mitie

The Future of High Performing Places

Mitie Group plc
Annual Report
and Accounts 2025

We are Mitie

We are the UK's leading technology-led Facilities Transformation company.

A trusted partner to a diverse range of 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 service lines of Engineering Maintenance, Security and Hygiene we hold market leadership positions.

We upsell projects capabilities in higher-growth categories, including buildings infrastructure and compliance, decarbonisation, fire & security and power & grid connections.

Our purpose: 'Better Places; Thriving Communities'

We believe better places lead to thriving communities. When people have better places, it's easier for them to connect and collaborate, to feel safe and secure, and to belong. It drives us to make every place we touch safer, cleaner and more secure and sustainable.

Contents

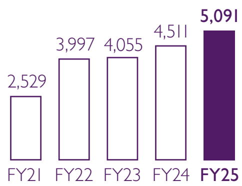
OUR PERFORMANCE HIGHLIGHTS

We have made strong strategic, operational and financial progress in the foundation year of our Facilities Transformation Three-Year Plan (FY25 – FY27).

Financial

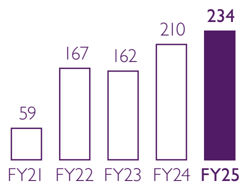
Revenue (£m)
including share of JVs and associates

£5,091m KPI



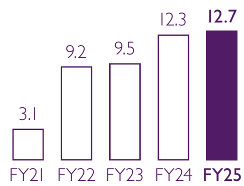
Operating profit before Other items[1,2] (£m)

£234m KPI



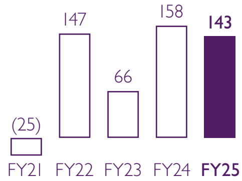
Basic earnings per share before Other items[1] (p)

12.7p KPI



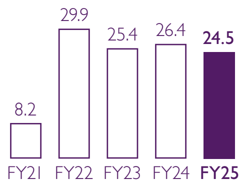
Free cash flow (£m)

£143m KPI



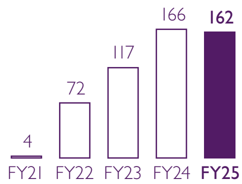
ROIC (%)

24.5% KPI



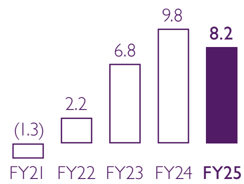
Operating profit[2] (£m)

£162m



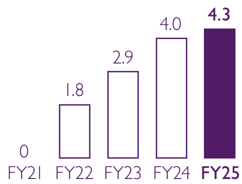
Basic earnings per share (p)

8.2p



Dividend per share (p)

4.3p KPI



Non-financial

Employee engagement

63% KPI

N/A[4]

FY24: 63%

Net Promoter Score

+63 KPI

+3pt

FY24: +60

Employee turnover

12% KPI

-1ppt

FY24: 13%

Carbon emissions[3]

270,419 KPI

-7%

FY24: 290,207

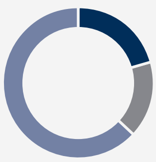
Customer type

Revenue, including share of joint ventures and associates

	%
Government	52
Non-government	48

Total order book £15.4bn

Including share of joint ventures and associates



	£bn
1 year	3.2
1–2 years	2.5
>2 years	9.7

Total pipeline

£23.7bn

27% growth year-on-year

Alternative Performance Measures (APMs)
The Group's performance measures continue to include some measures which are not defined or specified under International Financial Reporting Standards (IFRS). A reconciliation of the APMs to the equivalent IFRS measures is provided in the Appendix – Alternative Performance Measures on pages 213 to 215.

KPI **Key performance indicators (KPIs)**
Pages 28 to 31.

1. Other items are as described in Note 4 to the consolidated financial statements.
2. Operating profit includes share of profit after tax from joint ventures (JVs) and associates.
3. Scope 1, 2 and 3 global carbon emissions (tonnes CO_2e), net of 4,066 carbon credits.
4. The most recent MyVoice survey took place in April 2024 (relating to FY24). See page 70.

OUR BUSINESS AT A GLANCE

The Future of High Performing Places

We are transforming places to meet our customers' evolving needs through our technology, innovation and a passion for excellence – creating zero-carbon, technology-enabled places that are safe, connected, comfortable, responsive and resilient.

Optimising asset performance and maximising productivity

Transforming estates, workplaces and customer experience

Creating healthier and more sustainable spaces

Protecting people, property and assets

Accelerating the path to Net Zero

Our core capabilities

Our core capabilities are differentiated by our technology and colleagues.

Intelligent Engineering Maintenance

We help customers to optimise the performance and productivity of their assets through an extensive suite of engineering services that enable predictive maintenance and remote monitoring. We have the UK's largest team of trained engineers, implementing solutions to ensure that buildings comply with regulations, and infrastructure and systems remain fully operational.

See page 12

Intelligent Projects

We bring together technology and expertise from across the Group to offer an unrivalled breadth and depth of self-delivery capability to consult, design and deliver projects that transform our customers' estates, workplaces and experiences, and accelerate their path to Net Zero. We continue to build our capabilities both organically and through infill acquisitions.

See page 14

Intelligent Security

We protect our customers' property and assets and keep people safe. Our delivery is underpinned by leading risk and threat intelligence, technology and a team of fully vetted, highly trained security professionals at our two Intelligence Security Operations Centres (ISOCs), working together with our front-of-house colleagues to enable Safer Communities for our colleagues, customers and the public.

See page 16

Intelligent Hygiene

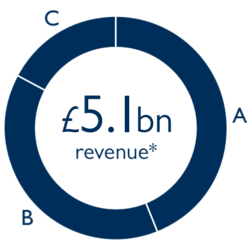
We create healthier and more sustainable spaces for our customers, using technologies such as sensors, spill detect computer vision, and our Merlin Connect operating platform to deliver demand-led cleaning solutions. This provides customers with assurance over cleanliness and drives efficiency and productivity gains.

See page 18

Our divisions

Our core capabilities are delivered through three divisions: Business Services (including Central Government, Spain, Waste and Landscapes); Technical Services (including Defence); and Communities (including Care & Custody).

See Operating review on pages 42 to 44

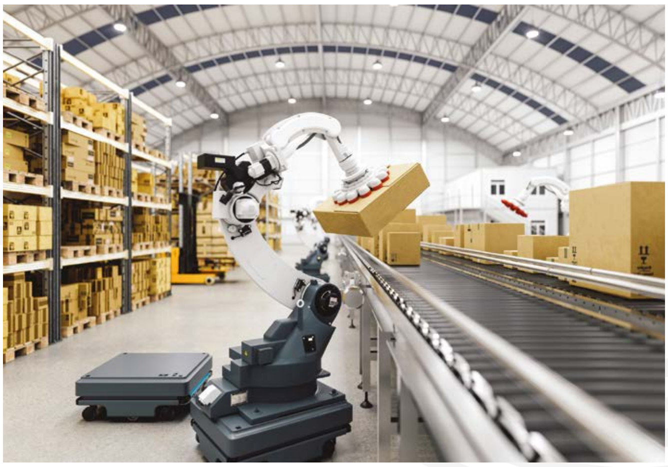


A. Business Services	44%
B. Technical Services	39%
C. Communities	17%

* Revenue including share of JVs and associates.

Our customers

We have a loyal and diverse blue-chip customer base across a broad range of sectors, including those showcased below.



Retail, logistics and shopping centres

ALDI
AS Watson
The Bicester Village Shopping Collection
Boots
B&Q
co op
halfords
IKEA
John Lewis
Landsec
LIDL
M&S EST. 1884
Sainsbury's
TK Maxx
Unibail Rodamco Westfield

Transport & aviation

ABP
Belfast City Airport
Birmingham Airport
British Airways
Bristol Airport
DP World
eurostar
GWR
Heathrow
Hitachi Inspire the Next – Hitachi Rail STS
Hutchison Ports
manchester airport
Network Rail
Transport for London
South Western Railway

Corporate and professional services

Bank of Ireland
Canary Wharf London
Commerzbank
Credit Suisse
Deloitte.
Deutsche Bank
e.on
Google
Legal & General
Linklaters
Lloyds Banking Group
Lloyd's of London
London Stock Exchange
Phoenix
sky
The Shard
WPP

Manufacturing

Aston Martin
BMW
Fujitsu
Heineken
INEOS
Kellogg's
Komatsu
McCormick
Peugeot
Rolls-Royce
Thales
Toyota
Unilever
Vauxhall

Public sector

Cabinet Office
Department of Health & Social Care
Department for Transport
Department for Work & Pensions
Driver & Vehicle Licensing Agency
Essex County Council
Foreign & Commonwealth Office
HM Revenue & Customs
Home Office
LSBU
Ministry of Justice
NHS
Senedd Cymru Welsh Parliament
The Scottish Government Riaghaltas na h-Alba
UK Parliament

Critical environments (including healthcare and life sciences)

ARK Data Centres
AWE
BAE Systems
Bayer
Community Health Partnerships
fisher scientific
Gridserve Sustainable Energy
GSK
Kao Data
nationalgrid
NRS Nuclear Restoration Services
Nuclear Waste Services
ScottishPower
Sellafield Ltd
The Coventry and Rugby Hospital Limited UK
Westinghouse

A heartfelt farewell

Through its innovative, technology and data-rich approach, your company has transcended traditional industry practices to create better places for our customers and thriving communities. I am immensely proud to have been a part of this journey over the past eight years and extend my gratitude to every one of our colleagues for their contribution to our successes.

Derek Mapp
Chairman

Dear Mitie Shareholder

In this foundation year of our Facilities Transformation Three-Year Plan (FY25 – FY27), I am pleased to report that your company has made further strategic, operational and financial progress.

This will be my final letter as your Chairman, before stepping down at the July 2025 Annual General Meeting (AGM). Reflecting on Mitie's remarkable journey over my eight-year tenure, one constant has been our unwavering commitment to understanding the increasingly sophisticated needs of our customers and their built environments, amid an evolving regulatory landscape and a shift in societal expectations.

In response, we have advanced our technology and data-rich offering to create smarter, safer, cleaner and greener places, which are not only fit for today but will endure the rapid changes anticipated over the years ahead.

Looking back to the start of my tenure in 2017, shortly after Phil Bentley was appointed as CEO, your company was in a very different place. The first few years focused on improving customer service and employee engagement, divesting businesses that could not achieve a Mitie standard of excellence and market leadership, and strengthening the balance sheet.

These were the foundations on which we have built scale and operational leverage, including through the acquisition of Interserve FM, enabling us to accelerate growth, improve margins and generate sustainable free cash flow.

Our colleagues have been instrumental, not only in transforming Mitie, but in transforming our customers' estates. Their passion is evident in Mitie's world-class Net Promoter Score (NPS) – what our customers think of us – and in our sustained high levels of colleague engagement. I extend my sincerest thanks and admiration to each of our 76,000 colleagues for their dedication, determination and commitment to exceptional performance.

In FY25, revenue and operating profit before Other items reached a record £5,091m (FY24: £4,511m) and £234m (FY24: £210m), respectively, resulting in an operating margin of 4.6% (FY24: 4.7%). Earnings per share before Other items increased by 3% to 12.7p (FY24: 12.3p), and we delivered a free cash flow of £143m (FY24: £158m). These results continue to build on our strong track record and make a meaningful contribution to the delivery of our ambitious Three-Year Plan targets.

When I pass the baton on to my successor, Christopher Rogers, I know that I am handing on a company brimming with immense talent and a bright future. I have no doubt that Christopher and my fellow Board members will continue to both support and challenge the executive leadership team to drive growth and returns, while ensuring that we maximise our positive impact on the environment and the communities we serve.

Environmental, Social and Governance (ESG)

ESG matters are integral to Mitie, and we continue to be recognised for our leadership in these areas. We remain on track to achieve our ambitious Net Zero targets, which will see us become carbon neutral for our operations by the end of 2025. We are ranked in the CDP's Climate A List, alongside holding 'Platinum' status in the Sustainable Facilities Management Index and a 'Negligible' risk rating from Sustainalytics. To attract and retain talent, we offer industry-leading benefits to all colleagues. We are consistently recognised as a Top Employer, and one of the most diverse.

Stakeholder engagement

The Board is committed to understanding the needs of our stakeholders and acting on their feedback, and we do so through an extensive programme of engagement. Board members conduct a range of listening sessions throughout the year with our colleagues, many of whom work on the front line, to hear their views and ensure open lines of communication. We also attend equality, diversity and inclusion (ED&I) events run by our diversity networks across Mitie.

It was my pleasure to hear the views of shareholders during my annual Chairman's governance roadshow at the start of the year, and to accompany Jennifer Duvalier, Chair of the Remuneration Committee, in an extensive shareholder consultation on our new Directors' Remuneration Policy, which received over 80% support at the July 2024 AGM.

Board composition and changes

Mitie's Board is diverse in skills, experience and background – qualities that are essential for promoting robust governance and oversight. At 31 March 2025, 40% of Board positions were held by women and 20% were ethnically diverse.

We adopt a proactive approach to succession planning, both at Board level and across the executive leadership team. In March 2025, we were delighted to welcome Christopher Rogers to the Board as the Chair Elect. Christopher brings extensive Board experience across a range of sectors and is a highly respected finance leader with a wealth of experience gained during his executive career. He will take over as Chairman when I step down and leave the Board at our July 2025 AGM, and I wish him every success in his new role.

Mary Reilly will be succeeded by Penny James as Chair of the Audit Committee when she steps down from the role following the completion of the FY25 Annual Report and Accounts. I would like to extend my thanks to Mary for her expertise and leadership in guiding our financial oversight and ensuring the integrity of our reporting processes over the past eight years.

Shareholder returns

Our capital allocation policy prioritises strategic M&A at returns materially above our weighted average cost of capital; a progressive dividend policy with a 30–40% payout ratio; and the purchase of all shares to fulfil employee incentive schemes. Surplus funds are returned to shareholders via share buyback programmes to remain within our target leverage range of 0.75x – 1.5x.

In this context, the Board is recommending a final dividend of 3.0p per share. When added to the 1.3p interim dividend paid in respect of the first six months of the year, this brings the total dividend for FY25 to 4.3p per share. This represents an 8% increase on the prior year (FY24: 4.0p) and a payout ratio of 34% (FY24: 33%). The final dividend will be paid on 4 August 2025, following approval at the July 2025 AGM.

During FY25, we completed our largest share buyback programme of £100m. In total, we have returned £179m to shareholders through buybacks, share purchases for incentive schemes and dividends in the year, and have invested £48m in strategic acquisitions. Our strong free cash flow generation and low leverage continue to support proactive capital deployments, including a new £125m share buyback programme for FY26.

Closing remarks

As I conclude my tenure as Chairman, I reflect on Mitie's remarkable journey. Your business has transformed to become the industry leader, not only by market share, but also through its investments in technology and innovation, and focus on its sustainability and social value.

I extend my deepest gratitude to my fellow Board members, our shareholders, customers, colleagues and partners for their ongoing support and commitment. It has been an immense privilege to be part of this journey, and I am confident that the foundations we have laid will lead to outstanding outcomes.

Derek Mapp
Chairman

Message from Christopher Rogers

On behalf of the Board and all Mitie colleagues, I would like to thank Derek Mapp for his extraordinary contribution as Chairman. During his tenure, Mitie has emerged as the UK's largest technology-led Facilities Transformation business.

It is an honour to succeed Derek in this role. I am delighted to be joining the Board of a truly world-class company with a highly experienced management team, and I look forward to working with them to continue to grow the business and create value.

Mitie's clear vision and commitment to its purpose is evident, and I have been deeply impressed by the dedication and expertise of our colleagues as I continue my visits around the business.

Engagement has always been the highest priority for our Board, and I fully intend to embrace these important opportunities to hear the views of our stakeholders.

I hope to meet many of you, our shareholders, at the July AGM.

Read more about Christopher's background and experience on page 92

Further reading

Facilities Transformation
see page 21

Stakeholder engagement
see pages 34 to 38

Financial performance
see pages 45 to 49

Sustainability statement
see pages 50 to 75

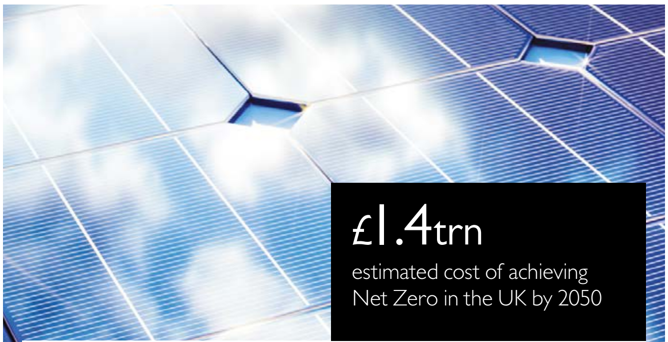
Governance report
see pages 90 to 141

Directors' remuneration report
see pages 124 to 137

MACRO TRENDS

Underpinning our growth

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



£1.4trn
estimated cost of achieving Net Zero in the UK by 2050

Decarbonising and modernising the built environment

As the UK progresses towards its Net Zero goals, more stringent requirements are being introduced for commercial buildings to meet specific Energy Performance Certificate ratings. Currently, c.80% of commercial buildings across the country do not meet the Minimum Energy Efficiency Standards (MEES) required by 2030. Simultaneously, we continue to see an increasing proportion of capital budgets being allocated to the redesign of workspaces, as organisations embrace hybrid working and focus on amenities, collaborative spaces, technology enablement, wellness and sustainability to attract and retain talent.

Link to business areas:

£8.6bn
UK security market

Private sector as first line of defence

The Terrorism (Protection of Premises) Act 2025, also known as Martyn's Law, received royal assent in April 2025 and will place the protection of public safety with those responsible for certain buildings and events. Mitie has played a meaningful role in shaping this legislation and is proactively engaging with customers to implement security best practice in response to what is perceived to be the most significant piece of legislation to impact the industry in decades. Simultaneously, the outsourcing of security services to the private sector by the UK Government is expected to continue, and contribute to 3.0% annual growth in the £8.6bn security market (Frost & Sullivan/independent research).

Link to business areas:

£60bn
National Grid upgrade programme

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 2030. There is also a market opportunity for Independent Connection Providers (ICPs) across the voltage spectrum, to fulfil the demand for private network solutions and growth in data centre, battery and renewable energy developments.

Link to business areas:

£12.7bn
UK data centre investments

Accelerating data centre investment

Data centres are now classified as Critical National Infrastructure by the UK Government due to their crucial role in the digital economy and developments in Artificial Intelligence (AI). This step aims to promote the continued investment in UK data centre capacity by the major cloud service providers and is further supported by the UK Government's AI Opportunities Action Plan, launched in January 2025, to position the country as a global leader in this field. As such, investment in UK data centres is expected to increase from £8.5bn in 2024 to £12.7bn in 2032 (Expert Market Research).

Link to business areas:

Business areas

Engineering Maintenance Security Hygiene Projects Waste Care & Custody

£60bn
estimated UK defence spend for 2025/26

Increasing Defence spending

In February 2025, the UK Government outlined plans to increase defence spending to 2.5% of GDP from April 2027, with an ambition to reach 3% in the next parliament, and has widened the definition to recognise the work of security and intelligence agencies. This increase is aimed at building a modern and resilient UK Armed Forces and accelerating the adoption of cutting-edge capabilities in response to the rapidly evolving threat landscape. The Ministry of Defence has c.130,000 built assets in the UK and overseas, of which around a third of the estate requires modernisation, while the wider estate must adapt to meet the sector's decarbonisation agenda.

Link to business areas:

35,000
small boat arrivals in 2024 (+25% yoy)

Evolving response to immigration

According to the Home Office, approximately 108,000 people applied for asylum in 2024 and approximately 35,000 arrived in the UK by crossing the English Channel in small boats (+25% yoy). With the continued high numbers of people arriving in the UK, immigration will remain a political priority requiring significant investment and support from the private sector. In March 2025, the UK Government announced £30m of funding directed to high-impact operations from the Border Security Command to tackle supply chains in small boats, illicit finances and anti-trafficking.

Link to business areas:

£10bn
government investment to increase prison capacity

Prison capacity shortage

At the end of 2024, c.85,000 individuals were held in the UK's adult prison estate, significantly exceeding the capacity the system is designed to accommodate. The Ministry of Justice's 10-year Prison Capacity Strategy outlines plans to build an additional 14,000 prison places by 2031, and it expects to invest c.£10bn to meet this target, through a combination of new prisons, new houseblocks, rapid deployment cells and the refurbishment of existing facilities.

Link to business areas:

£4.2bn
annual cost of retail crime

Rising business crime

Rates of theft, fraud and cybercrime continue to accelerate as a result of high living costs, among other factors. The retail sector has been particularly affected by this, alongside acts of violence and abuse towards shop floor colleagues, with the number of theft incidents rising by 25% to 20m in 2024, according to the British Retail Consortium. In response, retailers spent £1.8bn on crime prevention measures (+50% yoy) and the total cost of retail crime rose to £4.2bn, of which £2.2bn was a direct result of theft. Mitie has led the way in creating Pegasus, part of a new specialist police unit funded by retailers, to provide a national response to organised crime.

Link to business areas:

Intelligent Engineering Maintenance

Optimising asset performance and maximising productivity

Growth drivers

- Tighter building codes, environmental regulations and health and safety requirements
- Demand for predictive maintenance and remote monitoring to reduce asset downtime and increase productivity
- Requirements to extend asset lifecycles through proactive and intelligent maintenance
- Increased public infrastructure investments to narrow regional differences and meet climate targets
- Net Zero ambitions to reduce waste, energy usage and carbon emissions

What sets us apart

Scale and capability

We have the largest national mobile engineering workforce and self-delivery engineering capability in the UK.

Technology

We create 'intelligent buildings' through sensor technology, remote monitoring and predictive maintenance for connected assets. This enables us to turn big data into insights, transforming facilities, reducing asset downtime and saving energy and money for our customers.

People

We are one of the UK's largest employers of trained and multi-skilled engineering professionals. We attract and retain the best talent with expertise in all core asset classes and from across multiple industries.

Key statistics

- 1,000+ locally based mobile engineers across the country
- 2.5m assets maintained for our customers
- 6.3m square feet of critical space maintained
- 1.75m planned maintenance visits per year
- 15% energy and maintenance savings achieved

Our position

#1 in UK

The largest provider of technology-led engineering maintenance services

FY25 revenue

£1.9bn

(includes Projects revenue, other than Advisory, Design & Build)

Market size

£9.8bn

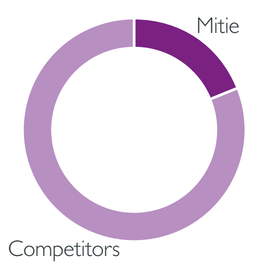
Mitie market share

19%

Projected market growth

4% p.a.

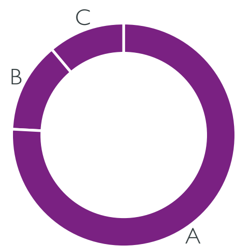
UK engineering market



Top three competitors

CBRE
OCS
JLL/Integral

Mitie Engineering revenue by division



A. Technical Services	76%
B. Business Services	13%
C. Communities	11%

Market data sources: Frost & Sullivan 2024

Delivering transformative, data-driven engineering solutions

We leverage innovative technologies to deliver transformative, data-driven engineering solutions that evolve with the needs of our customers.

Intelligent Process Automation (IPA)

Intelligent Process Automation (IPA) is a key pillar of our AI strategy. For example, during the year, we implemented an autonomous AI email agent for our engineering helpdesk to automate the process of raising service requests and responding to status updates. On receipt of an email from the customer, this innovative solution is able to analyse text and images to promptly diagnose the issue, raise the service request, log it in Maximo and respond to the customer, without human intervention.

The agent is live for eight customers and has processed over 21,000 emails, raising over 5,500 service requests and saving over 900 hours of time within the helpdesk team. It drives efficiencies and enhances the customer experience by ensuring prompt and accurate responses and improved first-time fix rates. The AI email agent will be rolled out to wider engineering helpdesk customers in FY26.

MiJobs mobile engineer app

We are transitioning our MiJobs mobile engineer app to a new platform to enhance data accuracy from connected assets and first-time fix rates. We have also upgraded our Maximo systems to MAS 9.0, enabling AI features in core engineering processes.

HARK

To enhance our predictive engineering capabilities, we are migrating our Internet of Things (IoT) platform to HARK, a cloud-based platform for collecting and analysing real-time data using building sensor technology and remote monitoring. This platform enables our customers to improve their buildings' energy efficiency and sustainability, extend asset lifecycles, optimise space utilisation and improve indoor air quality.

Mozaic 360

We have integrated our 'intelligent' solutions into Mozaic360 – a unified platform that enables customers to monitor service, asset and environment performance, manage their contracts and conduct benchmarking analysis efficiently across all services delivered by Mitie.

Intelligent Projects

Transforming estates, workplaces and customer experience

Accelerating the path to Net Zero

Growth drivers

- Decarbonisation of real estate portfolios to meet regulatory requirements and Net Zero ambitions
- Investment in workplaces to make them more user-centric and 'commute-worthy', and improve productivity
- Capital deployment into asset lifecycle upgrades to improve performance
- Accelerated growth in sectors such as data centres, healthcare and logistics
- Significant upgrades to National Grid networks and investment in battery and renewable energy solutions
- Continued roll-out of 5G mobile telecoms networks

What sets us apart

Full asset lifecycle approach

We offer an unrivalled range of projects across all asset classes through the full cycle of consult, design, deliver and maintain. We solve big picture challenges for our customers, from decarbonisation strategies to workplace programmes and building technology solutions.

Technology and innovation

Our Projects Centre of Excellence drives innovation and improves productivity. It oversees operational standards and manages our Projects technology platform which includes design technologies, building information modelling, project management tools and building sensor technologies.

Scale

We leverage our national scale and leadership in the UK to upsell projects work as we continue to grow our capabilities organically and through infill M&A.

Operational highlights

- Projects Centre of Excellence
- 2,200 highly skilled project managers
- 300+ consulting professionals
- 5,000+ projects delivered annually
- c.80% of revenue from core Mitie customers
- c.£250k typical project value
- 1–3 months typical length of project

Our position

Bringing together our capabilities across the Group, we are a leading UK projects business, serving both public and private sector customers

FY25 revenue

£1.2bn

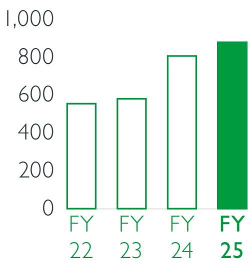
Buildings infrastructure

Market size

£12bn

Mitie revenue (£m)

16% CAGR



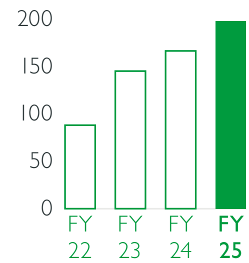
Decarbonisation technologies

Investment needed for UK to achieve Net Zero by 2050

£1.4trn

Mitie revenue (£m)

31% CAGR



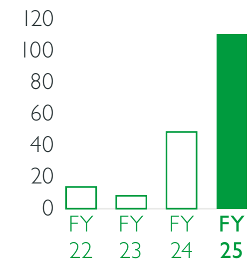
Fire & security

Market size

£3bn

Mitie revenue (£m)

100% CAGR



Representative competitors

NG Bailey
TClarke
Dalkia
Briggs & Forrester
Morrisons

Market data sources: ONS, OBR, independent research commissioned by Mitie

Delivering full lifecycle projects in critical environments

Mitie delivers a range of complex engineering projects, including in critical environments such as the rapidly growing data centre sector. In this sector, we combine our in-house expertise with that of our infill acquisitions to provide a full lifecycle suite of consult, design, deliver and maintain capabilities, enabling the creation of sustainable data centres to power the AI revolution. During the year we have worked with leading operators, including Ark Data Centres, Kao Data, Severfarm and Visa.

Enhancing our in-house capabilities through infill M&A:

1 G2 Energy/ESM Power
- Power connections
- Battery storage
- Private networks

2 Rock Power Connections
- EV infrastructure

3 Custom Solar
- Solar PV

4 JCA
- Principal contractor
- Design and build
- MEP fitout

5 RHI Industrials
- Physical security
- Fencing
- Hostile vehicle mitigation
- Gates and barriers
- Earthing systems
- CCTV

6 GBE Converge/ Argus Fire
- Fire & security
- Fire protection and suppression
- Electronic security
- ICT networking

7 Mitie Telecoms
- Telecoms infrastructure

8 Mitie
- IFM, including:
  - Security guarding and vetting
  - Engineering maintenance
  - Hygiene services
  - Landscaping

Intelligent Security

Protecting
people, property
and assets

Growth drivers

- Shift towards a more holistic approach in response to the evolving threat landscape
- Increasing business crime (e.g. theft, fraud and antisocial behaviour)
- Advances in complex, integrated security and building management systems with networked solutions and remotely managed services
- Demand for data analytics, automation and AI-enabled systems and services
- New legislation including: the Fire Safety Act 2021; Building Safety Act 2022; Worker Protection Act 2023; Terrorism (Protection of Premises) Act 2025
- Enabling Safer Communities to tackle evolving societal changes impacting community safety and security

What sets us apart

Intelligence

Our team of dedicated analysts review large-scale data sets from intelligence software platforms and open-source data feeds to monitor crime and incident trends, enabling our customers to make informed decisions and implement security measures.

Technology

Through our Intelligence Security Operations Centres (ISOCs), we deliver sophisticated, technology-led solutions to support our customers' complex security needs and changing risk profiles. Alongside our proprietary intelligence software, Merlin 24/7 Protect, technologies include AI video analytics and biometrics.

People

We attract the best people, including former police officers and military and intelligence professionals, with a deep understanding of operational intelligence and the expertise to win, retain and transform large security contracts.

Key statistics

- 25,000 security professionals
- 200 intelligence analysts and assurance professionals
- Two ISOCs (Northampton and Craigavon)
- 18 dedicated customer centres within our ISOCs
- 73,000 fire & security systems maintained
- 18,000 CCTV and alarm systems monitored
- 120,000 lone workers protected by our systems

Our position

#1 in UK

Leading converged security services provider

FY25 revenue

£1.1bn

(includes Projects revenue)

Market size

£8.6bn

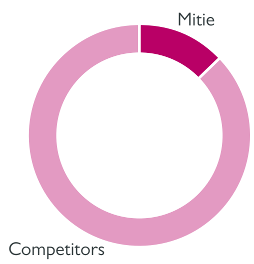
Mitie market share

13%

Projected market growth

3% p.a.

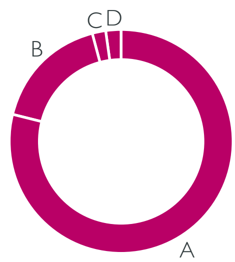
UK security market



Top three competitors

G4S
OCS
Securitas

Mitie Security revenue by type



A. Security services/SOCs	79%
B. Fire & security	17%
C. Emergency response	2%
D. Intelligence services	2%

Note: Substantially all of Mitie's Security revenue is delivered through the Business Services division.

Market data sources: Frost & Sullivan 2024, independent research commissioned by Mitie

Enabling Safer Communities through intelligence, technology and people

Society is changing. Crime and protests are on the rise, including increasing violence against women and girls and greater risks to retail workers. There have been 15 domestic terror attacks in the UK (excluding Northern Ireland-related terrorism) over the past eight years, yet less than a third of businesses currently provide their staff with specialist training on how to respond in the event of a terrorist incident.

New legislation, such as the Worker Protection Act 2023 and the Terrorism (Protection of Premises) Act 2025, increase the requirements for business owners and those responsible for buildings to protect their people and the safety of the public.

At Mitie, we are uniquely positioned through our intelligence, technology and people to ensure that customers have all the information they need to make informed decisions, comply with new legislation and meet their duty of care obligations.

From the moment an incident is reported, for example, via our WalkSafe or Merlin 24/7 Protection apps, it flows through our intelligence hub and dedicated customer Security Operations Centres (SOCs), creating a more complete picture of the threat and risk landscape and enabling Safer Communities.

WalkSafe

As part of our commitment to enabling Safer Communities, Mitie entered into a partnership with WalkSafe, combining their award-winning technology with our experience as the largest security provider in the UK. The WalkSafe app provides journey-sharing features and a national Safe Space map, showing venues across the UK in partnership with local authorities and businesses that offer safety facilities. It also has optional tracking features available, enabling trusted friends to follow a user's journey in real time, should they need it.

Terrorism (Protection of Premises) Act 2025

Mitie has played a significant role in shaping this new legislation and is proactively engaging with customers to develop and implement security best practice and ensure the ongoing protection of people, property and assets. This includes providing a range of security services to help organisations remain compliant, such as performing full physical risk assessments to identify vulnerabilities and implement risk-based protective measures. We also encourage wider team member participation in training sessions, including scenario tests and live exercises, ensuring that they are equipped to respond in the event of an incident.

Intelligent Hygiene

Creating
healthier and more sustainable spaces

Growth drivers

- Requirement for hygiene in critical environments such as hospitals
- Improving the user experience through healthier working environments
- Customer social goals, energy management and carbon reporting requirements
- Demand for eco-friendly cleaning products and greener estates
- Advances in robotics and sensor technology optimising service delivery
- Data and advanced analytics creating opportunities to deliver higher quality hygiene services at lower cost

What sets us apart

Research & development

At our Cleaning & Hygiene Centre of Excellence (CHCoE), we develop technology-led solutions (e.g. disinfection systems and antimicrobial surface protectants). We use this centre to showcase our capabilities, experienced colleagues and commitment to innovation.

Technology

We combine sensor technology, cleaning robots, spill detect computer vision and our proprietary platform, Merlin Connect, to deliver demand-led cleaning solutions, improve cleaning quality, ensure compliance with regulations and increase productivity for our customers.

Sustainability

We use eco-friendly cleaning products and our demand-led solutions to reduce energy and water usage for our customers.

Operational highlights

- 20,000+ highly trained colleagues
- CHCoE in Birmingham
- 40 NHS trusts supported
- 20m sq ft of retail space cleaned every day
- 1,000+ cleaning robots
- UK's largest robotic cleaning fleet at Heathrow Airport

Our position

#1 in UK
The largest UK provider of hygiene services

FY25 revenue

£0.7bn

Market size

£8.6bn

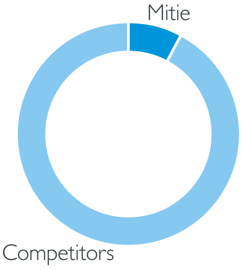
Mitie market share

8%

Projected market growth

2% p.a.

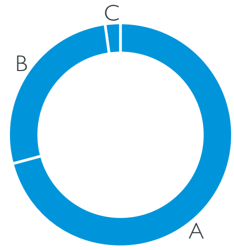
UK cleaning & hygiene market



Top three competitors

ISS
OCS
Sodexo

Mitie Hygiene revenue by division



A. Business Services	71%
B. Communities	27%
C. Technical Services	2%

Market data sources: Frost & Sullivan 2024

Demand-led hygiene via Merlin Connect

Our customers increasingly require demand-led and flexible hygiene services to maximise efficiency and quality. Merlin Connect, our proprietary platform, analyses workplace and workflow data to match service delivery with demand, eliminate downtime and benchmark our teams. Increasingly adopted in critical environments such as operating theatres, server rooms and pharmaceutical laboratories, the platform enables incident escalation, reactive task allocation, risk assessments, electronic cleaning schedules, health and safety standard operating procedures and real-time visibility of service delivery. We are deploying AI to complement Merlin Connect and make output decisions.

Transforming practices with robotics at Heathrow Airport

Mitie has pioneered the use of robotics in hygiene, with over 1,000 robots (the largest fleet in the UK) deployed nationwide across customer contracts. Robotics are integral to modern, sustainable hygiene solutions.

At Heathrow Airport, the largest airport in the UK and one of the busiest in the world, maintaining hygiene across its terminals is a priority, ensuring safety and providing a better experience for passengers.

In partnership with ICE, a distributor of advanced robots, Mitie has developed an innovative solution to overcome staffing shortages, reduce operational inefficiencies and elevate the passenger experience. This included the deployment of 32 state-of-the-art robots, resulting in c.93,000 hours of labour and c.£1.9m of costs mitigated annually.

AI-generated spill detect meets robotic spill response

Mitie has collaborated with technical engineering teams from two leading AI-enabled companies, SeeChange and LionsBot, to develop a robotic spill response system using AI-generated spill detection. This innovative solution integrates with existing CCTV systems to rapidly address spillages and prevent accidents.

The innovative concept has been developed in our CHCoE and is being trialled across a range of sectors, including transport & aviation and in shopping centres. Further research and development areas for demand-led hygiene include sensor, footfall monitoring and weather alert triggers.

Mitie is a high-quality compounder of growth

We are the market leader in Facilities Transformation with a proven track record of delivery, operating in segments underpinned by attractive macro trends. We have a loyal and diverse blue-chip customer base, long duration contracts and core capabilities differentiated by technology, innovation and our colleagues.

Consistent track record of delivery

- Track record of delivering earnings growth, margin expansion and sustainable free cash flow generation
- Strong progress in foundation year of Facilities Transformation Three-Year Plan (FY25 – FY27)
- Ability to win/retain contracts, and improve contract profitability through efficiencies and projects upsell
- Successful acquiror, creating material value by delivering revenue and cost synergies
- Robust balance sheet and low leverage underpinning future growth and increasing shareholder returns

105%
Total shareholder Return (FY22–FY25)

Scale and market leadership

- Market share of 14% (twice that of next peer)
- Market leadership in each of our core service lines of Engineering Maintenance, Security and Hygiene
- Unique offer of transformational projects alongside technology-led IFM services
- 3,000 diversified customers across a broad range of sectors
- Long-duration contracts with average length of four years and inflation protection on the majority
- 76,000 colleagues delivering outstanding service, as reflected in a record NPS of +63pts

#1
in UK Facilities Management and Transformation

Dynamic growth market

- Operating in Europe's largest and most dynamic FM market, with the highest outsourcing and IFM rates
- Service lines and sectors with attractive growth prospects that are underpinned by positive macro trends
- Significant exposure to high-growth segments (e.g. data centres, defence, healthcare and life sciences)
- Record £24bn pipeline of bidding opportunities across key sectors (+27% yoy)

£30bn
FM market (Frost & Sullivan, 2024)

Technology investment

- Market-leading technologies are a key differentiator and create barriers to entry
- Deep capabilities to aggregate workflow and workforce data across our customers' estates
- Capabilities enriched by Artificial Intelligence/Machine Learning (AI/ML) to increase operational efficiencies
- Considerable scale advantages and strategic partnerships with global technology companies
- Industry-leading cyber security credentials; ISO 27001:2022 certified for all divisions and applications

£175m
technology investment since 2017

Best-in-class ESG credentials

- 'AA' rating from MSCI; CDP Climate A List; and 'Negligible' risk rating from Sustainalytics
- Ambitious 2025 Net Zero targets, validated by the Science Based Targets initiative (SBTi)
- One of the UK's largest fleets of electric vehicles (EVs)
- Plan Thrive pledges, including to uplift one million lives, demonstrating the commitment to our purpose
- Top Employer for the seventh consecutive year, and one of the most diverse

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

top EMPLOYER United Kingdom 2025
FOR A BETTER WORLD OF WORK

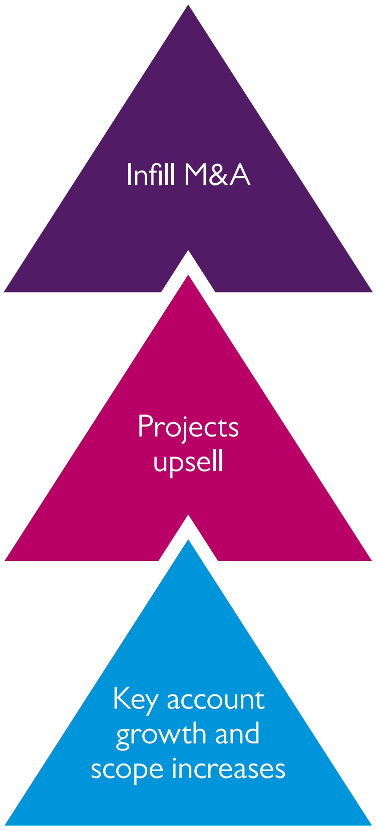
OUR THREE-YEAR PLAN (FY25 – FY27)

Facilities Transformation

Our Three-Year Plan is based on satisfying our customers' evolving needs, delivering our pillars of growth and meeting our ambitious financial targets.

Key pillars of growth

+£1.2bn
revenue by FY27



Infill M&A

- Higher-growth, higher-margin segments
- Enhance our existing capabilities
- Access to Mitie customers, systems and funding
- Maintain high-performing and entrepreneurial culture

Projects upsell

- Market-leading consult/design/deliver capabilities
- Access to large, diverse blue-chip customer base
- Projects Centre of Excellence
- Full asset lifecycle/upgrade approach

FY25 performance: £208m revenue
FY27 target: +£600m revenue

Key account growth and scope increases

- High win/renewal rates and IFM penetration
- Inflation-linked revenues; strong order book
- Clear leadership positions in all core services
- Significant economies of scale
- Investments in technology leadership

FY25 performance: £372m revenue
FY27 target: +£600m revenue

Progress towards our medium-term financial targets

Strong financial performance

FY25 performance	FY27 target
Revenue growth 13%	High single digit revenue growth
Op. profit margin 4.6%	Op. profit margin >5%
FCF generation £143m	FCF generation of c.£150m p.a.

See pages 22 to 27

Proactive capital deployment

FY25 performance	FY27 target
ROIC 24.5%	ROIC >20%
Dividend +8% yoy	Progressive dividend policy
Capital deployments £237m	Proactive capital deployment
Average leverage 0.8x	Average leverage 0.75x–1.5x

See page 25

Strong progress in Foundation Year of Three-Year Plan

FY25 was a year of good financial and operational progress for Mitie, as we embarked on our new Three-Year Plan for Facilities Transformation. Our mission is clear – to transform our customers' estates and create smarter, safer, cleaner and greener places that are not only fit for today but are 'future-proofed' for the rapid changes that will come in the next few years. We are the future of high-performing places.

Phil Bentley
Chief Executive Officer

Overview

In the foundation year of our Facilities Transformation Three-Year Plan (FY25–FY27), Mitie delivered a good financial performance and made further strategic and operational progress. Revenue (including share of JVs and associates) for the 12 months ended 31 March 2025 ("FY25") grew by 13% to £5,091m (FY24: £4,511m), including organic growth of 9% – significantly ahead of UK Facilities Management (FM) market growth of c.3% p.a.

Operating profit before Other items grew by 11% to £234m (FY24: £210m) and basic EPS before Other items grew by 3% to 12.7p (FY24: 12.3p) despite a 480bps increase in our effective tax rate to 23.7% (FY24: 18.9%) and a 72% increase in finance costs to £16.2m (FY24: £9.4m).

Operationally, we secured a record £7.5bn total contract value (TCV) of contract wins/renewals/extensions, up 21% on a strong prior year comparative (FY24: £6.2bn). This included a £1bn TCV new security contract award for seven years (plus three-year extension option) from the Department for Work and Pensions (DWP), commencing in October 2025. We are entering FY26 with a record order book of £15.4bn and a £23.7bn pipeline of upcoming bidding opportunities.

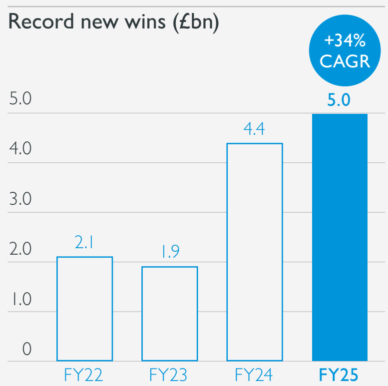
This good sales performance reflects the benefits from £17m of strategic investments in the business to develop our 'Facilities Transformation' service offering and drive growth through better sales/bidding capabilities.

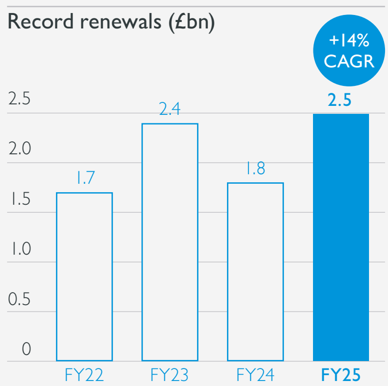
Margin expansion is a key element of our strategy, and we delivered £25m of savings from our ongoing programmes of margin enhancement initiatives (MEIs).

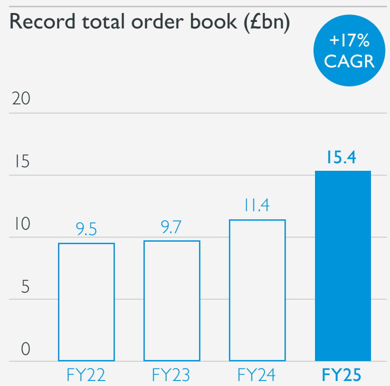
The FY25 operating margin before Other items was 4.6% (FY24: 4.7%), primarily reflecting strategic investments, the impact of inflation, and a loss in the telecoms infrastructure business, which returned to breakeven in Q4 following a series of actions taken to address the underperformance. Looking ahead, we are confident in our ability to contractually recover or mitigate through new MEIs the increase in employer's National Insurance Contributions, and we have a clear path to our >5% operating margin target by FY27.

Based on the equivalent IFRS measures, Group revenue increased by 14% to £5,083m (FY24: £4,445m), operating profit decreased by 2% to £162m (FY24: £166m) and basic EPS reduced by 16% to 8.2p (FY24: 9.8p). The reduction in operating profit and basic EPS reflects a £26m increase in Other items after tax to £58m (FY24: £32m) due to a one-off credit to Other items relating to the Landmarc consolidation in FY24, as well as higher acquisition-related costs (predominantly from non-cash amortisation) and pension-related costs in FY25. Further details are set out in the Finance review.

Strong momentum in key account growth and scope increases...







Facilities Transformation Three-Year Plan (FY25 – FY27)

Our Three-Year Plan pivots the business from traditional Facilities Management to technology-driven Facilities Transformation. Mitie is the FM market leader in the UK, with deep capabilities to aggregate workflow and workforce data to be a trusted partner to thousands of blue-chip public and private sector organisations.

As such, we are well positioned to meet the evolving needs of our customers and unlock the value that exists in each of their environments. These needs are underpinned by attractive macro trends, including meeting evolving legislative and regulatory compliance requirements, alongside significant investments required in data centre capacity, decarbonisation technologies, and power & grid connections in the UK.

We have set ambitious financial targets (based on Alternative Performance Measures) to accelerate growth and enhance shareholder returns over the Three-Year Plan period, underpinned by proactive capital deployment, whilst maintaining leverage between 0.75-1.5x (post-IFRS 16 average net debt/EBITDA):

- High single digit revenue growth (inclusive of the contribution from M&A)
- >5% operating margin by FY27
- £150m annual free cash flow by FY27
- Return on Invested Capital (ROIC) >20%

Accelerating growth

Our technology-led Facilities Transformation Three-Year Plan is expected to deliver accelerated growth through the key pillars of: 1) key account growth and scope increases; 2) projects upsell; and 3) infill M&A. We are targeting high single digit revenue growth annually (inclusive of the contribution from M&A).

In FY25, organic growth through key accounts and scope increases alongside projects upsell contributed 9% to revenue growth, inclusive of contract pricing of 3%. Infill M&A completed since 1 April 2023 contributed a further 4% of inorganic growth, resulting in total revenue growth of 13% – well ahead of our target.

Pillar 1: Record contract wins and renewals/extensions delivered

New contract wins and extensions/renewals increased by 21% to a record £7.5bn TCV (FY24: £6.2bn), reflecting the investments we have made in our sales and marketing teams.

Notable new wins of £5.0bn TCV (FY24: £4.4bn) included a £1bn TCV seven year contract award from the DWP, with a three year extension option, to deliver security services from October 2025, alongside a £400m TCV 10-year contract from the Ministry of Justice to operate the UK's first all-electric 'zero carbon' prison (HMP Millsike), which opened in April 2025. Other notable awards included Aldi, Boots, The Coventry and Rugby Hospital, Community Health Partnerships, Driver and Vehicle Licensing Authority (DVLA), EY, Halfords, HM Revenue and Customs (HMRC), Lidl and the Metropolitan Police Service.

Notable contract extensions/renewals of £2.5bn TCV (FY24: £1.8bn) included Integrated Facilities Management (IFM) services for Lloyds Banking Group (LBG) – our largest private sector customer, Heathrow Airport, Vodafone, Thales and EON. Our market leading position in the retail sector supported several extensions/renewals including the provision of security services for M&S, engineering services for Primark and engineering and hygiene services for an international e-commerce business.

We have a large, diversified portfolio of customers and contract renewals therefore arise on a rolling basis. During the year, two notable public sector contracts were not renewed, including one Central Government engineering and hygiene contract that was lost on marginal scoring judgements and will end in September 2025. The other smaller public sector contract was lost on pricing and ended in March 2025.

Due to the above-average size of these contracts and their tenure, Mitie's renewal rate was 59% (FY24: 79%), with the two lost contracts contributing a 29ppt impact. We expect our renewal rate to increase significantly in FY26 given the strong commercial momentum in the business, and a much-reduced number of contracts that are due to be renewed.

Our total order book increased by 35% to a record £15.4bn (FY24: £11.4bn), and our pipeline of new bidding opportunities increased by 27% to a record £23.7bn (FY24: £18.6bn) across a range of public and private sectors, the largest of which include immigration & justice, central government, defence, healthcare, critical national infrastructure, retail and transport & aviation.

...underpinned by a record £23.7bn pipeline of bidding opportunities (+27% yoy)

Improving social outcomes

Immigration & Justice
£6bn

Better value for taxpayers

Central & Local Government
£3bn

Tackling theft and violence

Retail
£3bn

Keeping the nation safe

Defence
£2bn

Delivering innovation and Net Zero

Financial Services/Offices
£2bn

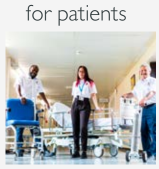
Cleaner power connections

CNI & Data Centres
£2bn

A safer, more resilient transport system

Transport & Aviation
£1bn

Improved outcomes for patients



Healthcare
£1bn

Pillar 2: Projects work underpinned by attractive macro trends

We continue to see demand from our customers for transformational projects across their estates and have expanded our technical capabilities through targeted acquisitions. As a result, Group projects revenue (delivered across all three of our divisions) increased by 14% to £1.2bn (FY24: £1.1bn), and our projects pipeline of opportunities, included within the Group's total pipeline, expanded to £4.8bn (FY24: £3.3bn).

Transforming the built environment, including lifecycle upgrades, remains a key driver of growth, where we are integrating systems to create 'intelligent buildings', saving money for our customers and ensuring that buildings meet evolving legislative and regulatory compliance 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 solar, electric vehicle (EV) charging and battery storage, alongside our expanded suite of power and grid connections capabilities, are also increasingly being sought by our customers, with £1.4trn of investment expected for the UK to achieve Net Zero by 2050.

The UK is one of the largest data centre markets in Europe, and we are expanding our delivery of mechanical & electrical, earthing, and fire & security systems fit-outs in these buildings. We saw a pause in some data centre projects during the year, as customers reassess the significant increase in scale, power and cooling requirements arising from Artificial Intelligence (AI). We are well placed to meet these changing demands, and expect c.£13bn of UK data centre investment over the medium term to be a key driver of our growth.

We also continue to deliver a range of projects work across wider critical environments, including heating and lighting systems upgrades in the healthcare sector and bespoke engineering projects in the defence sector, and benefit from investment in the resilience and security of critical national infrastructure across the UK.

Our telecoms infrastructure business has faced a challenging market, characterised by poor contracting terms with major network operators and delays in the completion of projects, resulting in a loss of £11m in FY25. Following a series of actions which included renegotiating or exiting from certain unprofitable frameworks and the appointment of a new management team, the business returned to breakeven during the final quarter of the year. Revenue reduced by 19% to £57m in FY25 (FY24: £70m) and is expected to reduce again by a similar percentage in FY26, as we hand back unprofitable work.

Pillar 3: Three strategic acquisitions completed

When we set out our Three-Year Plan in October 2023, we guided to c.£75m p.a. spend on infill M&A, to deepen our capabilities in the high-growth, high-margin areas of buildings infrastructure and compliance, decarbonisation, power & grid connections and fire & security. We continue to evaluate strategic M&A opportunities in the pipeline.

During FY25, we completed three strategic acquisitions for a combined consideration of £48m (excluding employment-linked earnouts). The largest of these was Argus Fire, one of the UK's leading fire systems businesses, for £36m in October 2024. This enhances our scale and self-delivered offering in the £3bn UK fire & security market where Mitie is a top three operator and complements the prior year acquisitions of GBE Converge and RHI Industrials.

We also acquired ESM Power, a leading high-voltage electrical engineering business, for £5m in July 2024. In combination with our Rock Power Connections and G2 Energy businesses, we have built a full suite of services in the growing power & grid connections market, which continues to benefit from significant capital investment in energy networks for the UK to achieve Net Zero.

In Spain, we acquired Grupo Visegurity, a leading national security business, for £7m in October 2024. This, alongside the acquisition of Biservicus in September 2023, supports the strategic expansion of our security services capabilities in the attractive c.£13bn Spanish FM market.

Strong growth in transformational projects; revenue of £1.2bn (+14% yoy)

M&E, HVAC, Building fabric

Fire & Security

Power & Grid connections

Renewables, Battery storage

Electric Vehicle charging

Telecoms infrastructure


Eden Project 140kWp roof-mounted solar PV system on plant & education facility


Longcross Park data centre design, delivery and commissioning of MEP infrastructure


Battersea Power Station fire suppression systems


DWP upgrade of critical security infrastructure

c.80% projects for existing customers

£2.8bn projects order book (+40% YoY)

£250k typical project size (+65% YoY)

£4.8bn projects pipeline (+45% YoY)

Operating margin progression

We have a clear path to an operating profit margin before Other items of at least 5% by FY27. This will be achieved through our ongoing programme of margin enhancement initiatives (MEIs) and improved operational leverage, alongside the contribution from M&A and projects works. We expect these management actions to more than offset the continued impact of inflation and contract pricing dynamics in a highly competitive environment, in addition to the increase in employers' National Insurance Contributions in FY26.

In FY25, the operating profit margin before Other items was 4.6% (FY24: 4.7%), reflecting strategic investments to drive growth and margin expansion (£17m), headwinds from inflation (£7m), a loss in our telecoms infrastructure business (£11m) and the completion of higher margin contracts. Offsetting these factors, the operating margin benefited from a good trading performance and the delivery of £25m of savings through MEIs.

We expanded the scope of our MEIs from overhead efficiencies to operations and in-contract opportunities during the year. Workstreams included increasing self-delivery to customers in areas such as fire, water and asbestos compliance in Defence and reducing our reliance on third-party contractors; working with key accounts to define a best practice account model; using technology and AI to increase productivity and deploy resources more efficiently; the continued outsourcing of certain finance functions; and the continued consolidation of Mitie's core systems and processes.

Investments in the foundation year of our Plan are delivering tangible results, including record contract wins and renewals/extensions. We have invested in our sales and marketing teams to develop sector- and customer-driven strategies, while enhancing our customer relationship management functionality and business development skillset. We have put more resource into contract re-bids, and improved training and incentive structures for 'in contract' teams to drive growth over the contract life. We are continuing to invest in technology by developing our 'intelligent' solutions and enabling AI in our core systems (see Technology leadership section).

Sustainable free cash flow generation

We are targeting sustainable free cash flow generation of c.£150m per annum by FY27. This, combined with our robust balance sheet and low leverage, underpins our proactive approach to deploying capital and delivering shareholder returns.

We expect increased profitability, working capital process improvements and disciplined capex to offset the increased working capital required to support our growing projects business, longer payment terms being demanded by some customers (particularly in retail), and a one-off impact to working capital expected in FY26 arising from the Procurement Act 2023. This Act came into effect in February 2025 and requires mandatory 30-day payment terms for all subcontractors and suppliers on Government Framework Contracts (of which over 70% of Mitie's are already aligned).

In FY25, the Group generated £249m of cash from operations (FY24: £228m), leading to a free cash inflow of £143m (FY24: £158m), well ahead of our guidance for 'at least £100m'. The reduction in free cash flow year-on-year reflects a one-off benefit to working capital of c.£25m in the prior year relating to working capital process improvements, including the consolidation of activities into the shared service centre and implementation of the Coupa digital supplier platform. We continued to implement new process improvements in FY25, offsetting longer payment terms on several new or renewed contracts in the retail sector.

Proactive and growing capital deployment

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

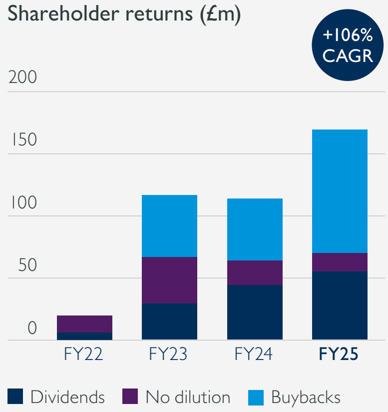
In this context, the Board's policy prioritises strategic M&A at returns materially above our weighted average cost of capital; a progressive dividend policy (30-40% payout ratio); and the purchase of all shares to fulfil employee incentive schemes (c.15m shares p.a.). Surplus funds are returned to shareholders via share buybacks to remain within our target leverage range.

The Board is recommending a final dividend of 3.0p per share, which, when added to the 1.3p interim dividend paid, takes the total dividend for FY25 to 4.3p per share. This is an 8% increase on the prior year (FY24: 4.0p) and represents a payout ratio of 34% (FY24: 33%). The final dividend will be paid on 4 August 2025, following approval at the 2025 AGM.

Free cash flow generation, robust balance sheet and low leverage supports proactive capital deployments

Our capital deployment policy (FY25 – FY27)	FY25 deployments
Progressive dividends (30% – 40% payout)	4.3p dividend (+8% yoy): 34% payout ratio
No shareholder dilution	13m shares purchased for £15m into EBT/SIP
Infill M&A	£48m invested in three acquisitions
Return surplus funds via buybacks	£100m buyback programme completed

Shareholder returns (£m)



During FY25, we invested £48m in strategic acquisitions, purchased 13m shares at a cost of £15m to fulfil employee incentive schemes and completed our largest share buyback programme to date of £100m. Within this programme we purchased 89m shares, of which 79m were cancelled and 10m were held in treasury to fulfil Mitie's 2021 Save As You Earn (SAYE) scheme.

With a strong balance sheet, and leverage at the lower end of our targeted range, we launched a new £125m share buyback programme for FY26 on 16 April 2025, which will bring the cumulative total undertaken since FY23 to £325m.

Within the FY26 programme we will hold c.6m shares in treasury to fulfil the 2022 SAYE scheme (vesting in February 2026), and cancel all other shares purchased in excess of this within the programme. To date, we have purchased 2m shares at an average price of 140p. The Board will keep this share buyback programme under review, considering the timing of value-creating acquisitions, and in order to maintain leverage within our target range.

Strong balance sheet and low leverage

Post-IFRS 16 closing net debt at 31 March 2025 increased by £118m to £199m (FY24: £81m), reflecting proactive capital deployments across dividends, share buybacks, share purchases for incentive schemes and M&A totalling £237m, alongside a £24m increase in lease obligations as we continue to transition our fleet to electric vehicles (EVs), partially offset by good free cashflow generation of £143m.

Post-IFRS 16 average daily net debt in FY25 was £264m (FY24: £161m) and leverage was 0.8x average net debt / EBITDA (FY24: 0.6x) – at the lower end of our 0.75x to 1.5x target leverage range. Covenant leverage was zero.

Technology leadership

Our strength lies in a combination of exceptional colleagues and cutting-edge technology, empowering us to deliver transformative, data-driven 'intelligent' solutions that evolve with the needs of our customers.

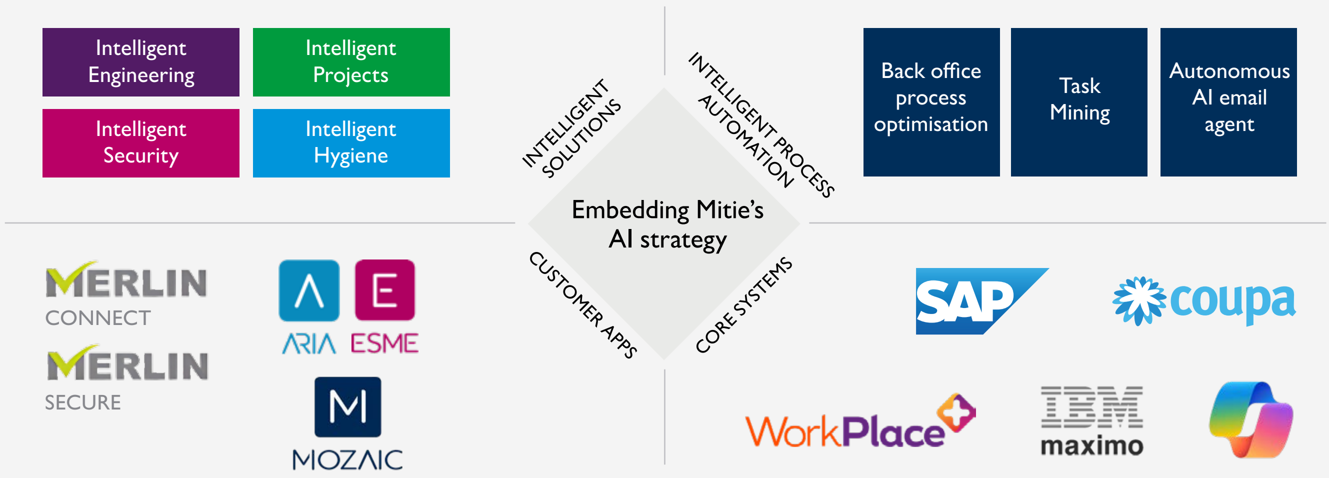
This encompasses Intelligent Engineering Maintenance – ensuring round-the-clock remote monitoring and predictive maintenance for connected assets; Intelligent Security – optimising resource deployment to address dynamic risk and threat profiles across customer estates; Intelligent Hygiene – leveraging building usage data and sensor technology to deliver demand-led hygiene services; and Intelligent Projects – utilising our Emissions Intelligence platform to automate emissions data capture and reporting, and establish Net Zero pathways for customers.

During FY25, we deployed Intelligent Engineering Maintenance across 700 connected sites and Intelligent Hygiene across over 100 sites, whilst Intelligent Security has focused on assessing risk based on crime, deprivation indices, demography, intelligence alerting and shrinkage data at more than 8,200 retail customer sites. Emissions Intelligence has been activated for 25 customers, and we have a strong pipeline to continue this rapid pace of adoption.

We integrated our 'intelligent' solutions into Mozaic360 – a unified platform that enables customers to monitor service, asset and environment performance, manage their contracts and conduct benchmarking analysis efficiently across all IFM services provided by Mitie. Our customer-facing mobile app, Aria, with its built-in AI chatbot, ESME, has been deployed across 38 of our largest strategic accounts and now handles c.30% of service requests, automatically processing work orders without human intervention.

Internally, Intelligent Process Automation (IPA) is a key pillar of our AI strategy to enable end-to-end AI automation of systems and processes. During the year, we implemented an autonomous AI email agent for the engineering helpdesk to automate the process of raising service requests or responding to status updates on a service request. The agent is live for eight customers, achieving a success rate of 90% and saving more than 900 hours of time within the helpdesk team. Roll-out to the remaining 50 engineering helpdesk customers will continue in FY26. We have also started to deploy IPA to enable operational digital twins for back-office business processes, delivering further efficiencies and cost savings.

Technology leadership – our strategic focus on Artificial Intelligence and Intelligent Process Automation differentiates our core capabilities



We have upgraded our Government and Commercial Maximo systems to MAS 9.0, enabling us to embed AI features into core engineering processes to enhance work order management, monitor asset health, and predict failures, ensuring uninterrupted productivity for our customers. MAS 9.0 now includes workflow in security and hygiene, enabling a fully rounded picture of a customer's estate to be developed.

Additionally, we have equipped thousands of colleagues with Microsoft Copilot tools to streamline routine tasks and improve decision-making. We are collaborating with Corndel, Imperial College London, and Microsoft to introduce a pioneering AI apprenticeship programme, ensuring that our workforce is equipped with practical expertise to lead in the AI-driven future.

ESG and social value leadership

Mitie is recognised as a leader in Environmental, Social and Governance (ESG) matters and social value among global industry peers, with these initiatives forming a key part of how we do business. Our leading credentials also enable us to work with our customers to realise their own sustainability and Net Zero ambitions.

We recently launched our new corporate purpose: 'Better Places; Thriving Communities' – uniting everyone at Mitie, from the Board to frontline colleagues, around a shared commitment to help shape the communities where we live and work. To further support our purpose, we have set bold social value pledges through our new 'Plan Thrive' initiative, including to uplift one million lives across the UK.

Mitie has a strong track record of delivering impactful social initiatives, including through the Mitie Foundation, apprenticeship schemes, learning and development programmes and responsible supply chain management. For example, we are currently supporting over 1,500 colleagues through apprenticeships across 90 technical, professional and managerial courses. Last September, we welcomed our largest ever cohort of early career and new hires into our technical apprenticeship schemes and launched a graduate engineering programme. We expanded our investment in developing women in leadership. At 31 March 2025, 42% of our senior leadership team are now women, an increase of 10ppt during the year and exceeding our target of 40%.

