlarged Group	**63.4**	**86.1**	**(26.4)%**

- Technical Services impacted by reduction in higher margin works and loss of MoJ and NHS Properties contracts
- Business Services cost savings and operational efficiencies with additional public sector work
- Specialist Services affected by one off costs in Waste
- Central costs include repayment of furlough and re-instatement of incentives
- Interserve benefited from accelerated synergies and public sector project work

 NB: Before other items from continuing operations

The Interserve acquisition and synergy capture does not fully mitigate the profit impact of COVID



NB: Before other items from continuing operations

£6.2m of synergies accelerated into FY21

£m	Early delivery in FY21
Removing functional overheads	2.2
Reducing the property portfolio	0.2
Leveraging our buying power	2.6
Total cost synergies	**5.0**
Revenue synergies	**1.2**
Total synergies	**6.2**

- Early delivery of synergies in FY21
- Functional overhead savings include 161 roles
- 5 property exits already completed, initial target of 3 by FY24
- Procurement savings of £2.6m from 110 re-negotiations
- £1.2m of revenue synergies sold from Specialist Services into Interserve contracts

Trading has significantly improved in the second half of the year

mitie

Continuing operations (£m)	FY21	H1 21	H2 21	Change %
Revenue[1]	2,589	972	1,617	66%
Operating profit before other items	63.4	21.5	41.9	95%
Net finance costs	(17.4)	(7.5)	(9.9)	(32)%
Profit before tax and other items	46.0	14.0	32.0	129%
Tax before other items	(8.5)	(3.3)	(5.2)	(58)%
Profit after tax before other items	37.5	10.7	26.8	150%
Basic earnings per share before other items	3.5p	1.2p	2.3p	92%
Other items after tax	(47.6)	(11.6)	(36.0)	(210)%
Loss after tax	(10.1)	(0.9)	(9.2)	
Basic loss per share	(0.9)p	(0.1)p	(0.8)p	

- Revenue and operating profit run rates improved in H2 through variable works and public sector wins
- Mitie standalone operating profit improved 33% half on half
- Finance costs increase due to debt re-financing
- Other items include £30.3m for Interserve, £10.6m for Forte and £11.3m for property rationalisation

[1] *Revenue includes our share of revenue from joint ventures and associates*

New investment grade credit rating (BBB) reflects progress on balance sheet strengthening and lower net debt

£m	FY21	FY20
Net assets	362	81
Average daily net debt	47	328
Closing net debt[1]	87	153
Net debt / EBITDA	<0x	0.7x
Total Financial Obligations[1]	181	286
Closing debtor days[1]	30	30
Closing creditor days[1]	26	59
Free cash flow[1]	(24.5)	30.5

- Rights issue and Interserve acquisition have driven increase in net assets
- Closing-to-average net debt 'gap' significantly reduced
- Total Financial Obligations at record low
- Positive underlying free cash flow after excluding £52m of tax Time to Pay (TTP) benefit previously deferred
- DBRS Morningstar 'BBB' credit rating

[1] FY20 closing net debt, Total Financial Obligations, closing debtor days, closing creditor days and Free cash flow have been restated for change in accounting policy for BACS payments

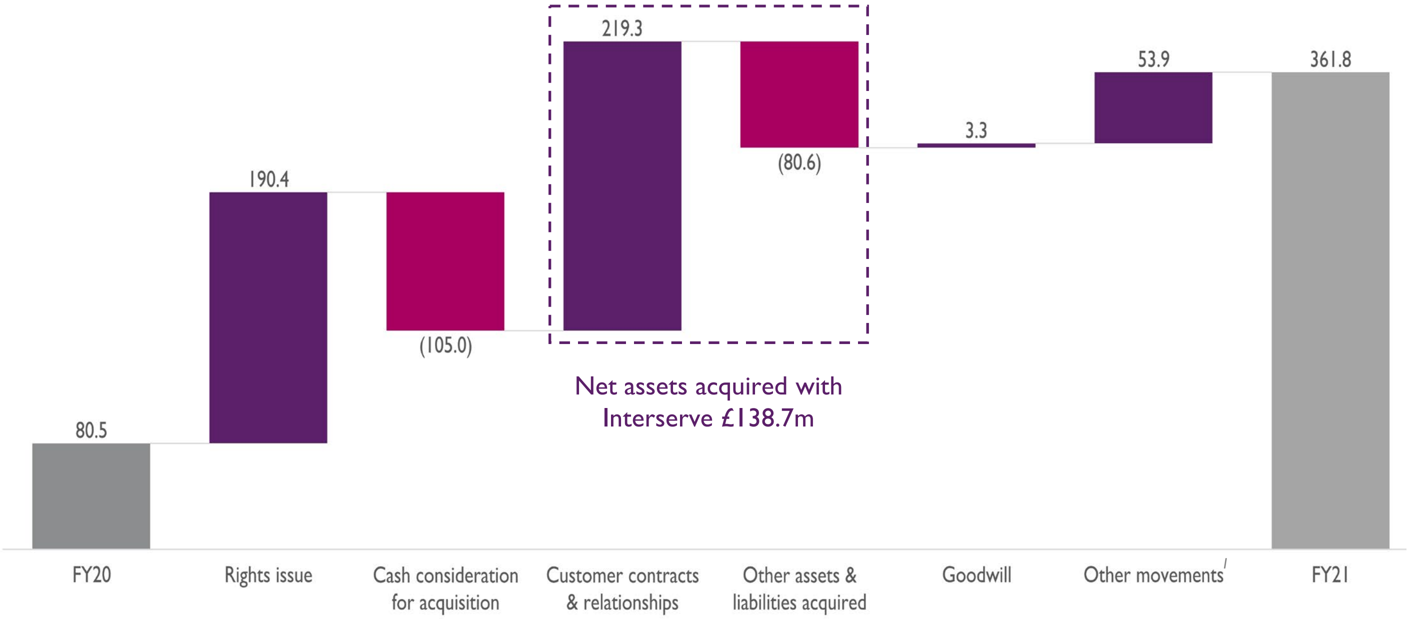
Acquisition of Interserve generates goodwill of £3.3m

£m	FY21
Cash paid to seller	105.0
Shares issued to seller	94.6
Provisional completion accounts estimate	(57.6)
Total consideration	**142.0**
Less: Net assets acquired	138.7
Goodwill	**3.3**

- Total consideration of £142.0m after adjusting for provisional completion accounts estimate of £57.6m
- Goodwill of £3.3m
- Net assets acquired include £219.3m of customer relationships and £66.7m of provisions