Finally, we completed a 'double materiality' assessment, identifying the sustainability issues that are most material to our business and stakeholders by evaluating both their impacts on the environment and society and their potential financial impacts on Mitie. We also published our first Climate Transition Plan, building on the success of our 2020 Plan Zero initiative to become Net Zero for our direct operations by the end of 2025. Our largest carbon emissions relate to our vehicles, and we transitioned a further c.1,200 to EVs during the year. At 31 March 2025, we had c.6,250 EVs, one of the largest electric fleets in the UK, representing 85% of our total fleet where EV technology is available.

'One Mitie' – we are an award winning destination employer in our industry

KEY PERFORMANCE INDICATORS

Monitoring our progress

The Board and Executive Committee review Mitie's key performance indicators (KPIs) to track performance against the Group's priorities. These KPIs include both financial and non-financial measures, ensuring a balanced consideration of the interests of all stakeholders, including shareholders, customers and colleagues.

Our FY25 results highlight our strong track record of delivery. We have made significant progress across all KPIs this year, positioning us well to achieve the ambitious targets set as part of our Facilities Transformation Three-Year Plan (FY25 – FY27). For a detailed review of our performance refer to the Chief Executive's review and the Finance review on pages 22 to 27 and 45 to 49.

Financial

Revenue (£m)

Including share of joint ventures and associates

FY25	**£5,091m**
FY24	£4,511m
FY23	£4,055m
FY22	£3,997m
FY21	£2,529m

13% increase from previous year

Description
Revenue growth reflects new key accounts and scope increases for existing customers, the ability to upsell projects and the contribution from infill M&A. Our target is to achieve high single digit revenue growth annually over the Three-Year Plan.

Our achievement
Revenue, including share of JVs and associates, increased by 13% to £5,091m. Organic growth through key accounts growth, scope increases and projects upsell contributed 9% to revenue growth, inclusive of 3% contract pricing. Infill M&A completed since 1 April 2023 contributed a further 4% of inorganic growth.

Find out more on page 45

Operating profit (£m) and margin (%) before Other items

From continuing operations

FY25	**£234.1m**	**4.6%**
FY24	£210.2m	4.7%
FY23	£162.1m	4.0%
FY22	£166.9m	4.2%
FY21	£58.8m	2.3%

4.6% operating margin FY24 4.7%

Description
Operating profit and the operating profit margin before Other items reflect the profit we generate after deducting the cost of goods sold and operating expenses. Our target is to achieve an operating margin of at least 5% by FY27. A reconciliation of operating profit before Other items to the equivalent statutory measure is provided in Appendix – Alternative Performance Measures on pages 213 to 215.

Our achievement
Operating profit before Other items increased by 11% to £234.1m, driven by the good trading performance. The operating margin before Other items was 4.6% (FY24: 4.7%), primarily reflecting strategic investments, the impact of inflation, and a loss in the telecoms infrastructure business, which returned to breakeven in Q4.

Find out more on pages 45 and 46

Basic EPS before Other items (p)

From continuing operations

FY25	**12.7p**
FY24	12.3p
FY23	9.5p
FY22	9.2p
FY21	3.1p

3% increase from previous year

Description
Basic earnings per share (EPS) before Other items represents our profit after tax and before Other items attributable to owners of the parent, divided by the weighted average number of shares in the year. Our strategy focuses on creating value for shareholders.

A reconciliation of basic EPS before Other items to the equivalent statutory measure is provided in Appendix – Alternative Performance Measures on pages 213 to 215.

Our achievement
Basic EPS before Other items increased by 3% to 12.7p, with the benefits of higher operating profit and a reduction in the weighted average number of shares as a result of ongoing share buyback programmes, offset by a 4.8ppt increase in the effective tax rate to 23.7% and higher finance costs, compared with the prior year.

Find out more on page 47

Dividend per share (p) and payout ratio (%)

From continuing operations

FY25	**4.3p**	**34%**
FY24	4.0p	33%
FY23	2.9p	30%
FY22	1.8p	20%
FY21	0	0%

8% increase from previous year

Description
Dividend per share (DPS) represents the amount of our profit after tax and before Other items that is paid out to shareholders (as an interim and final dividend), divided by the weighted average number of shares in the year. The dividend payout ratio reflects the percentage of Basic EPS before Other items that is paid out as dividends. We are targeting a progressive dividend with a payout ratio of 30%–40% over the Three-Year Plan.

Our achievement
DPS increased by 8% to 4.3p, reflecting growth in our profitability and a payout ratio of 34%. The dividend payment is consistent with our wider capital deployment policy, and reinforces our confidence in continuing to deliver against our strategic priorities, including the ability to generate sustainable free cash flow.

Find out more on page 48

Linked to our strategic pillars

Accelerating growth · Operating margin progression · Cash generation · ESG leadership · Linked to remuneration

Financial

Free cash flow (£m)

FY25	£142.8m
FY24	£157.6m
FY23	£65.7m
FY22	£146.6m
FY21	£(24.5)m

£14.8m decrease from previous year

Description
Free cash flow represents the cash we generate from our operating activities, after working capital movements, capex and lease payments, that is available to reinvest in our business for organic and acquisition-led future growth or to return to shareholders. Our target is to deliver free cash flow of c.£150m annually by FY27.

A reconciliation of free cash flow to the equivalent statutory measure is provided in Appendix – Alternative Performance Measures on pages 213 to 215.

Our achievement
The Group generated free cash flow of £142.8m, with the good trading performance partially offset by anticipated cash outflows from increased working capital and capex, as well as higher lease and interest payments compared to the prior year. The prior year also reflected a one-off benefit to working capital of c.£25m relating to working capital process improvements.

Find out more on page 48

Average daily net debt (£m) and leverage ratio (x)

FY25	£264.0m	0.8x
FY24	£160.7m	0.6x
FY23	£84.3m	0.4x
FY22	£24.7m	0.1x
FY21	£47.1m	0.5x

£103.3m increase from previous year

Description
Average daily net debt reflects how much we owed our debt providers on average over the year. The leverage ratio is calculated as average daily net debt divided by EBITDA. Both average daily net debt and leverage are calculated on a post-IFRS 16 basis, inclusive of lease liabilities. We have a target leverage range of 0.75x–1.5x over the Three-Year Plan.

Our achievement
Average daily net debt of £264.0m increased by £103.3m, reflecting proactive capital deployments across dividends, share buybacks, share purchases for incentive schemes and M&A, alongside an increase in lease obligations as we continue to transition our fleet to EVs, offset by free cash flow generation. Leverage of 0.8x was at the lower end of our target range.

Find out more on page 48

Return on invested capital (%)

from continuing operations

FY25	24.5%
FY24	26.4%
FY23	25.4%
FY22	29.9%
FY21	8.2%

1.9ppt decrease from previous year

Description
Return on invested capital (ROIC) is calculated as operating profit before Other items and after tax, divided by invested capital. It is a measure of how efficiently the Group utilises its invested capital to generate profits. We are targeting a ROIC of >20% annually over the Three-Year Plan.

The ROIC calculation and a reconciliation of the Group's net assets to invested capital are provided in Appendix – Alternative Performance Measures on pages 213 to 215.

Our achievement
ROIC of 24.5% remains above our target of >20% and is materially ahead of our weighted average cost of capital. The 1.9ppt decrease from the prior year is a result of an increase in invested capital (driven by the strategic acquisitions and the increased value of leased assets) and the higher effective tax rate, partially offset by the increase in operating profit before Other items.

Find out more on page 47

Total order book (£bn)

FY25	£15.4bn
FY24	£11.4bn
FY23	£9.7bn
FY22	£9.5bn
FY21	£9.3bn

35% increase from previous year

Description
The total order book includes secured fixed term contract work, and estimates for projects and variable works. The total order book reflects our success in winning and retaining customers, as well as upselling our services. Our market-leading position, growing pipeline of opportunities, investments in our sales and marketing capabilities, high levels of customer service and qualifications on public sector frameworks are expected to increase the total order book.

See Note 3 to the consolidated financial statements for analysis of the secured order book (which excludes unsecured projects and variable work).

Our achievement
The total order book increased by 35% to a record £15.4bn, driven by new contract wins, scope increases, pricing and extensions/renewals across each of the divisions. This increase reflects the investments we have made, including in our sales and marketing teams, in the foundation year of the Three-Year Plan.

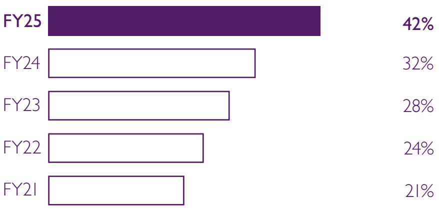
Find out more on page 3

Linked to our strategic pillars

Accelerating growth · Operating margin progression · Cash generation · ESG leadership · Linked to remuneration

Non-financial

Females in senior leadership team (%)



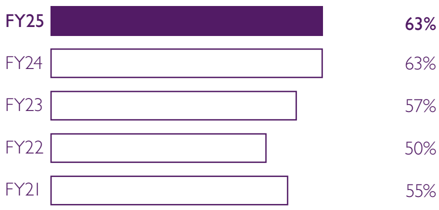
10ppt
increase from previous year

Description
Mitie measures the number of females in the senior leadership team (SLT) against the total headcount of the SLT. The SLT includes the MGX (Executive Committee) and those on the MLT (Management Leadership Team).

Our achievement
We have increased the number of females in the SLT by 10ppt to 42%. We have a well-developed ED&I strategy at Mitie and we continue to focus on increasing the representation of women in senior roles across the business by supporting their ongoing career progression. This includes the expansion of our programmes focused on developing women in leadership during the year.

Find out more on page 52

Employee engagement (%)



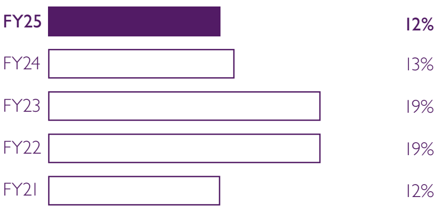
n/a

Description
Mitie's success is underpinned by the way Mitie leads and engages with its colleagues. The employee engagement (MyVoice) survey asks colleagues at Mitie how they feel about working within the organisation, and what improvements could be made. Beyond the annual survey, the Board and SLT regularly travel to UK and overseas locations to engage with colleagues across the business.

Our achievement
Our most recent MyVoice survey took place in April 2024 (relating to FY24), with a record 63% of surveyed colleagues 'fully engaged' in the year, and actions from the survey undertaken during FY25 are detailed on page 70. This score reflects our commitment to being the destination employer in the industry and creating a 'Great Place to Work'. Our next MyVoice survey will take place during FY26.

Find out more on page 70

Employee turnover (%)



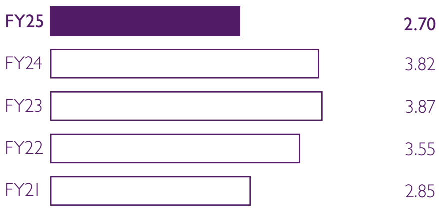
1ppt
decrease from previous year

Description
Mitie measures the number of employees leaving us voluntarily over a 12-month period against our overall headcount. Employee turnover has been a focus area for a number of years as we strive to create a 'Great Place to Work' and be the employer of choice in our industry.

Our achievement
Employee turnover reduced by 1ppt to 12%, reflecting the high level of colleague engagement, career progression opportunities and our comprehensive industry-leading benefits packages. We also host a range of events attended by the Board and SLT to promote diversity and inclusion, and ensure that our colleagues have their say.

Find out more on pages 70 and 71

Lost time injury frequency rate (per million hours worked)



1.12
decrease from previous year

Description
Mitie is committed to high standards of health, safety and wellbeing. Our objective is to ensure that we engage with colleagues to instil appropriate behaviours and provide necessary training, alongside promoting open communication and partnering with suppliers, customers and contractors to maintain high standards. Our lost time injury frequency rate is just one measure used to monitor our progress.

Our achievement
Our lost time injury frequency rate reduced through a greater focus on data, leading to more proactive interventions including more inspections and audits, greater trend analysis, hazard spotting, targeted campaigns, and additional training and development. We also introduced LiveSafe Champions – c.1,500 colleagues who are helping to manage health and safety on the frontline, identifying and mitigating hazards, and encouraging safe working practices within their teams.

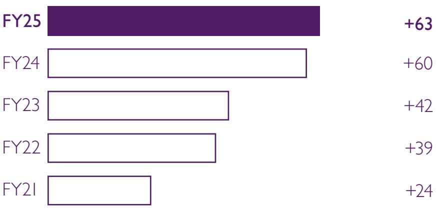
Find out more on page 73

Linked to our strategic pillars

Accelerating growth · Operating margin progression · Cash generation · ESG leadership · Linked to remuneration

Non-financial

Net Promoter Score (index)



3pt
increase from previous year

Description
Customer Net Promoter Score (NPS) is a widely used measurement derived by asking customers how likely they are to recommend a company's products and services to others. NPS continues to be an important metric for Mitie, to understand our customers' overall satisfaction with the quality of services provided and their willingness to recommend them to others.

Our achievement
Mitie's NPS increased by 3pts to a record +63. This continued improvement in our NPS demonstrates our unwavering commitment to understanding the changing needs of our customers and exceptional service delivery. By measuring our customers' willingness to recommend our services, we continuously refine our understanding of where we excel and identify opportunities for enhancement. The FY25 survey captured feedback from over 1,100 customers.

Find out more on page 35

Carbon emissions (Scope 1, 2 and 3) (tonnes CO_2e)

7%
decrease from previous year

Description
Mitie has set ambitious targets to reach Net Zero operational carbon emissions by the end of 2025, with non-operational emissions targeted by 2035. Mitie will eliminate emissions from power and transport, eradicate non-sustainable waste and enhance inefficient buildings to meet the highest environmental standards. In addition, we have validated science-based targets by the SBTi.

Mitie first reported Scope 3 global emissions data in FY23. Only UK emissions data is externally verified at present.

Our achievement
Mitie's Scope 1, 2 and 3 global emissions (location based) reduced by 7% to 270,419 tonnes CO_2e (inclusive of 4,066 verified emissions reduction carbon credits). Within this, Scope 1 and 2 global emissions reduced by 6% to 20,130 tonnes CO_2e (excluding carbon credits), reflecting the continued removal of fossil fuel heating systems and transition of the fleet to EVs. We have continued to enhance our Scope 3 data capture and reporting, and also benefited from suppliers reducing their own carbon emissions. In FY26, we will transition to market based reporting.

Find out more on pages 65 and 66

Linked to our strategic pillars

Accelerating growth | Operating margin progression | Cash generation | ESG leadership | Linked to remuneration

Creating value for stakeholders

Our business is focused on creating smarter, safer, cleaner, more secure and more sustainable places for our customers and their people. We go above and beyond to get the job done because we care about every interaction, and we are passionate about the work we do and the impact we make. We are experts in Facilities Transformation.

Our resources and capabilities

Our people

We know that our people give their best when we show them we care. Our success is underpinned by the way Mitie inspires, motivates and engages with its people, who in turn take personal pride in their work and deliver exceptional service to our customers.

See pages 68 to 74

Our technology

We invest in technology to enhance our unique Mitie Digital Platform and deliver transformative solutions. We achieve operational excellence through efficiencies and automation, as well as creating value and improving the customer experience. Our Platform differentiates us in the market, and drives adoption, loyalty and retention.

See page 26

Our expertise

We are a trusted partner through our market-leading services and because we place the evolving needs of our customers at the heart of our business. We use our expertise to improve efficiency, deliver innovative, technology-led solutions and make a valuable, measurable difference.

See pages 12 to 19

Our scale and reach

We are the UK market leader in our industry and in each of our core service lines. We also hold leading sector positions, including in central government, defence, retail, manufacturing, transport and logistics. The scale of our operations enables the self-delivery of services to large blue-chip customers with a national footprint.

See pages 12 to 19

Our strategy

Our Three-Year Plan is based on satisfying our customers' evolving needs; delivering our three key pillars of growth (key account growth and scope increases, projects upsell and infill M&A); and meeting our ambitious financial targets.

See pages 21 to 24

Our commitment to society

Our vision is to make a lasting positive impact on society by delivering long-term benefits for the environment, developing a skilled workforce to support a brighter future for all and leaving a legacy for the communities in which we operate.

See pages 50 to 52

Our financial position

We have a strong balance sheet, low leverage and an investment grade credit rating. We are focused on generating sustainable free cash flow, which will enable us to accelerate growth and deliver enhanced shareholder returns.

See pages 45 to 49

Our core capabilities

At Mitie we bring our best, all the time. We deliver integrated FM, bundled or single line services, underpinned by technology, to enhance the customer experience and drive efficiencies across service lines and sectors.

Intelligent Engineering Maintenance

See page 12

Intelligent Projects

See page 14

Intelligent Security

See page 16

Intelligent Hygiene

See page 18

How we do it

Recognising that every customer is different, our approach is tailored to each customer's unique needs and is designed to deliver continual improvements throughout the life of the contract.

Diligence, innovation and design

We start by engaging with new or existing customers to understand their needs or any changes to their requirements. Using our strategic frameworks to help link operational objectives to the bigger picture, we design an innovative solution, leveraging our expertise, knowledge, technology and people.

Mobilisation, transition and transformation

We mobilise our contracts in the most efficient way. Once in operation, we are continually seeking opportunities to reduce costs, drive efficiencies, expand our offering and become a trusted strategic partner.

Insights to drive value and continuous improvement

Using our technologies, we collect and analyse workforce and workflow data across our customers' estates to drive greater value and continuous improvement.

The value we create

Customers

We are a trusted partner to our customers, helping them create high performing places.

See page 35

Customer NPS

+63

Colleagues

We create a 'Great Place to Work' by showing our colleagues that we care. We inspire, motivate and engage with our people, providing industry-leading benefits alongside training and development to support their career development.

See page 36

Employee engagement

63%

Suppliers

We are committed to ensuring a responsible supply chain by requiring our suppliers to comply with our Procurement Policy and Supplier Social Value Policy. In return, our suppliers gain access to our extensive network of blue-chip customers.

See page 37

Supplier NPS

+62

Communities and environment

Mitie's vision is to generate social value through everyday operations, leaving a legacy for the communities in which we work to support a brighter future for all.

See page 37

MSCI rating

AA

Equity shareholders and debt holders

Creating value through growth and margin progression, while generating sustainable free cash flow, will deliver higher returns.

See page 34

ROIC

24.5%

Government

Mitie is a significant contributor of tax to the UK Exchequer, including UK corporation tax and employer's National Insurance Contributions.

See page 38

Taxes paid

£1.1bn

Playing a crucial part in our strategy

Equity shareholders and debt holders

Our equity shareholders range from global institutions to small retail investors, including our frontline colleagues to whom we have gifted free shares. We also have international debt holders.

Why we engage

Access to capital from supportive, long-term investors (the owners of our business) is vital to our success. We also need access to sources of liquidity and other banking services. Our priority is to ensure that our stakeholders understand and support Mitie's strategy, performance and culture.

How the Group engages

- Annual Report and Accounts
- Stock Exchange announcements and press releases
- AGM (hybrid to maximise shareholder participation)
- Corporate website, including Investors section
- Results presentations and post-results roadshows
- Capital market events and site visits
- Ad hoc analyst and investor interactions

How the Board engages and is kept informed

- Annual Chairman's roadshow
- Ad hoc investor engagement with the Chairman and Non-Executive Directors (NEDs)
- Board consideration of, and responses to, investor feedback and queries
- Investor Relations Board Report standing agenda item

Key issues

- Financial performance, including growth in revenue and profit
- Free cash flow generation and balance sheet strength
- Proactive capital deployment policy
- Remuneration policy and executive remuneration
- ESG matters

Actions taken in FY25

- 100 investor and bank sales team meetings with executive management
- Eight meetings between Chair/NEDs and shareholders
- Two formal results presentations with Q&A
- Investor and analyst site visits to our ISOC in Northampton
- Ongoing engagement with revolving credit facility (RCF) providers, US private placement (USPP) noteholders and credit rating agency
- Engagement with USPP investors to establish a 'shelf' facility, through which we issued £60m of USPP notes in December 2024
- Engagement with our RCF providers to extend the facility by one year to October 2028
- Ongoing engagement with the trustees of Mitie's defined benefit pension schemes

Measurement (link to KPI)

- Revenue
- Operating profit and margin
- EPS
- Dividend
- ROIC
- Total order book
- Free cash flow
- Average daily net debt and leverage
- Carbon emissions

Engagement in action

ISOC site visit

In April 2024, we hosted over 20 buy-side investors, sell-side analysts and advisors at our ISOC in Northampton. Our ISOCs are at the forefront of our technology-led approach and play a vital role in protecting millions of people nationwide, every day. From these locations we run security operations for some of the UK's leading brands and most high-profile locations. Our extensive Mitie footprint across the UK allows our dedicated team of analysts to review large-scale data sets to monitor crime and incident trends, enabling our customers to make informed decisions, and implement appropriate security measures.

The site visit comprised a presentation by Jason Towse, MD, Business Services, and his team, followed by a tour of the Intelligence Hub and one of our customer SOCs, alongside a live link to our ISOC in Craigavon, Northern Ireland. We revisited the ISOC in Northampton with a small group of investors later in the year.

Customers

We have over 3,000 public and private sector customers across segments such as central government, critical national infrastructure, defence, financial and professional services, healthcare & life sciences, local government & education, retail & logistics, and transport & aviation.

Why we engage

High-quality customer engagement offers benefits beyond service delivery. Customers value our deep understanding of their unique environments, allowing us to anticipate their needs and tailor solutions aligned with their goals. Our NPS of +63 reflects our systematic approach to managing customer relationships. By adopting structured customer feedback, we have created a closed loop system where insights drive operational improvements, with action plans in place for 96% of our strategic accounts.

How the Group engages

- Regular engagement by the SLT, including structured briefings featuring customer feedback
- Customer experience and satisfaction surveys providing insights into satisfaction and service delivery effectiveness
- Leveraging ISO 44001 both for full certification and implementing principles across customer accounts
- Regular customer account health and performance reviews, identifying relationship strengths, challenges and growth opportunities
- Contractual measurement through KPIs
- Participation in industry forums and events, including Mitie-delivered customer briefing events
- Regular communications via press releases, our website, social media channels, newsletters, articles and thought leadership pieces

How the Board engages and is kept informed

- Customer experience survey results
- Regular Board updates on customer views
- Accounts health and performance reviews

Key issues

- Technology and innovation
- Health, safety and sustainability
- Quality assurance and insights
- Economic outlook, i.e. inflation, cost of living and geopolitical uncertainty
- Regulatory compliance, governance and transparency
- Decarbonisation
- Energy security

Actions taken in FY25

- Annual customer experience programme measuring NPS
- Over 1,000 actions identified via the annual NPS programme, directly addressing customer priorities and elevating service delivery standards
- Launched customised user experience surveys delivering granular feedback related to capital projects
- Held strategic customer engagement events through webinars, breakfast briefings and executive dinners to share insights and best practice
- Conducted in-depth market research to understand evolving customer needs and emerging trends, enabling proactive solution development
- Achieved ISO 44001 accreditation for collaborative business relationships, demonstrating our commitment to partnership excellence
- Multi-channel digital engagement programmes and campaigns to reach customers, including via social media and email
- Annual programme of events and visits to Mitie's four customer experience hubs, covering topics such as Safer Communities, hygiene for retailers and decarbonisation

Measurement (link to KPI)

- Customer satisfaction (customer NPS)
- User experience surveys
- Helpdesk user surveys
- 360 feedback from Cabinet Office supplier survey
- Satisfaction ratings for individual contract performance
- Engagement and satisfaction with events management
- ISO 44001 certification achievement across account base

Engagement in action

Working with NATS

Our work with NATS, the UK's leading air traffic control services provider, demonstrates how we approach customer engagement and collaboration. The project focused on implementing ISO 44001, the international standard for collaborative business relationships, to support NATS' 2040 strategy. Mitie was selected as NATS' facilities management partner after demonstrating alignment with ISO 44001 principles and a commitment to collaborative working.

We facilitated joint collaboration workshops to embed a culture of partnership, focusing on risk management and value creation. The workshops resulted in the creation of a joint relationship management plan and a Partnership Charter, aligning both organisations to shared goals. The plan and Charter ensured effective governance, value tracking, risk management and alignment with NATS' 2040 strategy.

Achieving ISO 44001

Achieving ISO 44001 (the international standard for collaborative business relationships) certification in May 2024 represents a significant milestone for Mitie as we work to create shared value and drive long-term success across our client relationships. By embedding ISO 44001 principles into our culture, we not only strengthen trust with our partners but also foster a more agile and responsive business model. By closely aligning with our customers' goals, we co-create innovative, sustainable and mutually beneficial solutions. We are committed to leveraging this certification to enhance collaboration with all customers to deliver value in an evolving market.

Colleagues

Mitie's exceptional and diverse colleagues work around the clock, caring and supporting each other, our customers and the communities we serve.

Why we engage

Mitie is a destination employer within our industry. We are committed to providing our colleagues with a place of work where they can thrive and be their best every day, and creating a diverse and inclusive workplace where everyone can reach their full potential.

How the Group engages

- Regular colleague engagement surveys with action taken on feedback
- A mix of online and offline communications, campaigns and channels
- MyMitie – our Employee Value Proposition campaign
- Recognising exceptional and long-service colleagues through Mitie Stars
- Town Hall company updates, CEO updates, podcasts and videos
- Annual performance reviews, and learning and development training
- Career development through MyCareer
- Confidential whistleblowing service
- SLT outreach events (Team Talk Local)

How the Board engages and is kept informed

- Colleague listening sessions: engaging with and responding to feedback from colleagues at events throughout the year, led by Jennifer Duvalier (the designated NED for workforce engagement), and attended by up to two other Board members per session
- Direct access to the CEO via 'Grill Phil', his interactive feedback channel

Key issues

- Culture and values
- Reward and recognition
- Tools to do the job: systems, processes and technology
- Health, safety and wellbeing
- Equality, diversity and inclusion
- Learning and development
- Rising cost of living
- People manager engagement
- Ability to attract, recruit and retain talent

Actions taken in FY25

- Awarded over 27,000 Mitie Stars and invested c.£83,000 of prize money in reward schemes, as showcased at our Mitie Recognition Event
- Awarded free shares to all colleagues for the fifth year in a row
- Delivered 20 diversity network events, with our six flagship events having over 500 colleagues participating
- Offered over 90 technical, professional and managerial apprenticeship courses, including a Senior Women in Leadership Level 7 course in partnership with Corndel
- Delivered 20 colleague listening events sessions, in the UK and overseas
- Delivered 655 Team Talk Local events

Measurement (link to KPI)

- Females in senior leadership
- Racial diversity in senior leadership
- Employee turnover
- Lost time injury frequency rate
- Number of apprentices
- Employee engagement

Engagement in action

Team Talk Local

Mitie launched Team Talk Local in FY24 to enhance colleague engagement, with a particular focus on middle managers and frontline supervisors. The initiative aims to bring engagement directly to the workplace, overcoming barriers faced by colleagues in accessing digital tools and attending events.

A key element of Team Talk Local is the focus on equipping people managers with high-quality materials to drive rich conversations, in a format and location that works best for them and their teams. The content for Team Talk Local sessions is 80% fixed and 20% tailored to the specific audience. The fixed content comprises a blend of videos (including from our CEO Phil Bentley) and guides to facilitate sessions on key topics including Health & Safety, Employee Voice and team recognition events.

During FY25, we delivered 655 Team Talk Local sessions, almost twice that of the prior year. Our data shows that a large majority of attendees were from our target audience of middle managers and frontline colleagues. As a result, Team Talk Local has become a priority channel for engagement as we invest in and expand, our digital capabilities.

Suppliers

Mitie spends over £2bn per annum across its supply chain and actively promotes small and medium-sized enterprises (SMEs), voluntary, community and social enterprises (VCSEs) and diversely owned businesses.

Why we engage

Over 8,000 suppliers make a vital contribution to Mitie's performance, of which 590 are on Mitie's Preferred Supplier List (PSL) and account for over 60% of spend. We encourage our suppliers to work collaboratively and responsibly, to ensure continual improvement in our operations. We are committed to ensuring a responsible supply chain.

How the Group engages

- Supplier NPS survey of Mitie's PSL
- Supplier Management Programme, onto which the PSL are inducted
- Communications through various channels, including MitieSuppliers.com and Coupa (our digital supplier platform)

How the Board engages and is kept informed

- Chief Procurement Officer updates are provided at Board meetings
- A report is issued for every Board meeting, highlighting key developments affecting the business, including the impact of inflation, latest deals with suppliers and progress against targets
- Monthly business reviews are conducted with each business division and internal stakeholder group

Key issues

- Economic outlook, i.e. inflation, cost of living and geopolitical uncertainty
- M&A and subsequent integration and standardisation of processes within acquired entities
- High standards of product quality and service delivery
- Continuous operational improvement and cost control
- Responsibility and integrity, including ESG matters, trust and ethics

Actions taken in FY25

- Continued deployment of Coupa and integration into Maximo and SAP
- Development of a new Social Value Charter that will underpin our ESG initiatives from FY26
- Ongoing corporate membership of Minority Supplier Development UK
- Supported Social Enterprise UK, encouraging local enterprises to join Mitie's supply chain
- EcoVadis award for being in the top 4% of suppliers for sustainable procurement practices
- Completed the deployment of a new Supplier Management Programme across Mitie's PSL
- Continued optimisation initiation, increasing PSL spend to over 60%
- Hosted first PSL supplier conference, attended by our top 250 suppliers

Measurement (link to KPI)

- Average daily net debt and leverage ratio
- Carbon emissions
- Supplier satisfaction score (supplier NPS)
- Supply chain diversity (e.g. VCSEs, SMEs and racial diversity)

Communities

Our communities comprise those who live and work locally to our operations and those who represent the needs of the communities in which we operate, including charities, independent bodies and local government.

Why we engage

Building positive relationships with local communities is important for our performance and helps us to recruit and retain talented colleagues. We support our communities through a wide range of volunteer and fundraising initiatives.

How the Group engages

- The Mitie Foundation programmes
- Plan Thrive social value programme
- Career events hosted in the local communities where we work
- Local charity fundraising events
- Local community events
- Giving Back colleague volunteering days
- Meeting local politicians

How the Board engages and is kept informed

- Mitie's ESG Committee is chaired by a NED
- The ESG Committee oversees new initiatives and monitors our progress on priorities, including volunteering, mental health and the Armed Forces Covenant
- Each priority has an agreed target, with performance reported via Mitie's Social Value dashboard
- The chair of the Committee provides an update at each Board meeting

Key issues

- Jobs and investment
- Local operational and environmental impact
- ESG performance
- Rising cost of living

Actions taken in FY25

- 32,000 volunteering hours delivered
- Volunteering events undertaken with Poppy Appeal, Macmillan coffee mornings, NSPCC and Career Ready Plus
- Introduced sponsored internships with Mencap and DFN Project SEARCH
- Sponsored and promoted the Army Rugby Union
- Contributed £65,000 to good causes

Measurement (link to KPI)

- Carbon emissions
- Volunteer hours
- Community investment
- Ex-armed forces colleague recruitment

Government

We engage with the UK Government both in its capacity for setting policies and the regulatory agenda and as a customer. The services we provide on behalf of the UK Government affect the lives of thousands of people every day. Public sector work accounts for over half of our revenue.

Why we engage

Our continued engagement with the UK Government enables us to support it in shaping new policies and regulations that impact our business, colleagues and customers, as well as the communities we serve.

How the Group engages

- Responses to government consultations
- Participation in industry forums
- Conferences and speaking opportunities
- Attendance at events with parliamentary stakeholders
- Letters to and meetings with policymakers and civil servants to share relevant updates
- Engagement with relevant All-Party Parliamentary Groups and other committees

How the Board engages and is kept informed

- Regular updates in Board papers
- Material issues discussed at Board meetings
- Weekly updates sent to Board

Key issues

- Mitie's financial performance
- Major business updates
- Mitie's ESG performance
- Mitie's governance processes and transparency
- How existing or anticipated legislation is impacting or may impact our business
- Mitie's experience of public sector procurement processes

Actions taken in FY25

- 19 executive meetings with the Cabinet Office (CO) Strategic Partnering Manager of Built Environment, and Director for Markets and Suppliers
- Annual, quarterly and monthly Partnership Executive Meetings with the CO and government department representatives
- Submitted annual strategic review for Mitie to the CO for its assessment
- 15 meetings and events, engaging with over 50 parliamentary stakeholders
- Labour Party Conference panel session hosted on 'galvanising green growth to decarbonise the built environment'
- London Parliamentary Labour Party reception hosted at The Shard, welcoming 23 MPs to our offices, including five Ministers, five Select Committee Chairs and the Mayor of London
- Ongoing development of senior stakeholder relationships and lobbying across the public sector and the political spectrum, working with our external public affairs consultants

Measurement (link to KPI)

- Customer satisfaction (customer NPS)
- Satisfaction ratings for individual contract performance
- Meetings with policymakers
- Evidence submissions and engagements related to policy

s172 STATEMENT

Considering our stakeholders in key business decisions

Considering stakeholders in key business decisions is essential for driving long-term value creation. Balancing the needs and expectations of stakeholders is a crucial and challenging task. Board Directors, under the Companies Act 2006 (the Act), are required to promote the success of the Company for the benefit of its members as a whole. In doing so, they must consider the interests of all stakeholders to ensure the Company's long-term sustainability. The Board is responsible for ensuring that it meets its obligations to those affected by our business through stakeholder consideration and engagement. Stakeholder consideration is integrated throughout the business, with the Board and senior management involved in various communication and engagement initiatives.

Details of Mitie's key stakeholders, how the Group has engaged with them during FY25, and the outcomes of that engagement are set out on pages 34 to 38. Engagement activities specifically carried out by the Board collectively and individually can be found on page 99.

The following pages include our Section 172(1) statement, outlining how the Board has considered the matters set out in Section 172(1) (a) to (f) of the Act during the year, along with examples of how each key stakeholder has been considered and engaged. Additional information is available throughout the Annual Report.

s172 consideration	Further information	Pages
a) The likely consequences of any decision in the long term	• Strategy • Business model • Stakeholder engagement • Board leadership and Company purpose	21 32 34 95
b) The interests of the company's employees	• Stakeholder engagement • Sustainability statement • Principal risks and uncertainties • Board activities: Stakeholder engagement • Culture at Mitie • ESG Committee report • Directors' remuneration report	34 50 76 99 102 121 124
c) The need to foster the company's business relationships with suppliers, customers and others	• Sustainability statement • Stakeholder engagement • Principal risks and uncertainties • Non-financial and sustainability information statement	50 34 76 88
d) The impact of the company's operations on the community and the environment	• Sustainability statement • Principal risks and uncertainties • ESG Committee report	50 76 121
e) The desirability of the company maintaining a reputation for high standards of business conduct	• Strategy • Business model • Principal risks and uncertainties • Non-financial and sustainability information statement • Board leadership and Company purpose	21 32 76 88 95
f) The need to act fairly as between members of the company	• Business model • Finance review • Stakeholder engagement • Directors' report	32 45 34 138

Key decisions in the year

Our comprehensive governance framework facilitates Board decision-making through scheduled meetings and well-defined delegations of authority. The Board ensures that it receives high-quality information, including stakeholder perspectives, to guide its decisions.

Throughout the year, the Board has taken numerous decisions that support the Company's purpose, strategy and long-term sustainability. Each decision was made in accordance with the considerations outlined in Section 172(1) of the Act. Herein, we provide a detailed analysis of these decisions, and the considerations involved.

New Company purpose

In FY25, the Board approved Mitie's new Company purpose (the 'purpose'), 'Better Places; Thriving Communities'. The purpose unites everyone at Mitie – from the Board to frontline colleagues – around a shared commitment to help shape the communities where we live and work. It reinforces our belief that everyone has a role in taking care of the places that shape communities, while remaining dedicated to enhancing performance and delivering long-term, sustainable value.

During the development of the purpose, the Board considered the need for a refreshed narrative that aligned with Mitie's strategy, market position and feedback from internal and external stakeholders.

Stakeholder considerations (colleagues, customers, community and environment)

- Acknowledging the importance for colleagues to work for an organisation that makes a meaningful, positive impact on society
- Empowering Mitie people to bring their authentic selves to work every day
- Clearly defining Mitie's breadth of services and specialist capabilities and capacity to create long-term value for customers
- Reiterating the importance of serving Mitie's local communities
- Building Mitie's brand awareness by communicating our purpose and showcasing the positive impact the Company delivers

Actions taken by the Board

- Considered detailed papers prepared by management on the proposed purpose and evaluated its alignment with the Company's strategy, particularly in relation to Mitie's positioning during the year
- Unveiled the purpose at a conference of c.200 senior leaders and Strategic Account Management colleagues in April 2025, and supported a roll-out of the new purpose, including tools and training to help and support all Mitie colleagues, shortly thereafter

Outcome and impact of the decision

The Board believes that, when people feel connected, collaboration improves and colleagues feel safe and secure, with a strong sense of belonging. This motivates Mitie to make every place we touch safer, cleaner, more secure and sustainable. Taking care of places means taking care of people and communities. When communities prosper, everyone benefits.

Plan Thrive

To further support the Company's new purpose, the Board reviewed and approved Plan Thrive – a strategic framework designed to embed social value across Mitie's operations. Plan Thrive aims to align more closely with stakeholder priorities, enhance the Company's competitive positioning and meet various social and environmental challenges. Mitie already has a strong track record of delivering impactful social initiatives, including through the Mitie Foundation, apprenticeship schemes, learning and development programmes, and responsible supply chain management. In designing and implementing Plan Thrive, the Board considered the views of various stakeholders to ensure it delivered meaningful and measurable outcomes.

Stakeholder considerations (colleagues, customers, community and environment)

- Plan Thrive was tested with key customers and delivery partners, receiving strong support and a commitment to collaborate in its delivery
- Plan Thrive demonstrates the Company's commitment to creating social value and a lasting impact on communities and stakeholders
- Building upon the Company's current Social Value offering to clients and offering a more focused and tailored approach to provide social outcomes aligned with Mitie's suppliers

Key pledges include:

- Uplifting one million lives – through the creation of employment opportunities, investment in skills development, and the promotion of an inclusive and supportive workplace culture
- Enabling 1,000 places to prosper – by delivering meaningful social value initiatives across the communities and environments in which Mitie operates
- Championing investment in partnership and the supply chain – by collaborating with Social Value Delivery Partners and enhancing how social value is embedded across our supply chain
- Measuring impact transparency – through the phased implementation of the Thrive platform to monitor, evaluate and report outcomes to clients and stakeholders

Full details of these pledges are outlined within the ESG/Impact Report.

Actions taken by the Board

- Reviewed and approved Plan Thrive, a strategic framework to support embedding social value across Mitie's operations
- Engaged stakeholders during the design and implementation stages to ensure that the Plan aligned with their key priorities
- Had oversight of Plan Thrive's formation to ensure that it supported the Company's new purpose and long-term strategic objectives
- Endorsed specific pledges and goals to enhance accountability and track progress

Outcome and impact of the decision

The approval of Plan Thrive by the Board has enhanced Mitie's stakeholder alignment and competitive edge, with strong client support. It sets clear social value goals that reinforce Mitie's impact across communities and its supply chain.

Acquisitions

Mitie completed three strategic acquisitions during FY25: ESM Power (July 2024), Spanish-based security company Grupo Visegurity (October 2024) and Argus Fire (October 2024). When considering each proposed acquisition, the Board considered the strategic risks for stakeholders.

Stakeholder considerations (colleagues, customers, community and environment)

- New colleagues benefit from becoming part of a larger, more profitable company
- They also benefit from our established engagement mechanisms, culture and values, substantial learning and development opportunities, technology and innovation, benefits and rewards
- Potential people synergies on consolidation
- Talent flight risk from new colleagues
- Opportunities to enhance our portfolio of services, enabling us to deliver new and complementary services to existing customers as well as new customers
- Roll-out of our customer-facing technologies to the customers of the acquired business, improving those customers' experience
- Risk of renegotiation or early termination of customer contracts
- Impact on EPS and return on invested capital
- Potential cost synergies, as well as the possibility of unexpected liabilities and costs or inaccurate assumptions and estimates relating to benefits and synergies
- Expected stronger financial profile supporting a progressive dividend policy
- Possible difficulties integrating the acquired businesses
- Impact on our social value agenda and Plan Zero targets and milestones

Actions taken by the Board

- Consideration of detailed Board papers prepared and presented by divisional management and the output from a comprehensive due diligence process
- Consideration of the proposed acquisitions in the context of Mitie's strategy
- Discussion and decision on the structure and timing of post-investment reviews, based on learnings from previous acquisitions

Outcome and impact of the decision

After thoroughly considering Section 172 of the Act, associated risks and opportunities, and the impact on various stakeholders, the Board approved the acquisitions. These acquisitions strengthened Mitie's leadership in the electrical engineering market with ESM Power, expanded the company's security offerings in Spain with Grupo Visegurity, and bolstered its engineering-led fire systems business with Argus Fire.

Share buyback and purchase of shares for all employee incentive schemes

In April 2024, Mitie announced a share buyback programme with a maximum value of £50m, split into two tranches of £25m each. The announcement also reiterated the Board's decision to repurchase shares for all employee incentive schemes, aiming to prevent the dilutive effect of issuing new shares to fulfil these schemes.

In evaluating the proposal, the Board considered the cash flow generated during FY25, the strength of the balance sheet, and the Company's capacity to support future growth opportunities while delivering increased returns to shareholders in relation to the capital allocation policy.

Following a strong financial performance in FY24 and continued momentum in Q1 of FY25, and after assessing the expected timing of its M&A pipeline, the Company decided to increase its share buyback programme by an additional £50m, raising the total to £100m. This increase was officially confirmed in July 2024.

Stakeholder considerations (colleagues, customers, community and environment)

- Return of value to shareholders and offsetting of any dilution from new share issues in connection with Mitie employee incentive schemes
- Impact on distributable reserves and ability to pay dividends
- Impact on capital available for future M&A activities
- Ability to stay well within financial covenant ratios and maintain financing headroom, ensuring RCF banks and private placement noteholders would not be disadvantaged
- Ensuring the Mitie Group pension scheme would not be unfairly treated as a result of implementing the buyback programme
- Launch of buyback programme sends a positive signal that the Company is doing well and has a strong balance sheet
- Save As You Earn (SAYE) schemes to be satisfied with treasury shares rather than shares held by the Mitie Group plc Employee Benefit Trust, mitigating unnecessary stamp duty expenses for colleagues

Actions taken by the Board

- Consideration of detailed Board papers prepared and presented by management on Mitie's capital allocation policy, including updates on financial performance and liquidity
- Discussions on the rationale for a buyback programme, including the quantum and methodology, governance and affordability, level of distributable reserves, mechanics, execution and the timing of such purchases
- Consideration of detailed Board papers prepared and presented by management on proposed share plan funding, including cash cost and affordability

Outcome and impact of the decision

During the year, a total of 89m shares were purchased under the buyback programme, of which 79m were cancelled. The remaining 10m shares were purchased to satisfy awards vesting under Mitie's 2021 SAYE scheme in February 2025, for which Mitie received proceeds of c.£4m arising upon exercises up to 31 March 2025 (being the discounted option price paid by employees).

Further information on our discretionary share plans can be found in the Directors' remuneration report, which begins on page 124.

The Company has since launched a further £125m buyback programme for FY26 as part of the capital allocation policy.

Our divisional performance

As part of our Facilities Transformation Three-Year Plan (FY25 – FY27), we have simplified our organisational structure to align to our core service line capabilities of Engineering Maintenance, Security and Hygiene. As such, from the start of FY25, we absorbed the Central Government & Defence division into Business Services (Central Government) and into Technical Services (Defence). Police services, which was previously reported within Care & Custody in Communities, is now reported within Business Services.

Business Services

Business Services is the UK's largest provider of technology-led security and hygiene services across c.2,500 contracts, with sector expertise in retail, transport & aviation, central government and financial & professional services. It also provides landscaping and waste services, and Mitie's Spanish business is reported within the division.

Performance highlights

Business Services, £m	FY25	Restated[1] FY24	Change
Revenue (including share of JVs and associates)	**2,244**	1,977	14%
Security[1]	**1,067**	863	24%
Hygiene	**461**	407	13%
Central Government[1]	**384**	447	(14%)
Spain	**167**	114	46%
Waste	**85**	77	10%
Landscapes	**80**	69	16%
Operating profit before Other items	**163.0**	149.8	8.8%
Operating profit margin before Other items	**7.3%**	7.6%	(0.3)ppt
Total order book	**£5.3bn**	£3.3bn	61%

1. Restated to reflect the change to divisional reporting to include Police services (within Security) and Central Government in Business Services. FY24 restated Central Government revenue excludes £77m reclassified to Defence relating to the Landmarc step acquisition.

14%
Revenue growth

8.8%
Operating profit growth

£5.3bn
Total order book

Performance highlights

- Revenue +14% to £2,244m (FY24: £1,977m), reflects new wins, the provision of 'surge response' security services, growth in projects, pricing and acquisitions, offset by the completion of certain public sector contracts
- Operating profit before Other items +8.8% to £163.0m (FY24: £149.8m), reflects revenue growth and MEIs, offset by the higher margin public sector contracts that have ended and unfavourable weather conditions in Landscapes
- £3.9bn TCV of wins and extensions/renewals, primarily in Central Government and the retail sector, resulted in a 61% increase in the total order book to £5.3bn (FY24: £3.3bn)
- Mitie's position as a leading integrated fire & security systems provider enhanced via the acquisition of Argus Fire
- Spanish security capability expanded through the acquisition of Grupo Visegurity

Operational performance

Business Services delivered a good performance in FY25, with revenue benefiting from new wins, the provision of short-term 'surge response' security services to the Home Office during the summer, projects work, pricing and the contribution from recent acquisitions (Argus Fire, Grupo Visegurity and GBE). This growth was partially offset by the completion of higher-margin, short-term public sector works, such as the Afghan Relocations and Assistance and Inland Border Forces contracts, and one notable Central Government contract that ended in March 2024.

The division secured £3.9bn TCV of contract wins and extensions/ renewals, primarily in Central Government and the retail sector. This included Mitie's largest contract award to date of £1bn TCV (£136m p.a.) over seven years plus a three-year extension, to provide security services across the DWP's national estate (from October 2025). Other wins included security and hygiene services for Community Health Partnerships and contracts with DVLA, Home Office and HMRC.

Retail is one of the division's largest sectors, with revenue of c.£400m p.a. and a blue-chip customer base of national retailers and flagship shopping centres. Alongside the continued growth in existing accounts, the division won new contracts to deliver security services for Aldi and Lidl, as well as fire maintenance work for Halfords. The largest contract renewals and extensions in the year were for the provision of hygiene services to a large e-commerce business and security services for Marks & Spencer (M&S).

The demand for risk-based 'intelligent' security and remote monitoring services continues to grow in the retail sector. During the year, the division completed a large-scale extension of its M&S Security Operations Centre (SOC) in Northampton, a large furniture retailer approved a dedicated SOC following a successful trial, and the division has a strong pipeline of opportunities to add to this unique offer with other national retailers. This capability is complemented by the ongoing development of leading technologies such as Vision AI theft analytics in partnership with SeeChange, which will be rolled out in FY26 following successful trials.

The increased revenue and benefit from MEIs were offset by the completion of the higher margin public sector contracts, a £1m debt provision relating to the administration of ISG (net of c.£2m recovered in H2) and the impact of unfavourable weather conditions on our Landscapes business. MEIs primarily focused on operational excellence and productivity improvements, including the outsourcing of mobile security response services.

Mitie's fire & security projects business enhanced its position as a top three integrated systems provider through the acquisition of Argus Fire in October 2024. This significantly increases Mitie's scale and self-delivered offering in the higher-growth, higher-margin c.£3bn p.a. UK fire & security market, and complements the prior year acquisitions of GBE Converge and RHI Industrials.

Overall, projects revenue in Business Services increased by 29% to £281m (FY24: £217m). Key projects work included the upgrade of critical security infrastructure across central government offices, the design and delivery of an integrated physical security, fire and civil engineering solution across 10 sub-stations for Scottish Power, the fit-out of fire & security systems within two data centres for Google and asset upgrades for National Grid. The projects order book and pipeline remain strong for FY26.

Mitie Spain benefited from net wins and acquisitions, including Grupo Visegurity, a leading security business acquired in October 2024. The acquisition builds Mitie Spain's security capabilities following the acquisition of Biservicus in FY24, providing an increasingly differentiated offering in an FM market dominated by single service providers.

Recent awards include British Security Awards – Business of the Year; Fire & Security Matters – Security Guarding Company and Security Project of the Year; Retail Risk, Fraud Awards – Physical Risk Management Team of the Year; OSPAS – Security Team of the Year.

Technical Services

Technical Services is the UK's largest provider of engineering maintenance services, managing facilities and critical assets across c.350 contracts, including for the Ministry of Defence (MoD). The division also delivers projects in high-growth areas including buildings infrastructure, decarbonisation and power & grid connections to help customers transform their built estates.

Performance highlights

Technical Services, £m	FY25	Restated[1] FY24	Change
Revenue (including share of JVs and associates)	1,977	1,817	9%
Engineering maintenance and projects	1,421	1,326	7%
Defence[1]	556	491	13%
Operating profit before Other items	79.0	74.9	5.5%
Operating profit margin before Other items	4.0%	4.1%	(0.1)ppt
Total order book	£5.0bn	£4.0bn	25%

1. Restated to reflect the change to divisional reporting to include Defence within Technical Services. FY24 restated Defence revenue includes £77m reclassified from Central Government relating to the Landmarc step acquisition.

9%
Revenue growth

5.5%
Operating profit growth

£5.0bn
Total order book

Performance highlights

- Revenue +9% to £1,977m (FY24: £1,817m), primarily driven by new wins and scope increases, acquisitions and pricing, offsetting the loss of one notable contract at the end of the prior year
- Operating profit before Other items +5.5% to £79.0m (FY24: £74.9m), reflects MEIs and acquisitions, partially offset by net contract losses and a loss in the telecoms infrastructure business
- £1.8bn TCV of contract wins and extensions/renewals resulted in a 25% increase in the total order book to £5.0bn (FY24: £4.0bn)
- Expertise in the growing power & grid connections market enhanced through the acquisition of ESM Power

Operational performance

Technical Services revenue benefited from good growth in Defence, reflecting the new Germany and wider Europe Defence Infrastructure Organisation contract which commenced in Q1, pricing, and the consolidation of Landmarc in the prior year. In Engineering the contribution from contract wins, scope increases and acquisitions (JCA and ESM Power) was partially offset by contract losses. The latter primarily related to one private sector IFM contract that ended in March 2024, although the division continues to deliver engineering project works on the contract (alongside subcontracted security, waste and landscaping services via Business Services).

Notable new engineering and IFM contract awards during the year included Colt Technologies, Dublin City University, EY, Grosvenor Ltd, Halfords, Metropolitan Police Service and Port of Dover. The division was also awarded a further contract extension with Mitie's largest private sector customer, LBG, in addition to notable extensions for Government Estate Management, Heathrow Airport, Marsh & McLennan, Primark and Vodafone.

MEIs focused on streamlining account structures, driving efficiency gains through the introduction of generative AI (GenAI) assistants and AI-driven tools to predict asset failures and optimise predictive maintenance, as well as reducing divisional overheads. The increased self-delivery of certain works, such as fire, water and asbestos compliance in Defence, is also gaining momentum as part of a Group-wide initiative.

Overall, the Technical Services operating margin was 4.0% (FY24: 4.1%), after factoring in an £11m loss (60bps) in the telecoms infrastructure business, which we have taken steps to address and returned to breakeven in Q4. Other factors that impact the margin include the division absorbing the management cost of IFM contracts and exposure to non-recoverable cost inflation. The division is expected to achieve an operating margin >5% by FY27 through projects upsell and further MEIs, including help desk consolidation.

Projects revenue in Technical Services increased by 7% to £821m (FY24: £765m), reflecting underlying growth offset by the anticipated closure of Mitie's roofing business and the exit from certain unprofitable frameworks in the telecoms infrastructure business. Technical Services projects included the installation of solar photovoltaic (PV) panels for NATS, Nuclear Restoration Services and across multiple David Lloyd sports centre sites. For NATS, over 2,600 solar panels were installed on the roof of its Swanwick control centre as part of their commitment to Net Zero, supplying up to 10% of the centre's electricity needs – equivalent to the annual consumption of c.330 family homes. At Heathrow Terminal 3, a new cooling package was designed and installed to maintain resilience ahead of the busy summer period. The division also undertook the restoration of a prominent LBG branch and commenced the refurbishment of a 1960s scenery workshop to create editing suites and offices for the BBC.

Across MoD contracts the division continued to deliver a range of projects, including to refurbish 174 service family accommodation properties, commence work to resurface a critical airfield at RAF Mount Pleasant in the Falkland Islands, and undertake refurbishment programmes, power reconfigurations and demolition works for Future Defence Infrastructure Services (FDIS) in Scotland and Northern Ireland.

Further projects capability was added in the growing power & grid connections market during the year through the acquisition of ESM Power, such that Mitie now offers a full suite of services of any size and voltage.

Recent awards include PFM Awards – Partners in Workplace Re-development (Royal London) and Partners in Cleaning for Large Estates (Heathrow); RoSPA – 'Gold' Award (GSK contract); Global FM Awards – Silver Award for People & Development; INEOS – European Safe Contractor of the Year Award.

Communities

The Communities division delivers sustainable outcomes as a trusted partner to the public sector across Local Government & Education, Healthcare and Care & Custody. The division operates over 100 private finance initiative (PFI) and traditional commercial contracts.

Performance highlights

Communities, £m	FY25	Restated[1] FY24	Change
Revenue including share of JVs and associates	**870**	717	21%
Local Government & Education	**300**	265	13%
Healthcare	**321**	275	17%
Care & Custody[1]	**249**	177	41%
Operating profit before Other items	**47.5**	36.1	31.6%
Operating profit margin before Other items	**5.5%**	5.0%	0.5ppt
Total order book	**£5.1bn**	£4.1bn	24%

1. Restated to reflect the change to divisional reporting to report Police services (previously in Care & Custody) in Business Services.

21%
Revenue growth

31.6%
Operating profit growth

£5.1bn
Total order book

Performance highlights

- Revenue +21% to £870m (FY24: £717m), reflecting contract scope increases in Care & Custody, new wins, projects and variable works, and pricing
- Operating profit before Other items up 31.6% to £47.5m (FY24: £36.1m), largely reflecting good trading momentum, MEIs, reduced losses on one PFI contract and a one-off legal settlement
- £1.8bn TCV of contract wins, extensions/renewals and scope increases, resulted in a 24% increase in the total order book to £5.1bn (FY24: £4.1bn)

Operational performance

Communities delivered strong revenue growth, reflecting sustained higher volumes on the Immigration Escorting Services contract in Care & Custody, projects and variable works, pricing, and the contribution from current and prior year contract wins.

During the year, the division secured £1.8bn TCV of contract wins, extensions/renewals and scope increases to existing contracts. Notable wins included a 10-year £400m TCV contract to operate HMP Millsike and a hard services contract for Coventry and Rugby Hospital, which commenced in Q1 FY25. Notable extensions/renewals included University Hospitals Dorset and Birmingham Community Healthcare NHS Foundation Trusts.

Operating profit benefited from good trading momentum across several Healthcare & Education accounts, MEIs, a further reduction in losses on one historically challenging PFI hospital contract to £0.6m (FY24: £3.9m loss) as a result of management actions to improve productivity and re-set pricing, as well as a one-off legal settlement. As part of the MEI programme, the division has driven cost savings through an enhanced procurement strategy to further consolidate its list of preferred suppliers, as well as adding additional commercial team capability to optimise long-term PFI contracts.

These improvements more than offset the costs associated with mobilising the HMP Millsike contract, including the recruitment and training of colleagues to facilitate the opening of the prison. Following handover to Mitie, the first prisoners were accepted in April 2025, and the prison has capacity for c.1,500 Category C inmates.

A standalone PFI hand-back team has been established to monitor and manage long-term PFI contracts as they approach maturity, and a playbook has been created to manage the contracts during the final five to seven years through standardised controls and processes. During FY25, one small PFI contract was successfully handed back, with a further two due in FY26.

Overall, projects revenue in Communities increased by 26% to £144m (FY24: £114m). Healthcare projects included starting work on 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 project works. Across the education sector, Mitie delivered lifecycle and upgrade projects to over 150 schools, including roof and asset replacements and energy efficiency works. The division also delivered several large refurbishment projects in the local government sector, while working towards securing over £5m in Public Sector Decarbonisation Scheme projects. For Essex County Council, decarbonisation and energy projects across the portfolio included the replacement of gas fired boilers with ground source heat pumps, LED lighting upgrades and the installation of ground mounted solar PV panels.

Communities has continued to develop its technology capabilities, including to use the Internet of Things (IoT) to track the location of wheelchairs and other mobile critical care appliances at a major acute care hospital in partnership with Vodafone. This has resulted in a reduction in response and porter task times and an increase in the number of daily hygiene tasks completed. Trials of Mitie's Merlin for Hygiene application have been successfully completed in a health and care partnership facility to enhance productivity.

Recent awards include PFI Partnerships Bulletin Awards – Best FM and Technology Provider (recognising the leading technology that we have deployed at Cumberland Royal Infirmary); IWFM Positive Impact Climate Action – Towards Net Zero (Essex County Council).

FINANCE REVIEW

A strong financial performance

We have made a good start to our three year plan, with robust revenue growth and further savings from margin enhancement initiatives. Margins have been stable, despite the investments we have made to drive future growth. Another year of strong free cash flow generation has underpinned our ongoing returns to shareholders.

Simon Kirkpatrick
Chief Financial Officer

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	FY25	FY24
Revenue including share of joint ventures and associates	**5,091.2**	4,510.7
Group revenue	**5,082.6**	4,445.2
Operating profit before Other items	**234.1**	210.2
Other items	**(72.5)**	(44.5)
Operating profit	**161.6**	165.7
Net finance costs	**(16.2)**	(9.4)
Profit before tax	**145.4**	156.3
Tax	**(37.0)**	(25.4)
Profit after tax	**108.4**	130.9
Profit attributable to non-controlling interest	**(7.0)**	(4.6)
Profit attributable to owners of the parent	**101.4**	126.3
Basic earnings per share before Other items	**12.7p**	12.3p
Basic earnings per share	**8.2p**	9.8p

Revenue

Revenue for FY25 of £5,091m, including share of revenue from joint ventures and associates, has improved by 12.9% compared to last year (FY24: £4,511m). Of this growth, 8.5% (£383m) was organic, driven by growth in Core FM (+5.6ppt), Projects (+0.2ppt) and pricing (+2.7ppt). The remaining 4.4% (£197m) of growth was inorganic.

Organic Core FM growth of £251m included revenue from new key accounts such as Aldi, Lidl and EY, higher volumes for the existing immigration services contract, and the provision of 'surge response' security services for the Home Office during the summer. This more than offset the completion of the Afghan Relocations & Assistance and Inland Border Force contracts, and the prior year losses of two notable contracts; one Central Government contract, and one private sector contract that transitioned to a global provider.

Organic Projects growth was £11m in the period, driven by good growth in Business Services and Communities, as a result of the upgrade of critical security infrastructure across Central Government offices, decarbonisation works, and asset lifecycle upgrades. This was largely offset by a reduction in organic projects revenue in Technical Services, where we took strategic decisions to exit certain unprofitable frameworks in the telecoms infrastructure business and close the legacy roofing business, combined with a number of delayed data centre builds, where customers have been reassessing the significant increase in scale, power and cooling requirements arising from AI.

The repricing of revenue for inflation has added £121m in FY25 (FY24: £177m), reflecting the lower CPI rates this year, which drive repricing in the majority of our contracts.

The £197m of inorganic growth related to the strategic acquisitions of ESM Power, Argus Fire and Grupo Visegurity this year, combined with the full-year impact of prior year M&A, related to the consolidation of Landmarc (explained below) and the acquisitions of JCA Engineering and GBE Converge.

Operating profit

Operating profit before Other items was £234.1m (FY24: £210.2m), an increase of £23.9m (+11.4%) in the year. The improvement was driven by Core FM and Projects growth (£12.2m), margin enhancement initiative savings (£25.2m), and inorganic growth (£12.7m), partially offset by investments being made to underpin our growth strategy (-£17.3m), and unrecovered costs associated with inflation and the changes to employers' National Insurance Contributions (-£8.9m).

The Core FM and Projects growth was driven by the revenue growth outlined above, combined with contract margin improvements, in particular in Communities where the profitability on one notable loss-making contract acquired with Interserve has significantly improved as a result of the successful execution of a turnaround plan, and some commercial contract settlements. Core FM and Projects also includes a loss of £10.7m from the telecoms infrastructure business which has been undergoing a turnaround, resulting in it returning to breakeven in the last quarter.

Savings from margin enhancement initiatives (MEI) are largely driven by the Target Operating Model programme, which contributed £8.6m of savings through overhead efficiencies such as optimisation of the Group's organisational structure, and consolidating core systems and processes. As previously highlighted, this programme has been extended into contracts and operations, which contributed a further £5.4m of savings during the year, 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. In addition, we have continued to deliver incremental savings through the roll-out of Coupa (our digital supplier platform) across the Group which was completed this year, with an incremental £11.2m of savings.

Inorganic profit growth included profits from the FY25 acquisitions of ESM Power, Argus Fire and Grupo Visegurity, together with the full-year impact of prior year M&A, including £6.4m from the consolidation of Landmarc (explained below), and the acquisitions of JCA Engineering and GBE Converge.

The investments that we have made in FY25 (£17.3m) have largely focused on sales, marketing and technology, and will help to drive growth in the final two years of our Three-Year Plan. The investments include £7.0m of mobilisation costs for the Millsike prison contract, which commenced operations in April 2025.

Operating profit after Other items was £161.6m (FY24: £165.7m), with the increase in operating profit from the factors outlined above being more than offset by higher non-cash Other items, which are explained below.

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 have increased by 9% to £55.4m (FY24: £50.6m), reflecting growth in the business, partially offset by overhead savings across functions and shared services.

Other items

£m	FY25	FY24
Target Operating Model	(14.4)	(20.4)
Digital supplier platform	(3.4)	(3.7)
Margin enhancement initiative cash costs	(17.8)	(24.1)
Target Operating Model non-cash costs	(2.2)	–
Margin enhancement initiative costs	**(20.0)**	(24.1)
Employment-linked earnout charges	(8.6)	(9.5)
Other acquisition-related costs	(4.9)	(4.0)
Acquisition-related cash costs	(13.5)	(13.5)
Landmarc step acquisition gain	–	17.9
Amortisation of acquisition-related intangible assets	(29.6)	(24.8)
Acquisition-related costs	**(43.1)**	(20.4)
Pension-related cash costs	(3.0)	–
Pension-related non-cash costs	(6.4)	–
Pension-related costs	**(9.4)**	–
Total Other items	**(72.5)**	(44.5)
of which cash Other items	(34.3)	(37.6)

The Group incurred £72.5m of Other items in FY25 (FY24: £44.5m), of which £34.3m were cash Other items, and £38.2m were non-cash.

Cash Other items of £34.3m in FY25 were £3.3m lower than in FY24 (FY24: £37.6m), and comprised the costs of delivering the Group's margin enhancement initiatives of £17.8m (FY24: £24.1m), acquisition-related costs of £13.5m (FY24: £13.5m) and pension-related costs of £3.0m (FY24: £nil).

The margin enhancement initiative costs of £17.8m (FY24: £24.1m) included the implementation teams, related redundancy costs, professional fees and dual running costs as part of decommissioning systems.

Acquisition-related costs include employment-linked earnout charges of £8.6m in FY25 (FY24: £9.5m), which 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 of £4.9m (FY24: £4.0m) comprise transaction costs of £4.3m (FY24: £2.9m), primarily related to professional fees, and movements on opening balance sheet provisions recognised on acquisition of Interserve and GBE of £0.6m (FY24: £1.1m).

Pension-related cash costs of £3.0m (FY24: £nil) largely relate to the £2.8m settlement charge incurred in relation to Mitie's Section 75 pension liabilities under the Plumbers' Pension Scheme. This was part of a full and final settlement, which protects Mitie from any future liabilities from the scheme. Further details are set out in Note 31 to the consolidated financial statements.

Non-cash Other items of £38.2m (FY24: £6.9m) comprised £29.6m (FY24: £24.8m) of amortisation of acquisition-related intangible assets, £6.4m (FY24: £nil) of pension-related costs (which are further explained in Note 4 to the consolidated financial statements), and £2.2m (FY24: £nil) of Target Operating Model costs related to the disposal of software. The non-cash Other items number in FY24 included a £17.9m fair value gain (credit) from the Landmarc consolidation (which is explained below).

Net finance costs

Net finance costs increased to £16.2m in FY25 (FY24: £9.4m), as a result of the increased utilisation of our Revolving Credit Facility (RCF) and a decrease in surplus cash available to place on deposit, reflecting the higher levels of net debt explained below. The interest charge on leases increased by £3.1m, due to the higher lease liabilities explained below.

Tax

The tax charge for the year was £37.0m (FY24: £25.4m), comprising a tax charge on profit before Other items of £51.6m (FY24: £37.9m) and a tax credit on Other items of £14.6m (FY24: £12.5m).

The effective tax rate (ETR) on profit before Other items of 23.7% (FY24: 18.9%) is higher than in FY24, because FY24 benefited from the recognition of deferred tax assets related to the losses acquired with the Interserve business. Excluding the impact of this benefit, the ETR before Other items in FY24 would have been 23.3%.

After Other items, the tax charge for the year equated to an ETR of 25.4%, which is higher than the standard UK corporation tax rate of 25% due to certain Other items costs, primarily related to acquisitions, not being deductible for tax purposes.

Mitie is a significant contributor of revenues to the UK Exchequer, paying £1.1bn of taxes in the year (FY24: £963m). Of this total, £201m (FY24: £174m) relates to taxes borne by Mitie (principally UK corporation tax and employers' National Insurance Contributions) and £902m (FY24: £789m) relates to taxes collected by Mitie on behalf of the UK Exchequer (principally VAT, income tax under PAYE and employees' National Insurance Contributions).

The Group paid corporation tax of £11.0m (FY24: £16.9m) in the year, of which £6.4m (FY24: £12.7m) was paid in the UK, and £4.6m (FY24: £4.2m) overseas. The corporation tax paid in the UK is lower than the corporation tax charge for the year due to the utilisation of deferred tax assets related to losses.

Mitie has recently been awarded a Fair Tax Mark from the Fair Tax Foundation, demonstrating the Group's commitment to being a responsible taxpayer.

Consolidation of Landmarc

As previously reported, Landmarc has been consolidated as a subsidiary since November 2023, prior to which it was reported as a joint venture. As a result of this change (known as a 'step acquisition'), the Group has reported an increase in revenue (including share of JVs and associates) from Landmarc of £57.4m in FY25, comprising £53.3m from the step acquisition (i.e. inorganic growth) and £4.0m of organic growth.

Operating profit before Other items from Landmarc increased by £5.5m, comprising £6.4m from the step acquisition (i.e. inorganic growth), partially offset by an organic reduction of £0.9m. The organic reduction was driven by a change in mix, with reduced volumes on certain higher-margin services in the year.

The consolidation of Landmarc from November 2023 also gave rise to the recognition of a non-controlling interest deduction of £7.0m for FY25, which represents the non-controlling interest's (49%) share of Landmarc's profit after tax. As a result of this non-controlling interest deduction, the consolidation of Landmarc has no impact on earnings per share before Other items.

Earnings per share

Basic earnings per share before Other items increased by 3.3% to 12.7p (FY24: 12.3p). This improvement is due to the increase in operating profit in the year (+1.2p) and the reduction in the weighted average number of shares as a result of the ongoing share buyback programme (+0.4p), partially offset by the increase in the effective tax rate (-0.8p) and net finance charges (-0.4p).

Basic earnings per share reduced to 8.2p (FY24: 9.8p), with the factors outlined above being more than offset by the increase in non-cash Other items (explained above, but primarily related to the prior year fair value gain arising on the Landmarc step acquisition).

Return on invested capital (ROIC)

£m unless otherwise specified	FY25	FY24
Operating profit before Other items	**234.1**	210.2
Tax[1]	**(55.5)**	(39.7)
Operating profit before Other items after tax	**178.6**	170.5
Invested capital	**730.2**	645.0
ROIC %	**24.5%**	26.4%

1. Tax charge has been calculated on operating profit before Other items using the ETR for the year of 23.7% (FY24: 18.9%).

ROIC for FY25 was 24.5% (FY24: 26.4%), with the reduction being driven by the increase in invested capital, related to the acquisitions completed in FY25 and the increased value of leased assets due to the continued transition of our fleet to EVs. ROIC is adversely impacted by in-year acquisitions, because invested capital is increased by the full balance sheet value, whereas operating profit only benefits by a part-year contribution.

Balance sheet

£m	FY25	FY24
Goodwill and intangible assets	**664.5**	645.1
Property, plant and equipment	**246.9**	204.7
Interests in joint ventures and associates	**1.6**	0.9
Working capital balances	**(202.9)**	(200.1)
Provisions	**(84.1)**	(113.2)
Net debt	**(199.0)**	(80.8)
Net retirement benefit assets / (liabilities)	**13.9**	(0.8)
Deferred tax	**(17.9)**	7.9
Other net assets	**5.0**	10.0
Net assets	**428.0**	473.7

At 31 March 2025, the Group's reported net assets stood at £428.0m, a decrease of £45.7m since 31 March 2024. This reduction is driven by the planned distributions of £179.2m, in the form of share buybacks, dividends and the purchase of own shares into trusts for share incentive schemes.

This reduction in net assets was partially offset by the profit generated for the period of £123.9m (excluding share-based payments charges of £15.5m which are held in equity, rather than as a liability on the balance sheet), and movements in pension balances of £9.1m after tax, which are recorded directly in equity rather than through the income statement.

Goodwill and intangible assets

Goodwill and intangible assets have increased by £19.4m, with acquisitions completed in FY25 adding goodwill of £36.1m and acquired intangible assets of £14.9m, which have been partially offset by the amortisation of intangible assets during the year.

Property, plant and equipment

Property, plant and equipment increased by £42.2m due to the continued transition of our leased fleet to EVs, including a higher proportion of more expensive vans compared to FY24, as well as the expansion of the fleet as result of acquisitions and new contracts.

Provisions

At 31 March 2025, provisions totalled £84.1m (FY24: £113.2m), which largely comprised contract-specific costs of £43.0m (FY24: £49.2m) and the insurance reserve of £27.3m (FY24: £27.2m). Provisions decreased during the period by £29.1m, primarily due to the reclassification of Section 75 pension liabilities of £21.7m to other payables following the agreement of a schedule of payments to settle the liability related to the Plumbers' Pension Scheme. The reduction in contract-specific provisions of £6.2m was a result of commercial settlements with customers that enabled the release of provisions, or the utilisation of provisions as operations on site progressed.

See Note 20 to the consolidated financial statements for further details on provisions.

Retirement benefit schemes

At 31 March 2025, the Group's net retirement benefit assets across all schemes on an IAS 19 basis were £13.9m (FY24: £0.8m net liabilities). The net improvement (£14.7m) was due to favourable movements in financial assumptions that have resulted in the main Group scheme moving to a surplus of £14.4m (FY24: £1.4m deficit).

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 p.a. to £8.4m in FY25, with £6.4m planned for FY26.

As noted above, 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. This will result in equal monthly payments totalling £24.5m over a three-year period (which commenced in H2 FY25). This debt has been fully recognised in other payables at 31 March 2025, through the transfer of £21.7m from provisions and a £2.8m charge arising from the settlement agreement which was included in Other items in FY25.

Deferred tax

The net deferred tax balance in FY25 was a liability of £17.9m (FY24: asset of £7.9m). This change of £25.8m was primarily the result of a reduction in deferred tax assets due to the utilisation of tax losses, and an increase in deferred tax liabilities related to the higher pension scheme surpluses and new acquisition-related intangible assets.

Cash flow and net debt

£m	FY25	FY24
Operating profit before Other items	234.1	210.2
Add back: depreciation & amortisation	76.8	57.9
EBITDA	310.9	268.1
Other items	(34.3)	(37.6)
Other operating movements	9.0	3.9
Operating cash flows before movements in working capital	285.6	234.4
Working capital movements[1]	(37.0)	(4.3)
Capex, capital element of lease payments & other	(80.1)	(54.3)
Interest payments	(14.7)	(9.7)
Tax payments	(11.0)	(16.9)
Dividends from joint ventures	–	8.4
Free cash inflow	142.8	157.6
Share buybacks[2]	(100.0)	(50.4)
Purchase of own shares into trusts	(14.6)	(19.6)
Acquisitions & employment-linked earnout payments	(57.3)	(34.7)
Dividends paid	(64.6)	(44.0)
Lease liabilities & other	(24.5)	(45.6)
Increase in net debt during the year	(118.2)	(36.7)
Closing net (debt)	(199.0)	(80.8)
Average daily net (debt)	(264.0)	(160.7)
Leverage[3] (average daily net debt/EBITDA)	0.8x	0.6x

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 consolidated financial statements).
2. Share buybacks are presented net of the proceeds received from the exercise of SAYE schemes of £4.7m in FY25 (FY24: £8.0m).
3. Leverage uses post-IFRS 16 net debt.

Operating cash flows before movements in working capital increased to £285.6m in FY25 (FY24: £234.4m), with the £51.2m improvement driven by the strong trading performance reflected in the increased EBITDA. Other operating movements were £9.0m for FY25, primarily related to the add back of non-cash share based payment charges of £15.5m, partially offset by pension deficit repair contributions of £8.4m.

The Group generated a free cash inflow of £142.8m for FY25, with the strong trading performance partially offset by anticipated cash outflows from increased working capital and capex, as well as higher lease and interest payments compared to FY24. Dividends received from joint ventures in FY24 (of £8.4m) mainly related to Landmarc when it was still reported as a joint venture.

In FY25 there was a cash outflow from working capital of £37.0m (FY24: £4.3m), reflecting the investments required to support growth in our projects business, as well as the longer payment terms agreed on several new or renewed contracts in the retail sector.

Capex, the capital element of lease payments & other increased by £25.8m compared to FY24. Capex increased by £11.3m in FY25, primarily related to the mobilisation of the Millsike prison contract and the replacement of fleet vehicles on the Landmarc contract. Capital lease repayments increased by £15.1m, due to the continued transition of our leased fleet to EVs, including a higher proportion of more expensive vans compared to FY24, as well as the expansion of the fleet through acquisitions and new contracts, both in the UK and overseas. Net interest payments increased by £5.0m due to the higher levels of net debt, including higher lease liabilities. Tax payments reduced by £5.9m, primarily due to tax refunds received during the year.

The planned £100m share buyback programme was completed in FY25 and resulted in the purchase of 89m shares, of which 79m shares were cancelled with the remainder held to settle the 2021 Save As You Earn (SAYE) share scheme. A further 12.8m shares have been purchased in relation to the settlement of other share incentive schemes.

Acquisitions increased net debt by £57.3m during the year, largely comprising net consideration paid of £47.6m relating to the FY25 acquisitions of ESM Power, Argus Fire and Grupo Visegurity (after offsetting net cash acquired of £9.7m). Acquisitions also include employment-linked earnout payments of £7.0m related to prior period acquisitions, and an increase to the consideration paid for GBE Converge resulting from the completion accounts process.

Dividend payments of £64.6m in FY25 comprised the FY24 final dividend of £38.5m, the FY25 interim dividend of £16.0m, together with dividends paid to the Landmarc minority shareholder of £10.1m. The recommended final FY25 dividend of 3.0p will result in an 8% increase in the total dividend per share to 4.3p for FY25 (FY24: 4.0p), representing a payout ratio of 34% (FY24: 33%).

Lease liabilities & other includes an increase in lease liabilities in FY25 (net of capital repayments) of £23.5m (FY24: £44.6m), as we continue to transition our fleet to EVs. By the end of FY25, 74% of our UK fleet was electric, compared with 66% at the end of FY24.

Net debt

Average daily net debt for FY25 was £264.0m FY24 (£160.7m), resulting in an average leverage ratio (average daily net debt / EBITDA) of 0.8x for FY25, at the lower end of our target range of 0.75x – 1.5x (FY24: 0.6x).

Closing net debt at 31 March 2025 of £199.0m was £118.2m higher than in FY24 (£80.8m), contributing to Total Financial Obligations (TFO), including a net retirement benefit asset of £13.9m (FY24: £0.8m liability), of £185.1m (FY24: £81.6m).

The increases in net debt during FY25 were largely driven by capital returns to shareholders and acquisitions totalling £236.5m, combined with the net increase in lease liabilities of £23.5m, exceeding the free cash inflow of £142.8m. These planned capital returns to shareholders included share buybacks (£100.0m), share purchases for employee incentive schemes (£14.6m) and dividends paid (£64.6m).

Liquidity and covenants

At 31 March 2025, the Group had £430.0m of committed funding arrangements, comprising £180m of US Private Placement (USPP) notes with long-dated maturities between 2030 and 2034 at a blended average interest rate of 3.86%, alongside a £250m RCF maturing in October 2028. In December 2024, Mitie issued £60m of USPP notes with a seven-year maturity at an interest rate fixed at 5.71%, following the maturity of a £30m 12-year USPP note with a fixed interest rate of 4.04% in the same month.

On 25 July 2024, DBRS Morningstar confirmed Mitie's credit rating of BBB with a 'stable' outlook.

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.

At 31 March 2025, the Group was operating well within these ratios at 0.04x covenant leverage and 38.7x interest cover. A reconciliation of the calculations is set out in the table below:

£m		FY25	FY24
Operating profit before Other items		**234.1**	210.2
Add: depreciation & amortisation		**76.8**	57.9
Headline EBITDA		**310.9**	268.1
Add: covenant adjustments[1]		**23.8**	21.9
Leases adjustment[2]		**(64.1)**	(43.3)
Consolidated EBITDA	(a)	**270.6**	246.7
Full-year effect of acquisitions & disposals		**3.5**	11.1
Full-year effect of Landmarc step acquisition		**–**	5.7
Adjusted consolidated EBITDA	(b)	**274.1**	263.5
Net finance costs		**16.2**	9.4
Less: covenant adjustments		**(0.5)**	(0.4)
Leases adjustment[3]		**(8.7)**	(5.6)
Consolidated net finance costs	(c)	**7.0**	3.4
Interest cover (ratio of (a) to (c))		**38.7x**	72.6x
Net debt		**199.0**	80.8
Covenant adjustment[4]		**5.7**	0.0
Impact of hedge accounting & upfront fees		**2.4**	2.5
Leases adjustment[5]		**(197.5)**	(174.0)
Consolidated total net debt/(cash)	(d)	**9.6**	(90.7)
Covenant leverage (ratio of (d) to (b))		**0.04x**	< 0x

1. Covenant adjustments for 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).

Better Places; Thriving Communities

Introduction

Our dedicated team of 76,000 colleagues deliver transformational services to over 3,000 public and private sector customers, positively impacting millions of lives in the UK and beyond.

Sustainability and social responsibility are at the core of our business. They are fundamental to our resilient business model, helping to minimise our environmental footprint while supporting the UK's transition to a low-carbon future through the services we deliver for our customers.

Integrity and ethical standards are equally important, and we outline our principles through our policies and Code of Conduct (One Code). We expect our colleagues and suppliers to uphold these principles, ensuring a culture of transparency and accountability. Our robust corporate governance framework underpins a sustainability strategy that benefits our stakeholders and the wider community.

We are also committed to nurturing a skilled workforce by offering meaningful employment and development opportunities alongside supporting economic and social progress in local communities. We are champions of responsible resource management and environmental stewardship to secure a greener future. As leaders in Environmental, Social & Governance (ESG) matters, we support our customers to achieve their goals while contributing to a healthier planet and stronger communities.

At Mitie, we are committed to making a significant positive impact. Sustainability is at the heart of our approach, driving us to reduce our environmental footprint, support the wellbeing of our workforce and uphold the highest ethical standards. Through our transformational services, we empower our clients to achieve their sustainability objectives while advancing societal decarbonisation, social value and strong governance. Together, we are building a resilient, future-focused business that benefits our planet, our people and the communities we serve.

Jason Roberts
Group Director for Sustainability

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Plan Thrive

We recently launched Mitie's new Company purpose – 'Better Places; Thriving Communities' – uniting everyone at Mitie, from the Board to frontline colleagues, around a shared commitment to help shape the communities where we live and work. To support this new purpose, we have set bold social value pledges through our new Plan Thrive initiative, uplifting people and enabling places to prosper as a trusted partner and employer.

Our Plan Thrive pledges

01
Uplift one million lives – through social mobility, inclusion and wellbeing

02
Enable 1,000 places to prosper

03
Champion and invest in partnerships and supply chain to deliver sustainable impact

04
Measure and report our impact transparently

Our social value framework

Mitie's social value framework aligns with the UK Government's Social Value Model and the United Nations Sustainable Development Goals (SDGs). It guides our approach to sustainability and social value across the value chain, with specific objectives and targets reported monthly on our website.

Innovation
Innovation is embedded within all our pillars, to ensure that Mitie remains at the forefront of technology and 'best-in-class' service delivery.

People
People are Mitie's greatest asset, and we have a duty of care to ensure that they are equipped to be productive in the office and at home.

Environment
The climate emergency is humanity's biggest challenge. We believe it is key for all of our people to understand our environmental impact.

Community
We are an active part of the communities in which we operate, helping to deliver social value, not only for Mitie, but also for our customers.

Responsible supply chain
Mitie has a robust and responsible supply chain that is engaged in the creation of positive social impacts across all areas of business.

Find out more about Mitie and our commitment to ESG in our 2025 ESG report

Our industry-leading approach

We are targeting Net Zero for our direct operations by the end of 2025, and our indirect operations by 2035. Since launching Plan Zero five years ago, we have made significant progress towards our targets. During the year, we published our first Climate Transition Plan, building on the success of Plan Zero to guide us through the next decade.

For the second consecutive year, we have been ranked on the CDP's Climate A List for our carbon disclosures. This recognition reflects the validation of our science-based targets by the Science Based Targets initiative (SBTi), the ongoing transition of our fleet to EVs and improved carbon data capture and reporting.

We have maintained 'Platinum' status in the Sustainable Facilities Management Index for the fourth consecutive year and we received a 'Negligible' risk rating from Sustainalytics. Our 14 ESG targets are monitored and reviewed by our ESG Committee to ensure progress.

Progress against our social value targets

In FY25, we achieved 12 out of our 14 social value targets across the pillars of People, Environment, Community and Responsible Supply Chain.

As at FY25, we have transitioned 74% of our total UK fleet to EVs, slightly below our 80% target. This shortfall was primarily due to our continued business expansion, both organically and through infill M&A, which introduced new vehicles to the fleet, including those where commercially and operationally viable EV options are not available. Overall, we have made substantial progress over the past five years, converting 85% of our fleet where EV alternatives are available. We now operate 57% more EVs compared with the initial expectation when we launched Plan Zero in 2020.

The percentage of racially diverse colleagues on our senior leadership team (SLT) increased by 2.4ppt to 17.4%, and we continue to work towards our target of 20%.

People

	Target FY25	Actual FY25	Achieved?
% of colleagues, where Mitie sets salary, paid Real Living Wage	100%	**100%**	●
% of colleagues through apprenticeship scheme	5.0%	**5.9%**	●
% of women on SLT	40%	**42%**	●
% of racially diverse colleagues on SLT	20%	**17.4%**	●

Environment

	Target FY25	Actual FY25	Achieved?
Scope 1 and 2 emissions, net of carbon credits – global emissions (tonnes)	12,775	**12,775**	●
Scope 3 emissions – global emissions (tonnes)	275,752	**254,355**	●
% of fleet zero carbon[1]	80%	**74%**	●
Waste to landfill (tonnes)	0	**0**	●

Community

	Target FY25	Actual FY25	Achieved?
Volunteer paid hours	23,680	**32,512**	●
Health and wellbeing training hours delivered	28,943	**36,814**	●
Armed Forces recruitment[2]	2.3%	**3.9%**	●

Responsible supply chain

	Target FY25	Actual FY25	Achieved?
Spend with VCSEs	£2.3m	**£3.4m**	●
% of spend with SMEs[3]	33%	**47.3%**	●
% of spend on Supplier Management Framework	40%	**55.2%**	●

1. In FY24 we reduced the FY25 target for % of fleet zero carbon from 85% to 80% to reflect the increased size of our overall fleet of vehicles, due to organic growth and strategic acquisitions, and the limited availability of commercially and operationally viable EV options for specialist vehicles and our highest mileage drivers.
2. This target relates to maintaining Armed Forces recruitment at a percentage of 0.5% above the population average.
3. Commitment to maintain public sector % SME spend above 33% target.

ESRS 2 General Disclosures

Basis for preparation

BP-1: General basis for preparation of Mitie's sustainability statement

As part of our commitment to ESG, Mitie is preparing to comply with the Corporate Sustainability Reporting Directive (CSRD) by adopting new sustainability statements for our FY25 Annual Report, referencing the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG).

Our double materiality assessment (DMA), completed in FY24, identified E1 Climate Change, S1 Own Workforce and G1 Business Conduct as material to our business. We have therefore focused on these key areas of the CSRD while maintaining compliance with the Task Force on Climate related Financial Disclosures (TCFD) and other relevant standards. All data points in the ESG sections have been identified as material through our DMA.

Climate-related disclosure for TCFD

Compliance statement

Under the Financial Conduct Authority's Listing Rules, our reporting is compliant with the four TCFD recommendations and 11 recommended disclosures, as set out in Figure 4 of Section C of the TCFD report 'Recommendations of the Task Force on Climate-related Financial Disclosures'. During FY25, the Group has continued to transition from a disclosure prepared using the TCFD recommendations to a disclosure aligned with the International Sustainability Standards Board (ISSB) standards, IFRS S1 and S2, and where possible has included information to align with any additional reporting requirements. A summary of our response to the TCFD recommendations is set out below.

Compliance summary

TCFD recommendation	Recommended disclosures	Compliance position FY22	FY23	FY24	FY25	Page reference
Governance Disclose the organisation's governance around climate-related risks and opportunities.	A. Describe the Board's oversight of climate-related risks and opportunities.	🟢	🟢	🟢	🟢	54 to 56
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	🟡	🟢	🟢	🟢	55 to 56
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	A. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	🟢	🟢	🟢	🟢	62
	B. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	🔴	🟡	🟢	🟢	58 to 59
	C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	🔴	🟡	🟢	🟢	60 to 61
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	A. Describe the organisation's processes for identifying and assessing climate-related risks.	🟢	🟢	🟢	🟢	59
	B. Describe the organisation's processes for managing climate-related risks.	🟢	🟢	🟢	🟢	60
	C. Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	🟢	🟢	🟢	🟢	60 to 61
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	🟡	🟡	🟢	🟢	63
	B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks.	🔴	🟢	🟢	🟢	65 to 66
	C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	🟢	🟢	🟢	🟢	64

🟢 Disclosure consistent with the recommended disclosure.
🟡 Disclosure consistent with the recommended disclosure, further improvement opportunities planned.
🔴 Disclosure not consistent with the recommended disclosure.

Continual improvement – FY25 progress

In last year's report, we identified two areas where additional measures could be taken to enhance our TCFD reporting. The table below illustrates these areas and the actions undertaken during FY25 to drive continual improvement.

Action required:	Update:
Roll out Board and MGX climate-related training	Information regarding the measures implemented in FY25 can be found below (GOV-1)
Review carbon credits governance framework to ensure continual alignment with evolving landscape	Information regarding the measures implemented in FY25 can be found on page 67 (E1-7)

Our climate-related journey to date

FY19
- Launched Plan Zero initiative and set stretching net zero targets (2025 – Scope 1 and 2 and 2035 – Scope 3)
- Created governance structures

FY20
- Signatories of all three Climate Group initiatives: RE100, EV100 and EP100
- Achieved 20% small vehicle EV transition
- Published first TCFD

FY21
- Committed to a science-based target
- Expanded our TCFD, incorporating risks and opportunities
- Achieved 15% EV transition

FY22
- Achieved ISO 50001:2018 in Mitie Energy
- Enhanced our TCFD further, by incorporating scenario analysis
- Achieved 30% EV transition

FY23
- Received validation for science-based targets
- Completed first full-year carbon reporting across the Group, both UK and overseas
- Achieved 45% EV transition

FY24
- Achieved CDP A List for climate submission
- Achieved ISO 50001:2018 across the Group
- TCFD fully established for all metrics
- Achieved 66% EV transition

FY25
- Formally published our Climate Transition Plan
- Published a sustainable risk quantification framework
- Received EcoVadis rating of 77 – Gold
- Achieved 74% EV transition

BP-2: Disclosures in relation to specific circumstances

Mitie is dedicated to delivering Plan Zero as outlined in our Climate Transition Plan. However, we recognise that external factors could affect our goal of aligning as closely as possible with the Paris Agreement's 1.5°C target. Therefore, we continuously monitor risks and opportunities to adapt to the changing environment and minimise potential business impacts.

In FY25, we identified and monitored risks and opportunities with a potential 'material' impact, meaning that they are of significant interest to investors and stakeholders. To assess the impact of climate-related risks and opportunities on our strategy and aid financial planning, we enhanced our climate-related financial modelling framework. This framework builds on our five-year cash flow forecast model, aligned with our strategic, budgeting and business planning cycles, and relevant to the duration of our existing contracts.

Time horizons

Time horizons and risk impact can be found in E1-SBM-3 on page 60.

Value chain estimation

The methodology for estimated metrics, including indirect sources, is detailed in the metric descriptions. Relevant information sources, such as conversion factors, are listed in the document. Assumptions, estimations or approximations are described in the metric disclosure information. Plans to enhance data accuracy and verifiability, such as through a carbon accounting system, are noted in the metric or general information on the topical standard.

Governance

GOV-1: The role of the administrative, management and supervisory bodies

Mitie has a formal governance structure in place to ensure that all climate-related risks and opportunities are correctly assessed and managed. Overall responsibility for this resides with the Board, which is responsible for the strategic direction of the business, setting targets and the prioritisation of material issues affecting the Group.

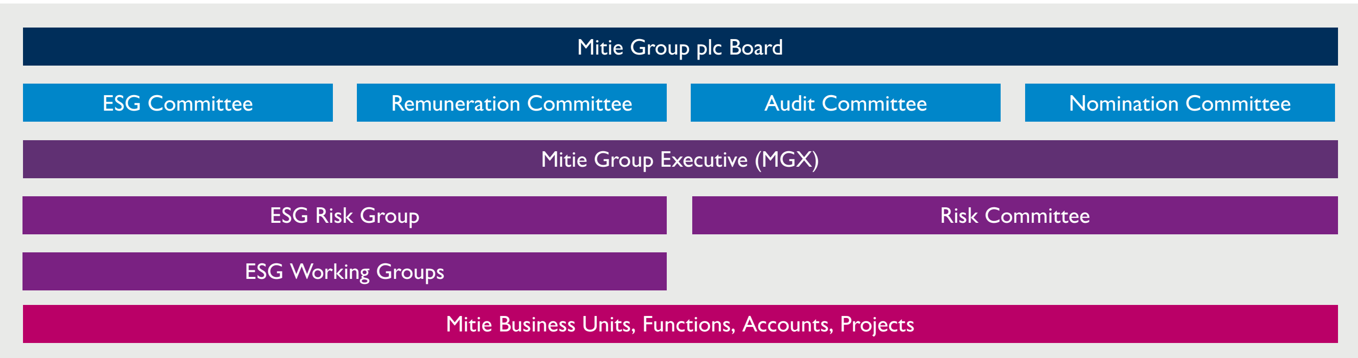
The table on page 55 details the different committee roles and responsibilities for the management of climate-related risks and opportunities, along with information on specific climate-related decisions taken during the year. A breakdown of the Board's gender diversity can be found on page 72.

In the past year, the Mitie Board participated in a comprehensive virtual training programme titled Leading for Net Zero and Beyond. This bespoke programme was specifically designed to ensure compliance with our mandatory TCFD requirements. The training consisted of two sessions aimed at providing knowledge and insights to help address climate change and support Mitie's position as an industry leader in ESG matters.

Governance
GOV-2: Information provided to, and sustainability matters addressed by, the undertaking's administrative, management and supervisory bodies

Mitie governance body and Chair	Frequency	Climate-related roles and responsibilities	Decisions taken in FY25	Focus areas FY26
Mitie Board Chairman	• Bi-monthly (at least six meetings a year) • ESG is a standing agenda item. Information is disseminated to the Board via the ESG Committee, including climate-related updates	• Maintains oversight of climate-related risks and opportunities • Sets ESG targets, including climate-related targets • Monitors progress against climate-related goals and targets	• Reviewed and integrated DMA results into existing business strategy • Reviewed and approved climate-related disclosure and principal risks and uncertainties	• Review and approve new ESG targets for FY26 to FY30
ESG Committee Non-Executive Director	• Bi-monthly (six meetings a year) to align with input into Board meetings • Climate-related matters are fed into the ESG Committee via several channels, including the Plan Zero Steering Group, which reports directly to the Committee	• Drives the ESG agenda on behalf of the Group • Ensures that the Group conducts its business in a commercially sensitive way to achieve maximum positive impact on the communities and people with which it works and the environment which it works within • Formal reporting of climate-related risks and opportunities • Oversight of capital expenditure relating to ESG • Engages stakeholders to understand expectations and concerns regarding climate change and communicates the Group's efforts to address them	• Review and adoption of carbon credits governance framework • Adoption of decarbonisation agenda for Mitie's fleet, estate and energy consumption • Engagement improvements with supply chain to ensure alignment with the Group's science-based target approach	• Embedding Mitie's DMA results into strategies across the business and developing new ESG targets for Board approval • Supporting the employment and social mobility of underrepresented groups • Launching Mitie's new comprehensive social value strategy, to be delivered across a wide range of client accounts
Mitie Executive Team Chief Executive	• Weekly • Climate-related matters are discussed as required – subject matter dependent, updates will be for information only or involve robust discussion	• Implementation and delivery of ESG strategy and targets • Ongoing review of Plan Zero • Ongoing review of growth strategy to ensure continual alignment with decarbonisation agenda	• Ongoing review of operational delivery to ensure alignment with decarbonisation agenda	• Ongoing review of growth strategy and the market with focus on decarbonisation opportunities
Audit Committee Non-Executive Director	• Climate-related matters are discussed twice yearly as part of the principal risk and uncertainties process (annual and half-yearly review). Information is disseminated to the Audit Committee via the Risk Committee	• Reviews Annual Report and Accounts (ARA), including TCFD, and advises Board on whether it is fair, balanced and understandable and provides the necessary information to shareholders to assess the Group's position and performance, business model and strategy • Monitors impact of climate change on the Group's strategy, operations and financial performance, and engages with management to address any material risks and opportunities	• Provision of risk assurance against the climate change and social value principal risk and climate-related risks and opportunities as reported in the Group's annual climate-related disclosure	• Ongoing evaluation of climate-related transition as part of internal controls framework
Risk Committee Chief Legal Officer	• Quarterly • Climate-related matters are fed into the Risk Committee via several channels, including the Group Head of ERM and Group Sustainability and Social Value Director	• Responsible for overseeing the Group's approach to risk management, including ongoing review of principal and emerging risks • Ensures Group is adequately prepared to manage risks associated with climate change	• Ongoing management of outputs from climate scenario analysis to wider business, focusing on maintaining business resilience • Management of outputs from annual risk maturity assessment, which includes climate-related responses	• Ongoing development of key risk indicators for principal risks, including climate change and social impact • Management of outputs from FY26 risk maturity assessment, including climate-related responses

Mitie governance body and Chair	Frequency	Climate-related roles and responsibilities	Decisions taken in FY25	Focus areas FY26
Nomination Committee Chairman	• Two planned meetings as standard	• To evaluate and make recommendations regarding the composition, diversity, experience, knowledge, skills and independence of the Board and its Committees	• Broadening Board awareness of climate-related matters through the delivery of Institute of Environmental Management and Assessment (IEMA) accredited training	• Ongoing review to increase Board-level skills and experience
Remuneration Committee Non-Executive Director	• Three planned meetings as standard	• Agrees climate-related KPIs that apply to executive remuneration incentive plans	• Analysis of out-turns for the maturity of LTIP awards and Annual Bonus Plan	• Ongoing review of targets for FY26 awards
ESG Risk Group Group Director for Sustainability *Formerly known as the Plan Zero Steering Group*	• Quarterly • Climate-related risks and opportunities are standing agenda items • Corporate Sustainability Reporting Directive (CSRD) is incorporated into the responsibilities of this group	• Responsibility for preparing and responding to our climate-related disclosure • Reviews and mitigates identified climate-related risks and realises climate-related opportunities • Initial review and approval of climate change risk assessment document ahead of submission to ESG Committee • Oversees and directs the ESG Working Groups	• Ongoing climate-related disclosure enhancements • Improved engagement with supply chain to influence uptake of environmental initiatives that work towards a 1.5°C trajectory • Continued advancement of a learning and development programme accessible to all Mitie colleagues, particularly those in frontline operations • Established carbon credit governance framework	• Undertake continual improvement of CSRD disclosures • Ongoing review of the Climate Transition Plan and incorporation of carbon reduction initiatives • Ongoing review of regulatory requirements • Further development of scenario analysis
ESG Working Groups Senior Sustainability Manager *In FY25, the working groups were repurposed to cover the wider ESG agenda, including environment, labour and human rights, business ethics and sustainable procurement*	• Quarterly • Reports into the Plan Zero Steering Group	• Delivers against Plan Zero, our Climate Transition Plan, the internal solutions and external opportunities to Mitie's customers	• Deployed initiatives to address energy, water, waste and plastics reduction – focus to be on what can be eliminated across all business areas • Increased engagement in sustainable procurement and reporting • Completion of ISO surveillance audits	• Establish a supplier engagement platform to measure, report and influence supply chain behaviour • Improve sustainable commuting engagement and reporting • Development of biodiversity strategy



GOV-3: Integration of sustainability-related performance in incentive schemes

Following extensive consultation with shareholders, the 2024 Long Term Incentive Plan (LTIP) award, for which the performance period ends on 31 March 2027, will be measured against EPS, ROIC and revenue growth targets. The Remuneration Committee will also have reference to leverage and ESG underpins, such that if leverage and/or progress against the firm's ESG strategy is poor, there is specific discretion to allow the award to be reduced accordingly, including to nil. ESG is a performance measure for the 2022 and 2023 LTIP awards, for which the performance periods end on 31 March 2025 and 31 March 2026 respectively. The targets for LTIP awards are disclosed in the Directors' remuneration report on page 124.

GOV-4: Statement on sustainability due diligence

Mitie has a robust sustainability due diligence process to ensure responsible and ethical practices across our operations and supply chain. Our due diligence process includes identifying, preventing, mitigating and addressing environmental and social impacts, such as modern slavery, human rights violations, and environmental degradation.

Core elements of due diligence	Paragraphs in the sustainability statement
(a) Embedding due diligence in governance, strategy and business model	GOV-5 and SBM-1
(b) Engaging with affected stakeholders	SBM-2 and under E1-IRO-1, S1-2
(c) Identifying and assessing negative impacts on people and the environment	SBM-3 and IRO-1
(d) Taking action to address negative impacts on people and the environment	Environment: E1-3 Governance: G1-3
(e) Tracking the effectiveness of those efforts and communicating	Environment: E1-4 to E1-6 Social: S1-6 to S1-17 Governance: G1-3

GOV-5: Risk management and internal controls over sustainability reporting

The Board, through the Audit Committee, oversees Mitie's internal controls, risk management and compliance. Management maintains these controls, supported by the Internal Audit function, which includes Internal Audit, Internal Controls, and Investigations teams.

Mitie's internal controls follow the COSO framework, covering financial, operational and compliance controls. The Integrated Management System (IMS) ensures adherence to policies and procedures.

To comply with the updated UK Corporate Governance Code, Mitie introduced independent testing of internal controls, moving beyond self-assessment. The Audit Committee review and approve this approach, which has identified improvement opportunities and led to practical plans Its focus includes IT General Controls (ITGC) and ESG controls, ensuring robust technology infrastructure and responsible business practices.

More information on the entity-specific risks identified are found under the chapters SBM-3 and IRO-1. Further information on risk management and internal controls can be found on page 76.

Strategy

SBM-1: Market position, strategy, business model(s) and value chain

We have industry-leading ESG credentials, including validated science-based targets and a place on the CDP's Climate A List for the second consecutive year, alongside being recognised as a UK Top Employer for the seventh consecutive year.

As a service-led organisation, our emissions mainly come from transporting our people between customer sites, resulting in Scope 1 and 2 emissions from diesel and EV charging. Mitie's own relatively small estate of c.120 sites account for only 7% of our total Scope 1 and 2 emissions, with our fleet comprising 93%.

Mitie's transition to EVs has reduced emissions from petrol and diesel consumption by over 25% in the last three years. This initiative supports our Plan Zero commitment to Net Zero operational emissions by 2025 and Net Zero non-operational emissions by 2035 through supplier engagement. Following a 'Do, Lead, Deliver' approach, we are reducing our environmental impact while helping customers accelerate their decarbonisation journeys.

Our purpose is driven by a belief that better places lead to thriving communities. That's why, every day, we work to make places safer, cleaner, more secure and more sustainable. Our strategy focuses on infill M&A to acquire capabilities that support our customers in decarbonising their estates and creating Net Zero pathways.

Our industry-leading ESG credentials

SBM-2: Interests and views of stakeholders

Mitie places significant emphasis on understanding and addressing the interests of its stakeholders, including colleagues, customers, suppliers, communities, the government and shareholders. The Company engages with these groups through structured programmes and initiatives to ensure that their feedback informs strategic decisions.

The Board and senior management are regularly informed about stakeholder feedback and engagement outcomes. This information is integrated into decision-making processes and strategic planning to ensure that stakeholders' interests and views are considered in key business decisions. Further information regarding stakeholder engagement can be found on page 34.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Double materiality assessment (DMA): long-term sustainability and resilience

Mitie undertook a DMA during FY24, with the objective of developing a comprehensive list of the material sustainability issues that matter most to our stakeholders. This involved an assessment of impacts, risks and opportunities (IROs) to ensure that our strategy and reporting are focused, efficient and relevant.

The DMA applied a recognised approach in line with the requirements of the latest global sustainability reporting disclosure rules, such as GRI Universal Standards (2021), IFRS S1 (2023) and ESRS 2 (2023). The assessment included stakeholder engagement via interviews and an online StakeholderTALK survey.

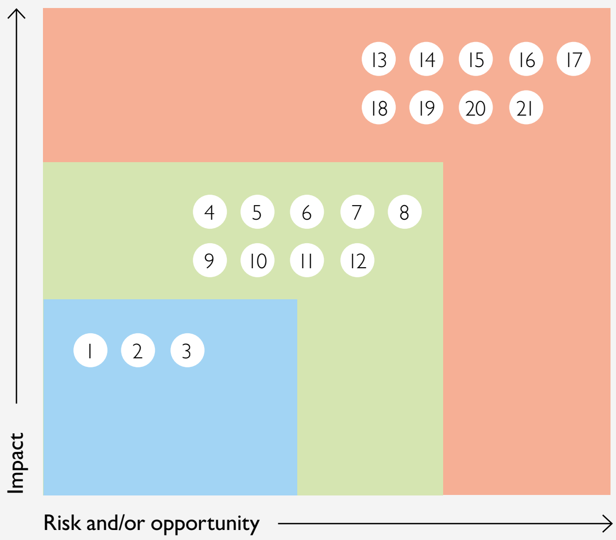
The assessment comprised an evaluation of our impacts on the environment and society, as well as investor-relevant financial effects on Mitie. This dual 'impact-financial effects' approach has been termed 'double materiality'. Our approach is based on the Five Part Materiality Test (AccountAbility 2002–2018). It aligns with the SASB Five-Factor Test (2015), and it is informed by the EFRAG Materiality Guide (2024).

The relative prioritisation process also accounts for the Sustainability Context Principle and the Precautionary Principle in the evaluation of potential or actual IROs. Research was completed using internal and external materials, such as reports, policy reviews and articles, with the scoring based on criteria aligned with the relevant sections of IFRS S1 and ESRS 2. Validation was completed by a team of senior managers and the ESG Committee signed off the process. The results of the assessment were reviewed to identify the material topics, as well as other topics which are below the threshold of materiality, and they are shown in the graphic above right.

Outcome

Seven material topics were identified through our DMA, which map across to three areas of focus.

ESG material topics identified by the DMA	ESRS category mapping
E Operational energy management, efficiency, GHG emissions and decarbonisation	E1 Climate Change
E Products and services: enabling environmental improvements	
S Occupational health and safety (personal and process)	S1 Own Workforce
S Colleagues: fair employment	
S Colleague learning and development, future skills and apprenticeships	
S Colleague wellbeing (mental and physical health)	
G Corporate governance, transparency and integrity	G1 Business Conduct



1 Water stress, water use, waste water treatment
2 Climate change policy: customer/investor/ response/education
3 Air quality and pollution (local)
4 Operational resources: materials/circular economy, waste and recycling
5 Biodiversity loss (local and regional soils, forest/ woodland, aquatic)
6 Anti-discrimination in employee lifecycle (ED&I)
7 Responsible procurement and supplier risk
8 Human rights across the value chain
9 Public policy advocacy
10 Adaptation to natural weather viability/climate change
11 Energy transition: positive and negative environmental risk
12 Energy transition: social risk, positive and negative
13 Occupational health and safety (personal and process)
14 Colleague: fair employment
15 Colleague learning and development, future skills and apprenticeships
16 Corporate governance, transparency and integrity
17 Operational energy management: energy efficiency, energy security
18 GHG emissions: decarbonisation of operations, credible carbon management
19 Colleague wellbeing (mental and physical health)
20 Local community impact
21 Products and services: enabling environmental improvements (energy efficiency, pollution, water use, waste)

Impact, risk and opportunity management

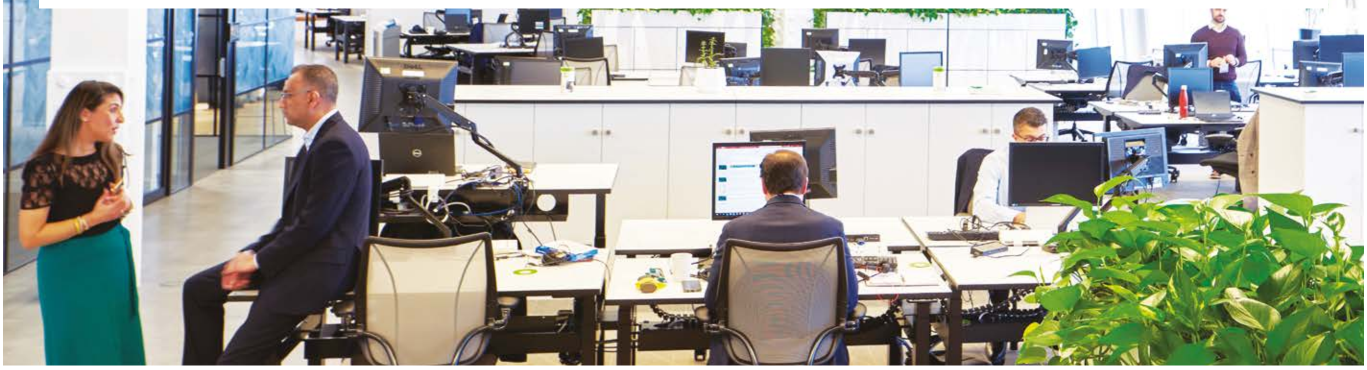
IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

Mitie identifies and assesses material IROs to comply with the CSRD. We use multiple sources, including the ESRS, to provide a comprehensive list of sustainability matters. We also consider industry-specific issues, covering our entire value chain from suppliers to customers, ensuring a holistic view of our impacts and financial risks.

Our ESG Risk Group evaluates whether sustainability matters have significant financial effects on our Company and considers the likelihood and potential magnitude of these effects over various time horizons.

We use a traffic light system to assess the financial impact of material physical risks across different time horizons, and prioritise IROs by applying thresholds to determine which are material and should be reported. High scores indicate materiality, while low scores indicate immateriality.

Environment	Social	Governance
Material impacts		
E1 Climate Change: Our environmental impacts are tied to our goal of reducing our own footprint and offering decarbonisation solutions for clients. This includes reducing the environmental impact of our extensive fleet and the credibility to deliver sustainability consultancy services to our customers to achieve Net Zero, supported by a team managing energy consumption and delivering carbon reduction projects such as solar PV, heat pumps, battery storage and EV charging solutions.	S1 Own Workforce: As an organisation with 76,000 colleagues, the DMA has underscored the importance of fair employment practices and the health, safety and wellbeing of our people. We are committed to achieving zero harm, fostering a just and inclusive culture, and enhancing skills that promote social mobility, benefiting local communities.	G1 Business Conduct: Our commitment to ethical business practices is reflected in the impacts and risks identified. We prioritise strong governance, transparency and integrity in all our operations. This includes adhering to the highest standards of business ethics, ensuring compliance with regulations and fostering a culture of accountability. By maintaining robust business conduct, we aim to build trust with our stakeholders and drive sustainable growth.
Material risks and opportunities		
E1 Climate Change: The material risks include physical risks from extreme weather for us, our customers and our supply chain, plus transition risks from regulatory changes and reputational risks from not meeting sustainability targets. Opportunities include expanding decarbonisation services, leveraging new technologies, strengthening market leadership, and ensuring regulatory compliance. Mitie's Climate Transition Plan and sustainability initiatives aim to achieve Net Zero emissions and promote responsible business practices.	S1 Own Workforce: The material risks include high turnover rates, skill shortages, employee wellbeing concerns, and modern slavery in the supply chain. The material opportunities involve investing in employee development, promoting diversity and inclusion, developing leadership skills, and enhancing social mobility. Mitie addresses these risks and opportunities through comprehensive training programmes, improved working conditions, mental health support, and initiatives like the Mitie Women Can network and the Proud to Be network for LGBTQ+ colleagues.	G1 Business Conduct: The material risks include regulatory non-compliance, fraud and corruption, reputational damage, and operational disruptions. The material opportunities involve enhancing trust and reputation, ensuring regulatory compliance, improving operational efficiency, and driving sustainable growth. Mitie addresses these risks and opportunities through its comprehensive Code of Conduct, robust risk management frameworks, and continuous monitoring of compliance and ethical standards.



E1 Climate Change

Strategy

E1-1: Transition plan for climate change mitigation

Climate Transition Plan: Plan Zero

At Mitie, we consider the climate emergency to be a critical business issue. Five years ago, we launched our industry-leading Plan Zero commitment to decarbonise our business and achieve Net Zero carbon emissions by the end of 2025 (Scope 1 and 2). Our focus is on three key areas:

- Eliminating carbon emissions from power and transport
- Eradicating non-sustainable waste
- Enhancing inefficient buildings to meet the highest environmental standards

Mitie's Climate Transition Plan, approved by the Board and fully integrated into our business strategy and financial planning, outlines the steps we are taking to achieve our Net Zero targets. Published in our 2024 ESG Report, the plan includes several key initiatives.

Our Plan Zero target in 2020 was to transition 85% of our fleet of 4,700 vehicles to EVs by 2025. Over the past five years, our fleet has grown to over 8,500 vehicles as the business has grown, both organically and through M&A. To reflect this growth, in FY24 we reduced our targets from 85% to 80% by the end of FY25. We remain committed to our target to transition 85% of the fleet to EV by 31 December 2025, aligning with our Net Zero targets. At 31 March 2025 (FY25), we had transitioned 6,255 vehicles to EVs, representing 74% of our total UK fleet.

This transition is reducing Scope 1 emissions from fossil fuels on our journey to Net Zero. Additionally, we have implemented energy efficiency measures across our built estate through our energy managers and decarbonisation project teams. This includes installing low-carbon heat pumps, LED lighting and solar panels, which help reduce both energy consumption and carbon emissions. We send zero waste to landfill, and our waste experts are improving segregation, increasing recycling rates and reducing overall waste generation.

Our efforts have been recognised externally, with a ranking on the CDP's A List for the second consecutive year for our carbon disclosures and reduction strategy, reflecting our leadership in environmental transparency and performance. We achieved a Gold rating of 77 with EcoVadis and were awarded Company of the Year by UK Green Business Awards and the EMA Organisation 2024 by the Energy Managers Association.

Beyond our environmental initiatives, we continue to make a positive impact on the communities we serve. In FY25, we supported over 1,500 apprentices, providing valuable training, enhancing green skills, promoting STEM subjects and creating employment opportunities. Additionally, our colleagues volunteered over 32,000 hours to local causes, exceeding our target of 23,680 hours.

Future Commitments FY26 to FY30

EV transition

We intend to transition the remaining fleet to 95% EVs by the end of 2030, contingent upon advancements in EV technology.

Renewable energy and carbon offsets

Mitie procures 100% renewable energy for the buildings we control as part of our RE100 commitment. We also procure RE100 compliant Renewable Energy Guarantees of Origin (REGOs) for all our EV charging requirements and will report all Scope 2 emissions as zero under market-based conditions. Our remaining Scope 1 emissions will be fully offset with verified carbon credits through a balanced portfolio of energy, social and environmental projects.

Re-baselining

With Scope 1 and 2 emissions offset as part of our Net Zero commitment, we expect our intensity target to focus on Scope 3 emissions from purchased goods and services. We will re-baseline our carbon emissions during FY26 to reflect the significant growth of the business over the past five years and improvements in Scope 3 reporting from our suppliers.

Carbon reporting

While continuing to report absolute carbon data, we will transition to an intensity target to reflect the continued growth of the business. We will reapply to the SBTi to obtain a new intensity target trajectory validated to 1.5°C above pre-industrial levels.

New environmental targets

Following the conclusion of Phase 1 of Plan Zero, we will maintain our ambitious existing validated science-based targets in the interim. New intensity targets for carbon emissions will be presented by FY27, once validated by SBTi, while our wider 2030 targets for energy, total waste generated, recycled waste and water will be disclosed in FY26.

E1–SBM-3: Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IROs)

Climate-related IROs are managed through our Enterprise Risk Management framework. Climate change is a principal risk, reviewed quarterly and comprehensively assessed annually.

Our climate change risk assessment, documented on the Group's Risk Safe platform, supports this principal risk with numerous climate-related IROs. At 31 March 2025, 14 climate-related IROs were identified. Details on those with a potential 'material' impact are presented on page 61. Additionally, account-level climate-related risk information is gathered and managed with customers through account-level risk registers, all accessible on Risk Safe.

All risk data is assessed for impact and likelihood, with the residual score determining one of four risk ratings, from manageable to severe. Mitie's risk management structure ensures a consistent method for effectively managing risks across the Group.

Each climate-related risk and opportunity has a designated owner responsible for implementing appropriate management strategies, with guidance from the risk and sustainability teams. The table below provides a holistic view of all climate-related risks and opportunities. For further information on the roles, responsibilities and oversight of different committees in relation to climate-related risk management, see pages 55 to 56.

Risk/opportunity description	Risk type	Time horizon
1. Extreme weather events	Physical	Short to medium term
2. Increasing summer temperatures	Physical	Medium to long term
3. Decarbonising supply chain	Transition	Short to medium term
4. Switching from fossil fuels to low-carbon alternatives for fleet operations	Opportunity	Medium to long term
5. Changes in customer behaviours resulting in lost opportunities	Transition	Medium to long term
6. Increases in operating costs relating to policy decisions to reduce GHG emissions	Transition	Medium to long term
7. Access to new markets	Opportunity	Medium to long term
8. Investor confidence on climate change management	Transition	Medium to long term
9. Minimise resource use through a circular economy embedded into our business supply chain and operations	Opportunity	Medium to long term
10. Encourage agile and flexible working through business processes	Opportunity	Short to medium term
11. Development/expansion of low emission services	Opportunity	Medium to long term
12. Procurement of verified and high-quality carbon credits	Transition	Short to medium term
13. Low emission and energy efficiency strategy from Mitie estate	Opportunity	Short to medium term
14. Potential for litigation if Mitie does not adequately consider or respond to the impacts of climate change	Liability	Medium to long term

Further information on our Enterprise Risk Management framework can be found on pages 76 to 87.

In FY25, ESG was fully integrated into our internal controls independent testing programme. This is crucial because the adoption of ESG principles assists Mitie in mitigating potential operational, financial and reputational risks while fostering long-term sustainability and value creation, ultimately leading to enhanced ESG outcomes.

Scenario analysis: improving our understanding of our climate-related risk profile

Mitie acknowledges the substantial risk posed by failing to address climate-related challenges. In FY25, we broadened our scenario analysis to underscore the increasing threat from extreme weather events. As a people business delivering services through our colleagues, extreme weather such as flooding and storms can disrupt our ability to deliver these services if our people cannot get to work. Our business strategy relies heavily on the availability of our colleagues, supply chain and partners, all of which can be significantly impacted by unusual weather events. Therefore, it is crucial to closely monitor their impact to maintain business resilience.

In FY23, we engaged our insurance broker and risk advisor, Marsh, to analyse physical climate risks, examining two scenarios: RCP 2.6 (best-case) and RCP 8.5 (worst-case). The assessment covered 500 sites, to identify high-risk assets. Results showed 87% of assets to be at medium or lower risk, with flood exposure being the primary concern. Further analysis of 95 high-value sites highlighted sea-level rise and flooding as significant risks.

We also expanded our scenario analysis to include a broader range of risks. Collaborating with our procurement and supply chain team, we assessed the impact of climate change on essential materials, such as paper. Our 2025 ESG report will outline projects with supply chain partners to manage these risks, ensuring a consistent risk management approach.

Mitie is committed to delivering Plan Zero, as detailed in our Climate Transition Plan. However, we acknowledge that external variables could impact the achievement of the Paris aspiration (alignment as close to 1.5°C as possible). As a result, Mitie continues to proactively monitor its risks and opportunities to adapt to the changing external environment and minimise potential damage to the business.

To assess the potential impact that climate-related risks and opportunities pose to our strategy and aid financial planning, we enhanced our climate-related financial modelling framework in FY25. Our financial assessment builds on our base five-year cash flow forecast model, aligned with our strategic, budgeting and business planning cycles, and relevant to the duration of our existing contracts.

The climate modelling framework covers three time horizons:

- Short (1–3 years)
- Medium (3–10 years)
- Long (10–15 years)

This approach ensures alignment with our Enterprise Risk Management strategy. Details of the completed financial assessments have been incorporated into the TCFD and underpinned by assumptions. The key for the financial assessment is as follows:

- Low impact: minimal material impact on EBIT (<5%)
- Medium impact: significant material impact on EBIT (5–10%)
- High impact: critical material impact on EBIT (>10%)

Macro-level climate-related risks and opportunities

The table below reviews five key climate-related risks and opportunities, and includes current mitigation measures, potential financial impact and Mitie's latest working assumptions. This methodology, developed in partnership with our insurance broker and risk advisor, Marsh, seeks to create a sustainable risk quantification framework that quantifies both principal business risks and climate risks, with the scope in FY24 broadened beyond physical factors. As a result of the work, we have assessed the potential impact, our suggested strategic response, and the time horizon and financial impact of such a risk based on a set of assumptions.

Risk/opportunity description	Impact	Strategic response	Financial assessment and assumptions	Time horizon	Worst case	Most likely case	Best case
1. Extreme weather events **Physical risk** **Short to medium term**	Increased costs owing to damage to assets. Impacts felt universally – Mitie (UK and overseas), customers and subcontracting and strategic partners affected.	• Enhanced HSE standards and processes • ISO 22301 certified • Planned preventative maintenance schedules aligned with seasonal changes • Estates strategy in place and continually reviewed • Insurance coverage • Ongoing scenario testing	The modelling assumes that around four extreme weather events occur annually. It also incorporates the NATHAN approach, which is a global assessment of natural hazard risks and impacts in order to help calculate the financial repercussions of severe weather incidents on Mitie's asset portfolio.	Short	🟢	🟢	🟢
				Medium	🟢	🟢	🟢
				Long	🟡	🟢	🟢
2. Increasing summer temperatures **Physical risk** **Medium to long term**	Increased costs resulting from absenteeism and reduced productivity. Impacts felt universally – Mitie (UK and overseas), customers and subcontracting and strategic partners affected.	• Occupational health strategy embedded • Ongoing sickness monitoring • Health surveillance and monitoring framework • Seasonal alerts reminding colleagues of risks and associated controls to be followed • Planned preventative maintenance schedules aligned with seasonal changes	The modelling is based on costs related to heat-related sickness experienced by frontline staff and the productivity costs incurred by both back-office and frontline staff at Mitie due to absences.	Short	🔴	🟢	🟢
				Medium	🔴	🟢	🟢
				Long	🔴	🟢	🟢
3. Decarbonising supply chain **Transition risk** **Short to medium term**	Increased costs arising from the purchase of carbon offsets in order to meet emissions targets.	• Procurement leads identified • Ongoing engagement with supply chain	The modelling assumes that the purchase of carbon credits will be required to achieve Mitie's Scope 3 net emissions objective, resulting in an increase in Group expenditure.	Short	🟢	🟢	🟢
				Medium	🟡	🟢	🟢
				Long	🔴	🟢	🟢
4. Switching from fossil fuels to low-carbon alternatives for fleet operations **Opportunity** **Medium to long term**	Opportunities felt predominately in Mitie operations (Technical Services, Business Services, and Communities) (UK and overseas). Impacts felt universally across the Group.	• Plan Zero commitment – 85% EV fleet by the end of 2025 • Ongoing review of EV transition • Deployment of charging points at Mitie and customer sites, as well as colleagues' homes	The modelling assumes that by FY35 the Group's fleet will consist entirely of EVs. The associated leasing expenses are expected to rise by 6% per year, with fuel costs determined by average annual mileage and cost per mile. As the Group shifts entirely to EVs, charging expenses are estimated based on average annual mileage.	Short	🔴	🟢	🟢
				Medium	🔴	🟢	🟢
				Long	🔴	🟢	🟢
5. Changes in customer behaviours resulting in lost opportunities **Transition risk** **Medium to long term**	Revenue reduction if Mitie cannot keep up with demand for the services. Impacts felt universally across the Group (UK and overseas).	• Ongoing review of customer behaviours via ESG governance framework • Ongoing review and development of customer propositions • Feedback gathered internally via various channels	The modelling assumes that Mitie is able to grow its decarbonisation business at the same annual growth rate as its markets.	Short	🟢	🟢	🟢
				Medium	🟢	🟢	🟢
				Long	🟢	🟢	🟢

We have established metrics and targets that guide our business operations and customer service. These include ESG targets aimed at making Mitie more environmentally and socially sustainable.

Our climate-related metrics are detailed in the table below. Our greenhouse gas (GHG) reporting methodology statement for FY25 provides further context to our emissions metrics and targets on page 65.

Category	Sub-category	Unit measurement	Description of metric	FY25 risks and opportunities references
GHG emissions	Emission level	tCO_2e	Total emissions	1,2,3,4,5
	Intensity	tCO_2e per £m revenue	Emissions intensity	1,2,3,4,5
Carbon credits	Plan Zero	£	Amount invested to support obtainment of Plan Zero targets	3,4
Energy/fuel	Energy usage	kWh	Total energy consumption	1,2,3,4,5
	Transition to greener fleet	%	Total percentage of EV fleet	1,3,4,5
Waste	Recycled	Tonnes	Total waste recycled	3,5
Risk adaptation and mitigation	R&D	£	Amount invested in developing low-carbon products and services	3,4,5
	CapEx	£	Amount invested in deployment of low-carbon technology, energy and resiliency capabilities	3,4,5
SBTi	Acquisitions	%	Total percentage of acquisitions with agreed targets in place	1,2,3,4,5
	Supply chain	%	Total percentage of supply chain with agreed targets in place	3,5
ISO management system	14001	%	Total percentage of business certified	1,3,4,5
	50001	%	Total percentage of business certified	2,3,4,5

Impact, risk and opportunity management
E1-2: Policies related to climate change mitigation and adaptation

Policies

Our policies address the management of our material impacts for climate change mitigation, adaptation and energy efficiency, as well as associated IROs. They apply to all UK and overseas Mitie colleagues in all operating countries.

Sustainability and Social Value Policy
Mitie's Sustainability and Social Value Policy commits to stretching Net Zero carbon targets, promoting a circular economy, and protecting biodiversity. It emphasises fair employment practices, social mobility and community engagement. The policy outlines our objectives to reduce environmental impact, enhance energy efficiency and ensure compliance with legal and contractual obligations.

Environmental Policy Statement
Mitie's Environmental Policy Statement outlines a commitment to reducing environmental impact through continuous improvement and compliance with ISO 14001:2015 and ISO 50001:2018 standards. Our Plan Zero Initiative aims for Net Zero carbon by 2025, focusing on decarbonisation, resource efficiency and emissions reduction. Mitie promotes sustainability, circular economy practices and robust environmental management across its operations.

E1-3: Actions and resources in relation to climate change policies

Mitigation

Transitioning our fleet (cars and commercial vehicles) to EVs is central to our climate change mitigation strategy. In FY25, we transitioned 1,190 vehicles and had 6,255 EVs across our fleet at 31 March 2025, with 97% of our company cars being EV. Since launching our first EV in FY20, Scope 1 emissions from fuel consumption have decreased by 45%.

We continued to install EV chargers during FY25, such that we now have over 4,000 at colleagues' homes, Mitie sites and customer locations, supporting our EV transition and access to sustainable transport. Leasing and operating an EV car or van over a five-year period is c.3% and c.5% more expensive, respectively, than the equivalent combustion engine vehicle, based on 18,000 miles travelled per year. Considering the benefit of reduced pollution alongside our commitment to climate change, the Board has approved the ongoing transition of our fleet to EVs.

Adaptation

We recognise that extreme weather events are becoming more frequent and severe due to climate change. We have implemented additional safety messaging and preventative methods to minimise risks associated with these events. Our focus is on ensuring effective communication and decision-making during extreme weather events to maintain the safety of colleagues, customers, assets and the public.

We have modelled the costs associated with extreme weather events, including insurance premiums and fleet repair costs, to understand the financial implications and prepare for short, medium and long-term scenarios. Insurance premiums have the potential to rise annually due to the increasing frequency of weather-related events arising from climate change.

We proactively support our colleagues during extreme weather events by ensuring statutory compliance, testing business continuity plans (BCPs) and sharing lessons learned from past experiences. Additionally, we leverage weather intelligence and real-time alerts to keep our operations running smoothly and efficiently during the more challenging winter months.

Energy efficiency

We are enhancing the energy efficiency of our built estate by reducing energy consumption, replacing gas boilers with low-carbon heat pumps, and championing initiatives that embrace circular economy principles and biodiversity. We have 16 fully decarbonised buildings, we operate to the ISO 50001 Energy Management Standard, and our in-house team of energy managers ensure that our estate remains fully optimised.

Metrics and targets

E1-4: Targets related to climate change mitigation and adaptation

Mitie carbon targets

Scope 1 and 2 emissions: Our target is to achieve Net Zero emissions by the end of 2025 by transitioning our fleet to full battery EVs to reduce and eliminate our Scope 1 emissions from fossil fuels. We have made significant progress, with 6,255 EVs in the fleet, reducing emissions by 22% to 12,775 tCO_2e in FY25 under market-based conditions and inclusive of carbon credits (FY24: 16,441 tCO_2e).

Scope 3 emissions: These are the indirect emissions that occur in the value chain, including both upstream and downstream activities. We have set a target to achieve Net Zero Scope 3 emissions by 2035. We have reduced these emissions by 7% to 254,355 tCO_2e in FY25 (FY24: 273,336 tCO_2e).

Science-based targets

In addition to Mitie's own ambitious internal targets, we have validated science-based targets, using the Science Based Targets initiative (SBTi) calculation methodology (version 5). Our near-term, long-term and Net Zero targets align with the goals of the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels (Mitie Group plc – Certificate No. MITI-UNI-001-OFF).

Mitie carbon targets (tCO_2e)	FY22 baseline	FY23	FY24	FY25	FY26
Scope 1 and 2	20,596	20,300	16,900	12,775	8,400
Scope 3	332,035	315,433	296,507	275,752	253,692
Total	**352,631**	**335,733**	**313,407**	**288,527**	**262,092**

Note: Carbon credits have been included from FY24 onwards.

Science-based carbon targets (tCO_2e)	FY22 baseline	FY23	FY24	FY25	FY26
SBTi Scope 1 and 2	20,596	19,558	18,520	17,482	16,444
SBTi Scope 3	332,035	317,085	302,135	287,185	272,235
SBTi total	**352,631**	**336,643**	**320,655**	**304,667**	**288,679**

Note: Carbon credits have been included from FY24 onwards.

E1-5: Energy consumption and mix

Environmental data

The below table provides further details on our UK environmental performance.

	FY24	FY25	Change	Change %
Electricity consumed across occupied buildings (kWh)	4,790,022	**5,949,994**	1,159,972	24
Gas consumed across occupied buildings (kWh)	817,131	**2,465,703**	1,648,572	202
Fuel used by vehicles for business travel (kWh)	76,605,383	**61,178,653**	(15,426,730)	(20)
Electricity used by EV vehicles for business travel (kWh)	8,684,230	**11,624,522**	2,940,292	34
Total organisational energy consumption (kWh)	90,896,766	**82,064,610**	(8,832,156)	(10)
Water consumed across occupied buildings (m^3)	27,941	**32,145**	4,204	15
Total waste generated across occupied buildings (tonnes)	398	**313**	(85)	(21)
Hazardous waste (tonnes)	–	**–**	–	–
Non-hazardous waste (tonnes)	398	**313**	(85)	(21)
Total waste to landfill (tonnes)	–	**–**	–	–
Energy from waste (tonnes)	188	**127**	(61)	(32)
Total waste recycled (tonnes)	210	**186**	(24)	(11)
Recycling rate	53%	**59%**	6ppt	12

E1-6: Gross Scopes 1, 2, 3 and total GHG emissions

GHG reporting methodology statement for FY25

Reporting period
Mitie has applied the UK Government's GHG reporting conversion factors for 2024 and emissions are reported over the period from 1 April 2024 to 31 March 2025 under a financial control approach. All GHG emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e) to account for all six of the Kyoto Protocol GHGs. A new baseline was introduced for FY22 in line with our Energy Review Methodology procedure. Our carbon targets are shown in the table on page 64.

Intensity ratio
Mitie uses tCO_2e/£m revenue as its intensity ratio to compare its emissions over time, as this normalises for changes in the scale of Mitie's business activities.