£m	
Customer contracts and relationships	219.3
Net working capital	(1.4)
Cash and cash equivalents	40.4
Deferred income	(59.4)
Provisions	(66.7)
Deferred tax liabilities – Customer contracts and relationships	(41.5)
Other net deferred tax assets	30.7
Other	17.3
Net assets acquired	**138.7**

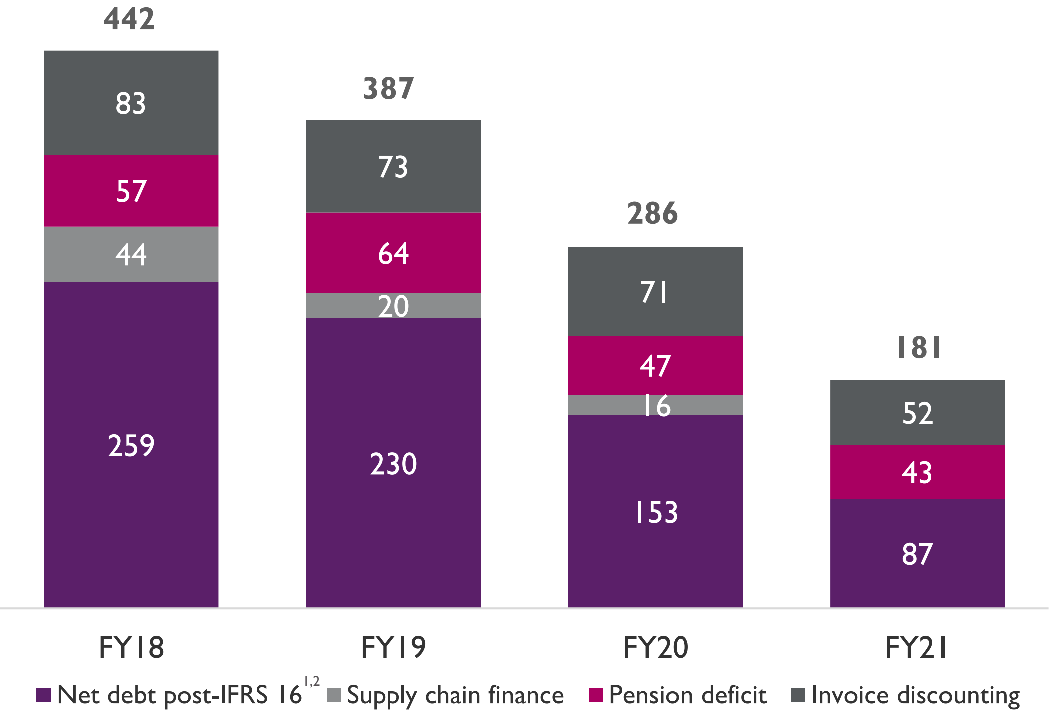
Our net assets have been transformed by the rights issue and acquisition



- Rights issue and acquisition materially strengthened the balance sheet
- Customer contracts and relationships valued at >£200m, more than the cost of the acquisition
- Goodwill of £3.3m assumes further recovery of £57.6m from the seller

[1] *Other balance sheet movements includes £57.6m receivable relating to provisional completion accounts estimate*

Total Financial Obligations have fallen by c.60% over the last three years



- TFO reduced by £260m over last three years (c.60% decline)
- Supply chain financing facility closed; invoice discounting much reduced
- Leases now reported within net debt under IFRS 16
- Lower pension deficit (including Interserve) reflects increased deficit reduction contributions

[1] Net debt prior to FY21 has been restated for change in accounting policy for BACS payments
[2] Net debt prior to FY20 has been restated on a post IFRS 16 basis

Significant reduction in average net debt and reduced reporting period fluctuations

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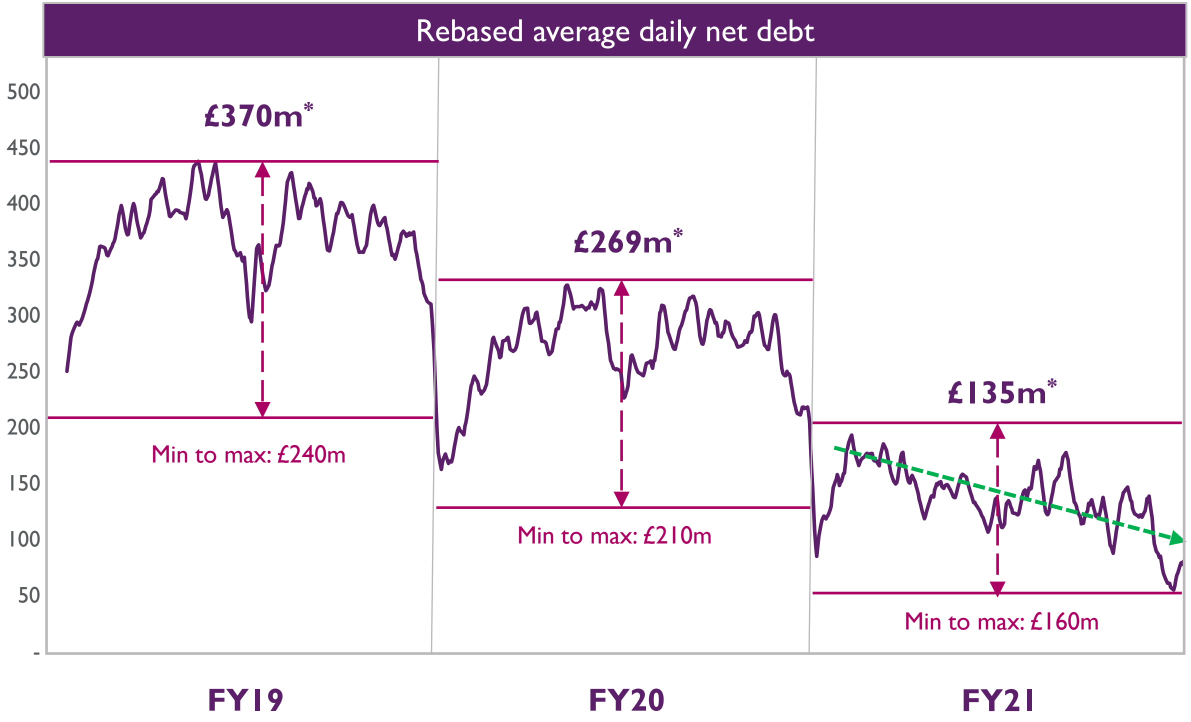

* Rebased average daily net debt

- Significant improvement in average net debt over last 2 years
- Period end cash management ceased, balance sheet normalised
- Working capital has driven reduction in underlying debt in FY21