Exclusions
Mitie does not report fugitive emissions (refrigerant leakage) from refrigeration and air conditioning systems in leased properties or fleet. This is due to the difficulty in obtaining centralised data on refrigerant top-ups and the landlords of many of our leasehold buildings managing the HVAC systems. Given the size and types of emission sources listed by Mitie, fugitive emissions are expected to be immaterial.

FY25 – Carbon emissions breakdown

	Annual total (tCO_2e)	%
Electricity	1,315	0.5
Gas	506	0.2
Water	5	–
Transport/Travel	25,900	9.4
Waste	2	–
Commuting/Working from home	45,271	16.5
Supply chain	201,486	73.4
Total	**274,485**	**100**
Mitie Scope 1 and 2 (UK and overseas)	20,130	
Mitie Scope 3 (UK and overseas)	254,355	
Total	**274,485**	

1. Values exclude 4,066 purchased verified emissions reduction carbon credits.

Scope of emissions

Scope 1 – Direct emissions

On-site fuel combustion
- Gas directly purchased for heating or generation across leased property managed by Mitie

Company vehicles
- Fuel purchased for fleet vehicles

Fugitive emissions
- Refrigerant leaks from air-conditioning equipment in leased assets and fleet vehicles[1]

Scope 2 – Indirect emissions

Purchased electricity
- Electricity directly purchased across leased property and EVs managed by Mitie

Scope 3 – Other indirect emissions

Category 1 – Purchased goods and services
- Purchased goods and services from supply chain

Category 3 – Fuel and energy-related activities
- Electricity transmission and distribution (T&D) losses
- Upstream emissions associated with the extraction of purchased fuels and gas
- Gas and electricity recharges across leased property managed by the landlord

Category 4 – Upstream transportation and distribution
- Transportation of goods

Category 5 – Waste
- Waste generation across leased property

Category 5 – Water
- Water usage across leased property

Category 6 – Business travel
- Expensed air, road and rail travel (including hotel stays)

Category 7 – Employee commuting
- Commuting (all forms of transport)
- Working from home

1. Fugitive emissions are not reported, as outlined in the exclusions statement.

Process

Mitie follows the reporting approach set out in the UK Government's Environmental Reporting Guidance (2019 version) to ensure that reporting standards are robust and transparent. For most of its major emissions sources, Mitie uses primary data from Automated Meter Reading, meter readings, utility bills, service charge data and expensed claims.

Emissions data is collated centrally by Mitie Energy on a quarterly basis and then restated at the end of the year to reflect any changes or to replace any estimated data with actual data (where available). Emissions figures are verified by the ESG team, who have overall responsibility for ensuring the calculations and methodology are correct. Further explanation of data sources can be found in our ESG Report.

Mitie obtained independent verification and reasonable assurance (Scopes 1 and 2) and limited assurance (Scope 3) on the accuracy of selected information included in Mitie's FY25 GHG emissions and water consumption datasets, in accordance with ISO 14064 Part 1 2018.

Absolute emissions

	Emissions	FY24	FY25	Change	Change %
UK only	**Total Scope 1 (tCO_2e)**	**18,265**	**14,886**	**(3,379)**	**(18)**
	Emissions from fuel combustion across our fleet	18,229	14,560	(3,669)	(20)
	Emissions from gas combustion in our occupied buildings	36	326	290	806
Overseas	**Total Scope 1 (tCO_2e)**	**873**	**1,955**	**1,082**	**124**
	Emissions from fuel combustion across our fleet	873	1,955	1,082	124
	Emissions from gas combustion in our occupied buildings	–	–	–	–
UK and overseas	**Total Scope 1 (tCO_2e)**	**19,138**	**16,841**	**(2,297)**	**(12)**
UK only	**Total Scope 2 (tCO_2e)**	**2,228**	**3,285**	**1,057**	**47**
	Emissions from the purchase of electricity across occupied buildings	430	821	391	91
	Emissions from electricity consumption across our EV fleet	1,798	2,464	666	37
Overseas	**Total Scope 2 (tCO_2e)**	**5**	**4**	**(1)**	**(20)**
	Emissions from the purchase of electricity across occupied buildings	5	2	(3)	(60)
	Emissions from electricity consumption across our EV fleet	–	2	2	-
UK and overseas	**Total Scope 2 (tCO_2e)**	**2,233**	**3,289**	**1,056**	**47**
UK only	**Total Scope 3 (tCO_2e)**	**268,668**	**254,301**	**(14,367)**	**(5)**
	Mitie generated Scope 3	53,315	52,815	(500)	(1)
	Supply chain emissions	215,353	201,486	(13,867)	(6)
Overseas	**Total Scope 3 (tCO_2e)**	**4,668**	**54**	**(4,614)**	**(99)**
	Mitie generated Scope 3	4,668	54	(4,614)	(99)
UK and overseas	**Total Scope 3 (tCO_2e)**	**273,336**	**254,355**	**(18,981)**	**(7)**
UK only	**Total Scope 1 and 2 (location based)**	20,493	18,171	(2,322)	(11)
	Total Scope 1 and 2 (market based)	20,063	14,886	(5,177)	(26)
Overseas	**Total Scope 1 and 2 (location based)**	878	1,959	1,081	123
	Total Scope 1 and 2 (market based)	878	1,955	1,077	123
UK and overseas	**Total Scope 1 and 2 (location based)**	**21,371**	**20,130**	**(1,241)**	**(6)**
	Total Scope 1 and 2 (market based)	**20,941**	**16,841**	**(4,100)**	**(20)**
	Purchased verified emissions reduction carbon credits (VER)	**(4,500)**	**(4,066)**	**434**	**(10)**
	Total Scope 1 and 2 (location based) inc. VER	**16,871**	**16,064**	**(807)**	**(5)**
	Total Scope 1 and 2 (market based) inc. VER	**16,441**	**12,775**	**(3,666)**	**(22)**
UK and overseas	**Total Scope 1, 2 and 3 (tCO_2e)**	**294,707**	**274,485**	**(20,222)**	**(7)**
	Carbon credits against Scope 1 and 2	(4,500)	(4,066)	(434)	(10)
UK and overseas	**Total Scope 1, 2 and 3 (tCO_2e) (inc. verified emissions reduction carbon credits – location)**	**290,207**	**270,419**	**(19,788)**	**(7)**
UK and overseas	**Total Scope 1, 2 and 3 (tCO_2e) (inc. verified emissions reduction carbon credits – market)**	**289,777**	**267,130**	**(22,647)**	**(8)**
	Intensity – emissions ratio				
UK only	tCO_2e/£m revenue (Scope 1 and 2)	4.55	3.75	(0.8)	(18)
UK and overseas	tCO_2e/£m revenue (Scope 1 and 2)	**4.75**	**3.96**	**(0.8)**	**(17)**
UK and overseas (including VER)	tCO_2e/£m revenue (Scope 1 and 2)	**3.75**	**3.16**	**(0.6)**	**(16)**

The table above highlights that Mitie's absolute emissions, excluding carbon credits, have reduced by 7%.

In line with our expectations, we continue to see a significant decline in carbon emissions from fossil fuels and a steady increase in electricity consumption and carbon emissions for our EVs as we transition our fleet. Mitie has increased the number of EVs in operation by 1,190 in FY25.

During FY25, Mitie continued to record our full Scope 3 emissions from our supply chain and commuting figures for the whole organisation in line with our validated science-based targets.

Our climate transition plan targets

Short term

2025

- Net Zero for Scope 1 and 2 direct operational emissions
- Zero waste to landfill
- 85% EV transition[1]

Medium term

2030

- 80% Net Zero for Scope 3 indirect emissions
- 60% of suppliers by category spend to have science-based targets
- 95% EV transition[1]

Long term

2035

- Net Zero for Scope 3 indirect emissions
- 100% EV transition[1]

1. Where technology is available.

TCFD continual improvement – actions we will take in FY26

During FY26, Mitie will:

- Continue the transition to ISSB requirements
- Establish EcoVadis as our supplier engagement platform to measure, report and influence supply chain behaviours
- Improve sustainable commuting engagement and reporting

E1-7: GHG removals and GHG mitigation projects financed through carbon credits

Last year we procured our first verified carbon credits and will continue to purchase further credits to offset our residual emissions from fossil fuels that fall outside of our carbon target. From 1 January 2026, all Scope 1 emissions from residual fossil fuel emissions will be offset through carbon credits as we reach our Net Zero target.

The electricity consumption in our built estate energy contract comprises Renewable Energy Guarantee of Origin (REGO) certificates to offset our electricity consumption. As we transition our fleet to EVs, the consumption of electricity is increasing, and our Scope 2 EV charging consumption has been mitigated using REGO certificates in FY25.

We report energy consumption as location- and market-based. We will report all Scope 2 carbon emissions from electricity consumption in our fleet and built estate as zero under a market-based scenario.

E1-8: Internal carbon pricing

Mitie does not currently use an internal price on carbon. This decision is based on our strategic focus on direct emissions reduction initiatives, the complexity of implementing such a scheme, and our robust framework for achieving Net Zero targets.

While we recognise the potential benefits of internal carbon pricing, such as driving behavioural changes and guiding investment decisions, we have prioritised other strategic initiatives that directly contribute to our emissions reduction and sustainability goals. Our Plan Zero initiative emphasises practical actions, such as switching to a zero-emission fleet, using 100% renewable energy and reducing waste through innovative solutions.

E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

As highlighted in IRO-1, Mitie conducted a climate scenario analysis in collaboration with Marsh to understand the physical risks associated with climate change. This analysis focused on extreme weather events and the probability of long-term critical asset damage and failure.

We assessed the financial impact of material physical risks using a traffic light system across several time horizons and likelihood of impact. The analysis identified that 87% of assets are classified as having a medium- or lower-risk score, with sea-level rise being a primary area of increased risk. The anticipated financial effects include increased costs due to damage to assets and impacts on productivity. To mitigate these risks, Mitie has implemented initiatives such as enhanced HSE standards, planned preventative maintenance schedules and business resilience testing.

Transition risks and opportunities

Mitie has identified several transition risks, including the decarbonisation of its supply chain and the switch from fossil fuels to low-carbon alternatives for fleet operations. The financial impact includes increased costs from purchasing carbon offsets and the total cost of ownership from leasing expenses associated with transitioning to an EV fleet. We have adopted an EV First policy for new vehicle leases and collaborate with our supply chain to enable decarbonisation. Additionally, we have developed a strategy to address plastics reduction and improve processes around collecting supply chain emissions.

We have also identified several climate-related opportunities, such as the transition to EVs and changes in customer behaviours resulting in new business opportunities. We have successfully transitioned 6,255 of our vehicles to EVs, creating one of the largest EV fleets in the UK. Our Plan Zero – Decarbonisation, Delivered™ offering supports customers in setting and achieving Net Zero targets through our in-house holistic end-to-end decarbonisation solutions. We continue to invest in utilities and carbon efficiency solutions through acquisitions, aiming to grow our project business significantly.

S1 Own Workforce

Strategy

ESRS 2 SBM-2: Interests and views of stakeholders

Our vision is to be the destination employer in the industry, leading in how we treat our people and supporting the communities we serve. We have diverse and exceptional colleagues, who are proud to work for Mitie.

Integration of workforce interests and human rights

We set ambitious targets to ensure diversity across our workforce, fair wages and market-leading benefits. We promote learning and development opportunities, including through apprenticeships, and respect human rights through specific policies and training programmes. We gather feedback from our people through regular surveys and listening sessions, ensuring their views inform our strategic decision-making.

Our Strategic People Pillars

Focus on talent to support growth and retain core business: Attract, retain and empower talent to thrive by evolving the Employee Value Proposition (EVP) to lead the market on reward, personal and professional development, and employer brand.

Enhance the 'Mitie Difference' to support organic growth: Differentiate in bids through social value, customer-focused skill development, and Transfer of Undertakings (Protection of Employment) TUPE experience to support growth.

Flex 'Standards' to power projects expansion: Flex the EVP framework to power Facilities Transformation, defining reward and development to attract and retain the best talent.

Cultivate the culture to support growth: Cultivate an inclusive, colleague-centric, high-performing, OneMitie culture. Empowering our people to best serve our customers and use their voice to improve our business.

Create 'Good Jobs' and reduce cost to serve: Leverage technology to create 'good jobs' – simplifying work and improving employee experience, in turn increasing productivity, wellbeing and engagement.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

People strategy and business model

Mitie evaluates its risk portfolio by recognising that individual risks are interrelated and can create a combined exposure. The Enterprise Risk Management procedure ensures that risk management is embedded in all critical decisions and supports our strategic objectives. The Risk Committee oversees the implementation of the risk management strategy, providing assurance to the Board and Audit Committee. We view effective risk management as a competitive advantage, acknowledging human factors and recognising that attitudes towards risk vary at different levels within the organisation.

We have identified significant risks and opportunities impacting our workforce, including high turnover rates, skill shortages, colleague wellbeing concerns and modern slavery. Our workforce comprises colleagues directly employed by Mitie, self-employed individuals and people provided by third-party undertakings. To address these risks, we have implemented comprehensive training programmes, improved working conditions, and support for mental health and wellbeing. Positive impacts include leadership development initiatives, diversity and inclusion programmes, and continuous professional development.

Mitie is one of the UK's largest employers. Our colleagues play a vital role in Mitie's success and that of our customers and make a significant contribution to the UK economy. We prioritise the safety and wellbeing of our colleagues, actively listen, take action, and celebrate diversity. We strive to be a 'Great Place to Work' for all, supporting career development and recognising and rewarding everyone for a job well done. We are committed to developing skills for the future, benefiting both our growth and wider society. Our material risks and opportunities relate to specific groups, such as those that are underrepresented, colleagues in high-risk regions, and those involved in high-risk operations. We actively work to mitigate these risks and leverage opportunities to create a safer and more inclusive work environment.

MyMitie

We are continually evolving our EVP, MyMitie:

MyVoice

Ensuring our colleagues have their say and their voices are heard

FY25 achievements

Held 20 Board listening sessions and facilitated 655 events through Team Talk Local

MyCommunity

Our commitment to building connections, taking positive actions and giving back

FY25 achievements

Delivered 32,512 volunteering hours across the Group

MyAchievement

Recognising the successes of our colleagues

FY25 achievements

Held our annual achievement event at The Shard, including a top prize of £10,000, and awarded over 27,000 Mitie Stars during the year

MyCareer

Our learning and development offering

FY25 achievements

Supported over 1,500 colleagues through apprenticeships

MySlice

Our industry-leading benefits package

FY25 achievements

Issued free shares for the fifth consecutive year

MyWellbeing

Prioritising our colleagues' health and wellbeing

FY25 achievements

Launched a series of digital wellbeing programmes on topics such as Sleep, Money Worries and Resilience through our Employee Assistance Programme

MyStory

Our colleagues telling their own stories to inspire others and drive belonging

FY25 achievements

Launched our 'This is Me' Campaign, using the lived experience of Mitie colleagues to put a spotlight on important subjects to drive inclusivity across the business

Impact, risk and opportunity management
S1-1: Policies related to own workforce

Policies

Our policies address the management of our material impacts on our own workforce, as well as associated material risks and opportunities. They apply to all Mitie colleagues in all operating countries.

People Policy

Mitie adopts an inclusive and diverse work environment, addressing discrimination and promoting equal opportunities. We ensure safe, clean and healthy working conditions, promote wellbeing initiatives and provide protective equipment. We comply with equal pay requirements and offer competitive remuneration. We provide training, development and progression opportunities, and support colleague engagement and participation, respecting freedom of association and collective bargaining.

Equality, Diversity and Inclusion (ED&I) Policy

Mitie is committed to fostering an inclusive and diverse work environment. Our policy ensures that no job applicant or colleague faces discrimination based on certain characteristics. We promote inclusion, equality and diversity, and expect the same from our suppliers. We provide a safe environment for raising concerns about discrimination, victimisation, bullying or harassment.

Quality, Health, Safety and Environment (QHSE) Policy

Mitie is committed to high standards of health, safety and wellbeing. We comply with laws, manage risks and promote continual improvement. We engage with colleagues to instil appropriate behaviours and provide necessary training, alongside promoting open communication and partnering with suppliers, customers and contractors to maintain high standards. Our performance is measured through metrics such as lost time injury frequency rate (one of our KPIs) and regular reviews.

Employee Handbook

Mitie is committed to creating a great workplace where everyone can thrive. Our Employee Handbook outlines our vision, values and policies and we promote ED&I, ensuring a respectful work environment. Health, safety and wellbeing are prioritised alongside offering competitive remuneration and opportunities for career development.

S1-2: Processes for engaging with own workers and workers' representatives about impacts

Engaging our colleagues

Mitie encourages colleagues to voice concerns freely, including to those in more senior roles. Our 360° listening approach ensures that everyone has channels for being heard and our MyVoice Survey gathers feedback on various topics. During FY25, we facilitated 655 engagement events through our Team Talk Local programme. This is deployed through a framework that equips leaders with the tools, materials and skills they need to deliver high-quality events for Mitie colleagues where they work, in a format that works best for them. The agenda is a blend of fixed content, including a video message from Phil Bentley, CEO, and allows 20% of the time for leaders to facilitate a listening exercise. A focus on 'you said, we did' allows for a robust two-way feedback mechanism, with themes centrally captured to inform our ongoing engagement strategy.

Colleagues can join any of our six ED&I networks to share experiences and ideas, raise awareness and address biases. Each network has an executive sponsor, and Board members also regularly join events. For urgent concerns, we offer 'Speak Up', a 24/7 whistleblowing service. 'Grill Phil' enables the direct issue escalation of concerns to our CEO, Phil Bentley, and our Board Listening programme ensures that Board members hear directly from colleagues, including those on the frontline.

The role of the Internal Communications Director is to oversee all of Mitie's internal communication channels and to manage the in-house communications team. Establishing a communications plan that aligns with Mitie's Facilities Transformation Three-Year Plan is central to this role, ensuring that all colleagues understand the part they play in Mitie's success, and how they can benefit from the Group's achievements. The Internal Communications Director works to foster a positive and engaging work environment by promoting transparency, encouraging feedback and facilitating open communication channels between colleagues and leadership.

Mitie's main barriers to engagement include digital access – especially for colleagues on the frontline, a diverse range in levels of digital literacy and a geographical spread across multiple countries and remote locations. To address these issues, we have been working with our technology partners to expand access to Microsoft Teams to an additional 48,000 colleagues by the end of 2025, so that all UK colleagues are able to benefit from the same digital experience, connecting with peers and building digital networks through one single platform.

Annual survey – MyVoice

Mitie's annual colleague engagement survey, MyVoice, provides feedback that management acts upon to improve the working experience at Mitie. The results of the survey also provide the Board with a Group-wide snapshot of how our colleagues rate Mitie's culture and engagement.

The most recent MyVoice survey took place in April 2024 (relating to FY24), with an employee engagement score of 63%, and the insights and actions taken during FY25 are detailed below. Our next MyVoice survey will take place during FY26.

Insights and actions undertaken in FY25 (in response to the April 2024 survey)

Upload survey insights (You Said)	Action taken (We Did)
Pay, reward and recognition • Review benefits for our frontline colleagues, acknowledging the impact of inflation and rising cost of living • Develop Mitie Stars	• Launched our fifth award of free shares for all colleagues • Increased the number of discounts across a range of retailers and partnerships through our reward platform, which was also upgraded to single sign on for an enhanced user experience • Launched 2024 SAYE scheme, offering colleagues risk-free savings with the opportunity to benefit from Mitie's success • Delivered the annual Mitie Recognition event, with CEO and Board sponsorship, celebrating our colleagues' achievements • From January 2025, we increased paternity pay to two weeks of full pay across all roles
Autonomy, empowerment and collaboration • Ensure colleagues are listened to and given a voice, and develop team collaboration	• Increased the number of Board Listening sessions to expand reach across targeted teams within the business alongside Board representation at diversity network and wider flagship events • Regular all-colleague communications of Mitie's strategy, operational changes and colleague experience • Created new leadership cohort (top 250 leaders) to increase networking across the business • Delivered CEO-led leadership events to provide updates on strategy
Systems and processes • Improve access to and use of different systems • Ensure our systems and processes maximise productivity	• Activated single sign on for Learning Hub (learning and development platform) and Celebration Hub (Reward platform) to provide a seamless colleague experience • Deployed 1,000 Microsoft Copilot licences throughout FY25 • Upgraded all IT users to Windows 11 software to optimise the latest developments from Microsoft
Communication barriers • Develop communications within Mitie so everyone is in touch	• Project underway to launch the MyMitie employee app, deploying an additional 48,000 Microsoft Teams licences specifically for frontline colleagues by December 2025 • Changed our approach to senior leadership outreach events, to empower a wider range of leaders with high-quality materials to deliver face-to-face sessions to more colleagues, more often. This approach enabled 371 in-person events to take place through the Team Talk Local initiative, compared with 12 in-person events in the prior year

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

Whistleblowing service – 'Speak Up'

Mitie promotes a culture of open communication, transparency and trust, empowering our colleagues to raise their concerns. Our 'Speak Up' service helps to address issues such as bullying, harassment, discrimination, health and safety and fraud. The service enables anonymous reporting by colleagues, customers, suppliers and third parties without fear of retaliation, and is accessible via a freephone hotline and web portal. The details are available in multiple languages through workplace posters, the Employee Handbook and MitiePeople.com.

Reports are reviewed and investigated independently to avoid conflicts. Mitie's Whistleblowing Investigation Group, including the Deputy General Counsel and senior members of the Internal Audit team, reviews all reports, and updates on whistleblowing activity are provided to the Board.

Our Employee Handbook clearly states and describes how whistleblowers or concerned colleagues are protected against both formal and informal retaliation. We consider it important that all colleagues feel safe to raise concerns without the fear of negative consequences.

S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Material impacts and opportunities

Mitie recognises significant workforce IROs, including high turnover, skill shortages, wellbeing concerns and modern slavery. To address these, we offer training programmes, flexible working arrangements, enhanced health and safety protocols, and mental health support. We leverage opportunities through leadership training, diversity and inclusion programmes, and continuous professional development. Initiatives include our colleague networks, such as Mitie Women Can and Proud to Be, promoting diversity.

Our risk and sustainability reporting details the actions taken, their effectiveness and measurable outcomes. We set ambitious diversity targets, ensure fair wages and provide market-leading benefits, while colleague feedback through surveys and Board Listening sessions helps to inform our strategic decisions.

We track our effectiveness through metrics such as engagement scores, Glassdoor ratings, attrition rates and diversity targets. We adhere to ethical standards in procurement, sales and data use, prioritising colleague safety and wellbeing, and we invest in technology, training and development programmes. Through our partnership with Wipro we are using technology and AI to automate manual tasks, freeing up time for our colleagues to undertake 'value added' activities, while the MyMitie app enhances communication and engagement.

Metrics and targets

S1-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Targets – impacts and opportunities

Mitie has set time-bound, outcome-oriented targets to create a supportive and inclusive work environment, address negative impacts, advance positive impacts and manage risks related to its workforce. We manage risks by setting targets that are aligned with our strategic goals and leverage technology to create employment opportunities and improve colleague experiences across all operations.

To mitigate negative impacts, we are reducing colleague attrition through an enhanced EVP, training programmes, flexible working, and improved health and safety protocols. We are committed to eradicating modern slavery with stringent monitoring and compliance measures.

To advance positive impacts, we are increasing diversity in leadership positions and expanding our apprenticeship programmes to improve skills in leadership, business and STEM subjects. Our commitment to diversity includes ambitious targets for fair wages and market-leading benefits. We promote learning and development opportunities, including through apprenticeships, and uphold human rights through well-defined policies and training programmes.

Our five-year plan incorporating our social value framework targets concluded in FY25. The ESG Committee will establish a new five-year plan setting out our 2030 targets during FY26 and these will be presented, following Board approval, in our FY26 Annual Report. Our ESG targets, and progress against them, are set out on page 52.

S1-6: Characteristics of Mitie's employees

At 31 March 2025, Mitie Group plc had a total of 76,000 employees.

For countries with 50 or more employees, the breakdown is as follows:

Employees by gender (UK only)

Female
23,430

Male
41,932

Employees by contract type, broken down by gender (UK only)

Headcount/FTE	Female	Male	Total
Number of employees	23,430	41,932	65,362
Number of permanent employees	22,931	41,181	64,112
Number of temporary employees	406	641	1,047
Number of non-guaranteed hours employees	93	110	203
Number of full-time employees	9,742	29,794	39,536
Number of part-time employees	13,688	12,138	25,826

Note: gender breakdown data is UK only.

Employees by country

UK
65,362

Ireland
1,416

Spain
9,642

Global employees by contract type, broken down by region

Headcount/FTE	UK	Ireland	Spain	Total
Number of employees	65,362	1,416	9,642	76,420
Number of permanent employees	64,112	1,351	7,953	73,416
Number of temporary employees	1,047	65	1,689	2,801
Number of non-guaranteed hours employees	203	0	0	203
Number of full-time employees	39,536	696	4,898	45,130
Number of part-time employees	25,826	720	4,744	31,290

Methodologies and assumptions used to compile data

- Colleague data is collected through Mitie's internal HR systems and verified by cross-referencing with payroll records
- Non-guaranteed hours employees are assumed to work an average of 20 hours per week unless specified otherwise by their contracts. This assumption helps in calculating full-time equivalent (FTE) for non-guaranteed hours employees

Contextual information

- The data includes all employees directly employed by Mitie, as well as those on temporary and non-guaranteed hour contracts
- The data is compiled by aggregating information from various departments and ensuring consistency in reporting across different business units

S1-9: Diversity metrics

UK gender breakdown

Board

Female
4

Male
6

Senior leadership team (SLT)

Female
29

Male
40

Employees over 50 years old

Female
10,871

Male
17,114

Employees 30 to 50 years old

Female
9,243

Male
17,784

Employees under 30 years old

Female
3,316

Male
7,034

S1-12: Persons with disabilities

UK gender breakdown

Employment of persons with disabilities

Female
1.94%

Male
1.53%

S1-10: Adequate wages

Living wage

Mitie values fair pay. We are Recognised Service Providers with the Living Wage Foundation and we encourage our customers to adopt the Real Living Wage by showcasing the benefits. We achieved our FY25 target of paying 100% of colleagues the Real Living Wage where Mitie sets the salary.

Colleague benefits

Under the MySlice banner, we offer a range of benefits including life assurance, health insurance, virtual GP services, mortgage advice and lifestyle products. Rewards include free shares, incentive plans and share schemes such as Save As You Earn. Frontline colleagues have received 100 free shares annually in each of the past five financial years.

We offer enhanced maternity and paternity pay alongside carer's leave (providing one week's unpaid leave annually). In FY25, we continued to improve our benefits packages, with a renewed focus on frontline incentive schemes.

- **4.4m free shares gifted** to colleagues in FY25; with a further 8.6m shares gifted shortly after the year end over two awards (our first 'double award')
- **£378,295** of MiDeals on the employee discounts portal
- **27,299** colleagues received a Mitie Star
- **c.£83,000** awarded in prizes to Mitie Star recipients

S1-13: Training and skills development metrics

Learning throughout Mitie

At Mitie, we offer more than just a job by creating an environment for professional and personal growth. Every person in Mitie is empowered to take control of their own development journey through our broad offering. During FY25, over 500,000 learning courses were completed by our colleagues across a vast array of topics and skills, with an average of seven courses completed per person.

We also supported over 1,500 colleagues through apprenticeships, with over 90 courses ranging from level 2 to level 7 in technical, professional and managerial qualifications. We spent over £5.5m of our apprenticeship levy both on internal Mitie apprentices, and through our levy gifting activities. We are currently supporting 33 external apprentices across 13 different organisations and have been recognised as a Top 100 Apprenticeship Employer for the third consecutive year.

We continue to leverage the success of our award-winning positive inclusion learning campaign, Count Me In, with our Women in Leadership programmes. All participants of the first cohort successfully completed this level 7 programme with distinction. Additionally, we offer Women in Leadership at level 3 and level 5 to ensure that we have a strong pipeline of female talent in our succession plans.

Our people manager offer, Leading Together, has been recognised externally in the Business Culture Awards as highly commended. Currently, 85% of our people managers have completed the learning programme and 92% have completed our additional Leading with Respect course.

In FY25, 82.6% of salaried employees received a end-of-year performance review (FY24: 82.9%).

Year	Salaried headcount	Rating completion	% completion
2022	20,079	14,723	73.3
2023	20,002	15,696	78.5
2024	21,909	18,166	82.9
2025	24,520	20,264	82.6

S1-14: Health and safety metrics

Health, safety and wellbeing

Mitie prioritises health, safety and wellbeing by encouraging collaboration and empowering individuals. Our Zero Harm goal, driven by our core Values and the LiveSafe programme, enhances performance, ownership and innovation, while reducing absences and accidents.

Key metrics demonstrate our commitment to being a responsible business. In FY25, MyWellbeing initiatives ensured colleague safety, with 12,786 LiveSafe visits and 122,622 hazard observations logged, reducing our lost time injury frequency rate (LTIFR) from 3.82 to 2.70 per million hours worked. During Mental Health Awareness Week, we raised awareness through MiNet communications and drop-in sessions. Mitie has over 400 trained mental health first aiders.

Stand Down Days during FY25 paused operations for safety discussions, encouraging open communication and risk mitigation. We received 18 RoSPA awards during the year, up from nine the previous year, highlighting the benefits of LiveSafe.

Mitie's ISO 45001-accredited health and safety management system covers all colleagues. FY25 performance metrics:

- Total recordable incident rate: 2.13 per 100,000 hours worked
- LTIFR: 0.07 per 100,000 hours worked
- Near miss reporting rate: 1.58 per 100,000 hours worked
- Health and safety training hours: >51,000 hours (third party specialist)

These metrics reflect our commitment to continuous improvement and colleague competency.

Description	Value
Percentage of people in own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	2,804
Rate of recordable work-related accidents for own workforce	2.13
Number of cases of recordable work-related ill health of colleagues	42
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to colleagues	7,870

S1-17: Incidents, complaints and severe human rights impacts

Discrimination incidents related to equal opportunities and grievances and complaints related to other work-related rights

Mitie colleagues have a number of channels for reporting any alleged discrimination or harassment incidents, including to their line manager, as a grievance or via the whistleblowing hotline.

Discrimination grievances are investigated thoroughly by independent managers, and colleagues have a right of appeal if they disagree with the outcome. Mitie has a zero tolerance policy towards discrimination, and if it is found a number of measures may follow, including training, policy reinforcement and disciplinary actions, to ensure satisfactory resolution.

Mitie ensures that colleagues and their representatives are informed, supported and protected when raising concerns through regular training, clear communication of policies, and a commitment to confidentiality and the prevention of retaliation.

Identified cases of severe human rights issues and incidents

Mitie did not identify any severe human rights issues or incidents connected to its own workforce during FY25. There were also no violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises related to severe human rights issues within our own workforce.

G1 Business Conduct

Impact, risk and opportunity management

G1-1: Corporate culture and business conduct policies

Policies

Our policies address the management of our material impacts for business conduct, as well as associated material risks and opportunities. They apply to all Mitie colleagues in all of the countries in which we operate.

Ethical Business Practice Policy

Mitie is committed to ethical and moral stewardship, with zero tolerance for bribery, corruption, tax evasion and fraud. We comply with international sanctions and protect customer confidentiality. Our policy promotes safe working conditions, human rights and labour standards. We do not engage in political activities but do participate in policy debates that are relevant to our business. Colleagues are encouraged to report unethical behaviour.

Procurement Policy

Our Procurement Policy outlines Mitie's procurement processes, emphasising ethical business practices, financial controls and supplier selection. It mandates compliance with legal standards, separation of duties and conflict of interest management. The policy also covers contracting, tendering thresholds, supplier due diligence and contract administration, ensuring transparency, accountability and sustainability in procurement activities.

Modern Slavery Statement

Mitie is committed to eliminating modern slavery and human trafficking. Our 2024 statement outlines our efforts, including due diligence, risk assessment and stakeholder engagement, while we also upgraded our screening platform and collaborated with the Cabinet Office. We work with around 8,000 suppliers, requiring transparency and compliance from each of them. In FY25, no incidents of modern slavery were identified, and we continue to closely monitor any high-risk suppliers.

Whistleblowing Policy

Our Whistleblowing Policy aims to identify and address issues of fraud, corruption and other misconduct within Mitie. It applies to all colleagues, including managers, directors, contractors and temporary staff. The procedure encourages colleagues to raise concerns about unlawful conduct, financial malpractice, health and safety dangers, environmental damage, modern slavery and breaches of internal rules. Concerns can be reported confidentially through an independent whistleblowing service, reports are investigated independently and colleagues are protected from retaliation.

Mitie Fraud Framework

The Mitie Fraud Framework establishes controls to prevent and detect fraud within Mitie. It mandates the reporting of suspected fraud to the Internal Audit team or via a whistleblowing helpline. The framework includes investigation procedures, confidentiality measures, and responsibilities for managers and supervisors. It also outlines specific fraud risks and controls, alongside the importance of maintaining high ethical standards.

G1-2: Management of relationships with suppliers

Engaging our supply chain

We work closely with our suppliers to maintain strong, transparent and ethical relationships, and our Procurement Policy ensures that all activities align with our sustainability objectives and ethical standards.

Our strategy for managing supplier relationships includes mitigating supply chain risks and promoting sustainability. Through the Mitie Supplier Management Framework, we conduct thorough due diligence, continuous monitoring and regular assessments. Our procurement platform (Coupa) and Supplier Maintenance Portal, Mitiesuppliers.com, ensure transparency and efficiency in sourcing, onboarding and managing suppliers.

We consider social and environmental criteria when selecting suppliers, in line with our Sustainable Procurement Policy objective to achieve value for money while benefiting society and minimising environmental damage. We conduct thorough due diligence on high-risk suppliers, ensuring robust human rights and modern slavery checks, and we also collaborate with strategic service providers and the Cabinet Office to support suppliers in addressing modern slavery risks.

To support vulnerable suppliers, we provide tailored support to SMEs and VSCEs, offering training and resources to help them meet our ethical standards. Our partnerships with the Supply Chain Sustainability School and other service providers empower suppliers to address social and environmental risks, while our Supplier Social Value Policy ensures that suppliers adhere to principles of fairness, accountability and sustainability.

G1-3: Prevention and detection of corruption or bribery

Our anti-corruption and anti-bribery framework

We are committed to preventing and detecting corruption and bribery across all our operations. Our comprehensive system includes policies, procedures and training programmes designed to uphold high ethical standards. Colleagues are expected to comply with anti-bribery legislation, properly account for transactions and report any incidents of bribery or corruption of which they become aware. If unable to report through normal channels, they should use the 'Speak Up' service and/or seek guidance from their manager or Mitie's legal team.

Reporting a violation or raising concerns about potential breaches of our Anti-Bribery and Corruption Guidance or Code of Conduct is mandatory and should be done in accordance with the internal procedures outlined in our Ethical Business Practice Policy. We also provide a confidential whistleblowing service for reporting incidents.

Investigations are conducted by Mitie's independent Investigation team, part of the Group Internal Audit team, ensuring impartiality and confidentiality. The outcomes of investigations are reported to the administrative, management and supervisory bodies, with action plans issued to ensure accountability.

Policies and employee handbooks are accessible on our intranet site, ensuring that all colleagues are informed and understand their responsibilities. During FY25, we provided mandatory training on our policies to all at-risk workers, and voluntary training was made available for other workers.

Metrics and targets
G1-4: Confirmed incidents of corruption or bribery

Corruption and bribery metrics

We have not identified any insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery. Neither Mitie nor any of its workforce has been subject to legal proceedings regarding corruption or bribery during the year.

G1-5: Political influence and lobbying activities

Our approach to political influence and lobbying

We are committed to maintaining transparency and ethical conduct in all of our political influence and lobbying activities. Our approach is guided by the Mitie Code of Conduct, which ensures political neutrality when engaging with government, regulators and the public sector. We recognise the right of individuals to be involved in political activities, although colleagues must make it clear that any views expressed are their own.

Mitie's political influence and lobbying activities are overseen by the Director of Corporate Affairs, who ensures compliance with our ethical standards and policies. We do not make financial or in-kind political donations and our Mitie Code of Conduct explicitly prohibits colleagues from making donations to political parties on behalf of Mitie.

During FY25, Mitie provided support for two events, with an estimated cost of c.£15,000. These were:

- A Parliamentary Labour Party reception in September 2024
- A fundraising event for Neil Coyle, MP for Bermondsey and Old Southwark, in December 2024, for which Mitie provided the venue

Mitie's lobbying activities primarily focus on sustainability, social value and industry regulations. Key topics include:

- Advocacy for skills development, employment rights and opportunities, alongside Apprenticeship Levy reform
- Engagement with the UK Government on its Net Zero, decarbonisation and power connection ambitions
- Elevating our position on creating Safer Communities, including associated initiatives around Retail Crime, the Terrorism (Protection of Premises) Act 2025 and Violence against Women and Girls (VAWG)
- Ad-hoc lobbying activity that falls outside the scope of the above core pillars, including work related to procurement, EVs, and immigration and justice

These activities align with Mitie's material impacts, risks and opportunities identified in our materiality assessment, ensuring that our lobbying efforts support our strategic goals and sustainability commitments.

G1-6: Payment practices

Our payment practices

We are committed to maintaining transparency in our payment practices, recognising the importance of timely cash flows to business partners, and our robust systems and processes ensure prompt payments to suppliers. We take an average of 45 days to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated, and we aim to pay 95% of our suppliers within 60 days.

We have implemented robust measures to prevent late payments to SMEs. Our digital supplier platform ensures transparency and efficiency in managing supplier relationships. We continuously monitor and review our payment practices to ensure alignment with our ethical standards and support the financial stability of our suppliers.

Effective risk management

During FY25, businesses have faced a turbulent year marked by political uncertainties, international tensions and policy changes which have had a rippling effect, compelling companies to constantly adapt and manage ever-evolving threats and opportunities. Amid these challenges, the Group diligently pursued enhancements in both risk management and business resilience, reinforcing a proactive approach and maintaining a robust standing in the face of adversity.

Peter Dickinson
Chief Legal Officer

Mitie's Chief Risk Officer and
Risk Committee Chair

Our risk management approach

During FY25, the Group has seen further enhancements to our risk management and business resilience approach. Notable improvements include:

- Successful launch of our first-ever Risk and Resilience Week – this initiative aimed to promote a better understanding of risk management and business resilience strategies across the Group
- Completion of a nine-month risk register quality assurance programme, focused on refining the content of risk information captured across more than 500 registers managed throughout the Group – this comprehensive project has greatly improved the accuracy and quality of our risk data
- Roll-out of enhanced risk governance through the introduction of divisional risk committees, ensuring that risk management responsibilities are more effectively overseen and addressed across the Group
- Design of two new training offerings to boost awareness of risk management at Mitie and equip our colleagues with the knowledge and skills to respond effectively to a crisis

In our continuous pursuit of excellence, we have undertaken and completed our third-party evaluations in relation to ISO 31000:2018 risk management and ISO 22301:2019 business continuity management systems. These critical achievements demonstrate our commitment to maintaining high levels of risk and resilience management practices.

We are also proud to have received external recognition for our risk management software, Risk Safe, which was recognised again as the Risk Management App of the Year at the Continuity, Insurance and Risk Awards during this reporting period, a testament to the innovation and effectiveness of our risk management solutions. As a result of the improvements made during FY25, we have seen elevated risk maturity levels, signifying that our approach to continual improvement in this field is having the desired effect.

Mitie's risk management process is straightforward and in line with the Group's operating model. Each business area is accountable for the consistent management of existing and emerging risks, considering both threats and opportunities. The following aspects are relevant to the compilation of the Group's principal risks and uncertainties:

- The Board is responsible for explicitly determining Mitie's risk appetite, monitoring the amount of risk taken and ensuring that activities undertaken to achieve strategic objectives align with this appetite
- A level of risk appetite is set for all principal risks, which helps determine the actions and resources needed for mitigation
- The Risk Committee, chaired by the Chief Risk Officer (Mitie's Chief Legal Officer) and comprising the Managing Directors of each of the divisions, the heads of all functions, and relevant subject matter experts, is responsible for overseeing the implementation of the Group's Enterprise Risk Management (ERM) framework from an operational perspective, consistent with Mitie's risk appetite
- Mitie's risk management structure aims to ensure a uniform approach to identifying, assessing, monitoring and effectively mitigating risks across the business. All risks are reported based on criteria that consider potential likelihood and consequences if a risk materialises
- Each business unit, function, project and account maintains a comprehensive risk register using Risk Safe (Mitie's automated risk management platform), which includes risk controls and mitigation measures approved by respective leadership teams
- Mitie has an automated risk treatment mechanism in place to properly manage risks when a residual risk score is identified as exceeding specified thresholds in terms of tolerance and/or risk appetite
- Risk registers are automated and continuously reviewed by management
- The Insurance team plays a crucial role in evaluating key exposures and ensuring suitable risk transfer for insurable risks
- Risk management is proactively approached using Mitie's Intelligence Hub to assess threats and identify potential problems
- Mitie constantly monitors its internal and external environments to ensure timely identification and appropriate response to new, emerging or existing risks with elevated exposure
- Mitie actively promotes and supports a learning culture concerning risk management to continuously enhance its ERM framework, remain resilient and adapt to the ever-changing external environment
- The Group holds ISO 22301 certification and operates in accordance with ISO 31000, which was externally verified in FY25
- Principal risks undergo a thorough biannual review (for half-year and full-year financial reporting), with quarterly updates submitted to the Risk Committee for consideration. The Board and Audit Committee actively participate throughout the process and provide challenges. The Board signs off on all outputs from this review. Principal risks can be found on pages 80 to 87
- In evaluating Mitie's long-term viability, the emerging and principal risks facing the Group are considered. The viability statement can be found on page 89

Our risk management framework

Internal reporting

New and emerging risks ○
- Ongoing review of internal and external environment encapsulating new risks in known context, known risks in new context and new risks in new context

AC RT RC IH BUL BFL PL AL

Group-level risks ●
- Collection of risks which could affect the performance, future prospects or reputation of the Group and are subject to ongoing reviews
- Complementary framework in place for the management and ongoing review of principal risks and uncertainties as agreed by the Mitie Board
- Risk appetite and associated parameters established for all risks and subject to ongoing review

MB MGX AC RT RC

Business unit, function and project risks □
- Identify, evaluate and mitigate risks recorded in the risk register
- Report on current and emerging risks

BUL BFL PL

Account-level risks △
- Identify, evaluate and mitigate operational risks recorded in the risk register
- Report on current and emerging risks

AL

Top down

Bottom up

External reporting

Principal risks and uncertainties ✓
- Condensed version of principal risks and uncertainties, which has been reviewed and approved by the Mitie Board and Audit Committee

MB MGX AC RT RC

Contributors key:

	MB	MGX	AC	RT	RC	IH	BUL	BFL	PL	AL
	Mitie Board	Mitie Group Executive	Audit Committee	Risk Team	Risk Committee	Intelligence Hub	Business Unit Leadership Team	Business Function Leadership Team	Project Leadership Team	Account Leadership Team
Internal reporting	●	●	● ○	● ○	● ○	○	○ □	○ □	○ □	○ △
External reporting	✓	✓	✓	✓	✓					

Our risk appetite framework

Mitie has a risk appetite framework, which formalises the Group's risk appetite, tolerance limits and governance oversight processes to ensure that risks across the Group are managed within acceptable limits.

Mitie considers its risk appetite in relation to its principal risks under three categories as set out below:

Risk appetite	Description	Latest principal risks position
Averse	The approach adopted seeks to minimise the risk. Mitigation costs are accepted and there is an appreciation that these might exceed expected losses.	• Cyber security and data protection (previously cyber security and data management) • Health, safety and environment • Regulatory • Reputational damage
Cautious	The approach adopted is balanced. Mitigation actions are proportionate and based on cost-effectiveness.	• Economic and political uncertainties • Climate change and social impact • Funding • Business resilience • Employees • Third-party management • Business transformation (previously change management) • Prison management (new)
Eager	The approach adopted is tilted towards taking greater risks to achieve business objectives. There is an appreciation that there will be higher exposure and volatility in returns.	• Competitive advantage • Growth through acquisitions • Adoption of new and emerging technologies

Time horizons and risk velocity

Mitie considers three distinct timeframes – short (one to three years), medium (three to ten years) and long (10–15 years) – to project when a risk might possibly materialise, based on information accessible at any given instance. We also incorporate risk velocity, being the rate at which a risk manifests and results in adverse consequences for the business, impacting the Group's operations, reputation and financial stability. Comprehending risk velocity is crucial as it enables us to develop and execute appropriate mitigation measures promptly, thereby improving management of and response to any potential threats.

During FY25, an updated assessment of both our time horizons and risk velocity has been completed and the results are as detailed below:

Risk	Time horizon	Risk velocity
Economic and political uncertainties	Short	Weeks
Climate change and social impact	Short to medium	Years
Cyber security and data protection (previously cyber security and data management)	Short to medium	Hours
Health, safety and environment	Short to medium	Days
Funding	Short to medium	Months
Regulatory	Short to medium	Days
Competitive advantage	Short to medium	Months
Business resilience	Short to medium	Days
Employees	Short to medium	Months
Third-party management	Short to medium	Weeks
Growth through acquisitions	Short to medium	Years
Business transformation (previously change management)	Short to medium	Years
Adoption of new and emerging technologies	Medium to long	Months
Reputational damage	Short to medium	Hours
Prison management (new)	Short	Days

Risk interconnectivity

The Group is aware of the inherent interconnectedness of risks within its operations, acknowledging that if one principal risk was to materialise it may have a domino effect on others. By maintaining a well-rounded and holistic understanding of risk interconnectivity, we aim to anticipate potential repercussions, allowing for effective mitigation measures and business continuity. This also enables Mitie to not only address issues in isolation but also devise comprehensive strategies that strengthen multiple aspects simultaneously, thus ensuring the organisation's resilience and preparedness against an ever-evolving risk landscape.

Risk	Interconnectivity
1. Economic and political uncertainties	3, 5, 6, 7, 8, 9, 10, 14
2. Climate change and social impact	6, 7, 8, 9, 10, 14
3. Cyber security and data protection (previously cyber security and data management)	6, 7, 8, 9, 10, 12, 13, 14
4. Health, safety and environment	6, 7, 8, 9, 10, 14
5. Funding	7, 11, 12, 14
6. Regulatory	7, 14
7. Competitive advantage	5, 9, 10, 11, 13, 14
8. Business resilience	4, 9, 10, 14
9. Employees	7, 12 ,14
10. Third-party management	4, 6, 7, 14
11. Growth through acquisitions	7, 14
12. Business transformation (previously change management)	7, 11, 14
13. Adoption of new and emerging technologies	7, 9, 10, 14
14. Reputational damage	7
15. Prison management (new)	4, 7, 8,14

Changes to our risk profile

In FY25, the Group undertook a thorough review of the current operating environment, focusing on several scenarios, including:

- New risks that have emerged in the external environment but are associated with the Group's existing strategy
- Existing risks that are already known to the Group but have developed
- Risks that were not previously faced by the Group, because the risks are associated with changed core processes

One new principal risk – prison management – was identified following this review.

Emerging risks

In addition to examining the risks that Mitie currently faces, we also consider emerging risks in both our internal and external environments to maintain operational resilience and ensure that our future strategic planning remains uncompromised. Current emerging risks under observation include:

- Policy changes following UK change of government
- Potential for future widespread health events
- The growing prevalence of misinformation and disinformation, along with the potential damage to reputation

Having considered the principal risks in the context of the current and emerging risk landscape, movements in risk exposure have been assessed as follows for the following four principal risks.

Principal risk	Movement in risk exposure
Economic and political uncertainties	Elevated net risk exposure due to an unstable external environment. Ongoing uncertainty related to global socio-political instability and its consequences on domestic and international stages. Multiple consequences arising from government alterations, encompassing budget adjustments, approaches to outsourcing, and regulatory and policy updates (for instance, employment legislation).
Health, safety and environment	Transitioning into prison management results in heightened net risk exposure due to a variety of health and safety concerns. These include the potential for elevated levels of violence and an increase in mental health challenges among both our colleagues and the individuals under our care.
Business resilience	Elevated net risk exposure due to an unstable external environment.
Reputational damage	Transitioning into prison management results in increased net risk exposure because of the anticipated increase in media coverage. Any perceived shortcomings in management practices may contribute to heightened negative public sentiment and scrutiny.

Prison management

HMP Millsike

During FY25, Mitie successfully mobilised HMP Millsike, which has resulted in a material shift in the Group's risk profile as it transitions into prison management. Taking on the responsibility for managing the United Kingdom's newest and first 'green' all-electric Category C prison on behalf of the Ministry of Justice has inevitably led to this adjustment, as this responsibility introduces a range of new operational, reputational and financial risks.

The specialised nature of custodial services demands strict compliance with regulations and contractual obligations, ensuring that the correct processes are followed, and the required standards are met. In addition, the safety and wellbeing of the individuals under our care, our colleagues, and the wider community are of the utmost importance, requiring constant vigilance and adherence to best practice.

In response to this significant development in Mitie's business operations, we have introduced a new principal risk as shown on page 87. While managing HMP Millsike offers exceptional potential for business growth and evolution, it also exposes Mitie to a more complex and diverse risk environment. Consequently, the Group acknowledges that it is essential to ensure that these new opportunities and challenges are carefully balanced by effective and stringent controls. By acknowledging and addressing these risks, Mitie aims to maintain a robust and resilient approach to prison management, safeguarding the interests of its stakeholders while pursuing new avenues for growth and expansion in this sector.

1. Economic and political uncertainties
(Strategic risk)

Description and impact:
An inability to quickly identify and effectively respond to the risks posed from either geopolitical or macroeconomic matters could adversely impact Mitie. A sudden change in market conditions, such as an economic slowdown or significant political uncertainty, either nationally or globally, could have a negative impact on the demand for the Group's services.

Responsibility:
Mitie Group Executive

Risk appetite:
Cautious

Change in year:
Increased risk exposure

Time horizon:
Short

Risk velocity:
Weeks

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth
Operating margin progression
Cash generation

Controls and mitigation:
- Mix of long-term contract portfolio in both the public and private sectors
- Continual development of new and innovative solutions
- Focus on higher-margin growth opportunities
- Regular reviews of the sales pipeline
- Increasing spread of customer base, reducing reliance on individual customers
- Strategic account management programme
- Dedicated Finance, Risk and Intelligence Hub specialists scanning environment
- Utilising contract mechanisms to recharge cost increases
- Coupa, Mitie's digital supplier platform, providing greater visibility of and ability to manage supply chain
- Leveraging buying power to help mitigate the increase in cost of goods and services

2. Climate change and social impact
(Strategic risk)

Description and impact:
An inability to quickly identify and effectively respond to the challenges posed by climate change could hinder the Group's transition to a lower-carbon business and result in significant business interruption and missing new opportunities for growth. Furthermore, a failure to appropriately consider the environmental and social impact of Mitie's business and its activities may create a negative perception with colleagues, clients, investors, government and the general public. This could lead to failures in securing and/or retaining contracts and sources of funding, as well as impacting negatively on Mitie's reputation.

Responsibility:
Chief Legal Officer (Lead) supported by Mitie Group Executive

Risk appetite:
Cautious

Change in year:
No change

Time horizon:
Short to medium

Risk velocity:
Years

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth

Controls and mitigation:
- Plan Zero
- ESG Committee
- Environmental Management System ISO 14001 and Energy Management System ISO 50001
- Climate change risk assessment maintained and approved by the ESG Committee
- Key policies and associated operating procedures in place
- Use of in-house subject-matter experts specialising in an array of topics, including energy, waste, biodiversity, procurement and fleet
- ISO 22301 – regular testing of crisis management and business continuity plans
- Winter and summer preparedness planning at account level
- Ongoing reviews of Planned Preventative Maintenance (PPM) lifecycles
- Continuous horizon scanning via the Group's Intelligence Hub, with regular alerts to teams on potential threats and significant events
- Insurance cover in place to cover property damage and business interruption
- Targets in place for Mitie's social value framework pillars
- The Mitie Foundation – Giving Back, Mitie's employee volunteering programme
- Active apprenticeship scheme across the Group, training Mitie colleagues to enhance operational delivery and address skills gaps

3. Cyber security and data protection (Previously cyber security and data management)

(Technological risk)

Description and impact:
In the normal course of business, Mitie collects, processes and retains sensitive and confidential information about its customers, people and operations. Hacking, phishing attacks, ransomware, insider threats, physical breaches or other actions such as mistakes made by our own people may cause this confidential information to be lost or misused. Any data loss could affect customer delivery operations and may result in a major data breach, leading to fines, remediation costs and reputational damage.

Responsibility:	Risk appetite:	Change in year:
Chief Technology and Information Officer (Lead) supported by Mitie Group Executive	Averse	No change

Time horizon:	Risk velocity:
Short to medium	Hours

Strategic pillars that would be impacted if risk was to materialise:

Accelerating growth

Controls and mitigation:
- Continued alignment with Cyber Essentials Plus requirements, and ISO 27001 certified Information Security Management System in place
- Internal processes and controls for all systems changes to ensure cyber best practice and compliance with data protection laws and regulations
- Dedicated information security team and data privacy officers in place
- Assured cyber incident response company (level 1) engaged and on retainer with a one-hour response time
- Outsourcing of routine IT operations to a highly skilled partner organisation, Wipro, to improve IT resilience and controls. Includes 24/7 service, providing Mitie with an enhanced level of information
- Security monitoring and alerting: the 24/7 Cyber Defence Centre service provided by Wipro actively monitors all alerts and incidents raised by the various security tools
- Microsoft and Wipro cyber toolsets and proactive monitoring and management of cyber-threats
- Clear strategy to utilise leading-edge cloud technology, delivering disaster recovery and business continuity improvements
- Crisis management and business continuity testing focused on cyber-attacks, a series of exercises aimed at ensuring that downtime is minimised and customer trust is maintained
- Regular communications to colleagues to highlight IT risks and expected behaviours
- Cyber security training
- Cyber insurance policy
- MGX Playbook for the management of a cyber-attack
- Security assessments by a leading firm of cyber security experts, including a phased threat assessment and stress test on the Mitie network

4. Health, safety and environment

(Regulatory risk)

Description and impact:
Failure to maintain appropriately high standards in health, safety and environmental management may result in catastrophic events, harm to our colleagues, client staff or members of the public, consequential fines, prosecution and reputational damage.

Responsibility:	Risk appetite:	Change in year:
Chief Legal Officer (Lead) supported by Mitie Group Executive	Averse	Increased risk exposure

Time horizon:	Risk velocity:
Short to medium	Days

Strategic pillars that would be impacted if risk was to materialise:

Accelerating growth

Controls and mitigation:
- A comprehensive HSE strategy in place and under continual review for effectiveness
- Major cultural HSE programme, LiveSafe, continuing, with clear rules, engagement and training for staff
- Regular training and communication delivered throughout the Group, in accordance with the LiveSafe principles. LiveSafe eLearning training programme sets out HSE expectations, including 'stop the job', supported by key safety message from the Chief Executive, Phil Bentley
- H&S management system certified to ISO 45001 and environmental system to ISO 14001
- Fully integrated incident recording, monitoring and reporting system
- Regular HSE reviews conducted at Group and business unit level
- Clear and standardised KPIs to monitor progress and improvements
- Risk-based audit programme embedded
- Themes and root causes monitored from the results of audits to target specific actions, including training
- HSE function Plan Zero champions, as part of the Plan Zero programme to promote strategy and good practice in environmental management
- Health and wellbeing framework integrated into the business
- Insurance cover in place to cover employers' liability, public liability and motor fleet insurance
- Focused zero harm weeks concentrating on pertinent subjects to further strengthen Mitie's HSE culture
- Ongoing review of HSE team, ensuring maintenance of competencies and correct provision of support and guidance across the Group

5. Funding
(Financial risk)

Description and impact:
A failure to secure and renew access to suitable funding sources, stemming from perceived risks within Mitie's operations and/or the broader sector, could adversely affect the Group's capacity to uphold a profitable business performance. Furthermore, an overextension of Mitie's leverage could result in diminished cash flow, restricted growth opportunities, and compromised financial stability, leading to a decline in shareholder confidence and a subsequent reduction in Mitie's market value.

Responsibility:	Risk appetite:	Change in year:
Chief Financial Officer (Lead) supported by Mitie Group Executive	Cautious	No change

Time horizon:	Risk velocity:
Short to medium	Months

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth
Operating margin progression

Controls and mitigation:
- Maintenance of strong banking, debt and equity relationships
- Regular forecasting of cash flow and net debt
- Thorough focus on working capital cycles with a clear set of KPIs
- Clear policy on provisions
- Strong focus on and monitoring of cash collection
- Regular reviews of payment terms with customers and supply chain
- Focus on working capital processes to reduce cycle times and average daily net debt
- Resources allocated to drive cash performance and predictability
- Regular review of capital allocation policy to ensure plans are affordable and the Group remains within required covenant and rating agency parameters

6. Regulatory
(Regulatory risk)

Description and impact:
Failure to comply with applicable laws and regulations may lead to fines, prosecution and damage to Mitie's reputation.

Responsibility:	Risk appetite:	Change in year:
Chief Legal Officer (Lead) supported by Mitie Group Executive	Averse	No change

Time horizon:	Risk velocity:
Short to medium	Days

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth

Controls and mitigation:
- Specialist legal and HSE expertise aligned with business units
- Code of Conduct for all colleagues
- Independent whistleblowing system available to all colleagues to report any concerns
- Group-wide policies updated for changes to laws and regulations and maintained in the online information management system
- Regular and thorough internal and external regulatory audits
- Training and awareness materials communicated to colleagues via Mitie's digital learning hub and monitoring of completion performed, especially for mandatory courses
- Regular monitoring of legal and regulatory changes by Group functions, including Company Secretariat, Legal, HSE and HR
- Financial governance and controls in place
- Commercial governance and controls in place
- Establishment of Internal Control Declaration framework ongoing to align with future corporate governance requirements
- AI governance and controls

7. Competitive advantage
(Strategic risk)

Description and impact:
A failure to preserve our competitive edge or capitalise on opportunities might result in the loss of key customers, excessive dependence on a specific sector or the inability to generate financially sound bids with a measured approach to risk. This could have a significant effect on Mitie's financial performance and reputation.

Responsibility:	Risk appetite:	Change in year:
Mitie Group Executive	Eager	No change

Time horizon:	Risk velocity:
Short to medium	Months

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth; Operating margin progression; Cash generation

Controls and mitigation:
- Bid Committee approval for complex bids
- Robust risk assessment of bids with input from key stakeholders such as Commercial, Legal and Operational Teams
- Detailed contracting guidelines in place
- Clear delegated authorities register
- Strategic account management programme
- KPI/service level agreement formal reviews with customers
- Sales and customer relationship management (CRM) teams focused on developing pipeline across all major sectors
- Improved CRM capabilities with active relationship management
- Focus on customer satisfaction (Net Promoter Score and soliciting feedback)
- Sales development programme
- Procedural documentation in place
- Centre of Excellence Bid Team established
- Ongoing review of new and innovative service offerings

8. Business resilience
(Strategic risk)

Description and impact:
An inability to effectively respond to global events, such as a pandemic or supply chain disruption and/or a catastrophic event at a key business location, could result in significant business interruption. The effect on colleagues, customers and the supply chain could result in severe consequences for the financial health and reputation of Mitie's business.

Responsibility:	Risk appetite:	Change in year:
Mitie Group Executive	Cautious	Increased risk exposure

Time horizon:	Risk velocity:
Short to medium	Days

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth; Operating margin progression; Cash generation

Controls and mitigation:
- Key policies and associated operating procedures in place
- Dedicated specialist teams, including Risk, Information Systems, Finance, Occupational Health, Supply Chain and Intelligence Hub
- Maintained and updated crisis and business continuity plans for key activities across all Mitie operations, including key service providers
- Disaster recovery framework embedded and managed
- Stringent governance controls, including oversight from Risk Committee, with regular reporting to the Audit Committee and the Board
- Close monitoring of supply chain to ensure continuity of critical supplies
- Internal and external compliance audits
- Certified to ISO 22301:2019 and operating in accordance with ISO 31000:2018, which is subject to annual external validation
- Regular Mitie Group Executive testing of crisis management and business continuity scenarios
- Continuous horizon scanning via the Intelligence Hub, with regular alerts to teams on potential threats and significant events
- Critical Engineering and Technical Assurance programme to help manage high-risk contracts
- Insurance cover in place to cover business interruption
- Agile working framework embedded
- Themes and root causes monitored from the results of audits to target specific actions
- Digital supplier platform supports the efficiency of Mitie supply chain processes (supplier onboarding/supplier health, contract lifecycle management, sourcing and purchase to pay)

9. Employees
(People risk)

Description and impact:
Significant challenges in attracting, recruiting and retaining suitably talented people could lead to a detrimental skills shortage. This shortage of skilled colleagues could adversely affect the delivery of core operational activities and compromise the successful implementation of long-term strategies. As a result, overall business performance, growth and market competitiveness may be negatively impacted, potentially leading to a decline in stakeholder confidence and financial performance.

Responsibility:
Chief People Officer (Lead) supported by Mitie Group Executive

Risk appetite:
Cautious

Change in year:
No change

Time horizon:
Short to medium

Risk velocity:
Months

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth

Controls and mitigation:
- Consistent HR resourcing process and system across the Group
- Process in place for online training and development, with access to online learning for all colleagues
- Consistent process to manage both temporary and permanent recruitment
- Training and development programmes for senior leadership
- Developed talent identification, management and development framework
- Performance management framework
- HR business partners aligned with business units
- Induction programme, mandatory for new starters
- Regular communications from leadership team – including Mitie Group Executive country-wide roadshows
- Specific plans developed to address results of employee survey
- Competitive remuneration, terms and conditions
- Regular employee offers
- Succession plans in place for critical roles, especially for senior leadership
- Attraction strategy developed and deployed
- Enhanced benefits such as free shares, life assurance, virtual GP and a salary advance scheme
- Careers website
- Employee Value Proposition (EVP)
- Career band framework

10. Third-party management
(Operational risk)

Description and impact:
An inability to successfully manage strategic third-party relationships or a failure involving a third-party partner could impact Mitie's ability to deliver, resulting in financial losses owing to fines and, in some circumstances, significant reputational damage.

Responsibility:
Group Procurement Director (Lead) supported by Mitie Group Executive

Risk appetite:
Cautious

Change in year:
No change

Time horizon:
Short to medium

Risk velocity:
Weeks

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth
Operating margin progression

Controls and mitigation:
- Key policies and associated operating procedures, including Supplier Management Programme
- Dedicated Procurement and Commercial teams
- Centre of Excellence and dedicated Risk & Compliance team embedded within Procurement and Supply Chain team
- 'Mitie First' approach adopted
- Optimisation of preferred suppliers framework
- Rigorous onboarding framework integrated into business utilising the digital supplier platform
- Defined service level agreements and KPIs
- Ongoing spending review
- Dedicated risk management and assurance procedures (including targeted HSE assurance programme and internal audit) to ensure that internal controls are operating effectively
- Ongoing review of third-party business continuity arrangements with regular reporting to Group Risk
- Digital supplier platform facilitating supplier health and risk checks (including insolvency risk) as well as invoice processing
- Procurement and supply chain insights

11. Growth through acquisitions

(Strategic risk)

Description and impact:
An important part of Mitie's growth is generated through acquisitions. Market conditions might mean that the ability to secure such opportunities for future growth, which are favourable to Mitie in respect of price and terms and conditions, may not always be available.

Responsibility: Mitie Group Executive

Risk appetite: Eager

Change in year: No change

Time horizon: Short to medium

Risk velocity: Years

Strategic pillars that would be impacted if risk was to materialise:

Accelerating growth

Controls and mitigation:
- Central acquisition function reporting into Group Legal
- Standardised governance framework, including risk management
- Ongoing review of market conditions and value for stakeholders
- Rigorous due diligence and risk management processes
- Financial governance and controls

12. Business transformation (previously change management)

(Operational risk)

Description and impact:
Fundamental to Mitie's growth strategy is the ability to successfully undertake business transformation projects and ensure that all aspects of change management are correctly integrated. A failure to successfully manage the aggregated impact of simultaneously delivering transformation programmes could impact the delivery of planned business benefits.

Responsibility: Mitie Group Executive

Risk appetite: Cautious

Change in year: No change

Time horizon: Short to medium

Risk velocity: Years

Strategic pillars that would be impacted if risk was to materialise:

Accelerating growth

Operating margin progression

Controls and mitigation:
- Executive sponsorship
- Deliverables agreed in advance by the Board and Mitie Group Executive
- Centralised Project Management Office function
- Subject-matter experts appointed early on with agreed roles and responsibilities
- Standardised programme governance framework, including risk management
- Contract management controls embedded for third-party support
- Regular auditing with periodic reporting on key business activities to the Audit Committee

13. Adoption of new and emerging technologies
(Strategic risk)

Description and impact:
A failure to capitalise on new and emerging technologies, along with an inability to implement vital infrastructure and systems, could have a detrimental impact on the Group's long-term growth and profitability.

Responsibility:	Risk appetite:	Change in year:
Mitie Group Executive	Eager	No change

Time horizon:	Risk velocity:
Medium to long	Months

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth
Operating margin progression

Controls and mitigation:
- Mitie Responsible and Ethical Use of Artificial Intelligence Policy
- AI Executive Oversight Committee
- AI Ethics Board
- Dedicated AI risk register
- AI directory
- AI Use Case Board
- Suppliers InfoSec mandate
- Learning and development programme

14. Reputational damage
(Strategic risk)

Description and impact:
Mitie's participation in politically sensitive activities, such as the provision of immigration removal services, draws media scrutiny and amplifies the risks associated with misinformation and disinformation, particularly in instances of perceived operational shortcomings. The combination of Mitie's involvement and inaccuracies in external reporting could considerably damage the Group's reputation, resulting in the loss of customers' trust, financial setbacks and long-term challenges to Mitie's stability, delivery and growth.

Responsibility:	Risk appetite:	Change in year:
Mitie Group Executive	Averse	Increased risk exposure

Time horizon:	Risk velocity:
Short to medium	Hours

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth
Operating margin progression

Controls and mitigation:
- Weekly MGX meetings
- Proactive media outreach to ensure validity of reports, including correction methods via ongoing media campaigns
- Proactive monitoring of social media platforms
- Designated media liaisons
- Proactive engagement with key external stakeholders
- Daily media alerts
- Enhanced targeted monitoring on groups identified as posing an increased risk
- Designated Corporate Affairs and Legal support

15. Prison management

(Operational risk)

Description and impact:
A failure to effectively manage the risks associated with the provision of prison management services could compromise the safety and wellbeing of our colleagues and the individuals under our care, as well as adversely impact future opportunities to expand in this sector. This could negatively impact the Group's financial, operational and legal positions, putting our growth, stability and reputation at risk.

Responsibility:	Risk appetite:	Change in year:
Mitie Group Executive	Cautious	New

Time horizon:	Risk velocity:
Short	Days

Strategic pillars that would be impacted if risk was to materialise:
Accelerating growth, Operating margin progression, Cash generation

Controls and mitigation:
- Weekly MGX meetings
- Stringent governance controls, including the Independent Prison and Immigration Review Board and oversight from the Risk Committee, with regular reporting to the Audit Committee and Board
- Designated subject matter experts and industry leaders appointed
- A comprehensive HSE strategy in place and under continual review for effectiveness
- Fully integrated incident management recording, monitoring and reporting system
- Insurance cover in place. Regular testing of crisis management and business continuity, including MGX-led simulations
- Risk-based audit programme embedded
- Designated Corporate Affairs and Legal support
- Proactive engagement with key external stakeholders
- Daily media alerts

Focus areas for FY26

Moving into FY26, the Group is committed to continually developing our risk management and business resilience strategies, ensuring that the necessary protections and proactive measures are in place to address the changing risk landscape. We will build on the accomplishments of FY25, including the success of our Risk and Resilience Week, improved risk data quality and enhanced governance.

Our commitment to strengthening risk management continues with ongoing training and innovation, as well as maintaining high levels of risk and resilience management practices, as evidenced by our ISO certifications. As we expand into new industries, such as prison management, we will continue to adapt our approach and mitigation efforts to address the unique risks posed by these new ventures. Our aim is to remain resilient and agile in our management of risk, ensuring that the Group can confidently navigate an ever-evolving landscape and emerge stronger in the event of disruption.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

We continuously seek opportunities to enhance Mitie's standing as a responsible business and actively engage with stakeholders to improve the Group's impact. As elaborated on pages 50 to 75, Mitie has set specific social value and responsible business targets within its social value framework. Progress towards these targets is reported monthly in Mitie's ESG dashboard, available at www.mitie.com/esg. Mitie achieved 12 of its social value targets for FY25.

Mitie's leadership position in ESG continues to be upheld, as evidenced by its ratings from major ESG agencies during FY25.

We employ a range of tools to monitor and evaluate our performance against strategic objectives. Our business model integrates the non-financial value generated for our stakeholders from our resources, human capital, expertise and relationships. Through this business model, we create value for our colleagues, suppliers, communities, shareholders and customers. Detailed information about our business model can be found on pages 32 to 33, and our principal risks are outlined on pages 76 to 87. Climate-related financial disclosures, as stipulated in section 414CB(2a) of the Companies Act 2006, are compliant and aligned with TCFD and are incorporated in the sustainability statement on pages 53 to 67.

The table below addresses the non-financial and sustainability reporting requirements outlined in sections 414CA and 414CB of the Companies Act 2006, with cross-references to other sections of the Annual Report. The policies listed in the table are periodically reviewed.

Reporting requirement	Relevant policies and approach[1]	Outcomes	Annual Report page reference
Environmental matters	Environmental Policy Statement: Mitie recognises that in its day-to-day operations it will inevitably impact on the environment in several ways and is committed to reducing that impact through continual improvement in its environmental and sustainability performance. Mitie's Environmental Policy Statement sets out how this is achieved as well as all the environmental aspects and impacts specific to Mitie's service delivery. It also explains Mitie's Plan Zero commitments.	74% of Mitie's UK fleet has been transitioned to electric vehicles. Mitie has validated near- and long-term science-based targets.	Chief Executive's review pages 22 to 27 Sustainability statement pages 50 to 75 ESG Committee report pages 121 to 123 Principal risk 2: Climate change and social impact
People	People Policy: Mitie recognises that to attract and keep exceptional colleagues we must make Mitie a 'Great Place to Work'. This is Mitie's number one aim as a business, because Mitie is nothing without its people. This policy supports Mitie's commitment to providing a rewarding, fair and sustainable working environment for its people. Equality, Diversity and Inclusion Policy: People are what makes Mitie great. This policy sets out how Mitie upholds inclusion in the workplace and the approach is based on three key principles: inclusion, equality and diversity. Mitie's success is built on its ability to embrace diversity – and we believe that everyone should be able to bring their true selves to work and feel valued for their contributions. Health, Safety and Wellbeing Policy: This policy statement sets out Mitie's commitment to achieving the highest health, safety and wellbeing standards and performance for the benefit of our colleagues, contractors, client staff and members of the public. Employee Handbook: Mitie's Employee Handbook sets out Mitie's vision and values and applies to all colleagues.	Employee engagement is at 63%. In 2025, the Top Employers Institute certified Mitie as a UK Top Employer for the seventh consecutive year. We also ranked 9th on the Inclusive Top 50 UK Employers list for 2024/2025.	Chief Executive's review pages 22 to 27 Stakeholder engagement pages 34 to 38 Sustainability statement pages 50 to 75 Principal risk 4: Health, safety and environment Principal risk 9: Employees
Social matters	Sustainability and Social Value Policy: Mitie believes in the value of sustainable actions and social equality. It commits to developing skills, creating quality jobs and supporting our people to contribute to the communities we serve. This policy sets out how Mitie manages its approach to be a sustainable, energy efficient, environmentally and socially responsible business.	Donations and gifts in kind to the Mitie Foundation of £0.4m in FY25 to fund operations.	Chief Executive's review pages 22 to 27 Sustainability statement pages 50 to 75 Principal risk 2: Climate change and social impact
Human rights	Mitie's Equality, Diversity and Inclusion Policy sets the base for what our colleagues should expect and what they must do to uphold our culture. Mitie's Employee Handbook and Ethical Business Practice Policy not only ensures that Mitie conducts operations with honesty, integrity and openness but also supports its approach to governance and corporate responsibility.	Mitie publishes a Modern Slavery Statement each year, which is available at www.mitie.com	Stakeholder engagement pages 34 to 38 Principal risk 6: Regulatory Principal risk 9: Employees Principal risk 10: Third-party management Principal risk 14: Reputational damage
Anti-bribery and anti-corruption	Ethical Business Practice Policy: Mitie has a duty to act responsibly and to show the highest levels of ethical and moral stewardship. This policy sets out Mitie's ethical business practices and includes information on Mitie's zero tolerance approach to bribery and corruption.	E-learning module available for colleagues through the process repository and Learning Hub.	People pages 68 to 74 Culture at Mitie pages 102 to 105 Principal risk 6: Regulatory Principal risk 10: Third-party management Principal risk 14: Reputational damage
Non-financial KPIs	Details of Mitie's non-financial KPIs can be found on pages 30 and 31.		

1. Policies, statements and codes are available at www.mitie.com.

VIABILITY STATEMENT

The UK Corporate Governance Code requires the Board to explain how it has assessed the prospects of the Group and state whether it has a reasonable expectation that the Group can continue to operate and meet its liabilities, taking into account its current position and principal risks.

The Group's principal markets and strategy are described in detail in the FY25 Strategic report (pages 3 to 89).

The key factors affecting the Group's prospects are:

- Mitie is the leading UK facilities management business with c.14% of the market
- The outsourcing market is relatively insensitive to economic cycles
- We have a clear vision for our technology-centric growth strategy
- We are making good progress in our transformation programmes
- We have a diverse portfolio of blue-chip and public sector clients, the largest of which constitutes <5% of revenue

The Directors believe that a three-year period is appropriate for the viability assessment as it is supported by our strategic, budgeting and business planning cycles and is relevant to the duration of the Group's existing contracts with customers, which is typically around three years. It therefore represents a timeframe over which the Directors believe they can reasonably forecast the Group's performance.

In making this statement, the Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This includes the availability and effectiveness of mitigating actions that could realistically be taken to avoid or reduce the impact or occurrence of the underlying risks. In considering the likely effectiveness of such actions, the conclusions of the Board's regular monitoring and review of risk management and internal control systems, as described on page 76, are considered.

Base case projections for viability purposes have been made using prudent assumptions:

- Modest revenue growth and margin growth beyond FY25
- Working capital outflows in future years in line with revenue growth
- Future dividends in line with current policy
- Share buyback programme continuing in FY26
- Settlement of existing provisions according to our best estimates
- Funding costs for ongoing transformation activities
- No significant changes to Group structure

The resulting financial model assesses the ability of the Group to remain within financial covenants and liquidity headroom of existing committed facilities.

The Group's principal debt financing arrangements at 31 March 2025 were a £250m revolving credit facility maturing in October 2028, which was undrawn as at 31 March 2025, and £180m of US private placement (USPP) notes. 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 on page 49.

In September 2023, the revolving credit facility was amended from £150m to £250m and its maturity date was extended by one year to October 2027, on the same terms, with an option to extend for a further one-year period. This option was exercised in October 2024, with the maturity now in October 2028.

Of the USPP notes, £120m 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 £30m of USPP notes, which matured in December 2024, were replaced with £60m of new notes drawn under a new uncommitted shelf facility at a coupon of 5.71% and maturing in December 2031.

The remaining undrawn capacity of this uncommitted shelf facility was c.£270m at 31 March 2025, which can be drawn down until October 2027.

A range of scenarios that encompass the principal risks were applied to the base case and are set out in the table below. The analysis also considered a reverse stress test scenario to understand the reduction required to cause a breach of financial covenants.

	Scenario	Principal risks
1	**Demand/operational shock** Assumptions **Revenue:** 5% year-on-year revenue reduction across assessment period **Costs:** £40m one-off cost in FY26 (or equivalent amount of savings not being realised)	3,4,6,7,8,15
2	**Inflation/employee/supply chain disruption** Assumptions **Margin:** 2% gross margin erosion across assessment period	1,2,9,10,12
3	**Reverse stress test**	n/a

In each of scenarios 1 and 2, the Group was able to continue operating within debt covenants and liquidity headroom of its existing committed facilities. The conclusion from the reverse stress test is that the likelihood of the reverse stress scenarios arising was remote and therefore does not represent a realistic threat to the viability of the Group. In reaching the conclusion of remote, the Directors considered the following:

- All stress test scenarios would require a very severe deterioration compared with 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 34% (assuming the gross margin was maintained) in the 12 months to March 2026 compared with the base case, which is considered to be very severe given the high proportion of Mitie's revenue that is fixed in nature and the fact that in a COVID-hit year, Mitie's revenue excluding Interserve declined by only 1.6%.
- In the event that results started to trend significantly below those included in the Group cash flow model, 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 share buybacks.

Based on this assessment, the Directors have concluded that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 March 2028.

The Strategic report on pages 3 to 89 of Mitie Group plc, company registration number SC019230, was approved by the Board of Directors and authorised for issue on 4 June 2025.

It was signed on its behalf by

Phil Bentley
Chief Executive Officer

Simon Kirkpatrick
Chief Financial Officer

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Governance

UK Corporate Governance Code and statement of compliance

Mitie applied all the principles and complied with all the relevant provisions of the UK Corporate Governance Code 2018 (the Code) during FY25. Details of how Mitie has applied the principles (A to R below) set out in the Code and how governance operates at Mitie have been summarised throughout this Annual Report and are set out on the pages indicated in the table below. A copy of the Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

The Board acknowledges the release of the UK Corporate Governance Code 2024 (the 2024 Code) in January 2024. Mitie will report on compliance with the 2024 Code from the financial year commencing on 1 April 2025, except for Provision 29, which will apply to the Company from 1 April 2026.

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CHAIRMAN'S INTRODUCTION TO GOVERNANCE AND THE BOARD

Effective corporate governance is fundamental to how the Board fosters entrepreneurial and responsible management. This approach facilitates the creation of long-term, sustainable value and strengthens Mitie's contribution to broader society.

Derek Mapp
Chairman

As Chairman, my primary responsibility is to maintain the Board and Mitie's high standards of corporate governance. This involves establishing and continuously developing robust controls that provide the Board with the necessary level of oversight and assurance. A sound corporate governance framework ensures that the Board can make decisions effectively and efficiently, while maintaining the appropriate balance of knowledge, diversity, skills, experience and challenge needed to monitor and manage the risks encountered by Mitie.

Board's focus during the year

During FY25, the Board has focused on improving the strength of the Mitie platform and investing in our capabilities to accelerate Facilities Transformation for our customers, as well as continuing to reduce Mitie's cost base through innovation and margin enhancement initiatives (MEIs).

During FY25, the Board received updates on financial and operational performance and:

- Considered and approved Mitie's new Company purpose
- Approved the Group's budget for FY25
- Considered and approved the implementation of a further £125m buyback programme for FY26
- Considered feedback following the various Employee Voice listening sessions held with frontline colleagues as part of the Board's workforce engagement activities
- Considered and approved several important strategic acquisitions, in line with Mitie's mergers and acquisitions (M&A) strategy
- Balanced business performance and shareholder interests in relation to FY25 capital allocations

Board composition

The Nomination Committee continues to lead the process for Board appointments and ensures that plans are in place for orderly Board and senior management succession.

In March, Christopher Rogers was appointed as Chair Elect. This appointment followed an extensive search process led by the Senior Independent Director Roger Yates on behalf of the Nomination Committee and wider Board, supported by external advisors MWM Consulting. While I was not part of this process, which is described in more detail on page 111, I was very pleased with the outcome, as Christopher is an excellent successor, given his significant Board experience across a range of sectors. Christopher will formally take over the Chair role at the Annual General Meeting (AGM) in July.

Mary Reilly will be succeeded by Penny James as Chair of the Audit Committee when she steps down from the role following the completion of the FY25 Annual Report and Accounts. I would like to extend my thanks to Mary for her expertise and leadership in guiding our financial oversight and ensuring the integrity of our reporting processes over the past eight years.

The Board evaluated whether the skills and experience of its members are suitable both from a general Board composition perspective and based on individual contribution. The biographies of the current Board members and the Chief Legal Officer & Company Secretary are detailed on pages 92 to 94.

Board evaluation

Following a comprehensive external evaluation process in FY24, this year's Board and Committee evaluation was conducted internally. I am pleased to confirm the Directors' view is that the Board and each Committee are functioning effectively. Further details on the Board evaluation can be found on page 106.

Stakeholder engagement

The Board ensures that stakeholder interests are considered when making strategic decisions through effective engagement. Details of our stakeholder engagement activities are available on page 99.

Our Section 172(1) statement highlights key decisions made by the Board during FY25 and their impact on key stakeholders. The Section 172(1) statement can be found on pages 39 to 41.

Jennifer Duvalier continues to serve as the Company's designated Non-Executive Director responsible for overseeing the Board's engagement with the workforce. All Non-Executive Directors in post during the period participated in colleague listening sessions throughout FY25, maintaining communication channels with the workforce and ensuring that the views of those on the frontline were heard and understood. Notes from workforce engagement sessions were made available to the Board via an electronic Board portal. The Non-Executive Directors provided the Board with updates at each Board meeting so that colleague views were regularly communicated at the Board level and could be included in the Board's decision-making process. Further details on Jennifer's role and activities can be found on pages 104 to 105.

Annual General Meeting

The AGM is a significant event in the Company's corporate calendar, offering an opportunity for engagement with shareholders. Shareholders are invited to attend the meeting in person to cast their votes and ask questions, or to view the proceedings via a live webcast. Additionally, shareholders can submit questions via email to investorrelations@mitie.com. Detailed instructions on how to register and participate in the webcast are provided in the Notice of AGM.

As I prepare to leave Mitie, I reflect on the significant progress made. Mitie's strength lies in its colleagues and collaborative culture. It has been an honour to be part of this organisation, and I look forward to seeing its continued growth.

Derek Mapp
Chairman

Derek Mapp

Non-Executive Chairman

Date of appointment to the Board
9 May 2017

Other current appointments
Derek is Non-Executive Chair of the Board of Eurocell plc and Chair of its Nomination Committee. Derek is also Chair and a Director of Woodall Group Limited and Legatum Capital Limited (both private companies) and has several other private business interests in hospitality in Cornwall and Derbyshire.

Past roles
Derek was Chair of Informa plc from March 2008 to June 2021. He was also Chair of Huntsworth plc from December 2014 to March 2019. Previously he was Chief Executive Officer of Tom Cobleigh plc and Executive Chair of Leapfrog Day Nurseries Limited. Prior to that, he was Chair of East Midlands Development Agency, Sport England and British Amateur Boxing Association Limited.

Skills and experience
- Experienced Chairman and entrepreneur with exceptional leadership skills
- Extensive career in ownership, managerial, operational and commercial roles in service industries
- Wealth of commercial and exceptional governance experience within various sectors
- Promotes robust debate and an open and engaged culture

Christopher Rogers

Independent Non-Executive Director and Chair Elect

Date of appointment to the Board
19 March 2025

Other current appointments
Christopher is currently Chair of Wickes Group plc and Senior Independent Director of Kerry Group.

Past roles
In his executive career Christopher was an Executive Director of Whitbread plc from 2005 to 2016, where he held the position of Chief Financial Officer (CFO) from 2005 to 2012 and then Global Managing Director of Costa Coffee from 2012 to 2016. Prior to Whitbread, Christopher held senior commercial and finance roles at Kingfisher plc and Woolworths Group. Christopher has also been a Non-Executive Director at Vivo Energy plc and Travis Perkins plc.

Skills and experience
- Extensive board and executive leadership experience
- Strong financial management and risk oversight, with expertise in audit and remuneration committees
- Proven success in the food service and retail sectors, with a deep knowledge of commercial and strategic growth
- Fellow of Chartered Accountants England and Wales and former visiting Fellow at a UK university

Phil Bentley

Chief Executive

Date of appointment to the Board
1 November 2016

Other current appointments
None

Past roles
Phil was Group Chief Executive Officer of Cable & Wireless Communications plc from January 2014 until its sale to Liberty Global plc in May 2016. Prior to that, he was a member of the Board of Centrica plc from 2000 to 2013, while also Managing Director of British Gas from 2007 to 2013, Managing Director, Europe from 2004 to 2007 and Group Finance Director from 2000 to 2004. His prior non-executive directorships include IMI plc from 2012 to 2014 and Kingfisher plc from 2002 to 2010. His earlier career was in international roles with BP and Diageo.

Skills and experience
- Executive and non-executive experience with FTSE 100 companies for over 20 years
- Significant strategic and commercial experience at both national and global levels
- Exceptional executive and leadership experience across a number of sectors
- Extensive financial and investment community experience
- Accountant by profession, with a master's degree from University of Oxford and an MBA from INSEAD, Fontainebleau

Simon Kirkpatrick

Chief Financial Officer

Date of appointment to the Board
1 April 2021

Other current appointments
None

Past roles
Simon joined Mitie in July 2019 from Balfour Beatty plc, where he held a number of senior finance roles, including Finance Director for Major Projects and Group Head of Financial Planning & Analysis. He began his professional career with Ernst & Young, where he was a Director in the Energy practice.

Skills and experience
- Significant UK and international plc experience
- Proven track record in transforming complex contracting businesses
- Exceptional financial experience and extensive strategic and commercial experience across a number of sectors
- Chartered accountant, with a law degree from University of Exeter

AC Audit Committee member | ESG ESG Committee member | NC Nomination Committee member | RC Remuneration Committee member | Committee Chair

Jennifer Duvalier

Independent Non-Executive Director

Date of appointment to the Board
26 July 2017

Other current appointments
Jennifer is a Non-Executive Director, Chair of the Remuneration Committee and a member of the Nomination and Cyber Security Committees of NCC Group plc, as well as Senior Independent Director and a member of the Audit and Risk, Nomination and Remuneration Committees of Trainline plc. Additionally, Jennifer is a Director of The Cranemere Group Limited, where she is also Chair of the Sustainability, People & Diversity Committee, a Trustee of Somerset House (a registered UK charity) and an external advisor to the Wellcome Trust.

Past roles
Jennifer was a Non-Executive Director and Chair of the Remuneration Committee of Guardian Media Group plc from May 2014 to April 2023. She was Executive Vice President, People for ARM Holdings plc, a global technology business, from September 2013 to March 2017 and was also an Executive Committee member with responsibility for its people and internal communications activity.

Skills and experience
- Leadership development, talent acquisition and management and succession planning
- People strategy, organisation development and change management
- Employee engagement and internal communications
- ESG-centred activities
- Executive remuneration and performance management experience
- MA (Hons) in English and French from University of Oxford

Penny James

Independent Non-Executive Director

Date of appointment to the Board
1 February 2024

Other current appointments
Penny is a Non-Executive Director of QBE Insurance Group Limited, Chair of the Audit Committee and member of the Risk Committee of Vitality UK (Life and Health), and Co-Chair of the FTSE Women Leaders Review.

Past roles
Penny was Senior Independent Director of Hargreaves Lansdown plc, as well as a member of its Risk Committee and Nomination and Governance Committee, until March 2025. Penny was also Chief Financial Officer and later Chief Executive Officer of Direct Line Insurance Group plc to January 2023, having joined its Board in November 2017. Prior to this she was Director of Group Finance at Prudential plc, followed by the Group Chief Risk Officer role. She had previously been Group Chief Financial Officer at Omega Insurance Holdings Limited and Chief Financial Officer of UK General Insurance at Zurich Financial Services Ltd. Penny was a Non-Executive Director of Admiral Group plc from 2015 to 2017. She was Chair of the Financial Conduct Authority's Practitioner Panel from March 2022 to January 2023 and a Board member of the Association of British Insurers.

Skills and experience
- Extensive financial services experience with strong leadership, finance and risk expertise
- Strategic mindset and experience in business transformation
- Chartered accountant, with a degree in statistics from University of Bath

Chet Patel

Independent Non-Executive Director

Date of appointment to the Board
1 April 2022

Other current appointments
With over 20 years' commercial experience at BT Group, Chet is currently its Managing Director, BT International.

Chet is also a Non-Executive Advisor for Dentons and acts as a mentor for tech start-up organisations.

Past roles
Chet was a Non-Executive Director at London First between 2013 and 2017. Chet was also a non-executive member of the London Enterprise Panel between 2013 and 2016.

Prior to joining BT Group in 2006, Chet worked for Charles Schwab.

Skills and experience
- Proven ability to challenge and support executive teams, ensuring accountability and alignment with shareholder interests
- Commercial expertise in the B2B service environment, with a strong focus on driving growth and sales strategies
- Deep knowledge of business technology, cyber security, and digital transformation
- Skilled in corporate strategy, risk management, stakeholder engagement, including with government, regulators, and international partners
- MBA from Henley Management College
- Honours degree in economics and politics from University of Leeds

Mary Reilly

Independent Non-Executive Director

Date of appointment to the Board
1 September 2017

Other current appointments
Mary is Senior Independent Director and Chair of the Audit Committee of Essentra plc. Additionally, Mary is an Independent Non-Executive Director and Chair of the Audit Committee of Gemfields Group Limited and on the Board of Mar Holdco S.a.r.l, a privately held Luxembourg company. Mary is also a Trustee of the PDSA.

Past roles
Mary was a Non-Executive Director of Cazoo Group Ltd until 2023, a Non-Executive Director and Chair of the Audit Committee of Travelzoo from 2013 to 2022 and a Non-Executive Director and Chair of the Audit Committee of Ferrexpo plc from 2015 to 2019. She was also a Non-Executive Director and Chair of the Audit & Risk Committee of the UK Department for Transport and of Crown Agents Limited from 2013 to 2017. Prior to this, she was a Non-Executive Director of Cape plc from 2016 to 2017. She has served as a Non-Executive Director on several other Boards since 2000. She was a partner in Deloitte LLP (and predecessor firms) for over 25 years.

Skills and experience
- Exceptional audit, risk management and assurance experience
- Accounting, finance and international experience
- Chartered accountant, with a degree in history from University College London

Salma Shah

Independent Non-Executive Director

Date of appointment to the Board
1 April 2022

Other current appointments
Salma is founder of Kraken Strategy, a communications and policy consultancy.

Past roles
Salma was a Partner at Portland Communications from 2021 to February 2023 and Chief of Staff to the Home Secretary from 2018 to 2019. Salma held special advisor roles in several government departments between 2014 and 2018, including the Ministry of Housing, Communities and Local Government, Department for Business, Innovation and Skills, and Department for Culture, Media and Sport. Prior to this, Salma worked for BBC News as a news and political programmes producer from 2012 to 2014.

Skills and experience
- Public sector expertise
- Extensive experience in public policy, public affairs and communications
- An honours degree in journalism and politics from University of Salford

Roger Yates

Senior Independent Director

Date of appointment to the Board
1 March 2018

Other current appointments
Roger is Chair of The Biotech Growth Trust plc and Pacific Horizon Investment Trust plc. He is also Non-Executive Director and Chair of the Remuneration Committee of Jupiter Fund Management plc.

Past roles
Roger was Senior Independent Director at Jupiter Fund Management plc until January 2025. He was also Senior Independent Director and Chair of the Remuneration Committee of St James's Place plc until May 2023, having served nine years on its Board. Roger started his career in asset management at GT Management in 1981 and held positions of increasing seniority at Morgan Grenfell, LGT and Invesco. He served as Chief Executive of Henderson Group plc from 1999 to 2008 and as Chief Executive of UniCredit's asset management arm, Pioneer Investments, from 2010 to 2012 and as Chairman from 2012 to 2015.

Roger's non-executive roles have included F&C Investments, IG Group plc, Electra Private Equity plc and JPMorgan Elect plc.

Skills and experience
- Substantial board experience
- Strong business track record
- Exceptional knowledge of the finance and investment community
- BA in modern history from Worcester College, University of Oxford

Peter Dickinson

Chief Legal Officer & Company Secretary

Date of appointment to the Board
6 March 2017

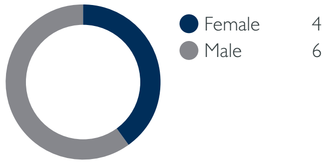
Other current appointments
None

Past roles
Peter was a partner at the global law firm Mayer Brown International LLP (and its predecessor firm) between 1995 and 2017 and played a leading role in developing the firm's Technology, Media and Telecoms (TMT) practice.

Between 2005 and 2015, Peter was the head of Mayer Brown's Corporate practice in London. Between 2008 and 2015, Peter was the co-head of Mayer Brown's global Corporate practice. From 2015 until March 2017, Peter co-headed Mayer Brown's global Technology Transactions practice.

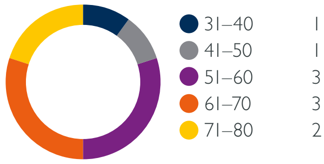
Skills and experience
- Substantial experience of providing legal, regulatory and commercial advice at Board level
- Significant experience advising on corporate merger and acquisition transactions, joint ventures and other significant commercial transactions, including large-scale multi-jurisdictional outsourcing projects
- Qualified solicitor with an LLB (Hons) law degree from University of Southampton

Gender diversity
at 31 March 2025

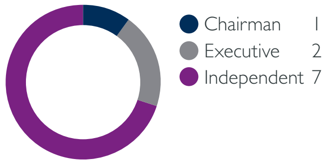


Ethnicity diversity
at 31 March 2025

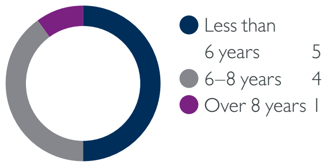
Director age range
at 31 March 2025



Director independence
at 31 March 2025



Director tenure
at 31 March 2025



AC Audit Committee member
ESG ESG Committee member
NC Nomination Committee member
RC Remuneration Committee member
Committee Chair

BOARD LEADERSHIP AND COMPANY PURPOSE

The Board

The Company's formal governance framework underpins the Group's operations.

The Board is responsible and accountable to shareholders for the sustainable long-term success of the Company. Subject to UK company law and the Company's Articles of Association, the Directors may exercise all the powers of the Company, may delegate authority to Committees and day-to-day management and decision-making to individual Executive Directors.

INFORMING

REPORTING

Board Committees

Mitie has four formal Board Committees: the Audit, Nomination, Remuneration and ESG Committees. The Committees support the Board by managing specific tasks or areas delegated to them. They examine critical areas in detail, facilitating informed decision-making and dedicated oversight, as well as offering expert guidance for the whole Board.

Audit Committee

Purpose: to oversee the integrity of the financial reporting process, monitor the effectiveness of the internal control and risk management systems, ensure the independence and effectiveness of internal and external audits, and review the compliance and fraud prevention mechanisms.

Find out more on pages 113 to 120

Nomination Committee

Purpose: to evaluate and make recommendations regarding the composition, diversity, experience, knowledge, balance of skills and independence of the Board and its Committees.

Find out more on pages 108 to 112

Remuneration Committee

Purpose: to determine and review the Group's remuneration policy and monitor its implementation.

Find out more on pages 124 to 137

ESG Committee

Purpose: to provide oversight and governance for all of Mitie's Environmental, Social & Governance (ESG) initiatives, ensuring they are aligned to Mitie's Purpose, Promises and Values.

Find out more on pages 121 to 123

INFORMING

REPORTING

Mitie Group Executive (MGX)

The MGX includes senior members of management from each business unit and central Group functions and meets weekly to discuss and implement the Group's strategic objectives. The Board is updated on matters discussed at MGX meetings at Board meetings as part of the Chief Executive's regular update paper, and on an ad hoc basis as required.

INFORMING

REPORTING

In addition to the four main Board Committees, the Company has a Disclosure Committee, an informal Bid Committee and Risk Committee.

Disclosure Committee

Chaired by the Chief Executive, its members include the Chairman, Chief Financial Officer, Chief Legal Officer & Company Secretary and the Deputy General Counsel. Its purpose is to assist and inform decisions of the Board concerning the identification of inside information and to make recommendations about how and when the Company should disclose that information in accordance with the Company's disclosure policy.

Bid Committee

Chaired by the Chief Executive, its members include the Chief Financial Officer, Chief Legal Officer & Company Secretary, relevant members of the MGX and members of the sales team. The Bid Committee met weekly during FY25. Its purpose is to consider material bid submissions and to determine whether such bids meet the Group's financial, commercial and legal objectives.

Risk Committee

Chaired by the Chief Risk Officer (Mitie's Chief Legal Officer) and comprising the Managing Directors of each of the divisions, the heads of all functions, and relevant subject-matter experts, it is responsible for overseeing the implementation of the Group's Enterprise Risk Management framework from an operational perspective, consistent with Mitie's risk appetite.

Terms of Reference for the Company's formal Committees are available at www.mitie.com/investors/corporate-governance.

Purpose of the Board

The purpose of the Board is to provide leadership and direction to the Group's management within a framework of controls which enable risk to be adequately assessed and managed.

Mitie's governance framework is set out on page 95.

Matters reserved for the Board

A schedule of key matters and responsibilities that are to be dealt with exclusively by the Board is maintained and regularly reviewed. The schedule was last reviewed by the Board in January 2025 and is available on Mitie's website.

The key responsibilities of the Board include:

- Promoting the long-term sustainable success of the Company, ensuring that workforce policies and practice support the Company's long-term sustainable success and are consistent with Mitie's Values
- Approving the Group's long-term objectives and commercial strategy
- Establishing Mitie's Purpose, Promises and Values and satisfying itself that these are aligned to the Group's strategy
- Reviewing performance in light of the Group's strategy, objectives, business plans, budgets and ESG targets
- Approving the annual budget
- Approving the half-yearly financial report and Annual Report and Accounts in accordance with legal and regulatory requirements
- Ensuring the Group's compliance with statutory and regulatory obligations
- Reviewing the effectiveness of the Group's risk and control processes
- Reviewing the Company's capital allocation policy and approving shareholder returns through dividends and share buybacks
- Approving all material acquisitions and disposals, and material contractual and other operational matters
- Ensuring adequate succession planning for the Board and senior management
- Undertaking a formal and rigorous review annually of its own performance and that of its Committees and individual Directors
- Making arrangements for dialogue with shareholders, canvassing shareholder opinion and engaging with shareholders in relation to any shareholder resolution which is opposed by more than 20% of the votes cast

Board meeting process

The Chairman is responsible for setting the Board meeting agenda and for ensuring that the style and tone of Boardroom discussions promote effective decision-making and constructive debate.

Each Board meeting agenda is produced in consultation with the Chairman, using items from a yearly meeting planner, actions arising from previous meetings, project progress updates and any relevant governance and regulatory matters. Items may also be added to the agenda at the request of a Board member or in response to emerging issues.

Attention is given to timings for each agenda item to ensure that adequate time is allocated for effective discussion and debate.

To allow sufficient time for the Directors to review Board meeting materials and seek any clarification needed ahead of the meeting, Board meeting materials are distributed to the Directors no fewer than five clear calendar days prior to the meeting via a secure electronic Board portal.

Board paper guidelines and templates are provided to authors of meeting materials to maintain a consistently high standard.

Mitie operates as 'One Mitie' and collaborates across all business areas, facilitating greater consistency in processes and information control, which aids in the preparation of consistent, high-quality and relevant Board meeting materials. Authors of Board meeting materials consider the impact, views and needs of key stakeholder groups, as well as the likely consequences of decisions in the long term, assisting Board discussions and decision-making.

The Chairman ensures that all Directors feel they can voice their opinion, be listened to and contribute to the decision-making process.

Function heads and members of management are invited to attend Board meetings to present their items to the Board and answer questions.

Company purpose

The Board is responsible for establishing Mitie's Purpose and Values, and satisfying itself that these are aligned with the Group's strategy. The Board approved a new Company purpose during the year: 'Better Places; Thriving Communities'. Further information can be found on page 40.

Advice of the Chief Legal Officer & Company Secretary

All Directors have access to the advice of the Chief Legal Officer & Company Secretary through various channels, including the Chief Legal Officer & Company Secretary's Board report, which is presented at every Board meeting, and a secure electronic Board portal which is kept up to date with the latest governance-related information and guidance. The Chief Legal Officer & Company Secretary and Company Secretariat team are also available to the Directors on an ad hoc basis as required. The Chief Legal Officer & Company Secretary helps the Board ensure it has the appropriate policies, processes, information, time and resources in order to function effectively and efficiently.

The Board is responsible for the appointment and, where applicable, removal of the Company Secretary.

Division of responsibilities

All Non-Executive Directors are considered independent when assessed against the circumstances set out in Provision 10 of the Code. The Chairman was considered independent against these circumstances on appointment.

The Board continues to support separation of the roles of Chairman and Chief Executive and considers itself to have an appropriate balance of Executive Directors and Independent Non-Executive Directors. No one individual or small group of individuals dominates Board decision-making.

As detailed on page 97, there is a well-defined separation of duties between the positions of Chair and Chief Executive. To facilitate the efficient execution of these responsibilities, the Chair and Chief Executive engage in regular discussions outside of Board meetings, ensuring a consistent and effective exchange of information. The Board believes that when people feel connected, collaboration improves and colleagues feel safe and secure, with a strong sense of belonging. This motivates Mitie to make every place we touch safer, cleaner, more secure and sustainable. Taking care of places means taking care of people and communities. When communities prosper, everyone benefits.

There is a clear division of responsibilities between leadership of the Board and executive management leadership of Mitie's business. Key responsibilities of the Board, its Committees and its members are agreed by the Board and documented in writing. These responsibilities are summarised on page 97. Further detail is publicly available at www.mitie.com/investors/corporate-governance.

DIVISION OF RESPONSIBILITIES

Non-Executive Directors

Chairman

In his role as Chairman, Derek Mapp's responsibilities include:

- Leading and chairing the Board, Nomination Committee and shareholder general meetings
- Ensuring overall effectiveness of the Board in all aspects of its role
- Setting Board agendas, taking into account the issues and concerns of all Board members
- Ensuring appropriate delegation of authority from the Board to executive management
- Demonstrating objective judgement
- Promoting a culture of openness and debate
- Managing the Board to ensure sufficient time is allocated to promote healthy discussion and open debate, supported by the right level and quality of information to assist the Board in reaching its decisions
- Holding meetings with the Non-Executive Directors without the Executive Directors present
- Ensuring that new Directors participate in a full, formal and tailored induction programme
- Ensuring that the performance of the Board, its Committees and individual Directors is evaluated at least once a year and acting on the results of such evaluation
- Maintaining sufficient contact with major shareholders to understand their issues and concerns
- Ensuring that the views of shareholders are communicated to the Board

Senior Independent Director

In his role as Senior Independent Director, Roger Yates' responsibilities include:

- Acting as a sounding board for the Chairman
- Serving as an intermediary for other Directors when necessary
- Conducting the Chairman's annual performance evaluation (without the Chairman present)
- Leading the appointment process for any new Chairman
- Acting as chairman of the Board in the absence of the Chairman
- Being available as an alternative point of contact for shareholders if they have concerns which have not been resolved through the normal channels, or for which such contact is inappropriate in the circumstances

Non-Executive Directors

The responsibilities of the Board's Non-Executive Directors include:

- Scrutinising and holding to account the performance of management and individual Executive Directors against agreed performance objectives
- Exercising independent skill and judgement
- Constructively challenging proposals based on relevant individual experience, knowledge and skills
- Contributing to the formulation and development of strategy and offering specialist advice
- Monitoring corporate reporting to ensure integrity of financial information
- Playing a key role in determining the remuneration policy for the Chairman, Executive Directors, Chief Legal Officer & Company Secretary and the senior executive team
- Holding a primary role in Board succession planning

Executive Directors

Chief Executive

In his role as Chief Executive, Phil Bentley's responsibilities include:

- All aspects of the operation and management of the Group within the authorities delegated by the Board
- Developing Group objectives and strategy, having regard to the Group's responsibilities to its shareholders, customers, colleagues and other stakeholders
- The successful achievement of objectives and execution of strategy following presentation to, and approval by, the Board
- Recommending to the Board an annual budget and long-term business plan and ensuring their achievement following Board approval
- Optimising the use and adequacy of the Group's resources
- Managing the Group's risk profile, including the health and safety performance of the business
- Making recommendations to the Remuneration Committee on remuneration policy, executive remuneration and terms of employment of the senior executive team

Chief Financial Officer

In his role as Chief Financial Officer, Simon Kirkpatrick's responsibilities include:

- Leading, directing and overseeing all aspects of the finance and accounting functions of the Group
- Evaluating, approving and advising on the financial and commercial impact of material contracts and transactions (including mergers and acquisitions), technology investments, long-range planning assumptions, investment return metrics, risks and opportunities, and the impact of changes in accounting standards
- Managing relationships with the external auditor and key financial institutions and advisors
- Ensuring effective internal controls are in place and compliance with appropriate accounting regulations for financial, regulatory and tax reporting
- Leading, directing and overseeing the Group's Finance, Treasury, Tax and Internal Audit functions

Chief Legal Officer & Company Secretary

In his role as Chief Legal Officer & Company Secretary, Peter Dickinson's responsibilities include:

- Advising the Board on governance matters and the Directors on their duties, including on all aspects of the Group's governance framework and the application of its delegated authorities
- Ensuring the Group's compliance with corporate legislation and the Company's Articles of Association
- Supporting the Board in ensuring it has the policies, processes, information, time and resources to function effectively and efficiently
- Leading, directing and overseeing the Group's Legal, Company Secretarial, Pensions, Property, Insurance, Health & Safety, Risk & Compliance and Sustainability functions
- In his role as Chief Risk Officer, overseeing the implementation of Mitie's Enterprise Risk Management framework and chairing the Risk Committee
- Managing the Group's relationship with the Cabinet Office
- Identifying and recommending to the Board acquisitions and disposals
- Leading, directing and overseeing the Strategic Projects Office and the implementation of any projects thereunder
- Overseeing the Group's margin enhancement initiatives programme

Director attendance

The Board and its Committees held scheduled meetings which senior executives and advisors were invited to attend and to present on business developments. The table below sets out attendance at the scheduled meetings in FY25. Attendance is expressed as the number of scheduled meetings attended out of the number of such meetings possible or applicable for the Director to attend. In circumstances where a Director is unable to attend a meeting, the Director receives papers in advance and has the opportunity to raise issues and provide feedback to the Chair in advance of the meeting.

Position	Name	Board	Nomination Committee	Audit Committee	Remuneration Committee	ESG Committee
Chairman	Derek Mapp[1,2]	6/7	1/2	–	–	–
Executive Directors	Phil Bentley	7/7	–	–	–	–
	Simon Kirkpatrick	7/7	–	–	–	–
Independent Non-Executive Directors	Jennifer Duvalier	7/7	2/2	–	3/3	–
	Penny James[3]	7/7	2/2	7/7	–	4/6
	Chet Patel	7/7	2/2	7/7	3/3	–
	Mary Reilly	7/7	2/2	7/7	–	–
	Christopher Rogers[4]	1/1	–	–	–	–
	Salma Shah	7/7	2/2	–	3/3	6/6
	Roger Yates	7/7	2/2	7/7	3/3	–

1. Derek Mapp was unable to attend the July 2024 Board meeting due to illness.
2. Derek Mapp was not in attendance at the January 2025 Nomination Committee meeting as the meeting considered candidates to succeed him as Chairman.
3. Penny James joined the ESG Committee in July 2024 (she was in attendance at the July meeting and subsequently appointed as a full member by the Board).
4. Christopher Rogers was appointed to the Board on 19 March 2025.

BOARD ACTIVITIES: STAKEHOLDER ENGAGEMENT

2024

April
- Jennifer and Mary met with colleagues from across Rock Power Connection at its headquarters in Bromsgrove
- Mary and Chet met with colleagues at the MoD's Episkopi campus Cyprus base working on the Permanent Joint Operating Bases (PJOBs) contract with the Defence Infrastructure Organisation (DIO)
- Derek hosted the annual Chairman's investor roadshow over three days, with Chet and Salma in attendance

May
- Penny visited the Mitie Technical Services Operations Centre in Manchester, followed by the BBC site in Media City, Salford
- Phil hosted the MyAchievement Awards in London

June
- Chet visited colleagues at the MoD's Gibraltar base working on the PJOB contract
- Salma joined the panel at Mitie's Senior Women in Leadership session including senior female leaders
- Phil and Simon hosted a FY24 results presentation in London, with investors, analysts and banks in attendance
- Phil and Simon hosted a colleague Town Hall event in London following publication of the FY24 results. The event incorporated a live stream from certain key Mitie office hubs

July
- 2024 AGM held as a physical meeting for shareholders, with all Board members in attendance
- Simon hosted calls with analysts following Mitie's Q1 trading update
- Phil and Simon held an event for Mitie's Leadership Team at The Shard, with Mitie's top 70 leaders in attendance

August
- Derek and Mary visited Heathrow Immigration Removal Centre and met with colleagues working across a range of roles

September
- Chet and Penny visited NATS Swanwick and met with colleagues spanning across various teams making up the Integrated Facilities Management (IFM) Service
- Jenny visited colleagues working on the Future Defence Infrastructure Services contract in Scotland, including a tour of Dreghorn and Redford Barracks
- Jenny attended the 'Making an Impact at Mitie' event during National Inclusion Week at The Shard

October
- Mary and Roger visited Network Rail at Waterloo Train Station, including a tour of the station, and met with frontline colleagues
- Jenny attended Mitie's CHORD network event, 'A Narrative for Change', during Black History Month
- Phil and Simon held Mitie's Growth Conference which was attended by 150 colleagues, including the Mitie Leadership Team, strategic account managers and the sales leadership team

November
- Mary and Salma attended a Remembrance event in London hosted by the Mitie Military network
- Phil and Simon hosted an H1 FY25 results presentation in London, with investors, analysts and banks in attendance
- Phil and Simon hosted a colleague Town Hall event in London following publication of the H1 FY25 results. All Mitie hub offices, including Ireland and Spain, joined the event electronically and a live stream was made available to all colleagues
- Derek visited the British military base in the Falklands and met with colleagues from the Technical Services Defence team
- Jenny visited JCA Engineering in Stevenage, meeting with the JCA senior leadership team and other colleagues

December
- Phil and Simon hosted an investor roadshow in New York and Boston, USA

2025

January
- Simon hosted calls with analysts following Mitie's Q3 trading update
- Chet and Roger visited National Grid, Warwick, including a site visit and meeting with the senior leadership team and other colleagues

February
- Derek and Chet visited Essex County Council and met with the senior leadership team and colleagues from the Facilities Management and Projects teams
- Jennifer met with a group of Mitie apprentices at The Shard working across a variety of technical, managerial and professional apprenticeships

March
- Simon attended the International Women's Day event, 'Empower Women, Inspire Change', hosted by the Mitie Women Can network
- All Board members attended Longcross Data Centre for a site visit and met with members of the team

Setting strategy

The Board reviews and agrees the strategy for the Group on an annual basis and reviews aspects of that strategy at Board meetings during the year. The Board's annual strategy day for FY25 was held in October 2024. When debating the Group's strategy, the Board discussed a wide range of matters, including, but not limited to:

- Technology and innovation
- People, culture and social value
- Brand strategy and marketing
- Sales
- Sustainability and decarbonisation
- Macro trends
- Market forecasts and Mitie performance
- Growth plans
- Global Facilities Management (FM) market
- Competitor analysis
- Stakeholder sentiment and shareholder returns
- Financial model

How governance contributes to the delivery of strategy

Details of how opportunities and risks to the future success of the business have been considered and addressed can be found in the Strategic report on pages 10 to 11, 53 to 64 and 76 to 87. Details of the sustainability of Mitie's business model can be found in the Strategic report on pages 32 and 33. Mitie's governance framework underpins the delivery of strategy and can be found on page 95. An overview of the Group's strategy can be found in the Strategic report on pages 22 to 27.

How the Board considers the views of stakeholders

The Board recognises the significance of establishing and maintaining robust relationships with all stakeholder groups. Consequently, the Board periodically reviews and discusses the Group's key stakeholders along with the engagement mechanisms in place to support effective two-way communication. Further details of the Group's stakeholder engagement mechanisms are available in the Strategic report on pages 34 to 38. Mitie's Section 172(1) statement, which outlines how the Board has engaged with the Group's stakeholders and approached decisions made during FY25, can also be found in the Strategic report on pages 39 to 41. Details of the stakeholder activities undertaken by the Board during FY25 are provided on page 99. Resources for shareholders and other stakeholders are accessible at www.mitie.com/investors.

The Board is committed to ongoing and proactive dialogue with shareholders. A full programme of formal and informal events, institutional investor meetings and presentations is delivered throughout the year. This engagement programme aims to ensure that the performance, strategies and objectives of the Group are clearly communicated to the investment community and provides a forum for institutional shareholders to address any issues.

Mitie actively engages with the investment community and sell-side analysts, facilitating requests for meetings and calls with senior management from both existing and potential institutional investors. This initiative is spearheaded by the Executive Directors, with assistance from the Investor Relations team. The Board is regularly updated on investor feedback, stockbroker insights and detailed analyst reports. It is the responsibility of the Chairman to ensure that the Board is aware of any issues or concerns raised by major shareholders. Additionally, the Chairman and Non-Executive Directors are available to meet with shareholders upon request, and the Chairman conducts an annual roadshow. Committee Chairs also seek dialogue with shareholders on major matters within their areas of oversight.

Boardroom discussions

The Board held seven formal scheduled meetings during FY25. Individual Director attendance at meetings can be found on page 98.

In undertaking their duties, the Directors act in a way they consider, in good faith, will be most likely to promote the success of the Company for its shareholders as a whole, having regard also to other stakeholders. Further detail on boardroom discussions relating to certain key Board decisions can be found in the Section 172(1) statement on pages 39 to 41. Scheduled Board meetings focused on the main themes as detailed below:

Strategy	• Approving the Group's strategic targets and monitoring the Group's performance against them • Approving strategic acquisitions • Considering growth opportunities and conducting post-acquisition appraisal reviews • Approving the Group's budget • Reviewing the progress of the Group's margin enhancement initiatives • Approving the Group's new Company purpose
Financial performance and investor relations	• Recommending a final dividend of 3.0 pence for FY24 and declaring an interim dividend of 1.3 pence for FY25 • Approving the Group's share buyback programme • Setting financial plans, annual budgets and key performance indicators, and monitoring progress against them • Approving financial results for publication • Reviewing analyst research and consensus, alongside feedback from investor meetings • Considering the appropriateness of potential excess capital distributions and distributable reserves
Governance	• Receiving updates from the Board Committee Chairs • Reviewing and updating the matters reserved for the Board, as well as approving each Board Committee's Terms of Reference • Conducting the annual review of the effectiveness of the Board and Board Committees • Receiving reports from the Chief Legal Officer & Company Secretary, which include updates on governance and regulatory matters, whistleblowing and material litigation • Reviewing and approving the Group's reports on Task Force on Climate-related Financial Disclosures and sustainability

In FY24, the Board approved the Group's Facilities Transformation Three-Year Plan (FY25 – FY27) to deliver accelerated growth through three key pillars: key account growth and scope increases; projects upsell; and infill M&A. Further information on the key pillars of the Three-Year Plan can be found in the Strategic report on page 21.

Examples of Board activity in relation to Mitie's strategy in FY25 can be found below.

Key account growth and scope increases, and projects upsell	In FY25 the Board reported that investments were delivering tangible results, including record contract wins and renewals/extensions, investment in sales and marketing teams to develop sector and customer-driven strategies, while enhancing customer relationship management functionality and business development skill sets. More resource has been put into contract rebids and improved training and incentive structures for 'in contract' teams to drive growth over the contract life. Mitie is continuing to invest in technology by developing 'intelligent' solutions and enabling AI in core systems. The Board will continue to receive regular updates on new business, retention and extension divisional opportunities, as well as cross-selling strategies.
Infill M&A	Over the Three-Year Plan, the Board has guided to approximately £75m per annum spend on infill M&A to enhance its capabilities in high-growth, high-margin areas such as buildings infrastructure, decarbonisation, power & grid connections, and fire & security. During FY25, the Board oversaw the completion of three strategic acquisitions: Argus Fire, a leading UK fire systems business, enhancing Mitie's position in the £3bn UK fire & security market; ESM Power, a high-voltage electrical engineering business, expanding Mitie's services in the power & grid connections market; and Grupo Visegurity, a national security business in Spain, supporting the strategic expansion of Mitie's security services in the £13bn Spanish FM market. These acquisitions complement previous purchases such as GBE Converge, RHI Industrials, Rock Power Connections, G2 Energy and Biservicus, demonstrating Mitie's commitment to deepening its project capabilities and strategic growth.

Culture at Mitie is underpinned by its purpose: 'Better Places; Thriving Communities'. The Board believes that when people feel connected, collaboration improves and colleagues feel safe and secure, with a strong sense of belonging.

Mitie is a people business, offering FM services that are driven by Mitie colleagues. Mitie's vision is to be the destination employer in the FM industry, creating a 'Great Place to Work', and a truly inclusive culture where our people are supported to achieve their potential. Further detail can be found in the Colleagues section on page 36.

All Directors lead by example and promote the desired culture.

Alignment of remuneration and culture

Successful people and organisations are clear about what they want to achieve, how they are going to get there and their progress along the way. The annual employee appraisal (MiReview) process allows Mitie to set SMART objectives in areas that really add value to the business, build development plans that help colleagues achieve their objectives and personal development goals, and ensure pay reviews are carried out in a transparent way, related directly to individual performance.

Details of Mitie's approach to investing in and rewarding its workforce are set out on pages 68 to 74 and Mitie's Real Living Wage commitment on page 73.

Ethics

Mitie is committed to: promoting equality, diversity and inclusion (ED&I); eliminating discrimination; providing equality of opportunity; and encouraging inclusivity among colleagues. All colleagues are required to adhere to Mitie's key ethics and compliance policies, which include the Employee Handbook, Ethical Business Practice Policy, People Policy and Equality, Diversity and Inclusion Policy. Colleagues are encouraged to report any behaviours that they believe do not comply with the policies or do not meet the standards of conduct expected at Mitie. Channels for raising any such concerns include Mitie's independent whistleblowing service, line managers, People Support, directly with the Chief Executive via email to 'Grill Phil', via email to the ED&I mailbox, and through Mitie's diversity networks.

Mitie's award-winning inclusion learning and development programme, Count Me In, helps us create an environment where everyone feels supported, included and able to bring their true self to work. Count Me In remains a key core offering for our colleagues. Since 2022, interactions with our Count Me In programme have grown to over 196,000 interactions with the learning activities, equating to over 9,500 hours of focused learning across the business. Further details of Mitie's Count Me In programme can be found on page 73 and at www.mitiepeople.com/countmein.

Our commitment to fostering a truly inclusive culture has been furthered by the development of a leader-specific learning and development programme. This was developed for all people managers in our business and builds on our inclusion programme, Count Me In. The new leadership programme provides real focus and clarity for leaders at Mitie on how to lead respectfully, encouraging them to deeply invest in building trusting and respectful relationships with their team members by providing practical guidance on how to create the right environment to have inclusive conversations and showing that we really care for our people.

Our people leaders go through a journey of discovery while completing the Leading with Respect programme. The content is carefully crafted to provide laser focus to ED&I, health and wellbeing, safety and employee relations matters, and empower our people managers to effectively manage grievances, absences and investigations with a colleague-focused lens. Over 4,700 people managers have completed the programme since it launched in September 2023, representing 92% of our target audience.

Inclusion Allies

Our Inclusion Allies programme is run in partnership with Inclusive Employers and is sponsored by the MGX. The programme has been designed to empower colleagues across our business to act in allyship for diverse groups, role-model inclusion, break down silos and help drive inclusion forward.

Allies undertake a four-week learning programme designed to take colleagues on a personal journey to allyship. They explore privilege, circles of influence and the boundaries of the role. They are given a framework and techniques to challenge exclusion and have challenging conversations.

300 colleagues at different levels from across the organisation have completed the programme and act as role models. They embed ED&I into everything they do and take an active part in supporting initiatives and running awareness campaigns.

Senior Women in Leadership

We are committed to supporting our people grow and advance their careers with us. Our Senior Women in Leadership programme, sponsored by the Chief People Officer, shows how we are encouraging the skills, abilities, expertise and experience of women at Mitie to take on our most senior roles. This programme is underpinned by a Level 7 Leadership apprenticeship delivered in collaboration with Corndel College London and paired with one-to-one mentoring. We also make sure that our performance reviews and talent assessments are based on objective and concrete criteria, lowering the chance for bias in any of our selection and progression processes.

This is Me campaign

Our This is Me campaign is designed to encourage colleagues to bring their true selves to work, update their diversity data and close the diversity gap. We have made positive steps towards a more inclusive culture in the last year. More of our colleagues who have disabilities or are LGBTQ+ have shared their personal data with us, with an increase of about 1%.

Diversity networks

Our six diversity networks are aligned to supporting the delivery of the ED&I strategy. Our Mitie Women Can and CHORD (race and ethnicity) networks increase awareness of the challenges faced by the different groups and address biases. Colleagues from across the business attend all our networks' activities, representing a variety of grades, genders and ethnicities. Each network has an executive sponsor who champions the network and provides mentoring and reverse mentoring. Membership to the networks is growing year on year, with over 8,000 colleagues signed up.

ED&I flagship events

Each of our networks hosts a live flagship event that is streamed over Teams, recorded and watched at microsites. With over 200 colleagues joining each event, the networks raise awareness of issues, barriers and good practice in relation to the diversity facet. The events are also attended by Board members and members of the MGX. The events involve Mitie colleagues sharing their lived experiences as well as customers and external speakers.

Accolades and events

- Winner of Global ESG Award for EDI
- Awarded Silver in EDI at the Most Admired Companies Awards
- Shortlisted for award at the Ex-Forces in Business Awards
- Ranked 7th in the Top Employers of Veterans in the UK 2024
- Recognised as the 9th Most Inclusive Company in the Top 50 UK Inclusive Companies, from 24th in 2023
- Finalist for Head of EDI at the DIVA Awards
- Ranked 2nd in the DIAL Global Survey

How the Board assesses and monitors culture

Mitie's Values help define the behaviours of its people and underpin its vision of 'Better Places; Thriving Communities'. An important element of Mitie's culture is establishing a 'One Mitie' way of operating across the business. The 'One Mitie' way leads to consistent, high-quality and relevant information flows across the business. Mitie's colleague listening strategy, which is focused on hearing from and acting on colleague feedback, supports the adoption of a 'One Mitie' culture that is inclusive and high performing. The strategy includes colleague listening sessions hosted by Board members and Mitie business divisions in the UK and overseas, as well as the colleague engagement survey, MyVoice. Members of the Board attend regular events with colleagues at Mitie offices, as well as diversity network events. Where virtual events are held, they include the ability for colleagues to ask questions of management via a chat box (anonymously, if preferred).

These information flows, together with direct engagement from each of Mitie's business divisions, are key to the Board's oversight of cultural matters. Mitie also measures several non-financial key performance indicators (KPIs), such as colleague turnover, employee engagement and lost time injury frequency rate (LTIFR), which allow trends and changes to be identified and monitored.

Set out below are further examples of how the Board monitors culture.

Whistleblowing

Mitie has an independent whistleblowing service, 'Speak Up', to enable colleagues, customers, suppliers and third parties to report any concerns or wrongdoing anonymously, without any fear of retaliation. Mitie's whistleblowing service platform, EthicsPoint, is managed by an independent third-party service provider, Navex Global. The service can be accessed via a freephone hotline number and a web portal, details of which are made available to colleagues in multiple languages via workplace posters, Mitie's Employee Handbook, intranet and MitiePeople.com. The service can also be accessed by customer and supplier personnel, as well as members of the public, with details being provided via www.mitie.com.

The whistleblowing service and related internal procedures are structured to ensure that all reports are reviewed and investigated independently from the area of the business to which they relate, thereby minimising the risk of conflicts arising. All reports are copied to and reviewed by a central Whistleblowing Investigation Group, which includes the Deputy General Counsel and senior members of the Group's Internal Audit function. This helps to ensure transparency and enables any trends to be identified and addressed.

An update on whistleblowing activity is provided to the Board at every Board meeting and to the MGX as appropriate. The update includes details of incident reports received in the period between Board meetings, as well as details of ongoing, and the outcomes of recently completed, investigations. The EthicsPoint platform provides Mitie with the ability to report by business division and by investigation status/outcome, facilitating the Board's ability to effectively track the progress of investigations and to monitor and address trends across individual business units and the Group as a whole.

Quality, health, safety and environment (QHSE)/ LiveSafe

Mitie recognises that effective health, safety and wellbeing play a pivotal role in achieving our vision of delivering the future of high-performing places. We're transforming places with our technology, innovation and passion for excellence – creating zero-carbon, technology-enabled places that are safe, connected, comfortable, responsive and resilient. Health, safety and wellbeing are key metrics in demonstrating that Mitie is a responsible business and adds social value, which helps Mitie to attract and retain colleagues and customers.

We expect our colleagues to return from their work day healthy, safe and well. This is achieved by creating an environment where Mitie colleagues feel able to bring their whole selves to work, thereby improving health, safety and wellbeing. Mitie's aim for zero harm is underpinned by Mitie's Values and influenced through Mitie's LiveSafe programme.

The programme facilitates proactive leadership, leading to better trust and accountability in all aspects of health, safety and wellbeing management. In turn, this helps increase performance and productivity, influence ownership, improve customer service, reduce absence, reduce accidents and increase creativity and innovation, ultimately embedding a thriving culture throughout the organisation.

In December 2023, the LiveSafe safety champion network was launched. LiveSafe Champions are identified as the main point of contact for routine QHSE matters, guiding and supporting their line managers and colleagues. LiveSafe Champions follow a structured programme that includes formal and informal development opportunities, such as attending local QHSE meetings and courses. Now with over 1,500 LiveSafe Champions, we have seen how they have helped us deliver significant improvement in our health and safety performance, for example by helping us to reduce our LTIFR by 29% in FY25.

2024 employee engagement survey

Mitie's annual colleague survey, MyVoice, provides feedback that management acts upon to improve the working experience at Mitie. The results of the survey also provide the Board with a Group-wide snapshot of how our colleagues rate Mitie's culture and engagement.

The most recent MyVoice survey took place in April 2024, with an employee engagement score of 63% based on a participation rate of 60%, and the insights and actions taken can be found on page 70. Our next MyVoice survey will take place during FY26.

Designated Non-Executive Director for workforce engagement

Jennifer Duvalier is Mitie's designated Non-Executive Director responsible for oversight of the Board's engagement with Mitie colleagues. Jennifer participates directly in employee engagement initiatives and, along with other Board members, has carried out a full programme of activities in FY25. These include colleague listening sessions, which ensure that the Board hears directly from frontline colleagues about what is working well at Mitie and what can be improved. One of Jennifer's main roles is to encourage colleagues to share their views so that she can champion their voice in Board discussions.

Details of the activities undertaken by Jennifer and other Non-Executive Directors during the year can be found on page 99.

Why Jennifer?

Prior to joining the Board in 2017, Jennifer had a long career in HR, working in several large, people-driven companies going through significant transformation. Jennifer brings this wealth of experience to Mitie.

Objectives
The objectives of Jennifer's programme of activities include:

- Ensuring that the Board hears from a wide cross-section of Mitie colleagues, both in the UK and internationally
- Hearing from colleagues from a diverse range of backgrounds, roles, contracts and business units
- Ensuring Board and MGX involvement in key diversity network events
- Creating opportunities to get involved in the work of colleagues to better understand their lived experience at work, subject to health and safety rules
- Creating a cycle of feedback with the Board to inform decision-making and people strategy setting/deliverables, and ensure colleagues hear what actions are taken from these discussions

Board site visits
The Board aims to understand the perspectives of all colleagues and the impact of its decisions on them. During FY25, Mitie continued its process related to colleague listening sessions, with Jennifer and other Board members hosting at least one session with Mitie colleagues or attending a Mitie diversity network event each month. The wider Board will support Jennifer by attending listening sessions and diversity network events during FY26.

The Chief People Officer and the Communications Director support the Board's role in colleague engagement. In collaboration with business division leads, they evaluate Mitie's annual employee engagement survey data to propose a range of site visits that ensure effective reach to Mitie colleagues globally.

The Communications Director facilitates these visits alongside the business unit and/or account lead. While each visit structure may vary, generally Board members receive a tour of the site or an overview of it, hold a one-on-one meeting with managers, and then hold an informal session with frontline colleagues without managers present. No specific topics for discussion are provided in advance, but the site team is advised that the Board would like to hear about their experiences working at Mitie, any challenges, concerns or ideas for improvement, and what they consider Mitie does well.

A summary of what Board members hear from colleagues is shared with the entire Board ahead of Board meetings and discussed during those meetings. Specific matters raised are discussed with senior management to ensure they are properly considered and addressed.

"Mitie places great importance on employee engagement initiatives. By actively listening to colleagues about their work experiences, we aim to enhance their working conditions. Our workforce is integral to our social value framework, and their feedback provides valuable insights that inform the Board's decisions. I am proud of our ongoing efforts to develop and improve our people-focused agenda."

Jennifer Duvalier
Designated Non-Executive Director for workforce engagement

Details of the Board's engagement with colleagues are shared through Mitie's internal communication channels – MiNet (employee intranet site) and MitiePeople.com.

Jennifer's wider activities in relation to colleague listening
The Board considers it important that colleagues' views are heard through several mediums, including feedback from managers, surveys, internal communications and digital channels (such as Yammer), to develop an inclusive, two-way and 'One Mitie' culture. As well as site visits and colleague listening sessions, Jennifer is involved in a range of other activities, including leading remuneration listening sessions, analysing feedback from Mitie's annual employee engagement survey and regular pulse surveys, spending time with the HR teams and attending virtual Q&A events. She also invites colleagues to contact her directly via her Mitie email address.

Why the role of designated Non-Executive Director for workforce engagement adds value (over and above other employee engagement mechanisms)
By hosting colleague listening sessions, Jennifer and the Board engage with people across the business to gather their views and experiences, aiming to understand what they value about Mitie and what they would like to see changed. The Board ensures that people's perspectives are acknowledged at the highest level of the organisation. By analysing the received feedback, the Board can identify common concerns within the business and ensure these issues are managed effectively and efficiently.

Learnings and responses
Themes identified from the Board's colleague listening sessions during FY25 included:

- Pay, benefits and recognition
- Facilities, technology and access to systems: recognised as an area for improvement
- Communications: a desire for more effective communication with colleagues across business divisions

Details of actions taken in response to feedback received are set out below.