Net debt (£m)	FY21	FY20
Closing net debt[1]	87	153
Headline average net debt	47	328
Average excluding TTP	139	328

Purple line represents 7-day rolling daily average, rebased to assume that material M&A and rights issue take place at start of each year
[1] Closing net debt has been restated for change in accounting policy for BACS payments

Despite the impact of COVID, positive cash performance underpinned by rights issue and underlying working capital improvement

Cash flow (£m)	FY21	FY20
Operating profit before other items (continuing operations)	63.4	86.1
Add back: depreciation, amortisation & impairment	46.9	43.9
Other movements (including other items)	(34.1)	(25.0)
Working capital movements[1]	(36.4)	(12.9)
Cash generated from operations	**39.8**	**92.1**
Capex, capital leases, dividends from JVs, interest & tax, & movement in restricted cash	(64.3)	(61.6)
Free cash (outflow)/inflow	**(24.5)**	**30.5**
Rights issue	190.4	-
Acquisitions & disposals[2]	(84.0)	64.2
Dividends & other[3]	(15.6)	(14.1)
Reduction in net debt	**66.3**	**80.6**

- Reduction in net debt in FY21, after acquiring Interserve, of £66.3m
- Working capital outflow of £36.4m after £52m repayment of tax TTP and £46m of balance sheet 'normalisation'
- Rights issue, net of Interserve acquisition, adds £106m to cash flow in year
- No dividend declared in FY21

[1] Working capital movements for FY20 have been restated for change in accounting policy for BACS payments; [2] FY21 cash paid of £105m net of cash acquired (excluding restricted cash); [3] Dividends & other for FY21 includes lease liabilities of £14.2m acquired with Interserve, and for FY20 includes dividends paid of £14.4m

Underlying working capital improvement driven by billing process efficiency and automation

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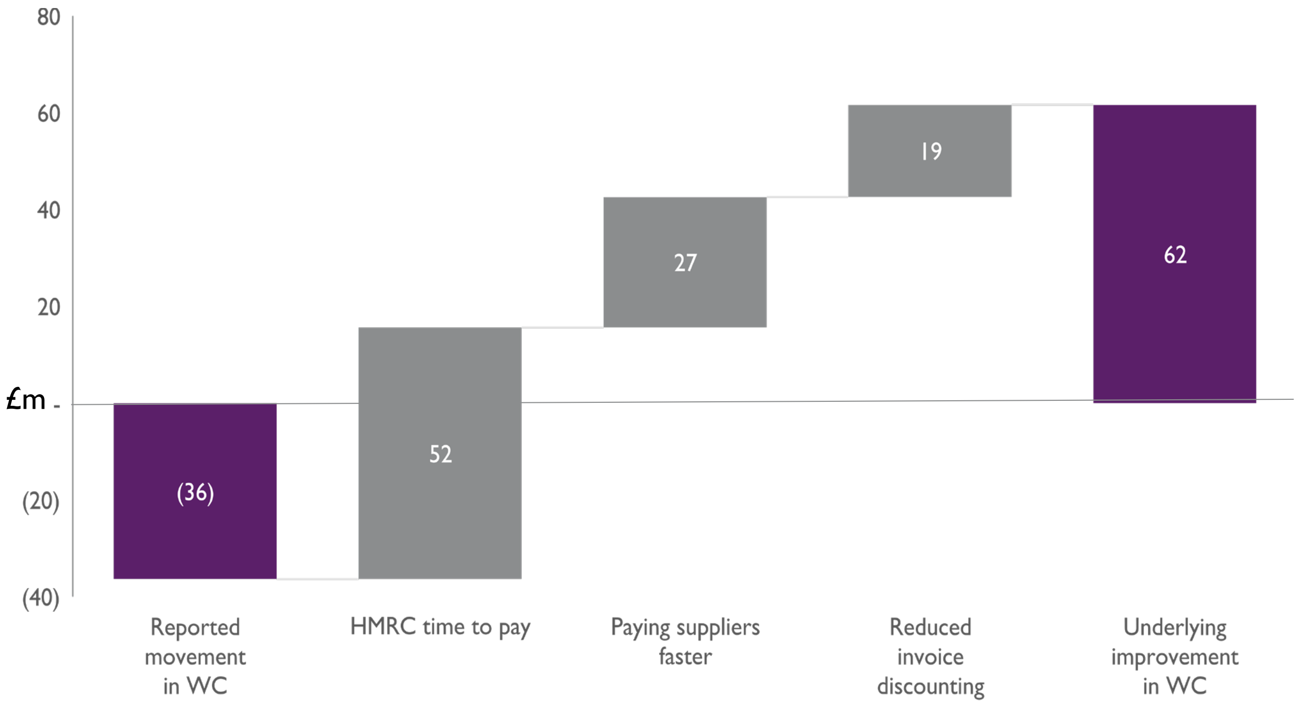


- Underlying working capital improvement of £62m
- Tax TTP of £52m repaid in year
- Balance sheet 'normalisation' of £46m in year

Financial summary, FY22 priorities and outlook

FY21 financial summary

- **Resilient performance** during COVID with Mitie standalone revenue[1] decline of only 1.6%
- **Better than expected operating profit**[2] of £63.4m after bonus and share based payments and furlough repayment
- **Delivered £6.2m synergies ahead of schedule** in FY20/21
- **Continued working capital improvement** to align average to closing debt and clean TFO with low leverage
- **Going into FY22 with a robust balance sheet** and normalised working capital

FY22 priorities

Technology: productivity and efficiency
- Driving performance, productivity, reducing 'waste'
- Automated contract reporting, robotics

Free cash flow generation
- Reduction in other items
- Increased profitability

Credit rating and refinancing
- Investment grade credit rating
- RCF and term debt refinancing

Cost: accelerated and increased synergies
- Maximise cost and procurement synergies
- Continued focus on overhead savings

FY22 will be materially ahead of prior expectations due to new contract wins and in-year synergies increase to £23m

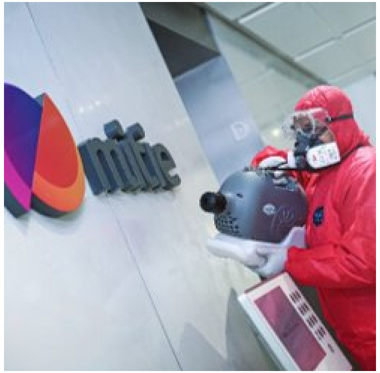
[1] *Mitie standalone revenue is revenue including share of joint ventures and associates but excluding Interserve* [2] *Before other items*