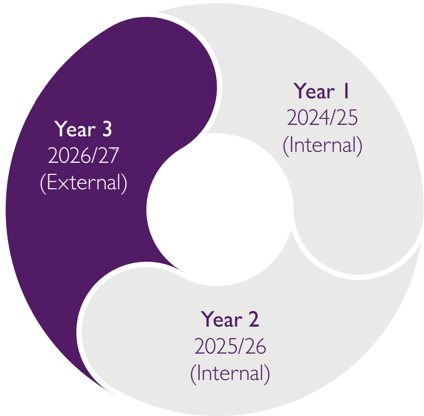
Improvement areas	Actions taken
Pay, benefits and recognition	
Feedback from colleagues saw a focus on ensuring fair compensation, enhancing employee benefits and improving recognition programmes. Key actions include reviewing pay against benchmarks and building awareness of timelines for opting into key reward schemes. Colleagues also requested opportunities for corporate gym memberships, clarity on escalation processes for handling reward platform issues and more prompts from managers to remind their teams to book annual leave throughout the year.	Benchmarking for critical roles has been shared, and ad hoc benchmarking is being completed as requirements arise. Communication regarding pension and reward schemes has been issued, and colleagues have been informed of corporate gym memberships which are available through the reward platform. The escalation process for reward platform issues has been provided with context, and dedicated line manager communications have been issued to ensure they issue regular reminders to their teams about booking annual leave. From a Group perspective, another free share award was issued, along with the first double award in May 2025.
Facilities, technology and access to systems	
Key concerns included the need for better facilities such as improved accommodation for overseas teams and resolving issues with IT system integration, and addressing access problems with software and finance systems. Additionally, there were calls for exploring digital reminders for pension opt-ins and annual leave usage.	Work is ongoing to ensure enhanced engagement around IT system integration, and training on Mitie finance systems has been arranged on several contracts. Throughout FY26 we will be deploying licences for frontline teams to access Teams. This will provide access to the Microsoft technology stack, including Copilot chat, for all colleagues. We are also rolling out AI-powered chatbots across our people systems which will support a 'self-serve' approach to HR queries. For instance, a colleague will be able to ask the bot how many days' leave they have left and book days off directly through the bot.
Communications	
Key concerns include the need for better communication around policies, such as hybrid working and the escalation process for handling reward platform issues. There were also calls for more transparent updates on M&A ambitions, clearer timelines for IT system integration, and ensuring that important information, like the Speak Up whistleblowing line and ED&I networks, is visible and accessible to all colleagues.	Updates on M&A ambitions have been delivered at Town Hall meetings, when the timing has been appropriate. Information regarding our whistleblowing has been distributed and shared across sites, and information about the Mitie office hub locations, ED&I networks and gym options has been amplified across Group channels. We will also deploy 48,000 Teams licences for frontline teams throughout FY26, which will enable complete digital connection with all of our colleagues. This will significantly enhance our overall approach to engagement, but specifically with regards to the ED&I networks.

Board effectiveness

The performance of the Board is a critical factor in the success of the Company. Each year, the Board conducts a formal and rigorous evaluation of its own performance and that of its Committees, the Chairman and individual Directors. This evaluation examines factors such as composition, diversity and the effectiveness of collaboration among members to achieve objectives. The process enables the Board to enhance its effectiveness and identify areas for improvement.

Board evaluation process

All Directors actively participate in the evaluation process and take appropriate measures if development needs are identified. As part of Mitie's Board evaluation cycle, every three years the evaluation is conducted by an external facilitator, while in other years it is conducted internally. During internal evaluations, the Chairman leads the assessment for each of the Independent Non-Executive Directors and Executive Directors, while the Senior Independent Director facilitates the evaluation of the Chairman. During FY25, the Board was evaluated internally; the outcomes and actions are set out in more detail on page 107.



Year 1 – 2024/25 (Internal)
Internally led evaluation focusing on recommendations and progress on suggestions from the external evaluation in FY24

Year 2 – 2025/26 (Internal)
Internally led evaluation focusing on progress of the FY27 Three-Year Plan and Board and senior management succession planning

Year 3 – 2026/27 (External)
Externally led in-depth, independent assessment of the Board, Committees and individual Directors

Progress made on actions identified in prior year external FY24 evaluation

Progress made during FY25 on actions identified as part of the FY24 evaluation is set out below.

Recommendations/suggestions	Actions undertaken or planned	Progress made on actions during FY25
Optimising Non-Executive Director (NED) knowledge transfer: Consider how the NEDs due to step down from the Board over the next year or two could formally and/or informally mentor newer and new NEDs to maximise the opportunities for knowledge transfer.	A proposed 'buddy' programme will be established, where existing NEDs are matched with new NEDs, with the former to share their experiences of working with Mitie.	NEDs have an open dialogue and meet regularly outside of scheduled Board and Committee meetings to leverage relevant knowledge, skills and experience as appropriate.
Broadening the discussion about risk: Build time into the calendar to allow the Board to: (i) better understand the breadth of risks across the divisions and how they feed into the Group risk matrix; and (ii) look more expansively at the Group's risk horizons.	An overview of Mitie's Enterprise Risk Management programme was presented to the Board. Regular risk updates are provided at Board meetings. Penny James will attend the Mitie Risk Committee meeting in July 2024 to share her experiences as the former Chief Risk Officer at Prudential Plc.	Enterprise Risk Management updates are scheduled to be presented to the Board on a quarterly basis, along with regular half- and full-year updates on the Group's principal risks. Penny participated in the Risk Committee meeting in July 2024 and contributes her expertise, experience and knowledge in this area whenever needed.
Consider whether more information about the whistleblowing service procedures, cases and associated management responses could be reported to the Board.	Management to refresh the whistleblowing report, to provide greater insights into the type of issues being raised and provide additional comfort regarding the effectiveness of the whistleblowing procedures and the application of Mitie's Values in the resolution of any matters raised.	The refreshed whistleblowing report is provided to the Board at every meeting.
Streamline the primary Board and Committee packs by creating a separate folder on an electronic Board portal for supporting documents.	The Board is broadly happy with the quality and format of the Board papers and does not propose any changes. It was agreed that consideration should be given to incorporating a 'click-through' functionality within reports, where additional details could be provided to those Board members who wish to access greater detail in respect of certain matters.	Mitie's online Board portal includes a 'reading room', where relevant materials can be stored and accessed independently from the Board papers.

Recommendations and suggestions from the internal FY25 evaluation

Recommendations/suggestions	Actions undertaken or planned
Care & Custody: Implementation of a specialist independent advisory board.	A specialist advisory board, known as the Independent Prison and Immigration Review Board (I-PIRB), has been set up. The I-PIRB will meet quarterly, with additional meetings scheduled as needed. The I-PIRB is intended to serve as a strategic advisory body, providing expert guidance and insights into criminal justice and immigration, reviewing Mitie's performance within the immigration & justice sectors, to enhance Mitie's strategy, policy and research initiatives and operational performance in prisons and immigration services.
Continued high-level visibility of QHSE.	Mitie appointed a new Group QHSE Director in May 2024, who has refreshed the Group's HSE strategy and raised the profile of HSE at the Board and across the business. The Group QHSE Director presented to the Board at its meetings held in July 2024 and March 2025.
Strategic discussions and monitoring to be held periodically throughout the year, in addition to the annual deep-dive session held in September.	An additional strategy discussion was held in July 2024, with further sessions planned throughout FY26.

The Committee's activities continued to focus on succession planning, including the appointment of Chair Elect, Christopher Rogers, who will succeed me as Chairman following the July 2025 AGM.

Derek Mapp
Chair of the Nomination Committee

Nomination Committee members

At the date of this report, the Nomination Committee comprised:

Chair[1]:
Derek Mapp

Committee members:
Jennifer Duvalier
Penny James
Chet Patel
Mary Reilly
Christopher Rogers
Salma Shah
Roger Yates

All members of the Nomination Committee are considered independent in accordance with the Code.

Nomination Committee meetings

The Committee met twice during FY25. The attendance of individual Committee members can be found on page 98.

Key purpose of the Nomination Committee

The Nomination Committee assesses the skills and attributes necessary for the Board and its Committees. In doing so, the Committee takes into account the challenges and opportunities facing the Group, as well as the expertise and diversity needed for future success. This approach ensures the ongoing suitability of the Board and its Committees' composition.

Key responsibilities of the Nomination Committee

The key responsibilities of the Nomination Committee include:

- Regularly reviewing the structure, size and composition of the Board
- Ensuring plans are in place for an orderly succession to Board and senior management positions
- Considering the length of service of the Board as a whole
- Identifying and nominating, for approval by the Board, candidates to fill Board vacancies as and when they arise
- Keeping under review the number of external directorships held by each Non-Executive Director
- Reviewing the results of the Board evaluation process that relate to the composition of the Board
- Keeping the Board Inclusion Policy under review

The Nomination Committee's Terms of Reference are available at www.mitie.com/investors/corporate-governance.

1. The Senior Independent Director chairs the Committee in circumstances where it would be inappropriate for the Chairman of the Board to chair the Committee.

As Chair of the Nomination Committee, I am pleased to report on the work done by the Committee during the year.

Key activities during the year

Composition
As part of its annual responsibilities, the Nomination Committee assessed the composition and leadership of the Board and its Committees during FY25. The Committee is confident that the Board's composition and diversity have been appropriate throughout the year, particularly considering the integrity, skills, knowledge and experience of its Directors, as well as the size and nature of the business. The Board's skills matrix is set out on page 109.

Succession planning
One of the primary responsibilities of the Committee is to ensure an orderly succession for the Board. The Committee regularly reviews updates on the structure, size and composition of the Board and its Committees to ensure that critical skills and experience are continually refreshed. We firmly believe that the Board's composition should reflect broader society and encompass a diverse range of skills and experience to promote effective governance. In March 2025, we welcomed Christopher Rogers as Chair Elect; further details of this process can be found on page 111.

During FY25, the Nomination Committee discussed succession planning at both its meetings.

Half of Mitie's Board has served for six or more years, so the Committee has a detailed succession plan, to be implemented over the next three years. Non-Executive Director tenure is also considered for assessing independence.

The Board considered the Board skills matrix in the context of succession planning as a tool to help identify composition needs for the future, and to ensure that plans are proactive and not just reactive in nature.

All appointments to the Board are subject to a formal, rigorous and transparent appointment process, and are based on merit and objective criteria. The Committee engaged MWM Consultants as the search firm involved with the recruitment of Christopher Rogers. MWM Consultants had no other connection with the Company or any individual Director.

Individual Director contribution
The unique skills and experience of each Director enhance the Board's overall effectiveness in fostering the Company's long-term sustainable success. The skills matrix on page 109 illustrates how the individual expertise and experience of each Director contribute to the balanced perspective needed by the Board to assess the Group's strategy and manage risk.

Further details of each Director's skills and experience are set out in their biographies on pages 92 to 94.

Derek Mapp
Chair of the Nomination Committee

Board skills matrix

Skills/experience area	Derek Mapp	Phil Bentley	Simon Kirkpatrick	Jennifer Duvalier	Penny James	Chet Patel	Mary Reilly	Christopher Rogers	Salma Shah	Roger Yates
Leadership and business operations	★	★	●	●	★	●	●	★		●
Strategy development	●	★	●		●	●	●	●	●	●
Corporate governance	★	●	●	●	●	●	●	●	●	●
Audit/risk management and assurance		●	★		★	●	★	★		●
Remuneration/HR				★						●
Commercial	●	★	●	●	★	★	●	●		●
Technology/digital				●		★				
Finance		★	★		★	●	●	★		●
Investment community		★	●		●			●		★
Government/public sector experience	●				●		●		★	

The collective skills and experience of individual Directors support the work of the Board and there is clear alignment between their respective competencies and the Group's strategy. Board discussions further benefit from the diversity of approach taken by each Director due to their individual background, career development and training.

● Skills
★ Expert

Director external appointments and time commitments

Directors can accept additional external appointments but must seek prior approval from the Chairman. If a Director holds significant external appointments, the reasons for these appointments will be explained in the Annual Report.

When considering appointing a new Director, the Board reviews other demands on the candidate's time. Prior to appointment, the candidate must disclose significant commitments and indicate the time involved.

The Nomination Committee reviewed the time commitments of Non-Executive Directors to ensure there were no concerns about overcommitment. This review considered the number of appointments, their scope and the size and type of company in which the role is held, the views of major shareholders, and the latest guidelines and recommendations.

The Board remains confident that all members have sufficient time to dedicate to their duties.

Re-election of Directors

In accordance with the Code and the Company's Articles of Association, all Directors are subject to election or re-election by shareholders. At the 2024 AGM, each Director in post at the time stood for re-election and was re-appointed by shareholders. At the 2025 AGM, all Directors will stand for election or re-election, except for Derek Mapp, who will stand down from the Board at the AGM.

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association, the Code, the Companies Act 2006 and other related regulations.

The terms of appointment for Non-Executive Directors and service contracts for Executive Directors are available for inspection at the Company's registered office and head office and will be available at the 2025 AGM.

Conflicts of interest

The Board has a policy on the declaration and management of Directors' conflicts of interests. Any potential situation or transactional conflict must be reported as soon as possible to the Chairman, Chief Executive and Chief Legal Officer & Company Secretary. Where a potential conflict is authorised under statutory powers and powers granted under the Company's Articles of Association, such conflict is kept under ongoing review.

Executive Directors are permitted to accept external appointments, provided these do not interfere with the Director's ability to discharge his/her duties effectively and permission is sought from the Board. Executive Directors are entitled to retain fees earned from any external appointments. Neither Phil Bentley nor Simon Kirkpatrick held any external positions during FY25.

External positions held by the Chairman and current Non-Executive Directors are detailed in their biographies on pages 92 to 94.

Board evaluation

In accordance with the Board's evaluation cycle, I led a comprehensive internal evaluation during the year. The outcomes and planned actions from that process can be found on pages 106 to 107, along with progress from the externally led evaluation in FY24.

Diversity and inclusion

Mitie has a Board Inclusion Policy (the Policy) which recognises the importance of the Board's membership reflecting diversity in its broadest sense. The Policy, which is monitored and reviewed annually by the Nomination Committee, is available at www.mitie.com/investors/corporate-governance.

Mitie's annual statement on Board diversity targets, objectives under the Policy and the actions taken to implement the Policy can be found below.

Board diversity targets

As at 31 March 2025 (the Company's chosen reference date), the Nomination Committee, on behalf of the Board, is pleased to confirm that two of the three targets contained within the Policy, and which are in line with the diversity and inclusion targets as set out in Listing Rule 14.3.30R(1), have been met. A summary is set out below.

Policy target	Met/not met	Position at 31 March 2025
Maintaining a balance so that a minimum of 40% of the Directors are women, provided this remains consistent with the skills and diversity requirements when searching for a new appointment to the Board	Yes	40% of individuals on the Board are women
Ensuring there is at least one Director from a racially diverse background, provided this remains consistent with the skills and diversity requirements when searching for a new appointment to the Board	Yes	Two members of the Board are from a minority ethnic background
Ensuring at least one of the Chair, Chief Executive, Chief Financial Officer or Senior Independent Director is a woman, provided this remains consistent with the skills and diversity requirements when searching for a new appointment to the Board	No	The individuals currently performing these roles continue to demonstrate the appropriate skills to support the long-term strategic delivery of the Group; however, the Nomination Committee will be mindful of the requirements under this Listing Rule when considering an orderly succession for these roles as they arise under the Company's ongoing succession planning

Policy objective	Implementation
Ensuring the Board's membership reflects a combination of demographics, skills, experience, race, age, gender, educational and professional backgrounds which provides the range of perspectives, insights and challenges needed to support sound decision-making and reflects the diverse workforce at Mitie	Details of the Board's succession planning are set out on page 108, and the skills matrix, considered regularly by the Nomination Committee, can be found on page 109
Supporting and monitoring progress against Mitie's equality, diversity and inclusion strategy and goals	To increase racial diversity, the Board is supporting the introduction of a bespoke Level 7 apprenticeship for racially diverse colleagues, a new focused approach on our talent process with diversity at the heart of the processes, and inclusive insights – an initiative to understand and remove barriers enabling racially diverse colleagues to succeed
Broadening Board members' perspectives in equality, diversity and inclusion by participating in Mitie diversity network events and sharing learnings and insights	Board members attended numerous network events during the year. Further information on this can be found on page 99 (Board Activities: Stakeholder Engagement)

The information required under Listing Rule 14.3.30R(2) is set out on page 110, for which purpose executive management comprises members of Mitie's Group Executive (the MGX). For the purpose of Listing Rule 14.3.30R(3), diversity data is disclosed by individuals via Mitie's People Hub system at the point of onboarding. Where 'prefer not to say' is selected, colleagues can choose to update this selection later in employment. Data provision is proceeded with clarity on how the data will be used.

A breakdown of the gender balance of the senior leadership team can be found on page 112.

Induction and training

On joining the Board, all Directors receive a personally tailored induction, which includes: meetings with Executive Directors, the Chief Legal Officer & Company Secretary and other members of senior management; an overview of the Group's governance policies, corporate structure and business functions; details of risks and operating issues facing the Group; visits (in person and/or virtually) to divisional offices; and a briefing on key contracts.

All Directors have access to Mitie's Board Handbook on an electronic Board portal, which includes:

- Schedule of matters reserved for the Board
- Board Committees' Terms of Reference
- The Company's Articles of Association
- Guidance on Directors' statutory duties
- An overview of the Group's Directors' and Officers' liability insurance arrangements
- Delegated authorities register
- Share dealing procedures
- Corporate governance and regulatory guidelines
- Key corporate documents and policies

The Board Handbook is subject to regular review and was last updated in early 2025.

Briefing notes on changes in the regulatory and governance environment are circulated to Directors on an ad hoc basis. Online training on regulatory and governance changes is also made available to Directors. Visits (in person and/or virtually) to different business sites and offices are arranged for Directors to facilitate a deeper understanding of the business.

Chair Elect

Appointment process

Decision and process

Following Derek Mapp's decision to step down from the Mitie Board at the 2025 AGM, the Nomination Committee, chaired by Senior Independent Director Roger Yates, commenced the process to recruit a new Chair of the Board. Independent search firm MWM Consulting was appointed to support with the recruitment process.

Selection

The Nomination Committee ensured that the recruitment process was conducted in line with the Board's Inclusion Policy. More information on the Board's Inclusion Policy can be found on page 110.

Shortlist

Interviews with shortlisted candidates were conducted by the Senior Independent Director and Chief Executive, with support from several Independent Non-Executive Directors.

Appointment

Considering shortlisted candidates' relevant experience and fit with the search brief, the Committee unanimously agreed that Christopher Rogers be appointed as the next Chair of the Board. Christopher was appointed on 19 March 2025 as Chair Elect and will succeed Derek as Chair of the Board from 22 July 2025.

Induction

All newly appointed Directors undertake an induction programme. Further information on this can be found in the Induction and Training section above.

Christopher Rogers' induction

Chair Elect and member of the Nomination Committee

Christopher joined the Board in March 2025. His induction is ongoing and has so far included:

- One-to-one meetings with all Board members and the MGX
- Visit to JCA Engineering Limited, Longcross Data Centre
- Visit to Compass Centre (Heathrow Airport Limited), including a presentation from the Heathrow Airport Strategic Account Manager and team
- Visit to HMP Millsike
- Visit to Mitie's Intelligence Security Operations Centre (ISOC)

Board and executive management diversity

at 31 March 2025

Gender

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	60%	4	7	78%
Women	4	40%	–	2	22%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other white (including minority-white groups)	8	80%	4	8	89%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	2	20%	–	1	11%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specific/prefer not to say	–	–	–	–	–

AUDIT COMMITTEE REPORT

The Group has continued to transform during the year, resulting in strong growth and expanded operations through new acquisitions. This progress has been supported by ongoing enhancements to the control framework, to ensure the integrity of financial reporting is maintained.

Mary Reilly
Chair of the Audit Committee

Audit Committee members

Chair:
Mary Reilly

Committee members:
Roger Yates
Chet Patel
Penny James

Frequency of meetings:
The Audit Committee met seven times during FY25.

Key purpose of the Audit Committee

The Audit Committee provides effective governance of the appropriateness of the Group's financial reporting and the performance of both the Internal Audit function and the external auditor. The Audit Committee also supports the Board in meeting its responsibilities in respect of overseeing the Group's internal control systems, business risk management processes and related compliance activities.

The Audit Committee's Terms of Reference are available at www.mitie.com/investors/corporate-governance.

Key responsibilities

There were no significant changes to the Committee's role and responsibilities during the year.

Financial reporting:
- Review, with both management and the external auditor, the appropriateness of the half-yearly financial report and the Annual Report and Accounts
- Review the appropriateness of material accounting policies and practices
- Review material financial estimates and judgements, drawing on reports from the Chief Financial Officer and the external auditor
- Advise the Board on whether the Annual Report and Accounts and half-yearly financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy

External audit:
- Make recommendations to the Board on the appointment, removal, remuneration and terms of engagement of the external auditor
- Review and assess the external auditor's independence and objectivity
- Develop and recommend to the Board, and implement, a policy and guidelines on the provision of non-audit services by the external auditor
- Review and approve the annual audit plan and assess the effectiveness of the audit process

Risk management:
- Review the adequacy and effectiveness of the Group's risk management systems established to identify, assess, manage and monitor financial risks
- Advise the Board on how risks are tracked, managed, mitigated and reported
- Review the framework and analysis to support both the going concern and the long-term viability statement

Internal controls:
- Provide independent assessment and oversight of the internal control framework
- Review the testing approach over key controls and provide oversight of the testing programme

Internal audit:
- Review and approve the annual internal audit plan and monitor and review its effectiveness
- Review and monitor the effectiveness of the internal audit function, ensuring the necessary resources are in place for it to perform effectively

Report from the Audit Committee Chair

On behalf of the Board, I am pleased to present the Audit Committee report for the financial year ended 31 March 2025 (FY25). This year marks the conclusion of my tenure as Chair of the Audit Committee. It has been a privilege to serve in this role since July 2018, and to contribute to the important work that the Audit Committee has performed.

I am delighted to be handing over the role of Audit Committee Chair to my successor, Penny James, who has been a valued member of the Audit Committee since February 2024. This will conclude a carefully planned transition, ensuring continuity in governance and oversight. Penny brings extensive financial services experience with strong leadership skills and financial and risk expertise, and I am confident that the Audit Committee will continue to thrive under her leadership.

I would like to take the opportunity to thank my fellow Audit Committee members, who bring insights from their diverse experience, and other attendees from the Group's finance team, the Internal Audit function and BDO LLP (BDO), the Group's external auditor, who have all contributed to open and robust Audit Committee discussions during the year and throughout my term.

This report provides an insight into key areas considered by the Audit Committee during the year to discharge its responsibilities in relation to financial reporting, risk management, internal control, the Internal Audit function and interactions with BDO.

Mitie has continued to focus on the implementation of its transformation programme, and during FY25 the Group's Central Government & Defence division was successfully absorbed into the Business Services and Technical Services divisions. This was reflected in the nature of some of the matters presented for consideration at Audit Committee meetings during the year.

During FY25, the Group also acquired three strategically important businesses, which necessitated integration activities to ensure robust controls and processes were maintained, while also seeking to preserve the entrepreneurial cultures that have made these businesses successful.

Given the evolving environment, I have continued to make a conscious effort to meet frequently with senior finance staff, the Internal Audit team and BDO's senior staff, which has given me an opportunity to gauge the extent of any significant emerging issues and to monitor developments.

As Mitie transforms and delivers growth, the Group has made good progress on enhancing its internal control framework to ensure rigour around financial reporting, operations and compliance, with key initiatives including:

- The independent Internal Audit function has been enhanced in both capacity and expertise over the past year. This development aligns with Mitie's commitment to continually advance its control environment, ensuring readiness to meet the corporate governance reforms introduced by the Financial Reporting Council (FRC) in January 2024.
- Under the sponsorship of the Group CFO, the emphasis on controls has been significantly reinforced. Consequently, the business is now better positioned to uphold a strong control framework, ensuring the integrity of financial reporting, optimisation of operational processes and achievement of compliance goals.
- The Group has progressed its independent testing programme, ensuring that key controls are regularly updated to align with organisational changes in a dynamic, growth-oriented environment. This initiative safeguards the continued effectiveness of these critical controls, reinforcing the Group's commitment to robust governance.
- Proactive, data-driven reviews have been conducted to effectively identify fraud risks and bolster preventative controls. As part of these efforts, mandatory training has been implemented for Mitie staff to enhance awareness and strengthen fraud prevention measures across the organisation.
- Regular training sessions have been consistently delivered to divisional finance teams throughout the year as part of the Group's continuous professional development (CPD) programme, including accounting topics such as revenue recognition and provisions. This initiative reinforces the Group's commitment to fostering professional growth and maintaining high standards of expertise within the finance function.
- For acquired businesses, comprehensive reviews of balance sheets, accounting policies, processes and controls have been conducted as part of the acquisition accounting and integration procedures. This ensures alignment with the Group's standards and facilitates a smooth transition. This included focus on further improving controls and processes in the underperforming telecoms infrastructure business, where a new management team was appointed during the year.

In addition to fulfilling its normal programme of activities during the year, the areas of focus for the Audit Committee in relation to the FY25 financial statements have been:

- Assessing the classification of amounts reported within Other items and the associated disclosure, by reviewing the framework of controls operated by management around this area and challenging the nature of the charges and credits classified as Other items. The focus was to ensure that, for a reader of the Annual Report and Accounts, there is meaningful and balanced insight into the underlying results of the business
- Evaluating judgements made by management related to provisions required on onerous contracts, other contract-specific provisions and provisions on trade and other receivables, including assessing the adequacy of the provisions and the appropriateness of the related disclosures
- Challenging management's determination of operating segments and cash-generating units (CGUs), in light of changes to the Group's divisional structure, to ensure compliance with IFRS criteria
- Challenging management's judgements in relation to impairment assessments for the carrying value of goodwill and the recoverability of deferred tax assets in relation to losses
- Reviewing management's approach to accounting for projects where revenue is recognised over time, with particular focus on projects which were ongoing at year end
- Reviewing the appropriateness of recognition of surpluses on defined benefit schemes as assets on the Group balance sheet, based on the Group's unconditional right to a refund of the surplus
- Reviewing the judgements made by management in respect of acquisitions accounting, including accounting treatment for deferred consideration and employment-linked earnouts, and challenging the methodologies used for the valuation of acquired intangible assets
- Challenging the approach taken by management to support the going concern and viability statements set out on pages 157 and 89 respectively
- Reviewing the distributable reserves position of Mitie Group plc, to ensure shareholder distributions are appropriately supported
- Assessing key financial reporting judgements made by management in the context of applying the remuneration policy for executive management as set out by the Remuneration Committee

Further detail regarding the Audit Committee and its work can be found on pages 115 to 120.

In conclusion, the Audit Committee was able to provide positive assurance to the Board that the Annual Report and Accounts 2025, when taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. As Chair of the Audit Committee, I will be available at the 2025 AGM to answer any questions about the work of the Audit Committee.

Mary Reilly
Chair of the Audit Committee

Audit Committee review of key financial reporting matters

The Audit Committee gives attention to matters it considers to be important by virtue of their size, complexity, level of judgement required or potential impact on the financial statements and wider business model, and matters pertaining to governance. Identification of the issues deemed to be significant takes place following open, frank and challenging discussion between the Audit Committee members, with input from the Chief Financial Officer, the external auditor, the Director of Internal Audit, the Director of Group Finance, the Group Financial Controller and other relevant Mitie colleagues.

The Audit Committee considered the significant matters set out below. Papers were presented to the Audit Committee by management, setting out the relevant facts, material accounting estimates and the judgements associated with each item. The external auditor provided papers setting out its views on each key area of judgement.

The Audit Committee discussed the papers with management, challenged the underlying assumptions and sought the views of the external auditor on each matter. For each area of judgement considered, following review and challenge, the Audit Committee concurred with the treatment adopted by management and the related disclosure presented in the Annual Report and Accounts.

Use of Alternative Performance Measures (APMs)

The Group's performance measures continue to include some measures which are not defined or specified under IFRS. The Audit Committee has considered presentation of these additional measures in the context of the guidance issued by the European Securities and Markets Authority (ESMA) and the Financial Reporting Council (FRC) in relation to the use of APMs, challenge from the external auditor and the requirement that such measures provide meaningful and balanced insight for shareholders into the results and financial position of the Group.

In particular, the Audit Committee challenged the classification of certain costs within Other items, ensuring that there is a robust framework of controls around the assessment, and that the classification and disclosure are appropriate, with the aim of providing a reader of the Annual Report and Accounts with a meaningful understanding of the underlying results of the business. This was achieved through the review by the Audit Committee of detailed papers prepared by management throughout the year, setting out each category of Other items, analysing the charges and credits reported within each category, ensuring consistency of treatment and documenting the rationale as to why these charges and credits were both incremental to 'business as usual' activities and directly related to the category.

The Audit Committee challenged as to whether any charges or credits had been rejected from the Other items category, based on the framework of controls operated by Group Finance around the reporting of Other items. Management confirmed that this had been the case and that the divisions continued to engage proactively with Group Finance to discuss whether potential charges or credits would qualify for reporting as Other items.

The Audit Committee concurred that clear and meaningful descriptions have been provided for the APMs used, that the relationship between these measures and the equivalent IFRS measures is clearly explained, that the IFRS measures are afforded equal prominence to the APMs, and that the APMs would enhance a reader's understanding of the financial performance and position of the business.

A reconciliation of the APMs to the equivalent IFRS measures is provided in the Appendix – Alternative Performance Measures on pages 213 to 215.

Contract-specific provisions

During the year, management performed reviews of contracts to assess whether any contracts may be onerous over the remaining term of the contract and, where this is the case, the extent to which a provision should be made for future forecast losses. Management also conducted an assessment of the adequacy of provisions related to material contractual disputes.

Onerous contract provisions totalling £10.0m have been recognised at 31 March 2025 (FY24: £8.8m). These primarily relate to a number of loss-making contracts that were acquired with the Interserve business, which are within the Communities division. Management's assessments were made in the context of the plans that have been developed and are being implemented by divisional management to improve the profitability of these contracts. The Audit Committee has been closely monitoring the performance of one notable loss-making contract, for which a turnaround plan was being implemented, and were pleased to note a significant improvement in profitability during FY25.

Other contract-specific provisions, totalling £33.0m, have been recognised at 31 March 2025 (FY24: £40.4m), which primarily relate to remedial and rectification costs required to meet customers' contract terms. Management's assessment included external expert opinions obtained, where necessary, to assess the adequacy of the provisions recognised.

The Audit Committee has reviewed the assessments presented by management, and taken into account the views of the external experts and the views expressed by the external auditor, based on their independent reviews of these contracts and the related forecasts.

Processes and controls in the telecoms infrastructure business

Given the underperformance of the telecoms infrastructure business, the Audit Committee has been monitoring progress on changes implemented by management during the year to improve processes and controls, and a particular area of focus was to improve the billing process to reduce the ageing on accrued income. In this context, management conducted an assessment to evaluate the appropriateness of provisions recorded against aged accrued income.

The Audit Committee invited the Finance Director of the business to attend a Committee meeting to present an update on processes and controls, and in particular the progress on reducing the aged accrued income through billing. The Audit Committee challenged the assessment, but were ultimately reassured that good progress had been made and the level of provisioning was appropriate.

Changes to operating segments and CGUs

During the year the Group's Central Government & Defence division was successfully absorbed into the Business Services and Technical Services divisions. The Group's operating segments are established on the basis of those components of the Group whose performance is evaluated regularly by the Board of Directors in deciding how to allocate resources. As the Group manages its business on a service line basis, the change in structure led to changes in operating segments and also separately the determination of CGUs.

The Audit Committee evaluated management's assessment, in the context of the reporting on divisional performance that the Board received throughout the year, and how resource allocation decisions were made by the Board during the year.

Accounting for acquisitions

The Group continued to transform and grow in FY25 with several strategic acquisitions, including ESM Power, Argus Fire, and Grupo Visegurity in Spain. The Audit Committee reviewed management's assessments of accounting outcomes for each acquisition and specifically challenged management's valuation approach to determine the fair value of the intangible assets acquired.

Review of the Group's going concern and viability statements

The Audit Committee has reviewed the Group's assessment of going concern. The Audit Committee also reviewed the Group's viability assessment over a period of three years to 31 March 2028, which considered a range of scenarios that were based on the potential financial impact of the Group's principal risks and uncertainties as set out on pages 76 to 87.

After due consideration, the Audit Committee concluded that the assumptions used in both these assessments were appropriate and reflected the Group's principal risks and uncertainties. The Audit Committee also reviewed the Group's reverse stress testing and challenged management's conclusion that the likelihood of any such scenarios occurring was remote. Factors that were considered included the current trading performance compared with the base case, the Group's performance during historically challenging periods such as the Covid pandemic, and the further mitigation actions available to management.

Based on the Group's forecasts for the going concern assessment period, and the Audit Committee's recommendation, the Board is satisfied that the Group will be able to operate within the level of its facilities for a period of no less than 12 months from the date of approval of the FY25 consolidated financial statements. For this reason, the Board considered it appropriate for the Group to adopt the going concern basis in preparing its consolidated financial statements. Further details of the going concern assessment are set out in Note 1 to the financial statements on page 157.

In accordance with the Code, the Directors have assessed the viability of the Group over the three-year period to 31 March 2028. Based on this assessment, the Directors have concluded that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 March 2028. The more detailed assessment of the Group's long-term viability is set out in the viability statement on page 89.

Revenue recognition

Due to the complexity and scale of many of the Group's contracts, revenue recognition continues to be an area of focus for the Audit Committee. The Audit Committee received updates from management throughout the year, and also reviewed and discussed papers presented by management on specific areas of revenue recognition where judgement is required.

During the year, the Audit Committee reviewed management's assessment on accounting for projects where revenue is recognised over time. This included challenge by the Audit Committee on the policies applied to ensure an appropriate and consistent determination as to whether the output or input revenue recognition method should be applied, for measuring progress on projects that were ongoing at year end. The Audit Committee also sought to understand the work that was performed by the Group Finance team during the year to roll out training to the divisional teams, to ensure an appropriate level of knowledge and expertise across the Group.

Other matters considered by the Audit Committee

Management has continued to operate an established, structured process for the identification of material accounting judgements made, which are assessed at both a divisional and Group level in arriving at the results. The judgements with a significant actual or potential impact on the Group's results are presented to the Audit Committee for consideration.

In addition to the matters outlined above, the Audit Committee considered papers prepared by management in respect of the following matters:

- Assumptions used for pensions actuarial valuations for accounting purposes
- Impairment review of goodwill for each individual cash-generating unit
- The effective management of potential foreign exchange exposures
- Key assumptions around tax, including recoverability of deferred tax assets
- Distributable reserves assessments prior to distributions to shareholders and review of associated interim accounts prepared for Mitie Group plc

Senior Accounting Officer update

The Chief Financial Officer presented a paper to the Audit Committee detailing the processes in place to ensure that the relevant controls had operated effectively during FY25, thereby supporting signature of the Senior Accounting Officer certificate which is submitted to His Majesty's Revenue and Customs (HMRC). The Audit Committee considered this paper, discussed in-year developments with management and concluded that it was satisfied with the approach taken by management.

External audit

The Audit Committee is committed to ensuring the independence, effectiveness and objectivity of the external auditor, and reviews the performance of the external auditor in respect of audit-related services and non-audit services every year.

Appointment and re-appointment of the external auditor

The Group undertook a competitive external audit tendering process in 2017 and BDO LLP (BDO) was selected as the Company's external auditor with effect from 19 September 2017. Since this date, BDO has continued to provide external audit services to the Group. Greg Watts is the current lead partner for BDO, and led the Group audit for FY25, which was his third year in this role.

During FY25, Jon Gilpin, the lead partner for the Business Services division, served his sixth year on the audit. Key audit partners normally only serve a period of five years, however, it has been agreed that an exception should be made for Jon Gilpin to extend his tenure for one additional year due to a significant restructuring within the Business Services division during the year, combined with a number of acquisitions which added complexity to the divisional audit. This has been determined to be in accordance with the relief included in the FRC's Ethical Standard, and a succession plan has been put in place for the audit for the year ending 31 March 2026.

During the year, a BDO employee applied for and accepted a role within Mitie's Group Finance team. The Audit Committee reviewed the matter with BDO and it was confirmed that the individual was not part of the Group's audit team. Appropriate safeguards were then put in place by BDO, upon acceptance of the role by the individual, to ensure the continued independence of the external auditor.

The Audit Committee considers annually the need to tender the audit for audit quality or independence reasons. There are no contractual obligations in place that restrict the Group's choice of statutory auditor. During the year, the Audit Committee also discussed the requirement, for listed businesses such as Mitie, to run an audit tender process for the external audit every 10 years. For BDO, FY25 represents the eighth year of performing the audit for Mitie, which means that at the latest the audit for year ending 31 March 2028 must be tendered under the regulations. The associated planning for this audit tender is now underway.

The Audit Committee confirms that the Group is in compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

External auditor effectiveness

The Audit Committee monitored the conduct and effectiveness of the external auditor through its assessment of:

- The experience, expertise and perceptiveness of the auditor
- The planning and execution of the agreed audit plan and quality of reports from the auditor
- The conduct of the auditor, including the Audit Committee's experience of interaction with the auditor

In addition to receiving written reports from the external auditor and from management, the Audit Committee also conducted private meetings with the external auditor and other meetings separately with management. These meetings provided the opportunity for open discussion and feedback on the audit process, the responsiveness of management and the effectiveness of both the internal and external audit teams.

Meetings with the external auditor included challenge from the Audit Committee around the efficiency and effectiveness of the audit process, including use of data analytic techniques and opportunities to place more reliance on controls as part of the audit approach. Enhanced data analytic techniques were successfully implemented during the year, with the objective of enhancing audit quality alongside creating efficiencies in the audit process.

The Audit Committee also discussed and agreed an appropriate audit fee, to support the performance of a thorough and effective audit process.

Non-audit services provided by the external auditor

The Group has a non-audit services policy, approved by the Audit Committee, that ensures the external auditor remains independent and objective throughout the provision of its independent audit services and when formulating its audit opinion. This non-audit services policy is underpinned by principles that ensure that the external auditor does not:

- Audit its own work
- Make management decisions for the Group
- Create a conflict of interest
- Find itself in the role of advocate for the Group

The Group non-audit services policy reflects the requirements of the FRC's Revised Ethical Standard 2019, which limits the types of non-audit services that external auditors can provide. Under the requirements, permitted services are largely those required by law or regulation, loan covenant reporting, other assurance services closely related to the audit or annual report, and reporting accountant services. The Audit Committee confirms that the Group non-audit services policy is consistent with the FRC's Revised Ethical Standard 2019.

Under this policy, prior to the appointment of the external auditor to provide any permitted non-audit services, approval must be obtained from the Chair of the Audit Committee. A report of all non-audit services performed by the external auditor during FY25, irrespective of value, was submitted to the Audit Committee.

A summary of the fees paid to the external auditor for FY25 is set out in Note 5 to the consolidated financial statements. Fees for other audit-related services of £241,000 related to the review of the half-yearly financial report. No other non-audit services were provided by BDO for FY25. The Audit Committee considered reports from both management and the external auditor, which included monitoring of fees for permitted non-audit services compared with the FRC fee cap, none of which raised concerns about external auditor independence.

Risk management

The Group's risk management framework provides a flexible and adaptable approach to the identification of risk across all areas of the business, to meet the demands of the dynamic and fast-evolving environment in which the Group operates.

Ultimate responsibility for maintaining and monitoring sound risk management and internal control systems lies with the Board. This responsibility is delegated to the Chief Executive Officer, who further delegates it to the Chief Legal Officer (in capacity as Chief Risk Officer) and the MGX, with accountability and responsibility assigned to specific risk owners. The Audit Committee supports the Board in this respect by monitoring the effectiveness of the overall risk management process and the system of internal controls.

The Audit Committee considers emerging risks with management as part of the risk management update it receives, and reviews the risk management framework and outcomes to support the Group's going concern and viability statements.

The Audit Committee also keeps under review the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems established to identify, assess, manage and monitor financial risks. The Audit Committee also advises the Board on such risks and how these are tracked, managed, mitigated and reported.

Risk management approach

The Board understands that effective risk management and a sound system of internal control are essential to the achievement of the Group's strategy and supporting objectives.

All risks across the business are captured on the Group's automated risk management platform (Risk Safe) and are subject to regular reviews, and the Group's risk profile is reviewed by the Chief Executive Officer, Chief Financial Officer and Chief Legal Officer in advance of review by the Audit Committee and approval by the Board.

The Risk Committee is chaired by the Chief Legal Officer (in capacity as Chief Risk Officer) and comprises the Managing Directors of each of the divisions, the heads of all functions and relevant subject-matter experts, and met four times in FY25. The Risk Committee focuses on the risk management framework to increase understanding of the nature of the risks faced by the Group and the actions and controls in place to mitigate them. This allows better coordination for the reporting of risks to the MGX, the Audit Committee and the Board. Details related to the Group's principal risks and uncertainties and risk profile can be found on pages 76 to 87.

The Group continues to review and improve its approach to governance, risk management and internal controls and, during FY25, the Group made significant progress in its risk management approach. Notable enhancements to the Group's Enterprise Risk Management framework during FY25 included the successful launch of Mitie's inaugural Risk and Resilience Week, completion of a risk register quality programme focused on refining the content of risk information captured across the Group, the roll-out of enhanced risk governance through the introduction of divisional risk committees, and the design of new training offerings to boost awareness of risk management at Mitie. In addition to this, the Group also completed third-party evaluations in relation to ISO 31000:2018 risk management and ISO 22301:2019, and saw elevated risk maturity levels which signify that Mitie's approach to continual improvement in risk management is having the desired effect.

The Board considers the nature and extent of significant risks in setting the Group's strategy. The Group's delegated authority register, which sets out the accountabilities and authority to take decisions on specific matters within defined financial limits and authority limits, is aligned at divisional level. This approach helps to ensure that the Board's risk appetite is clearly communicated and understood across the Group. This structure ensures a consistent approach to acceptance and management of risk across the business and provides the Board with greater visibility of how effectively risks are being managed.

Risk identification and assessment

The Board carries out robust assessments of the Group's principal risks, including emerging risks. In doing so, the Board takes both internal and external perspectives into account to ensure the risk identification process is thorough. The internal perspective takes into account factors such as the changing and developing business profile, operational processes, technology and people, while the external perspective includes the economic environment, political factors and sector and geographical risks.

During FY25, the Risk Committee regularly reviewed the impact on the business of the risks associated with the changing external environment through horizon scanning. Changes to the risk profile were then reported to the Audit Committee, the MGX and the Board for their consideration. Employing both top-down and bottom-up approaches ensures the systematic identification of significant risks to the business. Once identified, risks are assessed using standard impact and likelihood ratings to quantify the risk to the achievement of business objectives. During the FY25 risk assessment, a new principal risk with respect to 'Prison management' was identified, which is set out on page 87.

Risk assessments are based on a '5x5' scale ranging from minimal to catastrophic, with any risks falling into the Group's upper limits having mandatory mitigation plans with the expectation that these risks are managed down to acceptable levels.

Risk culture

It is recognised that the risk management culture within the business is as important as an effective risk management framework. In support of this, the 'One Mitie' vision and Values have an important role to play. As well as helping to achieve common ways of working and clarity of approach for customers and colleagues, they also help set out, together with the Employee Handbook and ethical business conduct policies, the framework upon which Mitie's risk culture is built. Emphasis is placed on the importance of embedding risk management into all key decisions, such that opportunities to grow the Group are balanced with effective risk management decision-making. This means that opportunities may continue to be exploited, provided risks have been properly identified and the appropriate controls and mitigation plans established, or, in some cases, potential opportunities are declined if they sit outside the Group's risk appetite.

The Employee Handbook sets out the expected behaviours for all colleagues and supply chain partners and establishes zero tolerance in specific areas as part of an established ethical business framework. The Group continues to review and reaffirm its ethical business practice policies with colleagues and supply chain partners to ensure awareness of the 'One Mitie' vision, Values and expected behaviours is maintained.

Risk mitigation

Each identified risk has a defined control owner who is responsible for developing and implementing a risk mitigation plan. As part of the risk review process, each action and control is required to be reviewed and formally assessed for its effectiveness in mitigating risk. The Risk Committee provides oversight of the risk processes and monitors risk mitigation actions.

In addition, second line assurance activities occur across the business, the terms of reference for which are aligned with the objectives of the Risk Committee. Reviews of business area risks and the progress of associated mitigation plans are undertaken.

Assessment of the effectiveness of the control environment is undertaken at both business and Group level, led by the Director of Internal Audit. The Audit Committee formally reviews performance throughout the year and advises on the effectiveness of the risk management system in place.

Risk monitoring and review

Risk registers are reviewed regularly throughout the year. Principal risks to the business and associated mitigation plans are reviewed by the Risk Committee and then presented to the Board, and are monitored on an ongoing basis. In doing so, the Board considers the level of exposure for each risk against an agreed appetite to the level of risk.

The risk management framework is designed to manage, rather than eliminate, the risk of failing to achieve the objectives and strategy of the Group and can therefore only provide reasonable, and not absolute, assurance against material risk and loss. It should be noted that other risks are identified as part of the risk management process, but these are not considered to have a material impact on the Group's overall ability to achieve its business objectives.

The Audit Committee confirms that this risk management process was in place during FY25 and remains in place up to the date of approval of the Annual Report and Accounts. The process is continuing to evolve and will be subject to review and improvement.

Internal controls

The Board is accountable for maintaining an effective system of internal controls across Mitie. This responsibility is discharged through the Audit Committee, which provides independent assessment and oversight of financial reporting processes, the internal control framework, risk management and compliance.

Management is responsible for maintaining a robust system of internal controls, supported by the independent Internal Audit function within the Group. The Group Internal Audit function comprises three distinct but interlinked teams: Internal Audit, Internal Controls, and Investigations.

The Group's internal control framework, devised in accordance with the Committee of Sponsoring Organisations (COSO) framework, encompasses financial reporting, operational controls and compliance-related controls. This framework has led to improved internal processes and controls, building a culture of compliance and accountability.

During FY25, the Internal Controls team was strengthened in both capacity and expertise to help the Group deliver its plan to achieve compliance with the UK Corporate Governance Code 2024 requirements (the 'Code'), and in particular Provision 29 of the Code. This provision is applicable to the Group for the year ending 31 March 2027, requiring the Board to issue an annual formal declaration on the effectiveness of material internal controls.

Mitie has been proactively preparing for the changes to the Code. This forward-thinking approach has ensured that the Group's programme of work is well advanced towards meeting the new requirements, reinforcing the commitment to maintaining a robust and effective system of internal controls.

As part of the plan, in FY24 Mitie introduced a programme of independent testing of internal controls, providing an independent mechanism for evaluation. The Audit Committee has reviewed, challenged and approved the testing approach over key controls, and the independent testing programme continued across the Group during FY25, covering multiple subdivisions with a comprehensive 'top-down' and 'bottom-up' approach. Assurance maps are being developed for all principal risks, ensuring that assurance against these risks is mapped using a 'four lines of defence' model.

The 'top-down' approach was introduced in 2025 and provides additional assurance on Mitie's control environment by linking the Group's principle risks to key controls.

The 'bottom-up' testing process involves agreeing on the scope of testing with the business owner, followed by walk-throughs of key processes with subject-matter experts. A risk and controls matrix is prepared to identify and assess potential risks and corresponding controls. Improvement opportunities are discussed and agreed with the process owner, and an action plan is documented to address any identified issues. The results and significant findings are reported to the Audit Committee, providing an independent assessment of the internal control framework. The independent test results have shown an improvement during FY25, owing to the successful completion of identified remediation plans and effective monitoring of action plans from the testing.

During FY25, the Group placed particular emphasis on IT General Controls (ITGC) and financial controls testing, recognising their importance in the overall success and viability of the business. By concentrating on ITGC, the Group aims to maintain robust, reliable and secure technology infrastructure and systems, ensuring the resilience and efficiency of its operations. The financial controls testing serves as an essential aspect of Mitie's approach to responsible business practices, addressing key metrics and performance indicators related to the Group's financial reporting, operational efficiency and compliance.

There has also been an increased focus on training and awareness, and numerous CPD and fraud awareness sessions have been conducted for divisional finance teams. These initiatives have led to increased engagement and focus on internal controls.

In accordance with the Code, the Audit Committee performs an evaluation of the effectiveness of internal controls across the Group on an annual basis, covering all material controls, including financial, reporting, operational and compliance controls. During FY25, the independent testing results informed the basis of this evaluation, enabling the Audit Committee to make better-informed decisions about resource allocation, risk mitigation strategies and operational guidance.

Internal audit

The Director of Internal Audit at Mitie has continued to strengthen the independent Internal Audit team to ensure there are adequate skills for emerging risks such as new technologies and Artificial Intelligence (AI).

The authority and responsibilities of the Internal Audit function are defined in its charter, which is reviewed regularly by the Audit Committee. Reporting directly to the Audit Committee (administratively to the Chief Financial Officer) allows the Internal Audit function to achieve objectivity and offers independence from those activities being audited.

The work of the Internal Audit team helps to provide assurance over the effectiveness of the Group's governance, risk management and internal control frameworks. The Audit Committee Chair assesses the Internal Audit team's performance against internal audit objectives and oversees the appointment and removal of the Director of Internal Audit.

During FY25, the Internal Audit team engaged with key stakeholders across the Group, including Board members and wider Mitie leadership teams, including the Executive Committee, Risk Committee and finance leadership team, to obtain business insight and feedback, which has been used to develop a comprehensive internal audit plan. The internal audit plan for FY25 was presented to and approved by the Audit Committee in March 2024 and was kept under continual review throughout the year. The plan was approved and delivered accordingly.

A tailored audit report is produced to present the findings of each internal audit, and any remedial action plans developed by management in response, which are tracked to completion by the Internal Audit team. These reports are reviewed and challenged by the Audit Committee and are made accessible to the members of the Audit Committee and BDO. Regular progress updates were also provided to the Audit Committee throughout FY25 by the Director of Internal Audit.

During FY25, improved formats of reporting were used, including an 'audit on a page' concept of one-page spot-check audits, designed to offer rapid assurance over specific risk areas, in addition to comprehensive reports and ongoing assurance memorandums over in-flight projects and technology solutions.

The key areas of focus in the FY25 internal audit plan included:

- A post-implementation review of certain computer-aided facility management system implementations
- A review of employee retention strategy and processes and their effectiveness
- Assessment of employee onboarding and offboarding processes, risks and controls
- A review of customer account management and related risk management
- A review of the control environment around the transition of outsourced finance activities
- A review of user access controls across systems and applications

Whistleblowing and allegations of fraud

The Investigations team supports the whistleblowing and investigations process by providing dedicated resource and expertise for fraud investigations. In FY25, the Group continued to operate its independent whistleblowing service via the EthicsPoint platform, while also receiving whistleblowing concerns through the Chief Executive Officer's direct channel, 'Grill Phil', and various other means.

Investigations of all natures are taken seriously by management and the Board, and documented reports for investigations are created and approved via a formalised process, and improvement actions recommended by the Investigations team are tracked to completion.

In instances where allegations of fraud have been reported, these are investigated as a matter of priority by the Investigations team and reported to the Audit Committee. The related reports, summarising the issues, conclusions and recommendations, are reviewed and discussed by the Audit Committee. The Audit Committee then monitors the implementation of any required actions, aimed at preventing future occurrence of similar issues and enhancing internal processes and controls.

The Investigations team also regularly delivers fraud awareness sessions across the business and conducts proactive reviews to identify fraud trends using data analytics. These efforts have led to increased awareness and vigilance among colleagues, reducing the risk of fraud.

To support readiness for the 'failure to prevent fraud' legislation applicable from September 2025, the resources available have been strengthened, including testing potential use of AI to detect fraud using case studies and machine learning where possible. This proactive approach aims to enhance the effectiveness of fraud detection and prevention measures.

Fair, balanced and understandable

In accordance with Provision 27 of the Code, the Directors confirm that they consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable, and that it provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy. When arriving at this position, the Board was assisted by various processes, including the following:

- The Annual Report and Accounts was drafted by senior management with overall coordination by Group Finance to ensure consistency across the relevant sections
- A review was undertaken to assess the consistency of the Annual Report and Accounts with internally reported information and investor communications, and to assess the balance between reported measures and Alternative Performance Measures
- Reviews of drafts of the Annual Report and Accounts were undertaken by the Executive Directors, Chief Legal Officer & Company Secretary, other senior management and external advisors
- The final draft was reviewed by the Audit Committee prior to consideration by the Board

An explanation by the Directors of their responsibility for preparing the Annual Report and Accounts can be found on page 141.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) COMMITTEE REPORT

Mitie's strong commitment to ESG brings real purpose, improving sustainability and social value within our organisation. This dedication also enhances the services we provide, making a positive impact on our customers and the communities we serve.

Salma Shah
Chair of the ESG Committee

ESG Committee members

As part of governance enhancements, the Committee's membership was formally revised on 23 July 2024. The Committee's composition for the financial year ended 31 March 2025 is set out below, including current members and those who stepped down during the year.

Current membership overview (as at 31 March 2025)

Chair: Salma Shah

Committee members:
Penny James, Non-Executive Director (appointed 3 June 2024)
Peter Dickinson, Chief Legal Officer & Company Secretary
Claire Lovegrove, Head of External Communications
Jason Roberts, Group Director for Sustainability
Jason Towse, Managing Director of Business Services
Jon Hughes, Group HSQE Director (appointed 23 July 2024)
Sameen Sheikh, Director of Internal Audit (appointed 23 July 2024)
Helen Longfils, Group Director of Social Value (appointed 9 September 2024)
Kate Heseltine, Group Investor Relations and Corporate Finance Director (appointed 23 July 2024)

Former members (stepped down during the financial year)
Jasmine Hudson, Chief People Officer
Alice Woodwark, Managing Director of Mitie Communities
Danny Spencer, Managing Director of Care & Custody
Simon Venn, Managing Director of Technical Services & Chief Government Officer

ESG Committee meetings

The Committee met six times during FY25.

Key purpose of the ESG Committee

To oversee Mitie's ESG initiatives and provide governance support, ensuring alignment with its Purpose, Promises and Values.

Key responsibilities of the ESG Committee

To benefit Mitie's customers, colleagues, shareholders and other key stakeholders, the ESG Committee is responsible for:

- Preparing the Group's ESG strategy on an annual basis, and submitting it to the Mitie Board for final approval and adoption
- Promoting, overseeing and monitoring the implementation of the ESG strategy
- Ensuring the Group operates responsibly to positively impact communities, people and the environment in line with the ESG strategy

The Committee's Terms of Reference are available at www.mitie.com/investors/corporate-governance.

On behalf of the Board, I am pleased to present the ESG Committee report for the year ended 31 March 2025.

This report highlights the ESG Committee's key activities and achievements during FY25 and enhanced governance involvement in relation to increasing regulatory requirements. Highlights of Mitie's ESG activities and outputs are set out on pages 50 to 75 of this Annual Report and further information is also available at www.mitie.com/environment-social-and-governance.

As detailed over the following pages, in FY25 the Committee focused on areas such as:

- Establishing the reporting criteria from our double materiality assessment, to ensure upcoming compliance with the Corporate Sustainability Reporting Directive
- Enhancing the quality of our reporting both internally and externally to ESG rating agencies and other disclosure organisations
- Updating Mitie's Supplier Code of Conduct to include enhanced environmental and social value requirements
- Appointing a new Director of Social Value and refreshing the social value strategy, to be delivered from FY26
- Increasing the number of Ready to Work programmes through the Mitie Foundation to support social mobility and inclusive employment
- Enhancing our Modern Slavery procedures and the Group's Modern Slavery statement
- Reviewing Mitie's long-term ESG targets
- Supporting the creation and expansion of trailblazer apprenticeship schemes, with the aim of closing future skills gaps
- Supporting the launch of Mitie's first Level 7 Leadership cohort for senior women in conjunction with Corndel, sponsored by CEO Phil Bentley
- Guiding our Apprenticeship Levy lobbying activity
- Delivering environmental training to ensure Board and senior leadership ESG competence
- Improving metrics around business ethics reporting, incorporating environment, labour standards and human rights
- Adopting the EcoVadis platform to engage with our suppliers' ESG performance and help identify opportunities for collaboration
- Supporting the implementation of Mitie's M&A strategy, with its focus on acquiring businesses that can enhance our decarbonisation project delivery capabilities
- Expanding our Inclusion Ally training programme, resulting in 300 trained allies who have demonstrated increased confidence and inclusivity in their interactions
- Organising seven ED&I flagship events to raise awareness and understanding of ED&I topics, with participation from approximately 300–500 colleagues
- Launching the 'This is Me' campaign to close diversity data gaps and encourage colleagues to share their diversity information

- Increasing diversity network membership from 5,684 to 8,065 members, achieving over 1,000 members in each network
- Introducing the Sunflower Lanyard initiative to support colleagues with neurodiversity and hidden disabilities
- Strengthening our commitment to disability inclusion by becoming members of the Business Disability Forum

Mitie's ESG leadership position has continued to receive external recognition through both accreditations and awards, including the following:

- Sustainalytics – 8.3 Negligible Risk
- Business Green Awards 2024 – Organisation of the Year
- Energy Management Awards 2024 – Organisation of the Year
- Sustainable Facilities Management Index – Joint first with Platinum Status
- Top Employers Institute Awards 2024 – Top Employer United Kingdom
- Inclusive Companies Awards 2024 – 9th Inclusive Top 50 UK Employer
- National Apprenticeship Service 2023 – Top 100 Apprenticeship Employers
- CDP 'A-List' for second year running
- Improved EcoVadis rating of 77 – Gold
- Ministry of Defence's Employer Recognition Scheme 2023 – Gold award winner
- HR Excellence Awards 2023 – Best Early Careers Strategy
- ProShare Awards 2023 – Best Overall Performance in Fostering Employee Share Ownership: 50,000+ employees
- B2B Marketing Awards 2023 – Silver Award for the Best Use of Customer Insight for Mitie Plan Zero – Decarbonisation Delivered™
- Ranked 7th in the Top Employers of Veterans in the UK 2024
- Winner of Global ESG Award for EDI

Areas of focus for the Committee in FY26 are expected to include:

- Embedding Mitie's materiality assessment results into strategies across the business
- Supporting the employment and social mobility of underrepresented groups
- Launching Mitie's new comprehensive social value strategy, to be delivered across a wide range of customer accounts and through partnerships with voluntary, charitable and social enterprises (VCSEs) and small to medium-sized enterprises (SMEs)
- Incorporating further circular economy and reuse initiatives into internal operations
- Expanding our internal deployment of nature-based initiatives to improve biodiversity within the Mitie estate
- Monitoring Mitie's performance against its FY26 social value targets and intervening if required to ensure their fulfilment
- Ensuring successful utilisation of our supplier ESG scorecard and deploying the EcoVadis platform for our preferred suppliers
- Enhancing colleagues' knowledge and awareness of sustainability and social value

Salma Shah
Chair of the ESG Committee

Task Force on Climate-related Financial Disclosures (TCFD)

Board oversight of climate-related risks and opportunities
Both the Board and the ESG Committee have oversight of climate-related risks and opportunities.

At each Board meeting, the Chair of the Committee provides an update that includes an overview of any Committee meeting and any recommendations from the Committee requiring approval by the Board.

All members of the Board have access to ESG Committee meeting papers via an electronic Board portal.

Management's role in assessing and managing climate-related risks and opportunities
Due to the action-oriented nature of the Committee, a significant proportion of its membership comprises members of the MGX and senior management. At 31 March 2025, two Committee members were members of the MGX.

As illustrated below, a governance framework, comprising the ESG Working Group (formerly the Plan Zero Working Group), ESG Risk Group (formerly the Plan Zero Steering Group), the Committee and the Board, ensures that climate-related risks and opportunities are appropriately assessed and managed at Mitie.

Mitie's climate change risk assessment (TCFD risks and opportunities) is maintained by Jason Roberts, Group Director for Sustainability, who is a member of the Committee and Chair of the ESG Risk Group. Senior members of the Finance team distribute the document to all business areas for them to review business and operation-specific risks and opportunities.

Governance framework

Board
The Board has overall responsibility for sustainability, environmental and climate-related matters, including TCFD risks and opportunities.

The Board reviews climate-related risks and opportunities as part of its principal risks and business strategy considerations.

ESG Committee
The Committee has oversight for social value, sustainability, environmental and climate-related matters, including TCFD risks and opportunities.

The Committee reviews and approves Mitie's climate change risk assessment document (TCFD risks and opportunities) following its approval by the ESG Risk Group.

The Committee receives regular updates on outputs from ESG Risk Group meetings.

ESG Risk Group (formerly the Plan Zero Steering Group)
The ESG Risk Group meets quarterly in line with the Risk Committee meetings, and reports to the Committee. This group comprises representation from Finance, Risk, Legal, ESG and Investor Relations. Its key responsibilities include:

- Overseeing and directing the ESG Working Group
- Reviewing and mitigating identified climate-related risks
- Realising climate-related opportunities
- Reviewing and approving Mitie's climate change risk assessment document (TCFD risks and opportunities)

ESG Working Group (formerly the Plan Zero Working Group)

The ESG Working Group meets monthly to explore environment, business ethics, sustainable procurement, and labour and human rights, and reports to the ESG Risk Group. Its members include representation from ESG, Procurement, Property, Fleet, Waste, HR, Ecology and Legal.

Its key responsibilities include:

- Identifying and delivering actions to achieve Mitie's Plan Zero initiative objectives
- Driving down energy consumption and associated carbon emissions
- Transitioning to a circular economy and improving biodiversity
- Improving Mitie's processes around labour, human rights and business ethics
- Engaging our supply chain and embedding sustainability within our procurement processes
- Improving the accuracy of supply chain emissions data calculations
- Taking action in response to feedback from our reporting commitments, such as CDP and EcoVadis

Key activities during the year

Materiality assessment

The Committee identified Mitie's adherence to the EU's Corporate Sustainability Reporting Directive (CSRD) framework regulations, which require the completion of a double materiality assessment. The Committee collaborated with the ESG team to appoint an external organisation to complete this assessment, and which stakeholders to involve. Surveys and interviews with Mitie's stakeholders provided results that will be fed into Mitie's FY25 strategies across the business.

Supplier ESG scorecard

The Committee worked to develop a mechanism to enable Mitie's supply chain's ESG performance to be measured, by implementing an ESG scorecard. The Committee collaborated with the ESG team to ensure this process aligns to and covers areas included in other reporting requirements, such as CDP (formerly the Carbon Disclosure Project) and EcoVadis. The Committee identified the potential for this engagement to identify opportunities for collaboration and enhancement of Mitie's decarbonisation delivery, extending to its supply chain. This scorecard will enable Mitie to rank its suppliers in terms of ESG and directly support our related science-based targets.

Enhanced reporting

The Committee continued to look for ways to improve Mitie's ESG scores with ESG rating agencies, accrediting bodies and sustainability indices in FY25. The Committee reviewed responses to disclosure questionnaires and identified areas for improvement. The Committee also initiated engagement conversations with these organisations where needed. As a result of these engagement activities, Mitie secured an A rating from CDP within the Climate Change category, one of only 462 companies worldwide to achieve this (top 2%).

ESG Report 2025

The Committee reviewed Mitie's ESG Report 2025 and the Board's feedback on the report. This report outlines the progress made across all areas of Mitie's ESG strategy and shared key achievements for each of the five pillars of Mitie's social value framework: environment, responsible supply chain, people, community, and innovation. Following publication, the report will be available to download at www.mitie.com/esg/.

Support for apprenticeships

The Committee kept Mitie's Apprenticeship Levy strategy under review and discussed ways to increase Mitie's Apprenticeship Levy utilisation rate and Apprenticeship Levy gifting. As part of these discussions, the Committee made the decision to join the 5% Club, organisations committed to providing 'earn and learn' opportunities, and have successfully increased Mitie's utilisation rate. The Committee identified obstacles that were limiting Mitie's ability to maximise levy spend, including a gap in programmes for colleagues in certain job roles, so therefore supported the launch of the Level 2 Professional Security Operative trailblazer apprenticeship and Mitie's first Level 7 Leadership cohort for senior women in conjunction with Corndel and Imperial College London Business School.

Giving Back

The Committee was regularly updated on Mitie's 'Giving Back' initiative, which encourages eligible colleagues to use their annual volunteering day to support good causes in the local community. The Committee discussed the effectiveness of Mitie's volunteer recording platform, along with colleague eligibility criteria, with aims to maximise accessibility and engagement. A total of 32,512 volunteer hours were recorded during FY25, 8,832 hours over target.

Performance against targets

The Committee reviewed performance against its FY25 ESG targets at every meeting. At times during the year when a particular target was tracking behind schedule, the Committee discussed the reasons why and identified ways to address the shortfall. For example, the Committee drove the importance and requirement of electric vehicle (EV) uptake among their teams to ensure Mitie's EV target was achieved with minimal pushback through ensuring awareness of purpose and application. Mitie achieved 12 of its 14 FY25 ESG targets.

Mitie Foundation

The Committee was regularly updated on the activities of the Mitie Foundation. During FY25, the Mitie Foundation continued to support individuals with perceived barriers to employment, such as the long-term unemployed, those with disabilities or learning difficulties, veterans, ex-offenders and young people. A total of 256 Mitie Foundation candidates were recruited into the Mitie business in FY25. Further detail of the activities of the Mitie Foundation can be found at www.mitie.com/mitie-foundation.

STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

The foundation year of the new Three-Year Plan for Facilities Transformation delivered strong strategic, operational and financial progress which is reflected in the incentive outcomes.

Jennifer Duvalier
Chair of the Remuneration Committee

Remuneration Committee members

At the date of this report and throughout FY25, the Remuneration Committee comprised:

Chair:
Jennifer Duvalier

Committee members:
Chet Patel
Salma Shah
Roger Yates

Remuneration Committee meetings

The Remuneration Committee met three times during FY25.

Key purpose of the Remuneration Committee

The purpose of the Remuneration Committee is to develop and oversee remuneration policies and practices that support Mitie's strategy and promote long-term sustainable success.

Key responsibilities of the Remuneration Committee

The Committee has responsibility for determining the remuneration of Mitie's Executive Directors and the Chairman, taking into account the need to ensure Executive Directors are properly incentivised to perform in the interests of the Company and its shareholders.

The Committee is also responsible for setting the remuneration for other senior executives, including the Mitie Group Executive (MGX). The Committee also reviews workforce remuneration and related policies and takes these into account when setting the policy for Executive Directors.

The Committee regularly consults with the CEO and key HR executives on various matters relating to the appropriateness of rewards for the Executive Directors. However, the CEO and other Executive Directors are not present when matters relating directly to their own remuneration are determined.

This is also the case for other executives attending Committee meetings. The Company Secretary attended the meetings as Secretary to the Committee. The CEO and HR executives attended the meetings by invitation only.

The Remuneration Committee's Terms of Reference are available at www.mitie.com/investors/corporate-governance.

On behalf of the Board, I am pleased to present the Directors' remuneration report for the year ended 31 March 2025.

The report is split into two main parts:

- Executive remuneration at a glance: This sets out a summary of our policy, remuneration outcomes for this year and how we intend to operate our policy for next year
- The Annual Report on Remuneration: This provides more detail on the above, as well as setting out other remuneration-related disclosures

Business performance and context

FY25 has been another year of good financial and operational progress for Mitie. In the foundation year of the new Three-Year Plan for Facilities Transformation the Group delivered revenue growth of 13%, including 9% organic growth, and operating profit before Other items growth of 11%. There has been strong free cash flow generation of £143m as well as a return on invested capital significantly in excess of our weighted average cost of capital. Basic earnings per share before Other items increased by 3% to 12.7p, with the benefit of higher operating profit and share buybacks offsetting an increase in effective tax rate and higher finance costs.

Remuneration review and new policy

The Remuneration Committee undertook a detailed review of remuneration arrangements as part of the renewal of the remuneration policy at the 2024 AGM. As part of our review, we consulted with major shareholders and took their feedback into account when finalising the new policy, which was approved by shareholders with over 80% support. Further detail on the implementation of the policy in 2024 is provided in the Executive remuneration at a glance section following this statement. The policy is set out in full in our Annual Report and Accounts 2024.

Supporting our colleagues

Mitie is a people business; our exceptional colleagues are integral to the Group's success. During FY25, we granted two free share awards to our colleagues, with those earning the least receiving the most shares in line with previous awards.

For our hourly paid colleagues, we increased pay in line with the National Living Wage or Real Living Wage increases. In practice, this means that a considerable number of our people received increases of around 6.3%. For our salaried colleagues, the overall pay budget increase for 2024 was set at 2.25%, balancing Group affordability with talent market pressures.

Remuneration decisions and outcomes in respect of FY25

Salary

The CEO's salary of £900,000 has been unchanged since his appointment in 2016. As in previous years, the Committee has decided to not implement any salary increase for Phil Bentley.

The CFO's salary has not been increased and remains at £412,000.

FY25 bonus

The annual bonus for FY25 was based on profit, revenue, free cash flow and strategic/individual performance. At the end of the year, the Committee assessed performance against the targets and was mindful of the latest shareholder guidance and market sentiment. As such, the Committee gave careful consideration to the year's context, taking into account the experience of colleagues, stakeholders and shareholders.

FY25 was a good year of Group performance. Operating profit[1] of £233.1m was between target and maximum, revenue of £5,091m was between target and maximum and free cash flow of £142.8m exceeded the maximum. Assessment against strategic and individual objectives was such that 86.1% and 87.6% of the maximum overall bonus was determined for the CEO and CFO respectively on a formulaic basis.

As in previous years, the Committee challenged itself to ensure that bonus outcomes were appropriate in the round. As is usual, as part of this assessment, the Committee took into account the wider performance of the Group, and the context of both the shareholder and employee experience. In doing so, it determined that a discretionary reduction of 5% to the FY25 bonus outcomes for all participants (including the Executive Directors) was appropriate. This resulted in a final out-turn of 81.8% of maximum for the CEO and 83.2% of maximum for the CFO.

2022 LTIP

The Committee assessed the outcome of the June 2022 Long Term Incentive Plan (LTIP) award against three performance measures: earnings per share (EPS), return on invested capital (ROIC) and ESG targets.

Following a review of performance against targets, the Committee determined that the formulaic out-turn was that 100% of the award would vest in June 2025. Performance against targets for this award are described in more detail on page 133 in the Annual Report on Remuneration. The Committee determined that the formulaic outcome of the 2022 LTIP was appropriate and no further discretion was applied.

Incentives approach for FY26

For FY26, the Committee is intending to operate the annual bonus and LTIP using the same framework and measures used in FY25:

- Phil Bentley's maximum bonus opportunity will be unchanged at 200% of salary. As stated in last year's report, Phil will not be granted an LTIP award in FY26
- Simon Kirkpatrick's maximum bonus opportunity and LTIP opportunity will be unchanged at 175% of salary
- The annual bonus will continue to be based on financial and strategic targets, with 80% based on financial measures and 20% on strategic and personal objectives. The mix for FY26 will be: revenue (27.5%), profit (27.5%), free cash flow (25%), strategic objectives (10%) and individual objectives (10%)
- The LTIP measures will continue to be: EPS (33.3%), ROIC (33.3%) and revenue (33.3%). The Committee will also have reference to ESG and leverage during the period, and has the discretion to adjust the award accordingly. As part of its assessment of the appropriate vesting amount, the Committee will take into account all relevant factors including the wider performance of the Group and the context of both the shareholder and employee experience
- The Mitie strategy is typically set in three-year cycles and we are now in the second year of the FY25 – FY27 Facilities Transformation strategy. In the coming months the Board will be considering the strategy for FY28 onwards. The Committee have therefore made the decision to delay setting the LTIP 2025 targets. The awards will be granted in due course, and targets set before the end of October 2025 to allow for more meaningful three-year targets aligned with the future strategic plans. Once set, the targets will be disclosed in a stock exchange announcement

Engaging with the workforce

The Mitie Board values the views of our colleagues and has multiple engagement routes. In addition to my role as the Chair of the Remuneration Committee, I act as the designated Non-Executive Director responsible for oversight of the Board's engagement with the workforce. In this role, I regularly engage with the workforce on a broad range of topics, including reward and benefits. In addition, we undertake engagement surveys in order to better understand the views of a wider range of colleagues. The engagement surveys include a range of specific questions on pay practices and presents an opportunity for the workforce to ask its own questions about colleague or executive reward.

Through the feedback from surveys, supplemented with my findings from regular direct engagement with the workforce, the voice of Mitie people is heard at Remuneration Committee meetings. This enables the Remuneration Committee to take into account the views of colleagues when considering executive remuneration and the pay and employment conditions throughout the wider workforce.

I attended a listening session with frontline colleagues specifically focused on reward and executive remuneration. Colleagues fed back on their benefits package, noting their thanks for the ongoing free share awards. Colleagues were interested in understanding the Executive Directors' incentive arrangements and were reassured to hear about the Board's rigour and fairness for the consideration of reward for executives in relation to that of the wider workforce.

Conclusion

We will be seeking approval for the Directors' remuneration report (advisory vote) at the 2025 AGM. I welcome your views and feedback on the report.

Jennifer Duvalier
Chair of the Remuneration Committee

jennifer.duvalier@mitie.com

1. Operating profit before Other items, which (for the purpose of the Annual Bonus Plan measure) has been adjusted to exclude the profit uplift associated with the discretionary reduction of 5% applied to the bonus out-turn.

EXECUTIVE REMUNERATION AT A GLANCE

How we intend to operate our policy for FY26

The following table provides an overview of our remuneration policy and summarises the approach for remuneration arrangements for Executive Directors for FY25 alongside how the Committee intends to apply it for FY26. The full policy approved at the 2024 AGM is available on our website (www.mitie.com/investors/corporate-governance) and in the Annual Report and Accounts 2024.

At a glance	Overview of policy	FY25	FY26
Base salary	Salaries are generally reviewed annually, effective from 1 April. The review may be influenced by: • The individual's role, experience and performance • Business performance and the wider market and economic conditions • The range of increases across the Group • An external comparator group comprising sector comparators and size-adjusted comparator organisations	CEO: £900,000 CFO: £412,000	CEO: £900,000 (no increase) CFO: £412,000 (no increase)
Benefits	The Group provides a range of benefits which may include a company car/car allowance, private health insurance, life assurance and annual leave. Benefits are reviewed periodically against market and new benefits may be added and/or amended as required to support the attraction and retention of key talent.	Benefits for FY25 include private medical cover, car allowance/car and financial/tax planning advice	No changes to benefits are planned for FY26
Pension	Executive Directors are eligible to participate in the defined contribution pension scheme or to receive a cash allowance in lieu of a pension contribution.	3% of base salary (in line with the workforce)	3% of base salary (in line with the workforce)
Maximum bonus opportunity	Maximum bonus opportunity is 200% of base salary.	CEO: 200% of base salary CFO: 175% of base salary	CEO: 200% of base salary CFO: 175% of base salary
Bonus deferral	50% of the bonus is normally deferred into shares which vest after a minimum of two years (subject to continued employment).	50% of bonus deferred into shares which vest after at least two years	50% of bonus deferred into shares which vest after at least two years
Bonus performance measures – mix	Measures and targets are set annually and payout levels are determined by the Committee after the year end based on performance against those targets.	80% financial, 20% strategic	80% financial, 20% strategic
Bonus performance measures – metrics	Bonuses are based on stretching financial and strategic objectives assessed by the Committee at the end of the year, with the underlying aim of encouraging and rewarding the generation of sustainable returns to shareholders.	Revenue (27.5%) Profit (27.5%) Free cash flow (25%) Individual (10%) Other strategic (10%)	Revenue (27.5%) Profit (27.5%) Free cash flow (25%) Individual (10%) Other strategic (10%)
Maximum LTIP opportunity	Awards may be made up to a maximum level of 200% of base salary.	CEO: 600% of base salary (in line with CEO reward plan[1]) CFO: 175% of base salary	CEO: nil[1] CFO: 175% of base salary
LTIP performance measures	Performance over at least three financial years is measured against stretching objectives which have the underlying aim of encouraging and rewarding the generation of sustainable returns to shareholders.	EPS (33.3%) ROIC (33.3%) Revenue (33.3%)	EPS (33.3%) ROIC (33.3%) Revenue (33.3%)

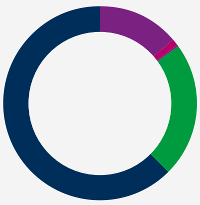
1. In line with the CEO reward plan approved at the 2024 AGM, a one-off LTIP award of 600% of base salary was made in respect of FY25, and no LTIP awards will be made to the CEO in FY26 and FY27. The maximum LTIP opportunity applicable for a new CEO under the remuneration policy is 200% of base salary.

At a glance	Overview of policy	FY25	FY26
LTIP holding period of two years after vest	Awards will normally be subject to an additional holding period of at least two years.	Shares released after at least five years (vesting after three years plus two-year holding period)	Shares released after at least five years (vesting after three years plus two-year holding period)
Share ownership requirements	Executive Directors are required, over time, to build and maintain a minimum shareholding in the Company worth 200% of base salary. Executive Directors will be expected to maintain their shareholding at 100% of their ownership requirement for one year post departure, reducing to 50% for the second year post departure, or in either case the actual shareholding on departure if lower.		
Malus and clawback provisions	Recovery provisions (malus and clawback) have applied to incentives for a number of years. Further details of the recovery provisions, including the circumstances and timeframe for which they can be applied, are set out in the remuneration policy.		

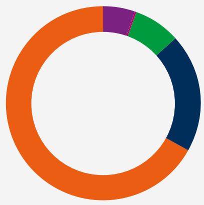
Single figure for FY25

The table below reports a single figure of total remuneration for each of the Executive Directors for the financial year ended 31 March 2025 and their comparative figures for the financial year ended 31 March 2024.

Phil Bentley

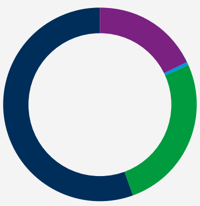


	2025
Salary	£900,000
Benefits	£61,428
Pensions	£27,000
Bonus	£1,472,400
LTIP	£4,069,587
Total	**£6,530,415**

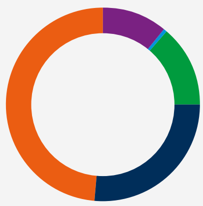


	2024
Salary	£900,000
Benefits	£45,095
Pensions	£27,000
Bonus	£1,291,624
LTIP	£3,308,464
One-off EDP	£11,157,977
Total	**£16,730,160**

Simon Kirkpatrick



	2025
Salary	£412,000
Benefits	£4,308
Pensions	£12,360
Bonus	£599,872
LTIP	£1,281,920
Total	**£2,310,460**

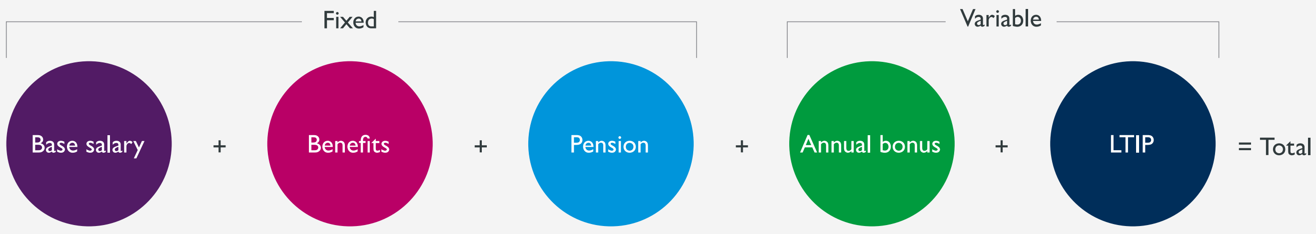


	2024
Salary	£400,000
Benefits	£4,032
Pensions	£12,000
Bonus	£494,349
LTIP	£968,098
One-off EDP	£1,762,805
Total	**£3,641,284**

Further information on the above is provided in the Annual Report on Remuneration.

SUMMARY OF REMUNERATION POLICY

The standard remuneration approach for the Executive Directors comprises the following elements:



Executive incentives and link to strategy

The following table sets out how the intended measures across the incentive plans for FY25 support the Group's strategy and KPIs:

	Accelerating growth	Operating margin progression	Cash generation	ESG leadership
Annual bonus	✔ 27.5% profit	✔ 27.5% revenue	✔ 25% free cash flow	✔ 20% strategic and individual objectives (inc. ESG)
LTIP[1]	✔ 33.3% EPS	✔ 33.3% revenue	✔ 33.3% ROIC	

1. Under the LTIP 2025, the Committee will also have reference to ESG and leverage during the period, and has the discretion to adjust the award accordingly, including to nil.

Note: details of the FY26 annual bonus targets will be disclosed in the FY26 remuneration report.

UK Corporate Governance Code: Provision 40

The following table sets out how the remuneration policy addresses the factors set out in the UK Corporate Governance Code:

Clarity	The Committee considers that Mitie's remuneration structures are transparent and welcomes open and frequent dialogue with shareholders on its approach to remuneration. Major shareholders were consulted on the Committee's approach to remuneration, including the changes to the remuneration policy, which were approved by shareholders at the 2024 AGM.
Simplicity	The remuneration policy is designed to be comprehensive without becoming overcomplicated and to encourage Executive Directors to concentrate on the profitable growth of the business. When developing the remuneration arrangements, the Committee was conscious of ensuring the overarching structure remained simple and easy to understand for both shareholders and participants.
Risk	The Committee considers that the structures of the incentive arrangements do not encourage inappropriate risk-taking. The following best-practice measures are in place to minimise risks: • Deferral under the Annual Bonus Plan, the LTIP holding period and the shareholding requirement, including post cessation, provide a clear link to the ongoing performance of Mitie's business and the experience of shareholders • The Committee has discretion to adjust the formulaic outcomes if it considers that they are not reflective of the underlying performance of Mitie or the individual • Malus and clawback provisions apply to the Annual Bonus Plan and LTIP
Predictability	One of the Committee's principles is that the majority of reward opportunity for Executive Directors should be provided through performance-related incentives linked to the Group's strategic goals and taking account of the Group's attitude to risk; reward under these incentives is linked to both individual and Group performance. Page 146 of the 2024 Annual Report and Accounts sets out four illustrations of the application of the remuneration policy, including the potential opportunity levels resulting from threshold, target and maximum performance under the Annual Bonus Plan and LTIP.
Proportionality	Performance measures and target ranges under the Annual Bonus Plan and LTIP are designed to be sufficiently stretching in order to ensure out-turns are fully aligned with Mitie's performance. As above, the Committee has discretion to override formulaic outcomes in order to ensure performance is reflective of Mitie's underlying performance.
Alignment to culture	The Committee believes in an approach to executive pay which is commensurate with value creation for shareholders. The remuneration policy and the Company's incentive schemes have been designed to drive appropriate behaviours consistent with Mitie's Purpose, Values and strategy.

ANNUAL REPORT ON REMUNERATION

Executive Director remuneration (subject to audit)

The table below reports a single figure of total remuneration for each of the Executive Directors for FY25 and their comparative figures for FY24:

	Year	Salary	Benefits[1]	Pension[2]	Total fixed pay	Annual bonus[3]	LTIP[4]	EDP[5]	Total variable pay	Total
Phil Bentley	**2025**	**£900,000**	**£61,428**	**£27,000**	**£988,428**	**£1,472,400**	**£4,069,587**	**–**	**£5,541,987**	**£6,530,415**
	2024	£900,000	£45,095	£27,000	£972,095	£1,291,624	£3,308,464	£11,157,977	£15,758,065	£16,730,160
Simon Kirkpatrick	**2025**	**£412,000**	**£4,308**	**£12,360**	**£428,668**	**£599,872**	**£1,281,920**	**–**	**£1,881,792**	**£2,310,460**
	2024	£400,000	£4,032	£12,000	£416,032	£494,349	£968,098	£1,762,805	£3,225,252	£3,641,284

1. Benefits are calculated in terms of UK taxable values and relate to the cost of private medical cover, car allowance and financial/tax planning advice. Simon Kirkpatrick's benefits include the use of an electric car. Phil Bentley's benefits include the matching shares element from his SIP purchases based on the share price upon purchase.
2. The pension benefit disclosed above for Phil Bentley comprises cash allowances in lieu of pension contributions of 3% of base salary. For Simon Kirkpatrick, the pension benefit disclosed comprises employer pension contributions of 3% of base salary.
3. Annual bonus payable in respect of the financial year includes any deferred element at face value at the date of award. Further information about how the level of the award for FY25 was determined is provided on pages 130 and 131.
4. The LTIP figures disclosed for FY25 are in respect of the 2022 LTIP awards and have been valued, in line with the regulations, using the average share price of the last three months of FY25 (114.97p) and include dividend equivalents accrued over the vesting period. The share price at grant (using the average closing middle market price for the last five trading days prior to the start of the financial year on 1 April 2022) was 55.10p, and 109% of the LTIP amounts included in the table above are attributable to share price appreciation. Further information about how the level of vesting (100%) was determined is provided on page 133. The LTIP and EDP figures disclosed for FY24 include the 2021 LTIP for which the figures included in the FY24 remuneration table have been adjusted to reflect the actual valuation based on the closing share price on the date of vesting, which was 118.00p, and include dividend equivalents accrued until the vesting dates.
5. The Enhanced Delivery Plan (EDP) figures disclosed for FY24 include the 2021 EDP for which the figures included in the FY24 remuneration table have been adjusted to reflect the actual valuation based on the closing share price on the date of vesting, which was 121.00p, and include dividend equivalents accrued until the vesting dates.

Non-Executive Director remuneration (subject to audit)

The fees for the Non-Executive Directors for FY25 and their comparative figures for FY24 are set out below:

	2025[1] £'000	2024[1] £'000
Derek Mapp	**274**	247
Christopher Rogers[2]	**10**	–
Jennifer Duvalier	**71**	67
Penny James[2]	**54**	9
Chet Patel	**54**	52
Mary Reilly	**64**	62
Salma Shah	**65**	62
Roger Yates	**63**	61
Total	**655**	560

1. All amounts were paid in cash and no other UK taxable benefits were received in either year.
2. Christopher Rogers joined the Board on 19 March 2025; Penny James joined the Board on 1 February 2024.

Base salary and benefits

For salaried colleagues, the overall pay budget increase for 2025 was set at 2.25%, balancing Group affordability with talent market pressures.

The CEO's salary of £900,000 has been unchanged since his appointment in 2016. As in previous years, the Committee decided to not implement any salary increase for Phil Bentley, and as discussed in the 2024 Annual Report and Accounts, his salary will remain frozen until at least 1 April 2027.

The Committee determined that the CFO's salary would remain at £412,000 from 1 April 2025.

ANNUAL REPORT ON REMUNERATION
continued

Non-Executive Director fees

Fees are reviewed on a periodic basis and at least every three years. Fees for the Non-Executive Directors were reviewed in 2023, which resulted in an increase for the Chairman. Following a market review in FY25, it was determined that the Chairman fees would increase to £285,000, core fees for Non-Executive Directors would increase to £62,000, Senior Independent Director fees to £11,000, Chair of Committee fees to £13,000 and designated Non-Executive Director for workforce engagement to £10,000. Fee increases were effective from 1 January 2025. Non-Executive Director fees are summarised in the table below:

	From 1 April 2025[1] £'000	From 1 April 2024 £'000
Chairman fees[2]	**285**	270
Non-Executive Director core fees[3]	**62**	52
Additional fees:		
Senior Independent Director	**11**	9
Chair of a Committee	**13**	10
Designated Non-Executive Director for workforce engagement	**10**	5

1. The core fees of £62,000 per annum paid to each Non-Executive Director (including the Chairman) would ordinarily total £434,000 for FY26. Total fees including additional duties would ordinarily amount to £717,000 for FY26 (£655,000 actual for FY25).
2. The Chairman's fee is inclusive of the Non-Executive Director core fee and no additional fees are paid to the Chairman where he is Chairman or a member of other Committees.
3. For Non-Executive Directors, individual fees comprise the core fee and additional supplemental fees for the Senior Independent Director, for chairing Committees; and for the designated Non-Executive Director for workforce engagement, to reflect the greater responsibility and time commitment required.

Annual Bonus Plan (ABP) FY25

Awards in respect of FY25 were considered under the ABP. Phil Bentley was eligible for a maximum bonus opportunity of 200% of base salary. Simon Kirkpatrick was eligible for a maximum bonus opportunity of 175% of base salary.

The awards were structured by reference to performance against a blend of financial measures (80% of the bonus opportunity) and strategic/individual objectives (the remaining 20%). At the threshold level of performance for financial targets, 25% of the maximum bonus opportunity is due, with 50% of the maximum bonus opportunity due at the target level and 100% at the maximum level. Between these points, the out-turn is determined on a linear sliding scale basis.

The table below shows actual performance and the corresponding out-turns for each measure on a formulaic basis. The Committee then used its discretion to apply a reduction of 5.0% to the formulaic out-turn. This resulted in bonuses for the CEO and CFO of 81.8% and 83.2% of the maximum.

The following tables set out performance against the financial, strategic and individual measures and targets.

Performance measure	Weighting	Performance range	Performance	Formulaic out-turn (% of bonus opportunity)
Operating profit[1]	27.5% of the award	£215.8m threshold £227.2m target £238.6m maximum	£233.1m	20.9% out of 27.5%
Revenue[2]	27.5% of the award	£4,701m threshold £4,948m target £5,195m maximum	£5,091m	21.7% out of 27.5%
Free cash flow	25% of the award	£87.4m threshold £112.4m target £137.4m maximum	£142.8m	25% out of 25%
Strategic objectives – CEO and CFO	10% of the award	The Committee considered performance against the strategic objectives set out below and determined that the out-turn was 95% of the maximum for the CEO and 100% of the maximum for the CFO.		9.5% out of 10% for CEO 10% out of 10% for CFO
Individual objectives – CEO and CFO	10% of the award	The Committee considered performance against the individual objectives set out below and determined that the out-turn was 90% of the maximum for the CEO and 100% of the maximum for the CFO.		9% out of 10% for CEO 10% out of 10% for CFO
Total formulaic out-turn				86.1% of max for CEO 87.6% of max for CFO
Application of Committee discretion	As noted in the Committee Chair's statement the Committee determined that, although the formulaic bonus out-turn was justified, a discretionary reduction of 5% to the bonus out-turn for all participants was appropriate.			
Annual bonus out-turn				81.8% of max for CEO 83.2% of max for CFO

1. Operating profit before Other items which (for the purpose of the ABP performance measure) has been adjusted to exclude the profit uplift associated with the discretionary reduction of 5% to the bonus out-turn for all participants, as explained on page 125.
2. Revenue including share of joint ventures and associates.

Performance against the strategic targets and individual objectives set for Phil Bentley and Simon Kirkpatrick were as follows:

Phil Bentley (CEO)

Strategic objectives	
Strategy	• Strong progress on execution of the Facilities Transformation Three-Year Plan and operational delivery • Developed Mitie AI strategy including new product development and strategic partnerships • Three infill acquisitions completed in line with M&A strategy to build new capabilities • Significant major account wins including EY, Aviva, Aldi, Lidl and DWP security. Improved sales performance and introduction of specialised sales academy

Individual objectives	
Colleagues	• Championed equality, diversity and inclusion (ED&I) throughout the organisation. Mitie was ranked 9th Most Inclusive Company in the Top 50 UK inclusive companies • Development of MGX to ensure strong internal succession options
Stakeholders	• Successful dialogue with new UK Government on Employment Rights Bill, Justice, Crime, Military and the Home Office. Building relationships with the Cabinet Office and Crown Commercial Services • Customer NPS at a record 63pts, a 3pt improvement from the prior year

Simon Kirkpatrick (CFO)

Strategic objectives	
Strategy	• Successful implementation of the new organisational structure delivering £25m of margin enhancement initiatives • Built a comprehensive programme of investor relations activity in the UK, Europe and North America • Implementation of capital allocation framework to effectively balance investor returns with growth ambitions • Achieved significant working capital improvements delivering £143m of free cash flow in FY25

Individual objectives	
Finance function	• Implemented process efficiencies and cost reductions to reduce of the cost of the Finance function • Ongoing centralisation of the Finance function including offshoring • Improved employee engagement within the finance function
Financial control	• Further progress on Mitie controls framework implementing a top down and bottom up control compliance framework, ahead of Provision 29 implementation

The bonus out-turn is therefore as follows:

		Total bonus payable		
	% of maximum	Total bonus £'000	Cash £'000	Deferred shares £'000
Phil Bentley	81.8% of maximum	1,472	736	736
Simon Kirkpatrick	83.2% of maximum	600	300	300

ANNUAL REPORT ON REMUNERATION
continued

Annual Bonus Plan FY26

Financial performance for the FY26 Annual Bonus Plan continues to be based on revenue, profit and free cash flow, with a combined weighting of 80%. The remaining 20% is based on strategic and individual objectives. However, if none of the financial targets have been achieved, no bonus will be payable by reference only to the strategic and individual objectives. Details of the targets set will be disclosed in the FY26 remuneration report.

LTIP awards granted in 2024 (subject to audit)

On 30 July 2024, the following conditional LTIP awards were granted to the Executive Directors:

	Award	Type	Number of shares[1]	Face value (£'000)	% of base salary	Performance conditions	Performance period
Phil Bentley	Performance LTIP July 24	Nil-cost options	5,162,523	£5,400,000	600%	Performance conditions are set out in the table below	Three financial years ending 31 March 2027
Simon Kirkpatrick	Performance LTIP July 24	Nil-cost options	689,292	£721,000	175%	Performance conditions are set out in the table below	Three financial years ending 31 March 2027

1. Number of shares was calculated based on the average closing middle market price of 104.6p for the five trading days prior to the start of the financial year on 1 April 2024.

The LTIP awards granted on 30 July 2024 are subject to three performance measures: EPS, ROIC and revenue. These awards will vest in July 2027 conditional on performance in respect of the period of three years ending 31 March 2027 against the following measures:

Performance measure	Weighting	Performance range	Vesting of portion of the award	
EPS	33.3% of the award	Threshold = 12.3p Target = 13.7p Maximum = 15.0p	25% 70% 100%	Straight line vesting between these points
ROIC	33.3% of the award	Threshold = 22.0% Target = 24.0% Maximum = 26.0%	25% 70% 100%	Straight line vesting between these points
Revenue	33.3% of the award	Threshold = £5,200m Target = £5,600m Maximum = £6,000m	25% 70% 100%	Straight line vesting between these points

The Committee will also have reference to leverage (average debt/EBITDA) and ESG underpins such that if leverage and/or progress against the firm's ESG strategy is poor, there is specific discretion to allow the award to be reduced accordingly, including to nil.

Notwithstanding the above, the Committee still has full discretion to determine the performance measures and how the performance ranges applicable to the award are applied, including discretion to adjust them in the event of changes in IFRS accounting standards, while ensuring that they are not materially easier or harder to satisfy than the original performance measures and ranges.

LTIP 2025

Simon Kirkpatrick will be granted an LTIP award in 2025 at 175% of base salary. The award will vest in 2028 conditional on performance in respect of the period of three years ending 31 March 2028 against EPS (33.3% of the award), ROIC (33.3% of the award) and revenue (33.3% of the award). 25% of the award will vest at threshold performance, 70% of the award will vest at target and 100% of the award will vest at maximum performance, There will be straight line vesting between these points.

The Committee will also have reference to ESG and leverage during the period, and has the discretion to adjust the award accordingly. Notwithstanding the above, the Committee still has full discretion to ensure that the level of any vesting out-turn is appropriate based on the overall performance of the Group and the shareholder and employee experience. Awards are also subject to an additional post-vesting holding period of at least two years.

In the coming months the Board will be considering the strategy for FY28 onwards. The Committee have therefore made the decision to delay setting the LTIP 2025 targets. The awards will be granted in due course, and targets set before the end of October 2025 to allow for more meaningful three-year targets aligned with the future strategic plans. Once set, the targets will be disclosed in a stock exchange announcement.

Details of June 2022 LTIP award vesting in FY26

The performance period for the June 2022 LTIP awards (in FY23) ended on 31 March 2025 (FY25). The Committee assessed performance against three performance measures:

Performance measure	Weighting	Performance range	Vesting of portion of the award	Mitie performance	Vesting (% of max)
EPS[1]	50% of the award	Threshold = 7.1p Target = 7.9p Maximum = 8.7p	25% 70% 100%	11.2p	100%
ROIC[1]	35% of the award	Threshold = 19.9% Target = 22.1% Maximum = 24.3%	25% 70% 100%	24.5%	100%
ESG targets	15% of the award	• Greenhouse gas emission reduction: reduction in revenue intensity of Scope 1 and 2 emissions to 4.5%; 5% per annum reduction in Scope 3 emissions • Fleet zero carbon: 85% of Mitie's total addressable fleet to be zero tailpipe emissions • Employee engagement: improve employee engagement by 4ppt • Customer engagement: improve Net Promoter Score by 4ppt • Gender diversity: increase percentage of women holding senior leadership roles to 35% • Ethnic diversity: increase percentage of racially diverse colleagues holding senior leadership roles to 10%		6 out of 6 achieved	100%

1. Earnings per share before Other items, has (for the purpose of the LTIP performance measure) been adjusted to exclude the benefit of share buybacks on the weighted average number of shares used in the calculation. The profit uplift associated with the discretionary reduction of 5% to the bonus out-turn does not affect the level of vesting for the EPS and ROIC elements of the award and so has not been adjusted for.

This results in 100% vesting of the 2022 LTIP awards on a formulaic basis.

As is usual, as part of its assessment, the Committee also took into account the wider performance of the Group and the context of both the shareholder and employee experience. In doing so, it determined that this out-turn was appropriate and no further discretion was applied.

The June 2022 LTIP awards will vest in June 2025 and LTIP awards granted to Executive Directors are subject to a two-year post-vesting holding period. Furthermore, in-employment and post-employment shareholding guidelines also ensure that the true value delivered to Executive Directors will be established only in the years ahead and not at 2025 share prices.

Loss of office payments (subject to audit)

There have been no loss of office payments to past Directors during FY25.

Payments to past Directors (subject to audit)

There have been no payments to past Directors during FY25 that relate to their period as a Director.

Percentage change in remuneration of Directors and employees

The table below sets out the change in remuneration of the Directors who served on the Board and Mitie's UK employees, which is considered the most appropriate group for comparison purposes.

	FY20/FY21			FY21/FY22			FY22/FY23			FY23/FY24			**FY24/FY25**		
	Salary[2]	Benefits[3]	Bonus	Salary[2]	Benefits[3]	Bonus	Salary	Benefits[3]	Bonus	Salary	Benefits[3]	Bonus	**Salary**	**Benefits[3]**	**Bonus**
Average pay based on Mitie's UK employees[1]	2.5%	(20.8)%	(23.9)%	4.1%	5.7%	99.4%	8.1%	(0.5)%	130.6%	5.7%	(0.5)%	(5.8)%	**6.0%**	**1.9%**	**47.0%**
Executive Directors															
Phil Bentley	(12.5)%	(25.0)%	N/A[4]	14.3%	10.1%	20.9%	0%	83.5%	(38.7)%	0%	8.2%	54.1%	**0%**	**36.2%**	**14.0%**
Simon Kirkpatrick[5]	N/A	N/A	N/A	N/A	N/A	N/A	8.0%	(49.6)%	(31.6)%	5.8%	15.2%	67.1%	**3.0%**	**6.8%**	**21.3%**
Non-Executive Directors															
Derek Mapp	(12.5)%	–	–	14.3%	–	–	0%	–	–	10.0%	–	–	**10.9%**	**–**	**–**
Christopher Rogers[6]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**	**N/A**	**N/A**
Jennifer Duvalier	(12.5)%	–	–	14.3%	–	–	11.7%	–	–	0%	–	–	**6.0%**	**–**	**–**
Penny James[7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**	**–**	**–**
Chet Patel[8]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	–	–	**3.8%**	**–**	**–**
Mary Reilly	(12.5)%	–	–	14.3%	–	–	3.3%	–	–	0%	–	–	**3.2%**	**–**	**–**
Salma Shah[8]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15.1%	–	–	**4.8%**	**–**	**–**
Roger Yates	(12.5)%	–	–	14.3%	–	–	3.4%	–	–	0%	–	–	**3.3%**	**–**	**–**

1. The average UK employee figures reflect the changes in average annual pay for UK employees employed throughout FY24 and FY25 for FY24/25, FY23 and FY24 for FY23/24, throughout FY22 and FY23 for FY22/23, throughout FY21 and FY22 for FY21/22 and throughout FY20 and FY21 for FY20/21. Employees who were on furlough during the relevant period have been excluded for the purposes of this analysis.
2. The increases in salary for Directors for FY22 compared with FY21 following the reductions in salary for FY21 compared with FY20 arose from the Non-Executive Directors and Phil Bentley volunteering 30% reductions in their fees/salaries respectively for five months from 1 April 2020 as part of Mitie's actions to mitigate the impact of Covid.
3. Includes taxable benefits such as car/car allowance, private medical benefit and private fuel. The increase of the benefit in kind tax on electric vehicles has impacted the benefits in FY22 and FY23. The car allowance for Phil Bentley has impacted the benefits in FY23, and the move from car allowance to electric vehicle for Simon Kirkpatrick has impacted his benefits figure. Also includes Phil Bentley's matching shares element from his Share Incentive Plan (SIP) purchases for January 2022 onwards based on the share price upon purchase.
4. Phil Bentley waived his FY20 bonus.
5. Simon Kirkpatrick was appointed to the Board on 1 April 2021 and therefore there are no appropriate prior year comparatives in terms of Director remuneration for FY21 or FY22.
6. Christopher Rogers joined the Board on 19 March 2025 and therefore there are no prior year comparatives.
7. Penny James joined the Board on 1 February 2024 and therefore there are no meaningful prior year comparatives.
8. Chet Patel and Salma Shah joined the Board on 1 April 2022 and therefore there are no prior year comparatives for FY21, FY22 or FY23.

CEO pay ratio

The table below sets out the CEO pay ratio in respect of FY25. CEO pay ratio data for previous financial years is provided for reference.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY25	**Option B**	**261:1**	**240:1**	**205:1**
FY24[1]	Option B	713:1	653:1	583:1
FY23	Option B	316:1	289:1	240:1
FY22	Option B	191:1	163:1	142:1
FY21	Option B	151:1	129:1	116:1
FY20	Option B	154:1	139:1	108:1

1. The FY24 single figure has been updated as a result of reflecting the actual valuation on the closing share price on the first date of vesting of the LTIP and EDP awards.

The pay ratios set out above were calculated using the Group's FY25 pay data based on employees as at 5 April 2024 under method B. Method B was selected because it made use of robust, readily available data and did not require additional analysis into the 65,000 UK people employed by the Group. Total pay was calculated for a sample of employees at each quartile in order to ensure that the three identified employees were suitably representative of their quartile. A full-time equivalent total pay figure was calculated for each identified employee using the single figure methodology.

In line with the Committee's principles, the majority of the CEO's reward opportunity is provided through performance-related incentives linked to the Group's strategic goals. The CEO pay ratios for FY25 have decreased compared with FY24. This is primarily due to the CEO's single figure being lower than the prior year in which the one-off EDP vested. As a Real Living Wage service provider, Mitie continues to increase pay levels among its various contracts and to invest in competitive pay for all employees. Given that Mitie's workforce profile is made up of predominantly frontline customer-facing roles, the employees at each quartile used to compare Mitie's CEO's remuneration all operate within a frontline role. The Committee is comfortable that the pay ratios are consistent with the pay, reward and progression policies at Mitie.

The following table sets out the base salary and total pay figures for the employees identified at each quartile.

Year	Element of pay	25th percentile employee	Median employee	75th percentile employee
FY25	Base salary (FTE)	£24,905	£27,040	£29,902
	Total pay (FTE)	£25,000	£27,182	£31,849

Relative spend on pay

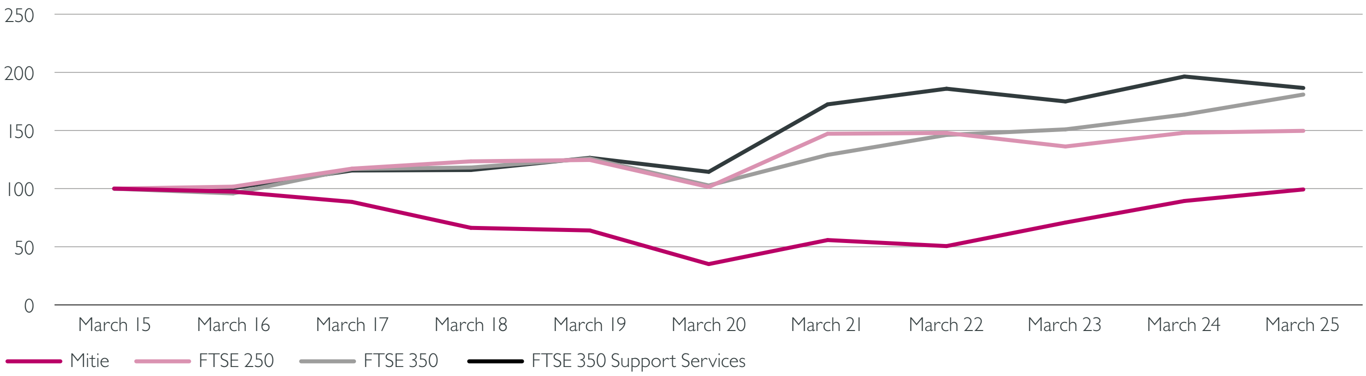
The table below shows the total cost of remuneration in the Group, compared with dividends distributed.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	Change
Aggregate employee remuneration	2,523	2,168	16%
Equity dividends	54.5	41.5	31%

Assessing pay and performance

The table below provides a summary of the CEO's single figure remuneration over the past 10 years, as well as the payout and vesting levels of variable pay plans in relation to the maximum opportunity. The chart below shows the historical Total Shareholder Return (TSR) performance over the same period, with Mitie's TSR restated for the bonus element of the 2020 rights issue. Three indices (FTSE 250, FTSE 350 Support Services and FTSE 350) have been chosen as they are widely recognised and Mitie has been a member of these indices during the period.

TSR (rebased to 100)



	FY16	FY17 Ruby McGregor-Smith[1]	FY17 Phil Bentley[1]	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Single figure remuneration	£2,448,161	£530,628	£479,073	£1,102,549	£2,248,948	£2,029,856	£2,891,623	£3,908,161	£6,814,848	£16,730,160[3]	£6,530,415
Annual bonus element (actual as a % of max)	73%	0%	waived	waived	79%	waived	78.6%	95%	58.2%	89.6%	81.8%
Long-term incentives element (actual vesting as a % of max)	69.5%	0%	N/A	N/A	N/A	79.7%[2]	50%	100%	90%	91.9%[4]	100%

1. Ruby McGregor-Smith stepped down as Chief Executive Officer on 12 December 2016. Phil Bentley joined the Board on 1 November 2016 and assumed the position of Chief Executive Officer on 12 December 2016. The figures above include Phil Bentley's remuneration from 1 November 2016.
2. This figure includes two LTIP awards that vested based on performance to 31 March 2020 at 100% and 53% respectively.
3. The single remuneration figure for FY24 has been adjusted from the figure published in the FY24 remuneration table to reflect the actual valuation of Phil Bentley's 2021 LTIP award and EDP award based on the closing share prices on the dates of vesting, being 118.00p and 121.00p respectively.
4. This figure includes the one-off EDP award and the LTIP award that vested based on performance to 31 March 2024 at 92.5% and 90.2% respectively.

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Share ownership (subject to audit)

	Number of shares owned as at 31 March 2025[1]	Value of target holding	Target shareholding[2]	Percentage of salary held as at 31 March 2025	Percentage of target achieved as at 31 March 2025	Compliance with share ownership guidelines
Phil Bentley	9,814,790	£1,800,000	1,718,213	1,142%	571%	Achieved
Simon Kirkpatrick	583,579	£824,000	786,560	148%	74%	Not achieved but compliant[3]

1. Includes shares owned by connected persons.
2. Target shareholding has been calculated using the average closing share price for the five business days prior to the end of FY24 (104.76p).
3. Simon Kirkpatrick was appointed to the Board on 1 April 2021.

Directors' outstanding share interests (subject to audit)

The following tables ('Directors' interests granted under the share schemes' and 'Directors' share ownership') provide the outstanding share interests for the Executive Directors:

Directors' interests granted under the share schemes

	Year of grant	Options outstanding as at 31 March 2024[9]	Granted in year	Lapsed in year	Exercised in year	Options outstanding as at 31 March 2025[10]	Exercise price	Earliest normal exercise date
Phil Bentley								
	June 2019 LTIP[1]	2,275,608	–	–	(2,275,608)	–	Nil-cost	June 2022[8]
	Aug 2020 LTIP[2]	4,750,732	–	–	–	4,750,732	Nil-cost	Aug 2023[8]
	Sep 2021 LTIP[3]	2,975,206	–	(291,942)	–	2,683,264	Nil-cost	Sep 2024[8]
	July 2021 EDP[4]	9,520,661	–	(714,050)	–	8,806,611	Nil-cost	July 2024[8]
	Nov 2021 Save As You Earn (SAYE)	35,714	–	–	(35,714)	–	50.40p	Feb 2025
	June 2022 LTIP[5]	3,266,787	–	–	–	3,266,787	Nil-cost	June 2025[8]
	June 2022 DBP[11]	1,105,008	–	–	(1,105,008)	–	Nil-cost	June 2024
	June 2023 LTIP[6]	2,224,969	–	–	–	2,224,969	Nil-cost	June 2026[8]
	June 2023 DBP[12]	440,220	–	–	–	440,220	Nil-cost	June 2025
	June 2024 DBP[13]	–	551,363	–	–	551,363	Nil-cost	June 2026
	July 2024 LTIP[7]	–	5,162,523	–	–	5,162,523	Nil-cost	July 2027[8]
Simon Kirkpatrick								
	Sep 2021 LTIP[3]	867,768	–	(85,150)	–	782,618	Nil-cost	Sep 2024[8]
	July 2021 EDP[4]	1,504,132	–	(112,810)	–	1,391,322	Nil-cost	July 2024[8]
	Sep 2020 SAYE	46,187	–	–	(46,187)	–	27.28p	Dec 2023
	June 2022 LTIP[5]	1,029,038	–	–	–	1,029,038	Nil-cost	June 2025[8]
	June 2022 DBP[11]	349,151	–	–	(349,151)	–	Nil-cost	June 2024
	June 2023 LTIP[6]	865,265	–	–	–	865,265	Nil-cost	June 2026[8]
	June 2023 DBP[12]	155,386	–	–	–	155,386	Nil-cost	June 2025
	June 2024 DBP[13]	–	211,025	–	–	211,025	Nil-cost	June 2026
	July 2024 LTIP[7]	–	689,292	–	–	689,292	Nil-cost	July 2027[8]

1. The performance criteria applicable to the 2019 LTIP awards were disclosed on page 125 of the FY22 remuneration report.
2. The performance criteria applicable to the 2020 LTIP awards were disclosed on pages 108 and 109 of the FY21 remuneration report.
3. The performance criteria applicable to the 2021 LTIP awards were disclosed on page 123 of the FY22 remuneration report.
4. The performance criteria applicable to the 2021 EDP awards were disclosed on page 124 of the FY22 remuneration report.
5. The performance criteria applicable to the 2022 LTIP awards were disclosed on page 124 of the FY23 remuneration report.
6. The performance criteria applicable to the 2023 LTIP awards were disclosed on page 135 of the FY24 remuneration report.
7. The performance criteria applicable to the 2024 LTIP awards are disclosed on page 132 of this FY25 remuneration report.
8. Awards are subject to an additional two-year holding period.
9. For all awards prior to August 2020, the number of options has been adjusted for the bonus element of the 2020 rights issue (x1.93426825).
10. The closing market price of the Company's shares as at 31 March 2025 was 114.8p. The highest and lowest closing market prices during FY25 were 124.8p and 105.4p respectively.
11. The Deferred Bonus Plan award on 16 June 2022 represents the deferral of 50% of the bonus awarded for FY22, with the number of shares based on the lowest closing middle market price for the five trading days before the date of grant (61.9p).
12. The Deferred Bonus Plan award on 16 June 2023 represents the deferral of 50% of the bonus awarded for FY23, with the number of shares based on the lowest closing middle market price for the five trading days before the date of grant (95.2p).
13. The Deferred Bonus Plan award on 14 June 2024 represents the deferral of 50% of the bonus awarded for FY24, with the number of shares based on the lowest closing middle market price for the five trading days before the date of grant (117.13p).

Directors' share ownership

	Number of ordinary shares beneficially owned as at 31 March 2025 (or date of cessation if earlier)[1]	Number of ordinary shares beneficially owned as at 31 March 2024 (or date of cessation if earlier)
Executive Directors		
Phil Bentley	**18,947,847**	13,221,419
Simon Kirkpatrick	**1,929,963**	537,392
Non-Executive Directors		
Derek Mapp	**687,617**	653,189
Christopher Rogers[2]	–	–
Jennifer Duvalier	**95,665**	95,665
Penny James	**47,091**	0
Chet Patel	**100,864**	72,083
Mary Reilly	**124,441**	117,039
Salma Shah	**25,233**	14,738
Roger Yates	**160,000**	160,000

1. The number of shares beneficially owned since 31 March 2025 has changed due to planned purchases that took place on 1 April 2025 for Non-Executive Directors. The revised figures are as follows: Derek Mapp – 696,188 shares, Mary Reilly – 126,511 shares, and Salma Shah – 27,959 shares. In addition, Phil Bentley made two SIP transactions, one on 15 April where an additional 188 shares were acquired and one on 15 May where an additional 151 shares were acquired.
2. Christopher Rogers joined the Board on 19 March 2025.

There have been no changes, other than those in Note 1 above, between 1 April 2025 and 3 June 2025, the last practicable date prior to the date of this report.

Share dilution

The Company manages dilution rates within the standard guidelines of 10% of issued ordinary share capital in respect of all employee schemes and 5% in respect of discretionary schemes. In calculating compliance with these guidelines, the Company allocates available headroom on a 10-year flat line basis, making adjustments for projected lapse rates and projected increases in issued share capital.

LTIP, EDP and deferred bonus awards are satisfied through the market purchase of shares held by the Mitie Group plc Employee Benefit Trust. The potential dilution of the Company's issued share capital is set out below in respect of all awards granted in the last 10 years under the Company's equity-based incentive schemes which are being satisfied through the allotment of new shares or treasury shares.

Share dilution at 31 March 2025	Dilution 2025	Dilution 2024
All share plans (maximum 10%)	**6.4%**	6.0%
Discretionary share plans (maximum 5%)	**2.7%**	0.5%

Shareholder voting

Mitie remains committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the Group seeks to understand the reasons for any such vote, and will detail here any actions in response to it.

At the Company's 2024 AGM, a resolution was passed to approve the 2024 Directors' remuneration report and a separate resolution was passed to approve the 2024 Directors' remuneration policy. The results of the votes on these resolutions were as follows:

Number of votes	Votes in favour	Votes against	Withheld[1]
2024 Directors' remuneration policy – 2024 AGM	710.1m	143.9m	100.0m
	83.1%	16.9%	
2024 Directors' remuneration report – 2024 AGM	852.1m	101.1m	0.7m
	89.4%	10.6%	

1. Votes withheld are not counted in the calculation of the proportion of votes for or against a resolution.

Remuneration Committee and its advisors

The Remuneration Committee seeks and considers advice from independent remuneration advisors where appropriate.

Deloitte LLP have acted as independent remuneration advisors to Mitie since September 2017. The advisors attended Committee meetings and provided advice and analysis of executive remuneration. During their tenure, the advisors have provided no other services to the Company (save in relation to services connected to executive remuneration and share plans) and have also complied with the Code of Conduct for Remuneration Consultants. The advisors' total cost of advice to the Committee for the year was £33,425 (such fees being charged in accordance with their standard terms of business).

The Committee specifically considered the position of the advisors and was satisfied that the advice the Committee received from them was objective and independent, given that they provided no other services to the Company.

The Directors present their Annual Report, together with the audited financial statements of the Company and the Group, for the year ended 31 March 2025 as required by the Companies Act 2006.

The corporate governance statement required under the FCA's Disclosure Guidance and Transparency Rule 7.2 requires a corporate governance statement in the Directors' report to include certain information. You can find information that fulfils these requirements in this Directors' report, the corporate governance report, the Board Committee reports and the Directors' remuneration report.

The Directors' report required under the Companies Act 2006 comprises the corporate governance statement on pages 90 to 112. The corporate governance statement fulfils the requirement under Disclosure Guidance and Transparency Rules of the Financial Conduct Authority (DTR) 7.2.1. For the purposes of DTR 4.1.8R, the management report for the year ended 31 March 2025 comprises the Strategic report and this Directors' report.

Cross-references

Employee engagement	Details of how Mitie encourages employee involvement can be found in the Strategic report on pages 68 to 74.
Equality, diversity and inclusion (including employment of disabled persons)	Details of Mitie's commitment to equality, diversity and inclusion, including in relation to the employment of disabled persons, can be found on pages 68 to 74.
Business relationships	Details of how the Directors have had regard to the need to foster Mitie's business relationships with suppliers, customers and others, and the effect of this on the principal decisions taken by the Company during the year can be found in the Strategic report on pages 39 to 41.
Important events since FY24	Details of important events affecting the Group which have taken place since 31 March 2024, can be found on pages 22 to 27.
Greenhouse gas emissions, energy consumption and efficiency	Details of greenhouse gas emissions, energy consumption and efficiency can be found in the Strategic report on pages 63 to 67.
Environmental data	Environmental data can be found in the Strategic report on pages 63 to 67.

The information required to be disclosed by Listing Rule 6.6.1 can be found in the following locations:

Details of any long-term incentive schemes	Directors' remuneration report on pages 124 to 137 and Note 30 to the consolidated financial statements
Details of any arrangements under which a Director has waived or agreed to waive any emoluments or future emoluments	Directors' remuneration report on pages 124 to 137
Shareholder waiver of dividends and future dividends	Directors' report on page 138

No shareholder is considered a controlling shareholder as defined in the Financial Conduct Authority Handbook.

The remaining disclosures required by Listing Rule 6.6.1 are not applicable to the Company.

Principal Group activities

The Company is the holding company of the Group and its principal activity is to provide management services to the Group. The Group's activities are focused on the provision of strategic outsourcing services, further details of which can be found on page 5 of the Strategic report.

The Company does not have any branches registered overseas, but certain subsidiaries of the Company have registrations/branches across the United Kingdom, Republic of Ireland, Guernsey, Jersey, Italy, Isle of Man, Ascension Island, Austria, Belgium, Cyprus, Czech Republic, Denmark, Falkland Islands, Finland, France, Germany, Ghana, Gibraltar, Hungary, Kenya, Luxembourg, the Netherlands, Norway, Nigeria, Oman, Poland, Saudi Arabia, Slovakia, Spain, Switzerland and the United Arab Emirates. Details of the Company's subsidiaries are set out in Note 35 to the consolidated financial statements.

Given the nature of its activities, no material research and development work is carried out by the Group.

The Board's view on the likely future development of the Group is set out in the Strategic report on pages 22 to 27.

Financial results

A detailed commentary on the operational and financial results of the Group for the year is contained within the Strategic report, including the Finance review on pages 45 to 49.

The Group's profit before tax for the year ended 31 March 2025 was £145.4m (FY24: £156.3m).

Dividends

An interim dividend of 1.3p per ordinary share (FY24: 1.0p) with a total value of £16.0m (FY24: £12.9m) was paid to shareholders on 4 February 2025.

The Directors recommend a final dividend of 3.0p per ordinary share (FY24: 3.0p) with a total value of £36.7m (FY24: £38.5m) based upon the number of shares in issue (excluding treasury shares and shares held by the Employee Benefit Trust) as at 3 June 2025. Subject to approval at the 2025 AGM, the final dividend will be paid on 4 August 2025 to shareholders on the register as at close of business on 20 June 2025.

Total dividends per ordinary share for the year ended 31 March 2025 will be 4.3p (FY24: 4.0p).

As at 31 March 2025, the Company had distributable reserves of £261.7m (FY24: £186.3m).

Mitie operates a Dividend Re-Investment Plan (DRIP) which allows shareholders to use their cash dividend to purchase additional ordinary shares. Further details of the operation of the DRIP and how to apply are available from Mitie's Registrar, MUFG Corporate Markets.

The trustees of the Company's Employee Benefit Trust agreed to waive dividends payable on ordinary shares held by the Trust in respect of the year ended 31 March 2025.

In accordance with Section 726 of the Companies Act 2006, no dividends are paid on ordinary shares held in treasury.

Directors

Full biographical details of the current Directors, including Committee membership and external appointments, are set out on pages 92 to 94.

Director independence

The Board considered the independence of all Non-Executive Directors during FY25 and determined that, as at 31 March 2025, all Non-Executive Directors continued to be independent in mind and judgement, and free from any material relationship that could interfere with their ability to discharge their duties effectively.

Indemnification of Directors and insurance

The Directors and the Company Secretary benefit from an indemnity provision under the Company's Articles of Association (the Articles).

Additionally, all Directors and the Chief Legal Officer & Company Secretary have been granted a qualifying third-party indemnity provision (as defined by Section 234 of the Companies Act 2006) which has been in force throughout FY25 and remains in force as at the date of this report.

Certain colleagues who are directors of a subsidiary of the Company have also been granted a qualifying third-party indemnity provision which has been in force throughout FY25 and remains in force as at the date of this report.

The Group maintains Directors' and Officers' liability insurance, which provides appropriate cover for any legal action brought against the Group's Directors and/or Officers. The Group also maintains pension trustees' liability insurance, which provides cover in respect of legal action brought against the trustees of Mitie's pension schemes.

Share capital

The Group is financed through equity share capital and debt instruments. Details of the Company's share capital are given in Note 27 to the consolidated financial statements.

Details of the Group's debt instruments are set out in Note 23 to the consolidated financial statements. Throughout FY25, the Company's issued share capital was publicly listed on the London Stock Exchange and it remains so as at the date of this report.

Financial instruments

The Group's financial instruments include bank borrowing facilities, lease liabilities, overdrafts and US private placement loan notes.

The principal objective of these instruments is to raise funds for general corporate purposes and to manage financial risk. Further details of these instruments are given in Note 24 to the consolidated financial statements.

The Company has a single class of shares divided into ordinary shares of 2.5 pence each (ordinary shares). The holders of ordinary shares are entitled to one vote each per share at general meetings and have no right to any fixed income.

In accordance with the Articles, holders of ordinary shares are entitled to participate in any dividends pro rata to their holding. The Board may propose and pay interim dividends and recommend a final dividend to shareholders for approval at an AGM. A final dividend may be declared by the shareholders at an AGM by ordinary resolution, but such dividend cannot exceed the amount recommended by the Board.

Restrictions on the transfer of shares

The Company is not aware of any agreements between holders of its securities which may result in restrictions on the transfer of securities or voting rights. No person has any special rights of control over the Company's share capital. There are no specific restrictions on the size of any shareholding or on the transfer of shares, which are both governed by the provisions of the Articles.

Under Mitie's Rules on Share Dealing, persons with access to certain confidential Company information or inside information are required to follow a clearance to deal procedure and may be restricted from dealing in the Company's shares. Persons subject to these requirements are notified individually and appropriately informed of the rules.

Significant interests in the Company's share capital

As at 31 March 2025, insofar as it is known to the Company by virtue of notifications made pursuant to the Companies Act 2006 and/or Chapter 5 of the Disclosure Guidance and Transparency Rules or otherwise, the following persons were, directly or indirectly, interested (within the meaning of the Companies Act 2006) in 3% or more of the Company's issued share capital (being the threshold for notification that applies to shareholders pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):

	Number of ordinary shares	% of voting rights
Silchester International Investors LLP	104,875,205	8.30%
Fidelity International Limited	94,719,418	7.50%
Fidelity Management & Research	88,463,137	7.00%
JPMorgan Asset Management	83,671,384	6.60%
Oasis Management Company	75,300,000	6.00%
The Vanguard Group	66,517,371	5.30%
Heronbridge Investment Management	40,742,919	3.20%
BlackRock Investment Management (UK) Ltd	40,626,384	3.20%

Changes that have been notified to the Company pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules between 31 March 2025 and 3 June 2025, the latest practicable date prior to the date of this report, are set out below.

	Number of ordinary shares	% of voting rights
Apex Financial Services (Trust Company) Limited	41,381,462	3.29%
Apex Financial Services (Trust Company) Limited	33,986,624	2.70%

Directors' interests in the Company's share capital are set out in the Directors' remuneration report on pages 136 and 137.

2025 Annual General Meeting

Mitie's 2025 AGM will be held on 22 July 2025 at 11.30am at Level 12, The Shard, 32 London Bridge Street, London SE1 9SG, and will be viewable via a webcast.

The Board recognises that the AGM is an important event in the Company's corporate calendar, providing an opportunity to engage with shareholders. Shareholders will be able to attend the meeting in person to vote and ask questions or view the meeting via a live webcast. Shareholders can also ask questions via email to investorrelations@mitie.com. Instructions on how to register and join the webcast are set out in the Notice of AGM.

The Board also encourages shareholders to appoint the Chairman of the AGM as their proxy and provide voting instructions in advance of the meeting in accordance with the instructions set out in the Notice of AGM.

Powers of the Company to issue or buy back its own shares

At the AGM held on 23 July 2024, the Company's shareholders authorised:

- The Directors to allot ordinary shares up to an aggregate nominal amount of £3,325,810.14, equating to 10% of the issued share capital of the Company (excluding treasury shares) as at 4 June 2024
- The Company to make market purchases of its own shares up to a total of 133,032,406 ordinary shares, equating to 10% of the issued share capital of the Company (excluding treasury shares) as at 4 June 2024
- These authorities will expire on the earlier date of 30 September 2025 and the conclusion of the 2025 AGM. A renewal of these authorities will be put to shareholders at the 2025 AGM. Further details are included in the notes to the Notice of AGM

During FY25, the Company utilised the above authorities to undertake market purchases in relation to the share buyback programme announced on 15 April 2024 of 67,559,678 ordinary shares (representing 5.36% of the issued share capital of the Company (including treasury shares) as at 31 March 2025). The aggregate nominal value of the shares purchased was £1,957,465 and the total aggregate amount paid was £78,298,601 (excluding expenses). No new shares were allotted under this authority in FY25.

During FY25, the Company utilised the authorities granted at the AGM held on 25 July 2023 to undertake market purchases in relation to the share buyback programme announced on 15 April 2024 of 21,308,921 ordinary shares (representing 1.69% of the issued share capital of the Company (including treasury shares) as at 31 March 2025). The aggregate nominal value of the shares purchased was £632,535 and the total aggregate amount paid was £25,301,399 (excluding expenses). Of these shares, 11,266,736 were transferred into treasury and 10,042,185 were cancelled.

No new shares were allotted under this authority in FY25.

During FY25, the Employee Benefit Trust acquired 11.7m ordinary shares through market purchases (FY24: 21.3m shares) and distributed 24.8m shares to satisfy awards under Mitie Group plc's Long Term Incentive Plan, Deferred Bonus Plan, Conditional Share Plan and to the SIP Trust.

The total number of ordinary shares held by the Company in treasury as at 31 March 2025 was 4,454,307, representing 0.35% of the issued share capital of the Company (FY24: 5,125,595, representing 0.38% of the issued share capital of the Company). During FY25, 10,738,024 shares were distributed from treasury in connection with the exercise of options for aggregate consideration of £4,772,658 by colleagues participating in the Mitie Group plc 2011 SAYE scheme. In March 2025, 1.2m shares held in treasury were withdrawn and cancelled.

Articles of Association

Amendments to the Articles must be approved by at least 75% of those voting in person or by proxy at a general meeting of the Company. The Articles are available at www.mitie.com/investors/corporate-governance.

Significant agreements – change of control

There are a number of agreements with provisions that take effect, alter or terminate upon a change of control of the Company (including following a takeover bid), such as bank facility agreements and other financial arrangements and employee share scheme rules. None of these are considered to be significant in terms of their likely impact on the normal course of business of the Group. The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs solely because of a change of control.

Disclosure of information to the auditor

Each Director in office as at the date of this Directors' report confirms that:

- So far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware
- He/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Post balance sheet events

There have been no material events since the balance sheet date that require adjustment or disclosure.

By order of the Board

Peter Dickinson
Chief Legal Officer & Company Secretary

4 June 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in respect of the Annual Report, remuneration report and financial statements

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and applicable law and have elected to prepare the Company financial statements in accordance with UK Accounting Standards and applicable law, including Financial Reporting Standard 101 Reduced Disclosure Framework.

Under company law, the Directors must not approve the financial statements unless they are satisfied that these give a true and fair view of the state of affairs of the Group and Company and of the Group's profit or loss for the period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and accounting estimates that are reasonable, relevant, reliable and prudent
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements
- For the Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group or Company will continue in business
- Prepare a Directors' report, Strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Directors' responsibilities pursuant to DTR4.1.12

The Directors confirm that to the best of their knowledge:

- The Group financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

Website publication

The Directors are responsible for ensuring that the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

Phil Bentley
Chief Executive

4 June 2025

Simon Kirkpatrick
Chief Financial Officer

4 June 2025

Financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE GROUP PLC

Opinion on the financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended
- The Group financial statements have been properly prepared in accordance with UK adopted international accounting standards
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Mitie Group plc (the Parent Company) and its subsidiaries (the Group) for the year ended 31 March 2025 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards (IAS). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 – *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 19 September 2017 to audit the financial statements for the year ended 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is eight years, covering the years ended 31 March 2018 to 31 March 2025. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We considered the principal risks identified by the Directors that are associated with the Group's customers, suppliers, workforce and wider economic and macro-level risks. We assessed these against our own views of the risks, based on our understanding of the business and its performance in the year ended 31 March 2025.
- We obtained the Directors' cash flow forecasts covering the period to 30 September 2026 and challenged the key assumptions in respect of revenue growth, gross profit margins, and cash generation with reference to our knowledge of the business, its historical performance and current results. We evaluated whether the Directors had considered appropriate risks and uncertainties in the preparation of the cash flow forecasts, based on our assessment of the risks and issues relating to the business.
- We tested the integrity of the forecast model and assessed its consistency with approved budgets.
- We obtained and critically reviewed the Directors' reverse stress test analysis, performed to determine the point at which:

  – A downturn in revenues;

  – A deterioration in gross margin; or

  – An increase in costs

  would result in a covenant breach or liquidity shortfall and without further mitigation, would potentially impact the going concern of the business. Our consideration included an assessment of whether the reverse stress test analysis appropriately considered the key risks and issues to which the models were sensitive, and we challenged the nature and feasibility of the mitigating actions available to the business, as identified by the Directors.
- We challenged the Directors' conclusion that the likelihood of the downside sensitivities required for either a covenant breach or liquidity shortfall was remote, by reference to our knowledge of the business and the wider environment in which it operates. This included an assessment of reverse stress test sensitivities and current trading performance.
- We obtained the extension agreement in respect of the Revolving Credit Facility utilised by the Group during the year, to check its terms and covenants.
- We assessed covenants at year end to check that the Group was compliant under the terms of the financing agreements.
- We evaluated forecast covenant compliance and headroom calculations with reference to the covenants stated in the relevant financing agreements.
- We reviewed the adequacy and completeness of disclosures in the financial statements in respect of going concern, in line with the Directors' going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2025	2024
Key audit matters	1) Appropriateness of revenue recognition, accrued income and deferred income in relation to project works revenue, and the existence and accuracy of aged accrued income	✔	✔
	2) Contract-specific provision of £10.8m relating to a significant liability risk on a certain contract (see Note 20 and Note 2)	✔	✔
	3) Accounting for acquisition of Landmarc Support Services Limited (Landmarc)	✘	✔
	Accounting for the acquisition of Landmarc is no longer considered a key audit matter for the year ended 31 March 2025, as it related to the acquisition accounting, which was specific to the prior year ended 31 March 2024.		
Materiality	*Group financial statements as a whole* £9.2m (2024: £8.6m) based on 5% (2024: 5%) of profit before tax and Other items, excluding amortisation and net finance costs.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the Group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

The Group comprised 101 legal entities as at the year end, which are grouped into divisions based on the nature of their operations. Although each division includes multiple legal entities, each division has its own distinct management structure, controls and IT systems, and common business characteristics. Group management, and ultimately the Board, monitor the position of the business on a divisional basis. A consolidation of financial results occurs at the divisional level.