Phil Bentley

Chief Executive

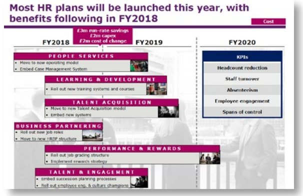
Our response to COVID was immediate and extensive

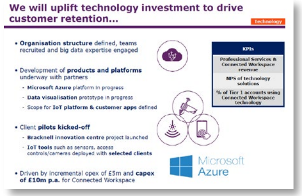
- 65,000 Frontline Heroes attending essential sites throughout the Pandemic
- Nightingale Hospitals in Cardiff, ExCeL and Manchester
- Testing Centres – 200 locations and 7,500 staff directly employed
- Brexit Project – Security at 6 ports (1,500 FTEs)
- DWP expansion – 100 new sites (+17%) and 2,000 additional FTEs
- Project Amber – 1,000 security officers per day

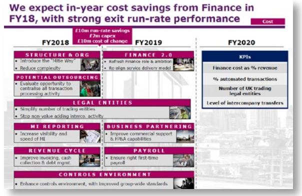


Our strategic focus remained unwavering

- Putting **Customers** at the heart of our business
- Building a winning culture and showing our **People** that we care
- Leading the Digital Transformation of our industry through **Technology**
- Transforming our **Cost Base** and strengthening our **Balance Sheet**

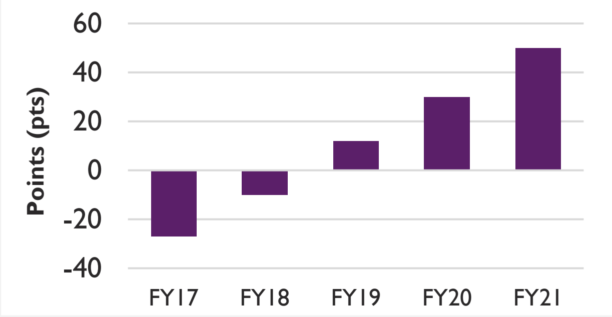




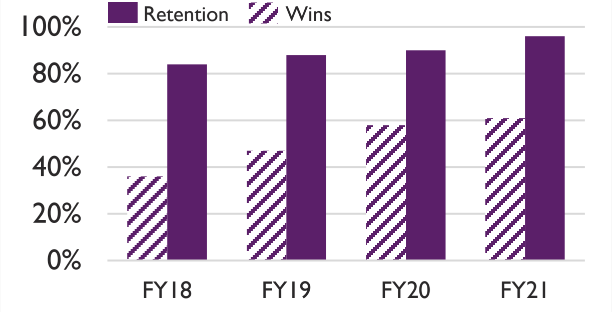


Customer: Great NPS and retention rates

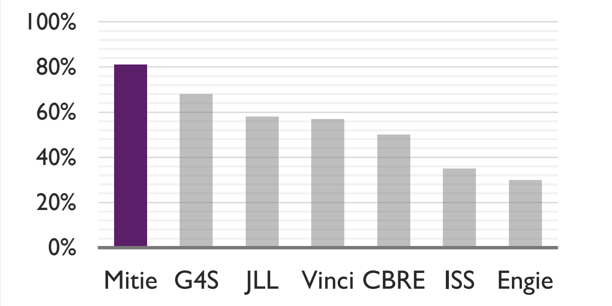
NPS at record high



Improving retention and win rates

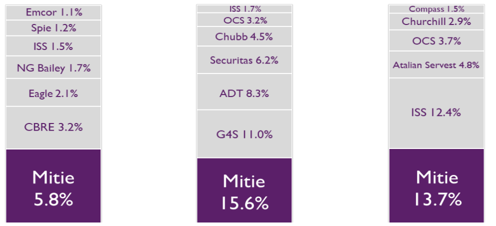


Mitie attracts a high level of market awareness



Source: Verdantix

Leadership positions in our three key market segments



Technical Services
Top 7, 17%
Market £27bn

Security
Top 7, 50%
Market £4.2bn

Cleaning
Top 6, 39%
Market £5.4bn

Source: Mintel

Key retentions:

cornerstone
Deloitte.
The Scottish Government
Riaghaltas na h-Alba
Rolls Royce
co op
JLL
NetworkRail
Sellafield

New contract wins:

Department of Health & Social Care
Royal London
Home Office
HM Revenue & Customs
NHS
East and North Hertfordshire NHS Trust

- Award-winning marketing capabilities
- SAMs have transformed strategic account performance

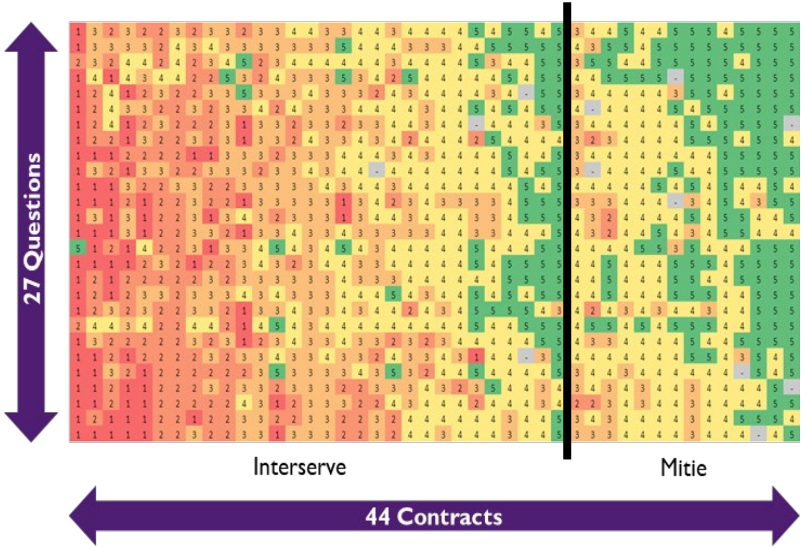
Customer: Interserve service lags Mitie – progress started

- ISV NPS – 18ppts
- SAM assessments completed with new incentives
- ‘Mitie First’
- Re-set client relationships
- Strategic Account Plans developed

Central Government Customer Ratings – by contract

	2019	2020	2021
Interserve	N/A	3.13	3.11

	2019	2020	2021
Mitie	3.66	4.09	4.25



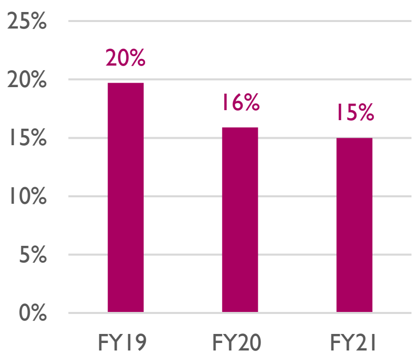
Wins, renewals and extensions (since 1 December 2020)	Annual Value £m
PFI	21
Hospitals	29
Local Authorities	10
Central Government	100
Defence*	112
B&I	26
Total	**298**

**Includes our share of revenue from Joint Ventures and Associates*

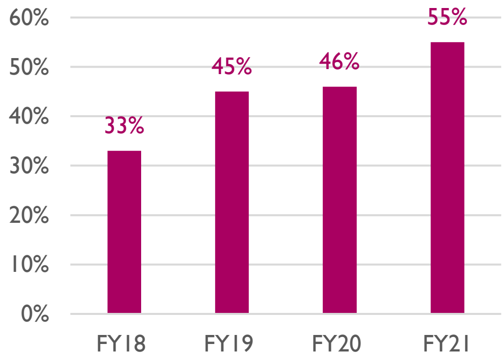
People: Investing in people to create a great place to work

	FY21	FY17
Number of hourly paid colleagues above Minimum Wage	81%	31%
Number of apprentices	843	502
Apprentice Levy spend	£2.1m	£0.4m
Learning & Development take up (hours)	135,416	9,108
Mitie '*Stars*' recognised	14,003	7,000
Number completing Annual Survey	31,000	10,000

Staff attrition



Employee engagement



Industry-leading Benefits Package for frontline colleagues

- 100 free shares
- Life Assurance
- Salary Finance
- Access to virtual GP
- Extra day's holiday
- Employee Assistance Programme
- SAYE/Salary Sacrifice

People: Diversity & Inclusion is a key value

mitie

Proud to be
MITIE WOMEN CAN
mitie military
GENERATIONS
ENABLE
CHORD

50% Mitie Board female

13% Board racially diverse

38% work force female

21% work force racially diverse

16% over 60 years old

INCLUSIVE TOP50 UK EMPLOYERS 2020/21

top EMPLOYER UNITED KINGDOM 2021 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

The New Mitie Group Executive Team (MGX)

Phil Bentley
Chief Executive

Simon Kirkpatrick
Chief Financial Officer

Jasmine Hudson
Group HR Director

Cijo Joseph
Chief Technology & Information Officer

Peter Dickinson
Chief of Staff and General Counsel

Simon Venn
Chief Government & Strategy Officer

Alice Woodwark
Managing Director Communities

Jason Towse
Managing Director Business Services

Brian Talbot
Managing Director Central Gov't & Defence

Carlo Alloni
Managing Director Technical Services

Technology: Accelerating roll out across Interserve customers

ARIA ESME
34 customers

MOZAIC
94 customers

PROJECT FORTE
Driving automation

mitie CONNECTED WORKSPACE
380 customers
450,000 assets

WorkPlace
Connects 40,000 colleagues to payroll and billing

Systems comparison: Mitie vs ISV

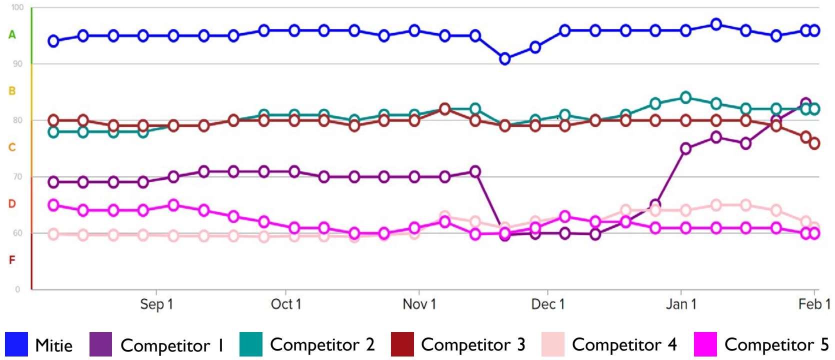
IT Capabilities	ISV	Mitie
24x7 Support	✗	✓
CE+ (company wide)	✗	✓
Cyber Security Scorecard	C78	A99
IT Audits	✗	Annual
IT Risks Managed	✗	✓
Security Cleared resources	✓	✗
API gateways	✗	✓
Integrated systems	✗	✓
Single Sign on	✗	✓
Near real time reporting (Data Lake, Mosaic)	✗	✓
Modern Technology Stack (Aria, Esme - AI/ML)	✗	✓
Cloud enabled	✗	✓
Fully Microsoft O365 Enabled	✗	✓
Fully Microsoft Teams Enabled	✗	✓
Infra and network security	Lacking	Secure
Board approved IT strategy	–	✓

Technology roll out

- 3,500 laptops
- AX12 migration to SAP commenced
- Migration to Mitie HR/Payroll systems
- Cyber resilience in place – CE+ compliant
- G-Cloud for Government

Interserve customers	Interest	Engagement	In Delivery
Mozaic	26	15	11
Aria	10	7	2
Digital Workplace	8	7	0
Connected Engineer	2	2	0
Digital Maintenance /MaaS	9	9	0

Mitie cyber security score: 'excellent' A(99)



Source: SecurityScorecard

Technology: Project Forte - £4.2m benefits in FY21; go-live in December 2021, on budget £48m with benefits profile £25m on track

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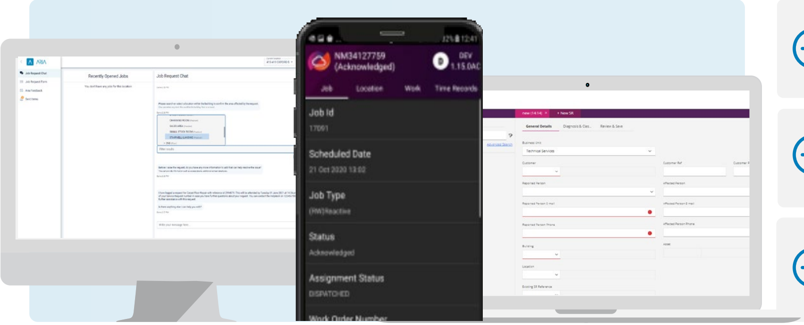
DELIVERED

Build complete on Maximo and Click, Aria, Customer Interfaces, Satellite applications and MiJobs

ARIA
Aria interface delivered

IBM ACE
ACE system middleware deployed

MiJobs upgrade to 1.15



£4.2 FY21 Benefits delivered ahead of plan

700M data fields verified

Data Migration Strategy complete

7,000+ colleagues mapped by L&D category

100k New customer assets moving into Maximo

100M commands a year

20M New Data Records

800 Customer Contracts

3800 Supplier Agreements

100 E2E Business Processes mapped

8 weeks of process validation

CURRENTLY TESTING

2 cycles of 4200 platform tests to execute

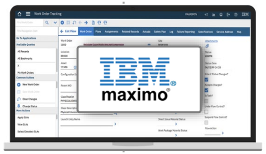
In total **8400** platform tests carried out

75 end to end scenarios

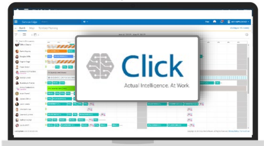
SAP master data testing

Finance acceptance testing

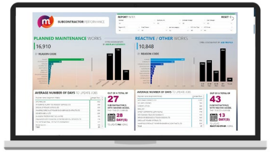
GO LIVE



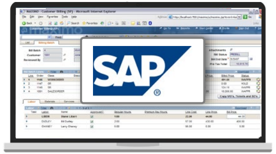
Maximo 7.5 to 7.6 & AI
Strengthening Mitie's Maximo core and its interfaces enables the best in class triage and e2e case management



Click Scheduler & Automation
Re-shaping our service desks with the right process and systems will unlock AI based planning



Supply Chain Management
By deploying our Supply Chain portal, our teams will have full control of supplier performance

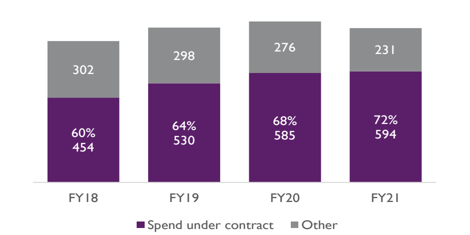


Maximo & SAP billing
Through integrating Maximo & SAP, we are enabling a fully automated digital billing process

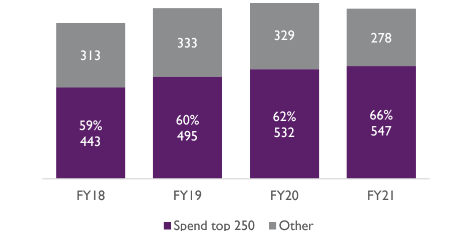
Costs: Procurement, Back Office, HR and IT are the key to the £42m synergy target upgrade

Procurement

Spend under MFA contract

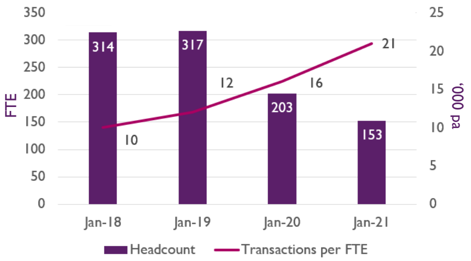


Spend top 250



Back Office

Headcount reduction enabled by productivity growth



HR
- Payroll errors reduced by 80%

IT
- Move to WIPRO, saving £8m p.a.

Back Office
- STP for PTP from 4% to 85% in 2 years

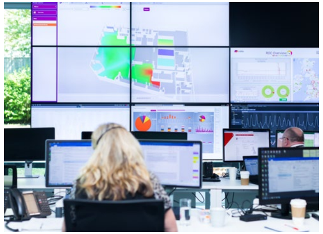
Cost savings £m	Total
IT	5.5
Finance and back office	3.4
HR	1.9
Property	4.1
Procurement	15.2
Operational integration	8.7
Other functional savings	3.2
FY23 exit run rate	**42.0**

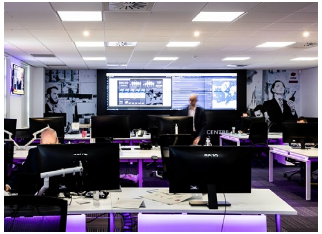
£m	In year savings	Exit run rate
FY21	6.2[1]	16.2
FY22	23.0	30.0
FY23	35.2	**42.0**

[1] *Includes £1.2m of revenue synergies*

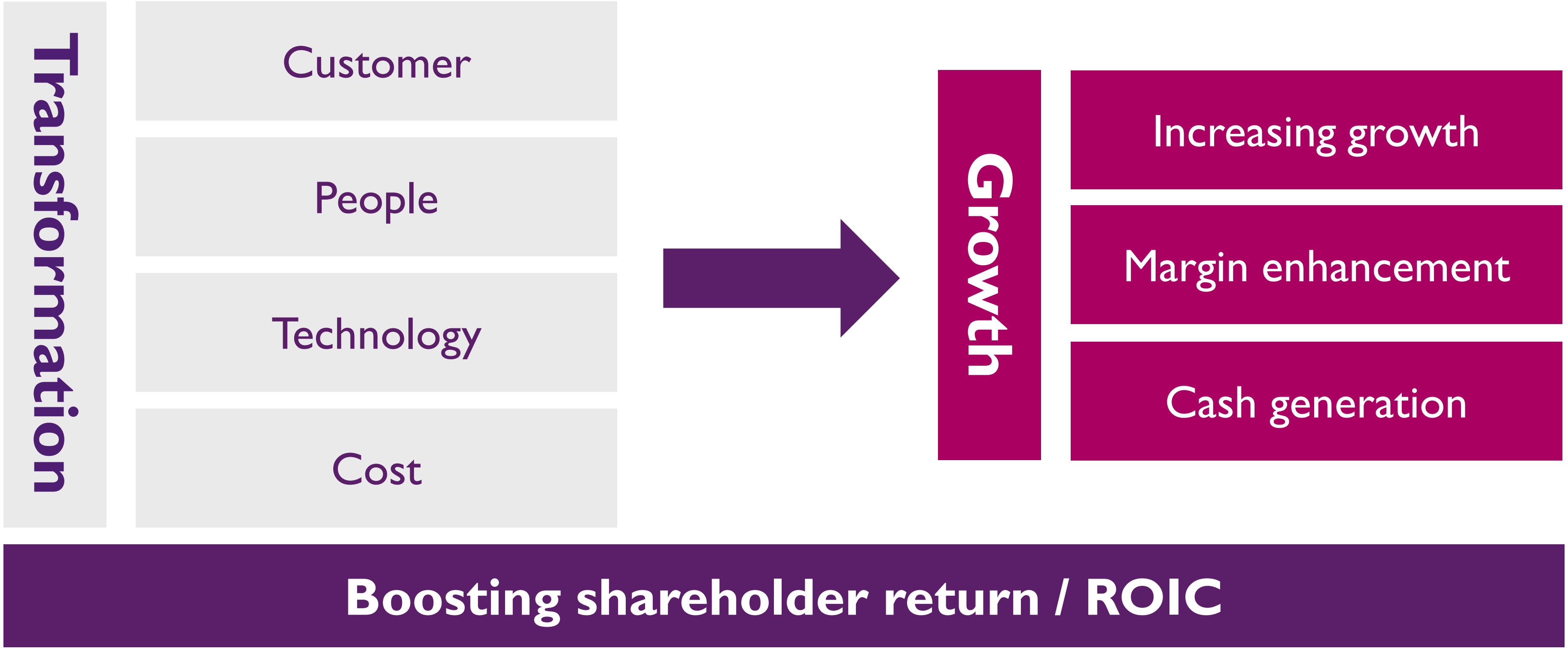
The future: The ‘Science of Service’ for effective workspaces

- Greater appreciation for **hygiene, security** and **remote monitoring**
- Increased value attributed to the use of **technology**
- Focus on **Wellbeing** and **hybrid working**
- **Decarbonisation** imperative driving technology uptake
- **New product development** – air filters, desk sensors, deep cleans, ‘green economy’
- **T-SOC/G-SOC/CCE**



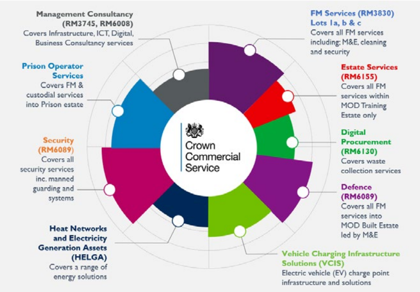


New Mitie, New Strategy: From Transformation to Growth



New Mitie, New Strategy: Revenue growth

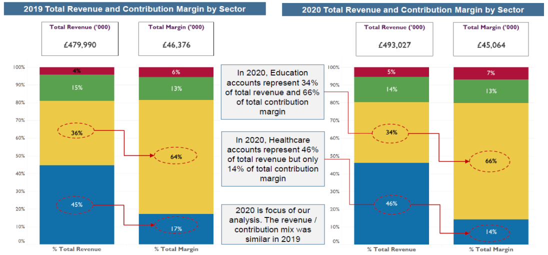
- Leveraging scale to win **market share**
- ‘***One Mitie***’ driving cross-selling
- Positioning as ‘**strategic partner**’
- Focused **sector specialisation**
- Innovation and **new product development**
- Increasing presence on **Government Frameworks**
- Targeting ‘**capital budgets**’ especially around decarbonisation and sustainability

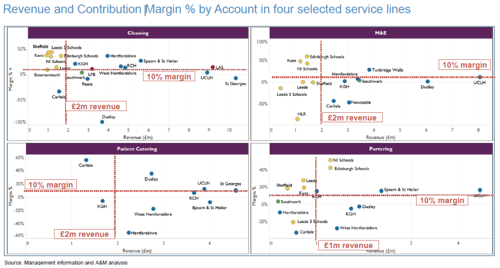


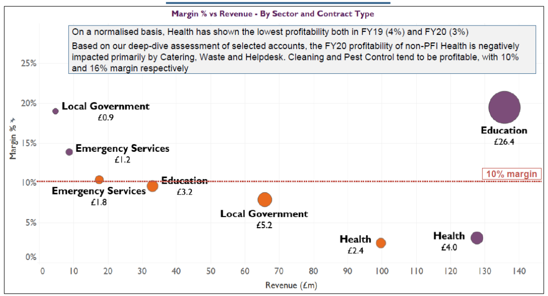
Medium term target: Mid single digit revenue growth

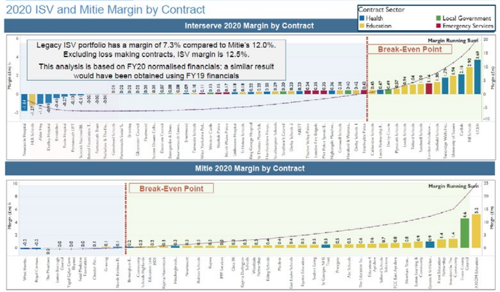
New Mitie, New Strategy: Margin Enhancement

- Contract **profitability** review
- Productivity ‘**league tables**’
- Standard **Digital Automation**
- ‘***Mitie First***’
- Strategic **Supplier Management**
- **Renewal** margin management









Medium term target: Operating margin of 4.5-5.5%

New Mitie, New Strategy: Free cash flow generation

mitie

We start in a stable position

- Leverage is at target levels
- Pension deficit is falling
- Technology transformation ends in FY22
- Interserve transformation ends in FY23
- ‘Other Items’ reduced by end FY23

Management Initiatives

- Improve billing & working capital conversion
- Reduce client credit terms
- Discounts for timely supplier payment
- Reduction in cost of financing
- Significant reduction in capex

Medium term target: Growing free cash flow/increasing ROIC

New Mitie, New Strategy: Capital Allocation Policy

Balance Sheet	Prioritised investments		Interserve synergy realisation	Shareholder returns
Maintain structural leverage around 1x EBITDA to average net debt TFO leverage <2x EBITDA Maintain investment grade credit rating	Focused organic investment	Bolt on acquisitions	Investment in systems and people to maximise acquisition synergies	Dividends expected to resume in FY22 Payout aligned to sustainable free cashflow Other forms of capital return considered if surplus free cash flow
	Aligned with medium term ROIC improvement			
'Call' on funds: **<10%**	**10% - 15%**	**15% - 25%**	**£20m**	**20% - 30%**

Summary

- The **transformation** of Mitie **is complete**
- The integration of **Interserve is progressing well**
- Outlook for FY22 anticipated to be **materially ahead** of our prior expectations
- The '**Science of Service**' is at the heart of our vision for new Mitie
- New strategy focusing on **increasing growth**, **margin enhancement** and **cash generation**
- Medium term targets will deliver **superior shareholder returns**

Appendix

mitie

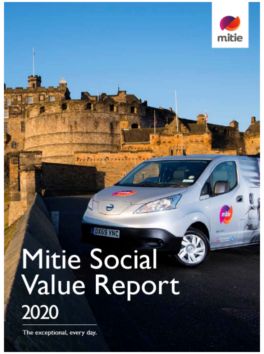
Customer: We have built award-winning Marketing Capabilities

- 100,000 followers on LinkedIn and Twitter, 23% year on year increase
- Mitie Corporate profiles viewed 4.5 million times

- Hubspot marketing automation tool – outbound direct marketing click through 43% (vs industry average 3-5%)

- New website has generated:
  - c.1.9m visitors with c.3.6m page views
  - c.2,000 enquiries, of which, c.500 were sales enquiries

- 500 downloads
- 1.8 million content views
- 225k video views



- 700 downloads
- Exceptional click through rate (c.55%)

- 1,400 downloads
- Exceptional download rates (c.50%)

- 1,000 downloads content / podcast

arriva (a DB company)	CALOR	halfords	LIDL	LOCKHEED MARTIN
Maintenance	Cleaning	Hard Services	Security	Landscapes

CAZOO	Teesside International Airport	whistl	SOCIETE GENERALE
Cleaning & Landscaping	Cleaning	Landscaping	Soft Services

Customer: SAMs have transformed account performance

SAM accounts outperform overall Mitie NPS results by 5 ppts

Unitary management approach through SAM accounts positively impacting customer satisfaction

Investments in **customer** (customer service), **people** (SAM programme), **technology** (Aria, Mozaic, CW) and **innovation** through Citrox, Plan Zero etc

KEY: detractors | passives | promoters

	detractors	passives	promoters	
2021 **+55**	6%	31%	61%	**+76 increase**
2018 **-21**	30%	61%	9%	

1

60% of SAM accounts improved their score year on year, several significantly

30 SAM accounts are promoters

2

SAM accounts have outperformed Mitie **by 5 points in 2021**

76 ppts increase since 2018

3

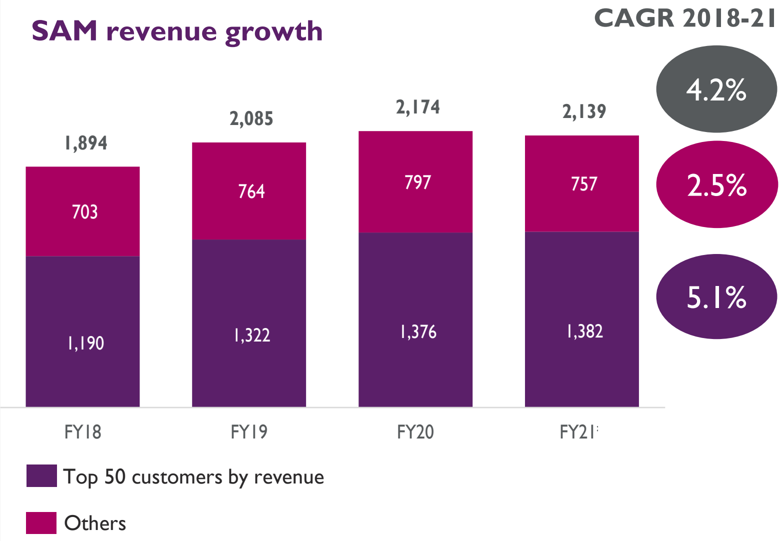
SAM customers now represent **50% of overall respondents** of NPS 2021 survey

87% of customers agree that we are **easy** to do business with

93% of customers feel we work with them in **collaboration**

85% of customers feel we are **flexible** and **agile** at meeting their needs

SAM revenue growth



ESG: We have set ambitious industry-leading targets

OUR ESG STRATEGY

PLAN ZERO
A MITIE INITIATIVE

Net Zero Carbon Emissions by 2025

- Eliminate carbon emissions from power and transport
- Eradicate non-sustainable waste
- Enhance inefficient buildings to meet the highest environmental standards
- Largest EV fleet in the UK

Social Value Framework

Our people are our assets, focus on upskilling and creating a great place to work

SUSTAINALYTICS	Number 1 Business Support Services Company Globally (Jan 2021)
CDP	A-Rating "Leadership" Leading UK based Facilities Management Business

Create sustainability solutions for our customers

Consulting • Energy • Projects • Waste • Landscapes

DO it ourselves

DRIVING GROWTH

- Supports customer retention and winning new bids
- Increasingly clients evaluate ESG as part of the bid criteria

"If Mitie wasn't in top quartile [of sustainability] they wouldn't have got a look in"

Recent Customer

"EV vehicle commitment was key on award"

City Council

LEAD the industry

RE100 EP100 EV100 °C

BUSINESS AMBITION FOR 1.5°C

RACE TO ZERO

DELIVER for clients

- Opportunity to create a revenue stream from our customers as they focus on sustainability / decarbonisation macro-economic trend

Technical Services

£m	FY21	FY20	Change £m	Change %
Maintenance	697	790	(93)	(11.7)%
Engineering Projects	124	157	(33)	(21.5)%
Total revenue	**821**	**947**	**(126)**	**(13.4)%**
Operating profit before other items	**26.4**	55.9	(29.5)	(52.8)%
Margin	**3.2%**	5.9%		(2.7)ppts

Business Services

£m	FY21	FY20	Change £m	Change %
Cleaning	349	340	9	2.6%
Security	669	563	106	18.9%
Office Services	67	84	(17)	(20.3)%
Total revenue	**1,085**	**987**	**98**	**9.9%**
Operating profit before other items	**49.4**	42.2	7.2	17.1%
Margin	**4.6%**	4.3%		0.3ppts

Specialist Services

£m	FY21	FY20	Change £m	Change %
Care & Custody	109	110	(1)	(1.3)%
Landscapes	50	48	2	5.0%
Waste	74	82	(8)	(8.6)%
Total revenue	**233**	**240**	**(7)**	**(2.5)%**
Operating profit before other items	**22.5**	25.3	(2.8)	(11.1)%
Margin	**9.6%**	10.6%		(1.0)ppts

Interserve

£m	FY21 (4 months under Mitie ownership)
Central Government & Defence	230
Communities	96
Business & Industry & Other	124
Total revenue[1]	450
Operating profit before other items[2]	13.3
Margin	3.0%

[1] Revenue including share of joint ventures and associates from continuing operations; [2] The synergies are reported across each division with largely headcount in Interserve and procurement split across all Mitie and Interserve divisions

Return on invested capital

mitie

£m	FY21
Net assets	**361.8**
Add:	
Non-current liabilities	406.5
Current provisions	48.3
Amortisation of acquisition-related intangibles including JVs & associates related to Interserve	6.7
Deduct:	
Non-current derivative financial assets	(14.6)
Current derivative financial assets	-
Non-current deferred tax assets	(32.0)
Cash & cash equivalents	(196.2)
Invested capital	**580.5**
Continuing operating profit before other items	**63.4**
Tax	(11.7)
Continuing operating profit before other items after tax	**51.7**
ROIC	**8.9%**