Based on our scoping assessment, we identified eight components, which are considered unique due to their specific characteristics. These components are primarily based on the divisions mentioned above; however, in certain instances, further disaggregation was deemed appropriate due to factors such as separate management teams or legal entities located in different jurisdictions. These factors led us to consider them as separate components for the purposes of the Group audit. The components identified the purposes of the Group audit are detailed in the table below.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the component, including performing substantive procedures and tests for operating effectiveness of controls for certain IT systems
- Procedures on one or more classes of transactions, account balances or disclosures

Procedures performed at the component level
We performed procedures to respond to Group risks of material misstatement at the component level that included the following.

Component	Component name	Entity/segment name	Group Audit scope
1	Mitie Group plc	Mitie Group plc (Parent Company)	Statutory audit and procedures on one or more classes of transactions, account balances or disclosures
2	Business Services – United Kingdom	Businesses comprising the Business Services segment in Note 3 excluding the legal entities registered in Spain	Procedures on the entire financial information of the component
3	Business Services – Spain	Legal entities registered in Spain	Risk assessment procedures
4	Technical Services – excluding Advisory, Design & Build ('AD&B') business unit	Businesses comprising the Technical Services segment in Note 3 excluding AD&B Projects and Landmarc	Procedures on the entire financial information of the component
5	Technical Services – AD&B business unit	Businesses comprising the AD&B business unit within Technical Services	Procedures on one or more classes of transactions, account balances or disclosures
6	Technical Services – Landmarc	Landmarc	Statutory audit and procedures on the entire financial information of the component
7	Communities	Businesses comprising the Communities segment in Note 3	Procedures on the entire financial information of the component
8	Corporate Centre	Businesses comprising the Corporate Centre	Procedures on one or more classes of transactions, account balances or disclosures

Disaggregation

The financial information relating to Group risks of material misstatement is highly disaggregated across the Group. We performed procedures at the component level in relation to these risks in order to obtain comfort over the residual population of Group balances.

Locations

Mitie Group Plc's operations are primarily focused in the United Kingdom, spread over a number of different geographical locations. We visited all the components that are located in the United Kingdom. The risk assessment performed over the entities in Spain has been performed remotely by the Group Engagement team.

In addition, our teams worked remotely, holding calls and video conferences with Mitie Group Plc, and with digital information obtained from Mitie Group plc.

Changes from the prior year

Following the implementation of ISA (UK) 600 (Revised), which outlines the audit of group financial statements, the Group audit approach was updated accordingly. This included revisiting and revising the identification of components within the Group, where relevant, as described in the table above.

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, all of which were from BDO LLP, who formed part of the Group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the Group audit relevant to the components based on our assessment of the Group risks of material misstatement. We issued our Group audit instructions to component auditors on the nature and extent of their participation and role in the Group audit, and on the Group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, reviewing component auditor documentation in person and remotely, and evaluating the appropriateness of the audit procedures performed and the results thereof.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report and Accounts
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change, and performed a risk assessment as to how the impact of the Group's commitment as set out in the Annual Report and Accounts may affect the financial statements and our audit

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management's going concern assessment and viability assessment.

We also assessed the consistency of management's disclosures included as statutory Other Information with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify any Key Audit Matters that were materially affected by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Appropriateness of revenue recognition, accrued income and deferred income in relation to project works and the existence and accuracy of aged accrued income Refer to Note 1(b) – Revenue recognition policy, project works, accrued and deferred income within Material accounting policies.	The Group undertakes contracts for specific projects where contractual obligations span more than one financial period. There is a risk that revenue is incorrectly recognised due to inaccurate measurement of performance to date and uncertainties dependent on the outcome of future events. We consider this risk to specifically relate to fixed price, input-based projects that are open at year end, where revenue has been recognised during the year, or accrued/deferred income exists above an agreed threshold. In such cases, management judgement and estimation are required to determine forecast costs to complete. The Group also holds material levels of aged accrued income, for which there is a risk that revenue has not been appropriately recognised in respect of accrued income.	We completed the following audit procedures in relation to revenue recognition: • Agreed journals recorded within revenue, selected using specific risk criteria, to appropriate supporting evidence • For contracts where revenue is recognised over time, and meeting the criteria as outlined in the Key Audit Matter, we critically assessed the appropriateness of the methodology applied by management to recognise income over time using the input method. We tested the accuracy of the revenue recognised by evaluating management's process for capturing costs incurred to date and forecast costs to complete, for contracts where income is recognised using the input method • For projects completed post year end, we obtained post-year-end completion evidence and assessed the percentage of completion as at year end based on the total project costs. For ongoing projects not completed post year end, we held discussions with the relevant project managers to understand the project status, compared the costs incurred in April 2025 to those forecast as at year end, and where subcontractors were involved, we checked the forecast costs to complete against contracts or purchase order • Reviewed the project performance after year end and/or held discussions with the project managers to assess any potential contract variations • Tested a sample of accrued income balances over three months old at year end to supporting documentation to check whether revenue had been recognised in the appropriate period. Procedures included: reviewing contractual terms, agreeing to proof and timing of service delivery, checking customer acceptance and subsequent invoicing, and reviewing relevant customer correspondence in respect of the specific accrued income balances • Verified applications for payment and cash received for sales invoices recognised in the year **Key observations** Based on the procedures performed, we did not identify any matters to suggest that the revenue recognised, accrued income and deferred income in relation to Projects revenue and the existence and accuracy of aged accrued income is not appropriate.
Contract-specific provision of £10.8m relating to a significant liability risk on a certain contract Refer to Note 2 – Contract-specific cost provisions within critical judgements in applying the Group's accounting policies and Note 20 – Contract-specific costs within provisions for further details.	Material contract provisions are recognised within the Communities component. Significant judgement is required to determine the extent of the Group's liability, and estimation is involved in determining the likely costs to resolve these claims. The disclosures provided and the estimated range of possible outcomes represent key areas of management judgement and estimation. Due to this, we considered a certain contract-specific provision to be a key audit matter.	We completed the following audit procedures in relation to contract-specific provisions within the Communities component: • Obtained an understanding of the matter through review of Audit Committee minutes where the provision was discussed, and further discussions with senior finance and non-finance management, the Group's internal legal counsel and external legal counsel where applicable • Reviewed relevant communications with third parties and management's experts • Critically evaluated the capabilities, competence, and objectivity of management's external experts • Critically assessed management's evaluations of the claim and challenged the key assumptions used in the assessment • Developed independent ranges and point estimates to consider the individual and aggregate differences between those and management's positions • Reviewed the adequacy of the Group's disclosures in respect of the provision and their compliance with the requirements of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* **Key observations** Based on the procedures performed, we did not identify any matters to suggest that Management's judgements and estimates in assessing contract-specific provisions are not appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Materiality	**9.2**	8.6	**8.7**	6.0
Basis for determining materiality	5% of profit before tax and Other Items, excluding amortisation and net finance costs		95% of Group materiality	70% of Group materiality
Rationale for the benchmark applied	We consider this to be the most appropriate threshold since this removes the impact of certain one-off items on the profit of the Group.		The Parent Company does not trade and materiality was set at a percentage of Group materiality.	
Performance materiality	**6.4**	6.0	**6.0**	4.2
Basis for determining performance materiality	**70% of materiality**	70% of materiality	**95% of Group performance materiality**	70% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality was set after considering a number of factors including significant transactions in the year, the expected value of known and likely misstatements, and management's attitude towards proposed adjustments.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 30% and 75% of Group performance materiality (2024: 15% and 77% of group materiality) dependent on a number of factors including consideration of the control environment, history of misstatements, disaggregation across components, size of the components, any significant changes affecting the component since the prior year and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £1.9m to £6.1m (2024: component materiality ranged from £1.2m to £6.6m).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £460k (2024: £430k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document entitled Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 157 • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 89 • The Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 89
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 120 • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 76 • The section of the Annual Report and Accounts that describes the review of effectiveness of risk management and internal control systems set out on pages 117 to 119 • The section describing the work of the audit committee set out on page 113

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements • The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • The Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • Certain disclosures of Directors' remuneration specified by law are not made; or • We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company'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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance , but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates
- Discussions with Management and those charged with governance the Audit Committee and in-house legal counsel
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Companies Act 2006, Corporate and VAT legislation, Task Force on Climate-related Financial Disclosures (TCFD), Employment Law, Health and Safety and the Bribery Act 2010, the UK Listing Rules and the applicable accounting standards.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and employment laws.

Our procedures in respect of the above included:

- Review of minutes of Board and Audit Committee meetings, and internal audit reports to identify any instances of non-compliance with laws and regulations
- Review of financial statement disclosures and agreeing to supporting documentation
- Involvement of tax specialists in the audit
- Review of legal expenditure accounts to understand the nature of expenditure incurred

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, the Audit Committee, in-house legal counsel and internal audit regarding any known or suspected instances of fraud
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud
  - Internal controls established to mitigate risks related to fraud
- Review of minutes of Board and Audit Committee meetings for any known or suspected instances of fraud

- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- Involvement of forensics specialists in the audit during engagement team fraud discussions
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journal entries, accrued income cut-off, costs to complete estimates in Projects revenue where the input method of revenue recognition is being used, and bias in key estimates and judgements.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation
- Testing a sample of accrued income for correct cut-off (refer to revenue recognition Key Audit Matter (KAM))
- Testing a sample of contracts for accuracy of estimation where revenue is recognised over time (refer to revenue recognition KAM)
- Assessing significant estimates made by management for bias (refer to contract-specific provisions KAM)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component auditors who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Greg Watts (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

4 June 2025

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2025

	Notes	2025 Before Other items £m	2025 Other items[1] £m	2025 Total £m	2024 Before Other items £m	2024 Other items[1] £m	2024 Total £m
Revenue including share of joint ventures and associates	3	5,091.2	–	5,091.2	4,510.7	–	4,510.7
Less: share of revenue of joint ventures and associates[2]	14	(8.6)	–	(8.6)	(65.5)	–	(65.5)
Group revenue	3	5,082.6	–	5,082.6	4,445.2	–	4,445.2
Cost of sales		(4,512.9)	–	(4,512.9)	(3,945.3)	–	(3,945.3)
Gross profit		569.7	–	569.7	499.9	–	499.9
Administrative expenses		(341.4)	(72.5)	(413.9)	(297.8)	(62.4)	(360.2)
Other income		5.9	–	5.9	1.7	17.9	19.6
Share of (loss)/profit of joint ventures and associates[2]	14	(0.1)	–	(0.1)	6.4	–	6.4
Operating profit/(loss)[3]	3, 5	234.1	(72.5)	161.6	210.2	(44.5)	165.7
Finance income	7	3.3	–	3.3	4.2	–	4.2
Finance costs	7	(19.5)	–	(19.5)	(13.6)	–	(13.6)
Net finance costs		(16.2)	–	(16.2)	(9.4)	–	(9.4)
Profit/(loss) before tax		217.9	(72.5)	145.4	200.8	(44.5)	156.3
Tax	8	(51.6)	14.6	(37.0)	(37.9)	12.5	(25.4)
Profit/(loss) after tax		166.3	(57.9)	108.4	162.9	(32.0)	130.9
Attributable to:							
Equity holders of the parent		157.6	(56.2)	101.4	157.8	(31.5)	126.3
Non-controlling interests	36	8.7	(1.7)	7.0	5.1	(0.5)	4.6
Profit/(loss) for the year		166.3	(57.9)	108.4	162.9	(32.0)	130.9
Earnings per share (EPS) attributable to owners of the parent							
Basic	10	12.7p		8.2p	12.3p		9.8p
Diluted	10	11.8p		7.6p	11.3p		9.1p

Notes:

1. Other items are as described in Note 4.
2. The Group obtained control of Landmarc Support Services Limited (Landmarc) on 16 November 2023, and since that date Landmarc's financial results have been consolidated as a subsidiary of the Group (see Note 36). Prior to 16 November 2023, Landmarc was accounted for as a joint venture of the Group (see Note 14).
3. Including net impairment losses on trade receivables, accrued income and other receivables of £1.0m (2024: £2.6m) (see Note 24).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 £m	2024 £m
Profit for the year		**108.4**	130.9
Items that will not be reclassified to profit or loss in subsequent years			
Remeasurement of net retirement benefit pension assets/liabilities	31	**13.7**	(14.2)
Share of other comprehensive expense of joint ventures	14	**–**	(0.1)
Tax (charge)/credit relating to items that will not be reclassified to profit or loss in subsequent years	8	**(4.6)**	3.6
		9.1	(10.7)
Items that may be reclassified to profit or loss in subsequent years			
Exchange differences on translation of foreign operations		**(0.7)**	(0.8)
Tax credit relating to items that may be reclassified to profit or loss in subsequent years	8	**–**	0.1
		(0.7)	(0.7)
Other comprehensive income/(expense) for the year		**8.4**	(11.4)
Total comprehensive income for the year		**116.8**	119.5
Attributable to:			
Equity holders of the parent		**109.6**	114.8
Non-controlling interests		**7.2**	4.7
Total comprehensive income for the year		**116.8**	119.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 £m	2024 £m
Non-current assets			
Goodwill	11	**397.8**	361.7
Other intangible assets	12	**266.7**	283.4
Property, plant and equipment	13	**246.9**	204.7
Interests in associates	14	**1.6**	0.9
Trade and other receivables	15	**20.5**	21.0
Contract assets	16	**1.9**	0.5
Retirement benefit assets	31	**16.3**	4.2
Deferred tax assets	21	**–**	7.9
Total non-current assets		**951.7**	884.3
Current assets			
Inventories	17	**14.9**	14.7
Trade and other receivables	15	**967.9**	775.1
Contract assets	16	**0.7**	1.0
Current tax receivable		**4.1**	7.8
Cash and cash equivalents	22	**180.4**	244.9
Total current assets		**1,168.0**	1,043.5
Total assets		**2,119.7**	1,927.8
Current liabilities			
Trade and other payables	18	**(1,012.6)**	(892.4)
Deferred income	19	**(140.9)**	(91.8)
Current tax payable		**(3.4)**	(2.0)
Financing liabilities	23	**(52.2)**	(73.8)
Provisions	20	**(37.4)**	(66.5)
Total current liabilities		**(1,246.5)**	(1,126.5)
Net current liabilities		**(78.5)**	(83.0)
Non-current liabilities			
Trade and other payables	18	**(22.2)**	(12.7)
Deferred income	19	**(33.1)**	(15.5)
Financing liabilities	23	**(322.9)**	(247.7)
Provisions	20	**(46.7)**	(46.7)
Retirement benefit liabilities	31	**(2.4)**	(5.0)
Deferred tax liabilities	21	**(17.9)**	–
Total non-current liabilities		**(445.2)**	(327.6)
Total liabilities		**(1,691.7)**	(1,454.1)
Net assets		**428.0**	473.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED
As at 31 March 2025

	Notes	2025 £m	2024 £m
Equity			
Share capital	27	**31.3**	33.3
Share premium	27	**132.0**	132.0
Merger reserve	28	**157.0**	157.0
Own shares reserve	28	**(65.1)**	(69.8)
Share-based payments reserve	28	**40.4**	42.1
Capital redemption reserve	28	**5.3**	3.3
Hedging and translation reserve	28	**(2.8)**	(2.1)
Retained profits		**112.3**	157.4
Equity attributable to owners of the parent		**410.4**	453.2
Non-controlling interests	36	**17.6**	20.5
Total equity		**428.0**	473.7

The consolidated financial statements of Mitie Group plc, company registration number SC019230, were approved by the Board of Directors and authorised for issue on 4 June 2025. They were signed on its behalf by:

Phil Bentley
Chief Executive Officer

Simon Kirkpatrick
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	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/ (losses) £m	**Equity attributable to owners of parent £m**	Non-controlling interests £m	**Total equity £m**
At 1 April 2023	34.0	131.5	157.0	(59.0)	33.7	2.6	(1.4)	123.3	**421.7**	–	**421.7**
Profit for the year	–	–	–	–	–	–	–	126.3	**126.3**	4.6	**130.9**
Other comprehensive (expense)/income	–	–	–	–	–	–	(0.7)	(10.8)	**(11.5)**	0.1	**(11.4)**
Total comprehensive (expense)/income	–	–	–	–	–	–	(0.7)	115.5	**114.8**	4.7	**119.5**
Transactions with owners											
Dividends paid	–	–	–	–	–	–	–	(41.5)	**(41.5)**	–	**(41.5)**
Purchase of own shares[1]	–	–	–	(19.6)	–	–	–	–	**(19.6)**	–	**(19.6)**
Share buybacks[2]	(0.7)	–	–	(31.8)	–	0.7	–	(26.6)	**(58.4)**	–	**(58.4)**
Share-based payments	–	0.5	–	40.6	8.4	–	–	(24.0)	**25.5**	–	**25.5**
Tax on share-based payments	–	–	–	–	–	–	–	10.7	**10.7**	–	**10.7**
Non-controlling interest arising on acquisition[3]	–	–	–	–	–	–	–	–	**–**	18.3	**18.3**
Non-controlling interest dividends	–	–	–	–	–	–	–	–	**–**	(2.5)	**(2.5)**
Total transactions with owners	(0.7)	0.5	–	(10.8)	8.4	0.7	–	(81.4)	**(83.3)**	15.8	**(67.5)**
At 31 March 2024	33.3	132.0	157.0	(69.8)	42.1	3.3	(2.1)	157.4	**453.2**	20.5	**473.7**
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 year	–	–	–	–	–	–	–	101.4	**101.4**	7.0	**108.4**
Other comprehensive (expense)/income	–	–	–	–	–	–	(0.7)	8.9	**8.2**	0.2	**8.4**
Total comprehensive (expense)/income	–	–	–	–	–	–	(0.7)	110.3	**109.6**	7.2	**116.8**
Transactions with owners											
Dividends paid	–	–	–	–	–	–	–	(54.5)	**(54.5)**	–	**(54.5)**
Purchase of own shares[1]	–	–	–	(14.6)	–	–	–	–	**(14.6)**	–	**(14.6)**
Share buybacks[2]	(2.0)	–	–	(12.2)	–	2.0	–	(92.5)	**(104.7)**	–	**(104.7)**
Share-based payments	–	–	–	31.5	(1.7)	–	–	(11.0)	**18.8**	–	**18.8**
Tax on share-based payments	–	–	–	–	–	–	–	2.6	**2.6**	–	**2.6**
Non-controlling interest dividends	–	–	–	–	–	–	–	–	**–**	(10.1)	**(10.1)**
Total transactions with owners	(2.0)	–	–	4.7	(1.7)	2.0	–	(155.4)	**(152.4)**	(10.1)	**(162.5)**
At 31 March 2025	31.3	132.0	157.0	(65.1)	40.4	5.3	(2.8)	112.3	**410.4**	17.6	**428.0**

Notes:

1. The Employee Benefit Trust acquired 11.7m (2024: 19.1m) ordinary shares through market purchases for a consideration together with associated fees and stamp duty of £13.2m (2024: £18.9m) and the Share Incentive Plan Trust acquired 1.1m (2024: 0.6m) shares for a consideration of £1.4m (2024: £0.7m).
2. The share buybacks resulted in the purchase of 89.0m ordinary shares (2024: 58.6m) for a consideration of £92.5m (2024: £26.6m), of which 78.9m ordinary shares (2024: 26.1m) have subsequently been cancelled. In addition, 10.1m ordinary shares (2024: 32.5m) were bought into treasury for a consideration of £12.2m (2024: £31.8m). See Notes 27 and 28.
3. During the year ended 31 March 2024, the Group obtained control of Landmarc (from 16 November 2023), resulting in recognition of non-controlling interest of £18.3m.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 £m	2024 £m
Operating profit before Other items	3	**234.1**	210.2
Other items	4	**(72.5)**	(44.5)
Operating profit		**161.6**	165.7
Adjustments for:			
Share-based payments expense	30	**15.5**	20.3
Defined benefit pension expense	31	**9.4**	3.1
Defined benefit pension contributions	31	**(10.1)**	(13.2)
Fair value gain on acquisition of Landmarc	4	**–**	(17.9)
Depreciation of property, plant and equipment	13, 25	**67.9**	48.2
Amortisation of other intangible assets	12	**38.1**	33.0
Share of loss/(profit) of joint ventures and associates	14	**0.1**	(6.4)
Amortisation of contract assets	16	**0.4**	1.4
Impairment of non-current assets	12	**–**	0.1
Loss on disposal of other intangible assets	12	**2.4**	–
Loss on disposal of property, plant and equipment	13	**0.3**	0.1
Operating cash flows before movements in working capital		**285.6**	234.4
Increase in inventories		**(0.2)**	(0.6)
(Increase)/decrease in receivables		**(168.9)**	70.6
Increase in contract assets		**(1.5)**	(0.9)
Increase in deferred income		**61.9**	–
Increase/(decrease) in payables		**82.5**	(73.5)
Decrease in provisions		**(10.7)**	(2.1)
Cash generated from operations		**248.7**	227.9
Income taxes paid		**(11.0)**	(16.9)
Interest paid		**(17.7)**	(13.3)
Net cash generated from operating activities		**220.0**	197.7
Investing activities			
Acquisition of businesses, net of cash acquired[1]	29	**(49.1)**	(34.0)
Investment in associates and joint ventures	14	**(0.8)**	–
Interest received		**3.0**	3.6
Purchase of property, plant and equipment	13	**(24.0)**	(11.5)
Dividends received from joint ventures and associates	14	**–**	8.4
Purchase of other intangible assets	12	**(7.6)**	(8.4)
Disposal of property, plant and equipment		**0.6**	0.2
Net cash used in investing activities		**(77.9)**	(41.7)

Note:
1. Acquisition of businesses is net of cash acquired of £9.7m (2024: £53.6m). See Note 29.

For the year ended 31 March 2025

	Notes	2025 £m	2024 £m
Financing activities			
Purchase of own shares[1]	28	(14.6)	(19.6)
Shares bought back[2]	27, 28	(104.7)	(58.4)
Capital element of lease rentals	25	(56.1)	(41.0)
Lease incentives received		–	5.7
Proceeds from new private placement notes	23	60.0	–
Repayment of private placement notes	23	(30.0)	–
Repayment of bank loans		(0.4)	(8.4)
Payment of arrangement fees		(0.6)	(1.2)
Proceeds received on settlement of share-based payment transactions	28	4.7	8.0
Equity dividends paid	9	(54.5)	(41.5)
Dividends paid to non-controlling interest	36	(10.1)	(2.5)
Net cash used in financing activities		(206.3)	(158.9)
Net decrease in cash and cash equivalents		(64.2)	(2.9)
Net cash and cash equivalents at beginning of the year		244.9	248.3
Effect of foreign exchange rate changes		(0.3)	(0.5)
Net cash and cash equivalents at end of the year	22	180.4	244.9

Notes:

1. The purchase of own shares includes shares acquired by the Employee Benefit Trust and the Share Incentive Plan Trust of £13.2m (2024: £18.8m) and £1.4m (2024: £0.8m) respectively.
2. Shares bought back includes £92.5m (2024: £26.6m) of consideration for shares bought back and cancelled, and £12.2m (2024: £31.8m) of shares bought into treasury.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 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. It was incorporated on 16 July 1936 under the Companies Act 1929. The Company's registered office is at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. The Group comprises the Company and all of its subsidiaries. The Group's consolidated financial statements are presented in pounds sterling, which is the Company's functional and presentational currency. All amounts have been rounded to the nearest one hundred thousand pounds, unless otherwise indicated.

The Group's consolidated financial statements for the year ended 31 March 2025 have been prepared in accordance with UK-adopted International Accounting Standards (IAS).

The Group's consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are required to be measured at fair value.

Going concern

The consolidated financial statements for the year ended 31 March 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 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 31 March 2025 were a £250m revolving credit facility maturing in October 2028, which was undrawn as at 31 March 2025, and £180m of US private placement (USPP) notes. 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 on page 45.

In September 2023, the revolving credit facility was amended from £150m to £250m and its maturity date was extended by one year to October 2027, on the same terms, with an option to extend for a further one-year period. This option was exercised in October 2024, such that the facility now matures in October 2028.

Of the USPP notes, £120m were issued in December 2022, were split equally between 8, 10 and 12-year maturities, and were issued with an average coupon of 2.94%. The remaining £30m of USPP notes, which matured in December 2024, were replaced with £60m of new USPP notes drawn from the new shelf facility at a coupon rate of 5.71% and mature in December 2031. The remaining undrawn capacity of this uncommitted USPP shelf facility was c.£270m at 31 March 2025, which can be drawn down until October 2027.

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 £9.6m as at 31 March 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 and 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
- 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 34% in the 12 months to 31 March 2026 compared to the Base Case Forecasts, which is considered to be very severe given the high proportion of the Group'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%
- 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 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.

1. Basis of preparation and material accounting policies continued

Accounting standards that are newly effective in the current year

The following new standards and amendments became effective during the year ended 31 March 2025, none of which have had a material impact on the Group:

- Amendments to IFRS 16 – *Leases – Lease Liability in a Sale-and-Leaseback*
- Amendments to IAS 1 – *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments – Supplier Finance Arrangements*

Accounting standards that are not yet mandatory and have not been applied by the Group

At the date of authorisation of these consolidated financial statements, the Group has not applied the following revised standards that have been issued but are not yet effective, none of which are expected to have a material effect on the Group other than presentational changes required under IFRS 18 – *Presentation and Disclosure in Financial Statements*, the impact of which is still being assessed:

- Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*
- Amendments to IFRS 9 and IFRS 7 – *Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to IFRS 9 and IFRS 7 – *Contracts Referencing Nature-dependent Electricity*
- IFRS 18 – *Presentation and Disclosure in Financial Statements*
- IFRS 19 – *Subsidiaries without Public Accountability: Disclosures*

(b) Material accounting policies

The material accounting policies adopted in the preparation of the Group's IFRS financial information are set out below.

Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of Mitie Group plc and all of its subsidiaries. The Company's separate financial statements are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 issued by the Financial Reporting Council (FRC). Accordingly, for the year ended 31 March 2025, the Company reported under FRS 101 as issued by the FRC.

In preparing these Group consolidated financial statements, the Group's accounting policies and methods of computation were, with the exception of the changes to accounting standards referred to above, the same as those that applied in the preparation of the Group's consolidated financial statements for the year ended 31 March 2024, which were prepared in accordance with UK-adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The results, assets and liabilities of joint ventures and associates are accounted for under the equity method of accounting.

Joint ventures and associates

Joint ventures are those entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the entity, rather than rights to its individual assets and obligations for its individual liabilities.

Associates are those entities over whose financial and operating policies the Group has significant influence, but not control or joint control.

The results, assets and liabilities of joint ventures and associates are incorporated in the Group's consolidated financial statements using the equity method of accounting, except when classified as held for sale.

Under the equity method, an investment in a joint venture or associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture or associate. Any excess of the cost of acquisition over the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate at the date of acquisition is recognised as goodwill. Where the Group entity transacts with a joint venture or associate, profits and losses are eliminated to the extent of the Group's interest in the joint venture or associate.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control have the right to the assets, and obligations for the liabilities, relating to the arrangement, or other facts and circumstances indicate that is the case. The Group's share of the results, assets and liabilities of contracts carried out in joint operations with another party are included under each relevant heading in the consolidated income statement and consolidated statement of financial position.

Statutory and non-statutory measures of performance

The consolidated financial statements contain all the information and disclosures required by the relevant accounting standards and regulatory obligations that apply to the Group.

In the consolidated financial statements, the Group has elected to provide some further disclosures and performance measures, reported as 'before Other items', in order to present its financial results in a way that demonstrates the performance of its operations.

Other items are items of financial performance which management believes should be separately identified on the face of the 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.

1. Basis of preparation and material accounting policies continued

Separate presentation of these items is intended to enhance understanding of the financial performance of the Group in the year 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 4.

In addition, following the guidelines on Alternative Performance Measures (APMs) issued by the European Securities and Markets Authority (ESMA), the Group has included an APM appendix to the consolidated financial statements on pages 213 to 215.

Revenue recognition policy

The Group operates contracts with a varying degree of complexity across its service lines, so a range of methods are used for the recognition of revenue based on the principles set out in IFRS 15. Revenue represents income recognised in respect of services provided during the year based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

IFRS 15 provides a single, principle-based five-step model to be applied to all sales contracts as outlined below. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods, services and construction contracts.

Step 1 – Identify the contract(s) with a customer

For all contracts with customers, the Group determines if the arrangement creates enforceable rights and obligations. This assessment results in certain Framework arrangements or Master Service Agreements (MSAs) not meeting the definition of contracts under IFRS 15 unless they specify the minimum quantities to be ordered. Usually the work order and any change orders together with the Framework or MSA will constitute the IFRS 15 contract.

Duration of contract

The Group frequently enters into contracts with customers which contain extension periods at the end of the initial term, automatic annual renewals, and/or termination for convenience and break clauses that could impact the duration of the contract. Judgement is applied to assess the impact that such clauses have in determining the relevant contract term. The term of the contract affects the period over which amortisation of contract assets and revenue from performance obligations is recognised. In forming this judgement, management considers certain influencing factors, including the amount of discount provided, the presence of significant termination penalties in the contract, and the relationship, experience and performance of contract delivery with the customer and/or the wider industry, in understanding the likelihood of extension or termination of the contract.

Contract modifications

Where the Group's contracts are amended for changes to customer requirements, such as change orders and variations, a contract modification takes place when the amendment creates new enforceable rights and obligations, or changes the existing price or scope (or both) of the contract, and the modification has been approved. Contract modifications can be approved in writing, by oral agreement, or implied by customary business practices.

If the parties to the contract have not approved a contract modification, revenue is recognised in accordance with the existing contractual terms. If a change in scope has been approved but the corresponding change in price is still being negotiated, change to the total transaction price is estimated.

Contract modifications, including contract renewals, are accounted for as a separate contract if the contract scope changes due to the addition of distinct goods or services and the change in contract price reflects the stand-alone selling price of the distinct goods or services. If the price of additional distinct goods or services is not commensurate with the stand-alone selling prices for those goods or services, then this is considered a termination of the original contract and the creation of a new contract which is accounted for prospectively from the date of modification. Where new goods or services are not distinct from those in the original contract, then these are considered to form part of the original contract, with any update to pricing recognised as a cumulative catch up to revenue. The facts and circumstances of any modification are considered in isolation, as these are specific to each contract and may result in different accounting outcomes.

Step 2 – Identify the performance obligations in the contract

Performance obligations are the contractual promises by the Group to transfer distinct goods or services to a customer. For arrangements with multiple components to be delivered to customers, such as in the Group's Integrated Facilities Management (IFM) contracts, judgement is applied to consider whether those promised goods or services are:

i. Distinct and accounted for as separate performance obligations;

ii. Combined with other promised goods or services until a bundle is identified that is distinct; or

iii. Part of a series of distinct goods or services that are substantially the same and have the same pattern of transfer over time, i.e. where the customer is deemed to have simultaneously received and consumed the benefits of the goods or services over the life of the contract, the Group treats the series as a single performance obligation

Where the customer reimburses the Group for contract mobilisation activities, this is typically not considered to be a distinct performance obligation. Amounts received from the customer in relation to mobilisation activities for the contract are deferred and allocated to the remaining distinct performance obligations.

Step 3 – Determine the transaction price

At contract inception, the total transaction price is determined, being the amount to which management expects the Group to be entitled and has rights under the contract. This includes the fixed price stated in the contract and an assessment of any variable consideration. Variability in revenue can arise from a number of factors, including discounts, rebates or service penalties. Variable consideration is typically estimated based on the expected value method and is only recognised to the extent it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal.

Certain contracts across the Group incorporate indexation related adjustments to consideration, whereby pricing is adjusted based on an external metric (such as CPI or RPI). Variable consideration related to indexation adjustments is only recognised once these are confirmed.

1. Basis of preparation and material accounting policies continued

Step 4 – Allocate the transaction price to the performance obligations in the contract
The Group allocates the total transaction price to the identified performance obligations based on their relative stand-alone selling prices. This is predominantly based on an observable price or a cost-plus margin arrangement. It is necessary to estimate the stand-alone selling price when the Group does not sell equivalent goods or services in similar circumstances on a stand-alone basis. When estimating the stand-alone selling price, the Group maximises the use of external inputs by observing the stand-alone selling prices for similar goods and services using an industry recognised price list or cost indices in applying a cost-plus reasonable margin approach.

Step 5 – Recognise revenue when or as the entity satisfies its performance obligations
For each performance obligation, management determines if revenue will be recognised over time or at a point in time. For each performance obligation to be recognised over time, the Group applies the relevant output or input revenue recognition method for measuring progress that best depicts the Group's performance in transferring control of the goods or services to the customer. The Group applies the relevant method consistently to similar performance obligations.

Certain long-term contracts use output methods based upon surveys of performance completed, appraisals of results achieved, or milestones reached which allow the Group to recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services under the contract. For certain long-term service contracts where the series guidance is applied, the Group often uses a method of time elapsed which requires minimal estimation.

Under the input method, measured progress and revenue are recognised in direct proportion to costs incurred where the transfer of control is most closely aligned to the Group's efforts in delivering the service.

Where deemed appropriate, the Group will utilise the practical expedient within IFRS 15, allowing revenue to be recognised at the amount which the Group has the right to invoice, where that amount corresponds directly with the value to the customer of the Group's performance obligations completed to date.

If performance obligations do not meet the criteria to recognise revenue over time, revenue is recognised at the point in time when control of the goods or services passes to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria. Sales of goods are recognised when goods are delivered and control has passed to the customer.

Long-term Facilities Management (FM) contracts
The Group has a number of long-term contracts which are predominantly IFM arrangements. Typically, these contracts involve the provision of multiple service lines, with a single management team providing an integrated service. Such contracts tend to be transformational in nature where the business works with the customer to identify and implement cost-saving initiatives across the life of the contract.

Management considers that the majority of services provided within IFM contracts meet the definition of a series of distinct goods or services that are substantially the same and have the same pattern of transfer over time. The series constitutes services provided in distinct time increments (e.g. monthly or quarterly) and therefore the Group treats the series of such services as one performance obligation.

The Group has a number of long-term Private Finance Initiative lifecycle contracts to maintain properties over periods of up to 30 years. A fund is established at the start of the contract and amounts are drawn down by the Group as maintenance work is performed. For certain contracts, the Group is also entitled to share in any surplus left in the fund. Revenue is recognised over time to reflect the rendering of the service, including an assessment of the appropriate proportion of the likely surplus in the fund, subject to being highly probable not to reverse. The amount of surplus available is dependent on the rate of wear and tear of the assets, which is substantially outside the control of the entity and the customer. As such, the Group does not deem there to be a significant financing component.

Project works
The Group also delivers project works that include performance obligations under which revenue is recognised over time as value from the service is transferred to the customer due to an enforceable right to payment for performance to date where the Group creates or enhances an asset that the customer controls and/or creates an asset with no alternative use. The Group measures progress using either an output method, where the value of work transferring over time is based on observable outputs such as monthly external surveys of works or an input method where, in most cases, the most appropriate input is the proportion of costs incurred to date compared to total forecast costs and applied to the total consideration. A consistent methodology is applied for projects of a similar nature. During a project, there may be variations to amend or extend the original project as well as claims for additional consideration. Variations are accounted for as contract modifications (see Step 1).

Repeat service-based contracts (single and bundled contracts)
The Group operates a number of single or joint service-line arrangements where repeat services meet the definition of a series of distinct services that are substantially the same (e.g. the provision of cleaning, security, waste and landscaping services). They have the same pattern of transfer of value to the customer, as the series constitutes core services provided in distinct time increments (e.g. monthly or quarterly). The Group therefore treats the series of such services as one performance obligation.

Short-term service-based arrangements
The Group delivers a range of other short-term service-based performance obligations and professional services work across certain reporting segments for which revenue is recognised at the point in time when control of the service has transferred to the customer. This may be at the point when the customer obtains control of the service in a contract with customer-specified acceptance criteria, e.g. the delivery of a strategic operating model or report.

1. Basis of preparation and material accounting policies continued

Contract costs

The Group incurs pre-contract expenses (e.g. legal costs) when it is expected to enter into a new contract. The incremental costs to obtain a contract with a customer are recognised within contract assets if it is expected that those costs will be recoverable. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the year.

Contract fulfilment costs

Costs incurred to ensure that the project or programme has appropriate organisational, operational and technical infrastructures, and mechanisms in place to enable the delivery of full services under the contract Target Operating Model, are defined as contract fulfilment costs. Only costs which meet all three of the criteria below are included within contract assets on the consolidated statement of financial position:

i. The costs directly relate to the contract (e.g. direct labour, materials, subcontractors)

ii. The Group is building an asset that will subsequently be used to deliver contract outcomes

iii. The costs are expected to be recoverable, i.e. the contract is expected to be profitable after amortising the capitalised costs

Contract fulfilment costs covered within the scope of another accounting standard, such as inventories, intangible assets, or property, plant and equipment, are not capitalised as contract fulfilment assets but are treated in accordance with the relevant standard.

Amortisation and impairment of contract assets

The Group amortises contract assets (pre-contract costs and contract fulfilment costs) on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer. The expense is recognised in the consolidated income statement.

A capitalised pre-contract cost or contract fulfilment cost is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use.

Management is required to determine the recoverability of contract-related assets at each reporting date. An impairment exists if the carrying amount of any asset exceeds the amount of consideration the entity expects to receive in exchange for providing the associated goods and services, less the remaining costs that relate directly to providing those goods and services under the relevant contract. In determining the estimated amount of consideration, management uses the same principles as it does to determine the contract transaction price. An impairment is recognised immediately where such losses are forecast.

Accrued income and deferred income

The Group's customer contracts include a diverse range of payment schedules that are often agreed at the inception of long-term contracts under which it receives payments throughout the term of the arrangement. Payments for goods and services transferred at a point in time may be at the delivery date, in arrears or part payment in advance.

Where revenue recognised at the year end date is more than amounts invoiced, the Group recognises accrued income for the difference. Where revenue recognised at the year end date is less than amounts invoiced, the Group recognises deferred income for the difference.

Where price step-downs are required in a contract and output is not decreasing, revenue is deferred from initial periods to subsequent periods in order for revenue to be recognised on a consistent basis.

Providing the option for a customer to obtain extension periods or other services at a significant discount may lead to a separate performance obligation where a material right exists. Where this is the case, the Group allocates part of the transaction price from the original contract to deferred income which is then amortised over the discounted extension period or recognised immediately when the extension right expires.

Foreign currency

The financial statements of each of the Group's businesses are prepared in the functional currency applicable to that business. Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the rates of exchange prevailing at that date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the consolidated income statement.

Non-monetary items are measured in terms of historical cost in a foreign currency and are not retranslated.

On consolidation, the assets and liabilities of the Group's foreign operations, including goodwill and fair value adjustments arising on their acquisition, are translated into pounds sterling at exchange rates prevailing at the statement of financial position date. Income and expenses are translated into pounds sterling at average exchange rates for the period. Exchange differences arising are recognised directly in equity in the Group's hedging and translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated income statement.

Finance costs

Finance costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Finance costs are recognised in the consolidated income statement in the year in which they are incurred, with the finance charges relating to the direct cost of debt issue spread over the period to redemption using the effective interest method. The Group has elected to classify cash flows from interest paid as operating activities and interest received as investing activities. Interest paid includes the interest portion of the lease liabilities.

1. Basis of preparation and material accounting policies continued

Taxation

The tax expense represents the sum of the current tax and deferred tax expense.

The current tax expense is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based upon tax rates and legislation that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition costs incurred are expensed. The identifiable assets, liabilities and contingent liabilities of the acquiree that meet the conditions for recognition are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

The Group recognises any non-controlling interest in an acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Where a business combination is achieved in stages, the Group's previously held interest in the acquired entity is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in the consolidated income statement.

The fair value of customer contracts or customer relationships recognised as a result of a business combination is determined using forecast customer cash flows from the contracts or relationships and expected renewal rates, and applying an appropriate discount rate specific to the asset. In determining the cash flows, management uses judgement to estimate revenue growth, profit margins, contract renewal probability and the average contract duration remaining, as well as the discount rate. Amortisation is charged on a straight-line basis through Other items over its useful economic life, up to a maximum of 15 years.

Where applicable, the consideration for an acquisition includes any assets or liabilities resulting from a contingent consideration arrangement, measured at fair value at the acquisition date. Subsequent changes in such fair values are adjusted against the cost of acquisition where they result from additional information, obtained within one year from the acquisition date, about facts and circumstances that existed at the acquisition date. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are recognised in the consolidated income statement, in accordance with IFRS 9.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary, i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, of an investment in an associate or a joint venture.

The Group measures the lease liability for acquired leases at the present value of the remaining lease payments discounted using an appropriate discount rate. As required by IFRS 3 – *Business Combinations*, the Group treats acquired leases as new leases, thereby recording the right-of-use asset as equal to the lease liability.

1. Basis of preparation and material accounting policies continued

Acquisition-related liabilities or employment-linked earnouts are the estimated amounts payable to previous owners. The estimated future payments that are accrued over the period the sellers are required to remain with the business are accounted for as remuneration for post-acquisition services and recognised within the consolidated income statement and classified as Other items. The amounts not linked to employment are considered to be contingent consideration and estimated and recognised at acquisition at their discounted fair value, with the unwind of the discount recorded as part of finance costs.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. It is reviewed for impairment at least annually. Any impairment is recognised immediately in the consolidated income statement for the year and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) and is monitored for internal management purposes by operating segment. The allocation is to the CGUs expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first, to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

When a business reorganisation results in changes to the composition of CGUs, goodwill is reallocated to updated CGUs. The goodwill allocated to a prior CGU is wholly reallocated to an updated CGU, where the goodwill wholly arose on the acquisition of businesses comprised within the updated CGU. Where this is not possible, a relative value approach is taken to allocate goodwill to updated CGUs.

Other intangible assets

Other intangible assets identified in a business acquisition are capitalised at fair value as at the date of acquisition.

Customer contracts and relationships are amortised over their useful lives based on the period of time over which they are anticipated to generate benefits. Other acquisition-related intangibles include brands, acquired software and technology, which are amortised over their useful lives.

Software and development expenditure is capitalised as an intangible asset if the asset created can be identified, if it is probable that the asset created will generate future economic benefits and if the development cost of the asset can be measured reliably. Software and development expenditure includes internally generated intangible assets and is amortised over its useful life once it has been brought into use.

Upfront configuration and customisation costs incurred in implementing Software as a Service (SaaS) arrangements are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

Following initial recognition, the carrying amount of an intangible asset is its cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are reviewed for impairment annually, or more frequently when there is an indication that they may be impaired. Amortisation expense is charged to administrative expenses in the consolidated income statement on a straight-line basis over the useful life of the asset as follows:

Customer contracts and relationships	5–15 years
Brands, software and development expenditure	3–10 years

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged so as to write off the cost less expected residual value of the assets over their estimated useful lives and is calculated on a straight-line basis as follows:

Buildings	50 years or lease term if shorter
Plant and vehicles	3–10 years

The Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, management estimates the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

1. Basis of preparation and material accounting policies continued

Financial instruments – classification and measurement

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises financial assets and liabilities only when the contractual rights and obligations are transferred, discharged or expire.

Financial assets principally comprise cash and cash equivalents, trade receivables, accrued income and other receivables. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and bank overdrafts are only offset where the overdraft is part of the Group's cash-pooling arrangements and the Group has both the legal right to offset and intends to settle on a net basis at the period end through cash-sweeping arrangements.

Cash where access is constrained is classified as restricted cash. Bank transactions are recorded on their settlement date. All of the Group's cash flows from customers are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the Group's revenue streams are therefore initially measured at their transaction price and are subsequently remeasured at amortised cost.

Financial liabilities principally comprise trade and other payables, accruals, financing liabilities and contingent consideration payable. These are measured at initial recognition at fair value and subsequently at amortised cost, with the exception of contingent consideration payable which is measured at fair value through profit or loss. Financing liabilities are stated at the amount of the net proceeds after deduction of transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the consolidated income statement.

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial instruments – impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECLs) on all receivable balances from customers measured at amortised cost using the simplified approach. Under this approach, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated on the basis of historical credit loss experience, adjusted for forward-looking factors that incorporate macroeconomic conditions, for example changes in interest rates and inflation, and applied to customers with common risk characteristics, such as sector type (e.g. government or non-government).

For other receivables, ECLs are measured using those expected to arise in the 12 months subsequent to the statement of financial position date.

For cash and cash equivalents, the Group does not currently anticipate any future credit losses given the high-quality credit rating of the financial institutions with which balances are held.

Leases

The Group has various lease arrangements for properties (e.g. office buildings and storage facilities), vehicles and other equipment, including IT equipment and machinery. At inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period of time, and whether it obtains substantially all the economic benefits from the use of that asset, in exchange for consideration. The Group recognises a lease liability and a corresponding right-of-use asset with respect to all lease arrangements in which it is a lessee, except low-value leases and short-term leases of 12 months or less, costs for which are recognised as an operating expense within the consolidated income statement as they are incurred.

A right-of-use asset is capitalised on the consolidated statement of financial position and presented within property, plant and equipment at cost, which comprises the present value of future lease payments determined at the inception of the lease adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred in addition to an estimate of costs to remove or restore the underlying asset. Where a lease incentive is receivable, the amount is offset against the right-of-use asset at inception. Right-of-use assets are depreciated using the straight-line method over the shorter of the estimated life of the asset or the lease term and are reviewed for impairment to account for any loss when events or changes in circumstances indicate the carrying value may not be fully recoverable.

The lease liability is initially measured at amortised cost using the effective interest rate method to calculate the present value of future lease payments and is subsequently increased by the associated interest cost and decreased by lease payments made. The effective interest rate is based on the rate implicit in the lease or, where not available, the incremental borrowing rate. Lease payments made are apportioned between a capital repayment amount and an interest charge, which are disclosed within the financing and operating activities sections of the consolidated statement of cash flows respectively. Lease payments comprise fixed lease rental payments only, with the exception of property leases for which the associated fixed service charge is also included. The majority of the Group's lease contracts include inflationary linked rent review clauses. Future increases or decreases in rentals linked to an index or rate are not included in the lease liability until the change in cash flows takes effect. Lease liabilities are classified between current and non-current and presented within financing liabilities on the consolidated statement of financial position.

The lease term comprises the non-cancellable period in addition to the determination of the enforceable period which is covered by an option to extend the lease, where it is reasonably certain that the option will be exercised, and the period covered by the option to terminate the lease to a point in time where no more than an 'insignificant penalty' is incurred. The Group assesses an insignificant penalty with reference to the wider economics of the lease, including any investment in non-transferable leasehold improvements which may result in an impairment charge should the lease be terminated.

A modification to a lease which changes the lease payment amount (e.g. due to a renegotiation or market rent review) or amends the term of the lease, results in a reassessment of the lease liability with a corresponding adjustment to the right-of-use asset.

1. Basis of preparation and material accounting policies continued

Provisions and contingent liabilities

Provisions have been made for contract-specific costs, onerous contracts, insurance exposures, legal claims, other property-related commitments including dilapidations and restructuring-related costs.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where management expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contract-specific cost provisions are made when the Group expects to incur future remedial and rectification costs required to meet customers' contractual terms. Costs are estimated using either the work of external consultants or internal experts. The amount recognised as a provision represents management's best estimate and is inherently uncertain and could change materially over time. The provision is reviewed at least on a biannual basis for changes in cost estimates. Any change in cost estimate is recognised as a charge or a release to the provision when it occurs.

The insurance reserve relates to employers' and motor and fleet liabilities retained in the Group's self-insurance arrangement. The insurance reserve includes the full estimated value of the liability, gross of amounts expected to be recovered from the Group's insurer. Any related insurance reimbursement asset that is virtually certain to be received is separately presented gross within trade and other receivables on the consolidated statement of financial position.

No provisions are recognised and only a disclosure in the consolidated financial statements is made for contingent liabilities. Contingent liabilities are possible obligations dependent on whether some uncertain future event occurs, or where a present obligation exists but an outflow of resources is not probable, or the amount of the obligation cannot be measured reliably.

Onerous contracts

Onerous contract provisions arise when the unavoidable costs of meeting contractual obligations exceed the remuneration expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is lower of the cost of fulfilling a contract and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises both incremental costs and an allocation of other direct costs related to contract activities.

Where a customer has an option to extend a contract and it is likely that such an extension will be made, the expected net cost arising during the extension period is included within the calculation. However, where a profit can be reasonably expected in the extension period, no credit is taken on the basis that such profits are uncertain given the potential for the customer to either not extend or offer an extension under lower pricing terms.

Share-based payments

The Group operates a number of executive and employee share option schemes. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. For grants of share options and awards, the fair value as at the date of grant is calculated using the Black-Scholes model or the share price at grant date, and the corresponding expense is recognised on a straight-line basis over the vesting period based on management's estimate of shares that will eventually vest. At each statement of financial position date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. Save As You Earn (SAYE) options are treated as cancelled when employees cease to contribute to the scheme, resulting in an acceleration of the remainder of the related expense.

The own shares reserve in equity includes the shares owned by the Employee Benefit Trust and treasury shares. When shares are transferred to employees upon exercise of options and awards, the own shares reserve is reduced by the relevant cost or value.

Retirement benefit costs

The Group operates a number of defined contribution retirement benefit schemes for all qualifying employees. Payments to the defined contribution and stakeholder pension schemes are charged as an expense as the related service is provided.

In addition, the Group operates and participates in a number of defined benefit schemes. In respect of the schemes in which the Group makes contributions under Admitted Body status to clients' defined benefit schemes in respect of certain employees who transferred to the Group under Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), the Group accounts for its legal and constructive obligations over the period of its participation which is for a fixed period only.

For the defined benefit pension schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each statement of financial position date by qualified third-party actuaries. Actuarial gains and losses on obligations, the return on scheme assets (excluding interest) and the effect of the asset ceiling (if applicable, excluding interest) are recognised in the consolidated statement of comprehensive income in the period in which they occur.

Defined benefit pension costs (including curtailments) are recognised in the consolidated income statement, in administrative expenses, while the net interest cost is recognised in finance costs.

The Group's liability in respect of defined benefit schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using the market yield on a high-quality corporate bond and deducting the fair value of any scheme assets. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the scheme, where the Group has the unconditional right to the surplus or reductions in future contributions to the scheme. Assets recognised are adjusted for tax, where relevant.

1. Basis of preparation and material accounting policies continued

Insurance buy-in policies included within plan assets are measured at fair value. The timing and amount of payments exactly match a portion of benefits in the scheme and therefore the present value of the related obligations (determined using the project unit method as set out above) is deemed to be the fair value of the insurance policies.

For schemes where sufficient information is not available to use defined benefit accounting, no liability is recognised on the consolidated statement of financial position.

2. Critical accounting judgements and sources of estimation uncertainty

The preparation of consolidated financial statements under IFRS requires management to make judgements, estimates and assumptions that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual results may differ from these judgements, estimates and assumptions.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, made by management in the process of applying the Group's accounting policies, that have the most significant effect on the amounts recognised in the Group's consolidated financial statements.

Revenue recognition

The Group's revenue recognition policies, which are set out under Revenue recognition in Note 1, are central to how the Group measures the work it has performed in each financial year.

Some of the Group's contracts, including Private Finance Initiative contracts, contain variable consideration where management assesses the extent to which revenue is recognised. For certain contracts, key judgements were made on whether it is considered highly probable that a significant reversal of revenue will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Profit before Other items

Other items are items of financial performance which management believes should be separately identified on the face of the consolidated income statement to assist in understanding the underlying financial performance achieved by the Group. Determining whether an item should be classified within Other items requires judgement as to whether an item is or is not part of the underlying performance of the Group. See Note 1, which details the Group's accounting policy for Other items.

Other items after tax of £57.9m were charged (2024: £32.0m) to the consolidated income statement for the year ended 31 March 2025. A complete analysis of the amounts included in Other items is detailed in Note 4.

Landmarc joint venture

The Group holds 51% of the equity shares in Landmarc Support Services Limited (Landmarc). The remaining 49% of the equity shares in Landmarc are held by a single third party. Until 16 November 2023, when the shareholders' agreement was amended, the Group did not control Landmarc and therefore did not recognise it as a subsidiary. Management's judgement is that the revisions made to the shareholders' agreement resulted in the Group obtaining control of Landmarc, and therefore Landmarc has been consolidated as a subsidiary of the Group from that date.

Significant sources of estimation uncertainty

The significant accounting estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Contract-specific cost provisions

The Company and various of its subsidiaries are, from time to time, party to legal proceedings and claims. Judgements are required in order to assess whether these legal proceedings and claims are probable, and the liability can be reasonably estimated, resulting in a provision or, alternatively, whether the items meet the definition of contingent liabilities.

Provisions are liabilities of uncertain timing or amount and, therefore, in making a reliable estimate of the quantum and timing of liabilities, judgement is applied and re-evaluated at each reporting date. Those subject to estimation uncertainty relate to contract-specific costs, for which the Group recognised provisions at 31 March 2025 of £33.0m (2024: £40.4m).

Within this total, £10.8m (2024: £10.9m) has significant estimation uncertainty and relates to a certain contract where a liability has been estimated in relation to a commercial dispute. Management sought external assistance at the time of the acquisition of Interserve to value the potential risk exposure to the Group and has periodically updated this assessment, including a revised cost estimation for the current period. The actual exposure to the Group may differ from the amount provided at 31 March 2025 due to the compounding effect of multiple variables associated with the particular issues involved in the dispute. The value of the provision represents management's best estimate. Management considers that, to the extent that it is agreed or determined that the Group has a liability, the assessed range of possible future outcomes could potentially lead to a reduction in the provision of up to £6m or a further increase of up to £9m being recognised, and other possible outcomes could increase the liability further. Management will continue to assess the value of the provision recorded in arriving at its best estimate of any potential resolution at each subsequent reporting date.

Provisions in relation to certain contracts are also subject to negotiation with the customers.

Measurement of defined benefit pension obligations

At 31 March 2025, retirement benefit assets of £16.3m (2024: £4.2m) and retirement benefit liabilities of £2.4m (2024: £5.0m) were recognised. The measurement of defined benefit obligations requires judgement. It is dependent on material key assumptions, including discount rates, inflation and life expectancy rates. See Note 31 for further details and a sensitivity analysis for the key assumptions.

2. Critical accounting judgements and sources of estimation uncertainty continued

Other sources of estimation uncertainty

Onerous contract provisions

The recognition of onerous contract provisions is an area of focus for management which, while not considered to be a significant source of estimation uncertainty as per the requirements of IAS 1 – *Presentation of Financial Statements*, is based on assumptions that are subject to longer-term uncertainties.

Onerous contract provisions totalling £10.0m have been recognised at 31 March 2025 (2024: £8.8m). These primarily arose on the acquisition of Interserve.

Onerous contract assessments are performed by the Group at an individual contract level at each reporting date. Determining the carrying value of onerous contract provisions requires assumptions and judgements to be made about the future performance of the Group's contracts. The level of uncertainty in the estimates made, either in determining whether a provision is required, or in the measurement of a provision booked, is linked to the complexity of the underlying contracts.

The sources of judgement when measuring the level of provision to book are:

- The level of accuracy in forecasting future variable revenue and costs to complete the contract
- The ability of the Group to maintain or improve operational performance to ensure cost assumptions are in line with expected levels, including contract-specific key performance indicators (KPIs)
- Identifying cost-saving initiatives that are considered to be probable in terms of timing and scale
- Expectations around the resolution of contract-specific disputes and the likelihood of incurring future costs associated with remediation or reactive work

Management regularly compares actual contract performance against previous forecasts used to measure the onerous contract provisions and considers if revised judgements are required.

3. 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 (CODM) in deciding how to allocate resources and in assessing performance. The Group has determined the CODM to be its Board of Directors.

The Group manages its business on a service division basis. During the period, the Group re-organised its Central Government and Defence (CG&D) division, where the Central Government business was moved into the Business Services division, and the Defence business was moved into the Technical Services division. As a result of the re-organisation, CG&D is not considered to be an operating segment for the 12 months ended 31 March 2025, and the Group has three reportable segments (2024: four segments). Furthermore, the Police Services business has been re-organised from the Communities division to the Business Services division. The change in operating segments reflects how the CODM evaluates the divisions and their performance and decides on resource allocation.

The comparatives for the year ended 31 March 2024 have been restated for the change in the composition of reportable segments.

Revenue including share of joint ventures and associates, 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 year ended 31 March 2025 or in the comparative year. The UK Government is not considered to be a single customer.

Consolidated income statement information

	2025			2024 (restated)[1]		
	Revenue[2] £m	Operating profit/(loss) before Other items[3] £m	Operating margin before Other items[3] %	Revenue[2] £m	Operating profit/(loss) before Other items[3] £m	Operating margin before Other items[3] %
Business Services	**2,244.0**	**163.0**	**7.3**	1,977.2	149.8	7.6
Technical Services	**1,977.4**	**79.0**	**4.0**	1,816.9	74.9	4.1
Communities	**869.8**	**47.5**	**5.5**	716.6	36.1	5.0
Corporate Centre	**–**	**(55.4)**	**–**	–	(50.6)	–
Total Group	**5,091.2**	**234.1**	**4.6**	4,510.7	210.2	4.7

Notes:
1. The comparatives for the year ended 31 March 2024 have been restated for the change in the composition of reportable segments.
2. Revenue includes share of associates of £8.6m (2024: £10.0m) within Communities. For Technical Services, revenue for the year ended 31 March 2024 includes the share of revenue from the Landmarc joint venture of £55.5m. From 16 November 2023, Landmarc has been consolidated as a subsidiary of the Group.
3. Other items are as described in Note 4.

3. Business segment information continued

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

	2025 £m	2024 £m
Operating profit before Other items	234.1	210.2
Other items[1]	(72.5)	(44.5)
Net finance costs	(16.2)	(9.4)
Profit before tax	**145.4**	156.3

Note:
1. Other items are as described in Note 4.

Geographical segments

Revenue, operating profit and operating margin from external customers by geographical segment are shown below:

	2025			2024		
	Revenue[1] £m	Operating profit before Other items[2] £m	Operating margin before Other items[2] %	Revenue[1] £m	Operating profit before Other items[2] £m	Operating margin before Other items[2] %
United Kingdom	4,860.7	221.1	4.5	4,336.9	200.1	4.6
Other countries	230.5	13.0	5.6	173.8	10.1	5.8
Total	**5,091.2**	**234.1**	**4.6**	4,510.7	210.2	4.7

Notes:
1. Revenue includes share of associates of £8.6m (2024: £10.0m) within Communities. For Technical Services, revenue for the year ended 31 March 2024 includes the share of revenue from the Landmarc joint venture of £55.5m. From 16 November 2023, Landmarc has been consolidated as a subsidiary of the Group.
2. Other items are as described in Note 4.

The carrying amount of non-current assets, excluding financial instruments, retirement benefits, interest in associates and deferred tax assets, by geographical segment is shown below:

	2025 £m	2024[1] £m
United Kingdom	879.0	825.3
Other countries	34.3	25.0
Total	**913.3**	850.3

Note:
1. The comparatives for the year ended 31 March 2024 have been restated to exclude £21.0m of non-current financial instruments.

Supplementary information

	2025			2024 (restated)[1]		
	Depreciation of property, plant and equipment £m	Amortisation of other intangible assets £m	Amortisation of contract assets £m	Depreciation of property, plant and equipment £m	Amortisation of other intangible assets £m	Amortisation of contract assets £m
Business Services	7.3	0.1	0.3	4.9	0.1	0.2
Technical Services	3.1	0.3	–	2.3	0.2	0.4
Communities	1.0	–	0.1	1.2	–	0.8
Corporate Centre	56.5	37.7	–	39.8	32.7	–
Total	**67.9**	**38.1**	**0.4**	48.2	33.0	1.4

Note:
1. The comparatives for the year ended 31 March 2024 have been restated for the change in the composition of reportable segments.

3. Business segment information continued

Disaggregated revenue

The Group disaggregates revenue from contracts with customers by sector (government and non-government). Management believes that 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.

	2025			2024 (restated)[1]		
	Sector[2]			Sector[2]		
	Government £m	Non-government £m	Total £m	Government £m	Non-government £m	Total £m
Business Services	**935.5**	**1,308.5**	**2,244.0**	905.6	1,071.6	1,977.2
Technical Services	**846.2**	**1,131.2**	**1,977.4**	765.1	1,051.8	1,816.9
Communities	**867.9**	**1.9**	**869.8**	714.7	1.9	716.6
Total Group including joint ventures and associates	**2,649.6**	**2,441.6**	**5,091.2**	2,385.4	2,125.3	4,510.7
Less: Joint ventures and associates[3]	**(8.6)**	**–**	**(8.6)**	(65.5)	–	(65.5)
Total Group excluding joint ventures and associates	**2,641.0**	**2,441.6**	**5,082.6**	2,319.9	2,125.3	4,445.2

Notes:
1. The comparatives for the year ended 31 March 2024 have been restated for the change in the 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. Revenue for the year ended 31 March 2025 includes share of associates of £8.6m (2024: £10.0m). For the year ended 31 March 2024 revenue includes the share of revenue from the Landmarc joint venture of £55.5m. From 16 November 2023, Landmarc has been consolidated as a subsidiary of the Group.

Transaction price allocation to the remaining performance obligations

The table below shows the secured forward order book for each segment at the reporting date with the time bands of when the Group expects to recognise secured revenue on its contracts with customers. Secured revenue corresponds to all fixed work contracted with customers and excludes the impact of anticipated variable works.

	2025			2024 (restated)[1]		
	Less than 1 year £m	More than 1 year £m	Total secured revenue £m	Less than 1 year £m	More than 1 year £m	Total secured revenue £m
Business Services	**1,003.3**	**4,233.9**	**5,237.2**	1,008.0	1,638.3	2,646.3
Technical Services[2]	**787.6**	**1,949.9**	**2,737.5**	745.4	1,889.9	2,635.3
Communities[2]	**579.8**	**3,347.2**	**3,927.0**	466.2	2,753.4	3,219.6
Total Group	**2,370.7**	**9,531.0**	**11,901.7**	2,219.6	6,281.6	8,501.2

Notes:
1. The comparatives for the year ended 31 March 2024 have been restated for the change in the composition of reportable segments.
2. Forward order book includes share of joint ventures and associates.

4. Other items

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

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

	2025			
	Restructure costs £m	Acquisition- and disposal-related costs £m	Other exceptional items £m	Total £m
Other items before tax	**(16.6)**	**(43.1)**	**(12.8)**	**(72.5)**
Tax	**4.1**	**7.6**	**2.9**	**14.6**
Other items after tax	**(12.5)**	**(35.5)**	**(9.9)**	**(57.9)**

	2024				
	Fair value gain on acquisition of Landmarc[1] £m	Restructure costs £m	Acquisition- and disposal-related costs £m	Other exceptional items £m	Total £m
Other items before tax	17.9	(20.4)	(38.3)	(3.7)	(44.5)
Tax	–	5.1	6.5	0.9	12.5
Other items after tax	17.9	(15.3)	(31.8)	(2.8)	(32.0)

Note:
1. During the year ended 31 March 2024, the Group obtained control of Landmarc and fair valued its investment in the joint venture as at 16 November 2023. This resulted in a fair value gain of £17.9m as at the acquisition date.

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 £16.6m (2024: £20.4m) are in respect of the Target Operating Model (TOM) transformation programme, and includes the further outsourcing of back-office functions, consolidating systems and processes, and optimising the organisation structure. Since its launch in the year ended 31 March 2022, cumulative costs of £45.2m have been recognised within the consolidated income statement and classified as Other items, of which £43.0m were cash costs. The programme is expected to complete by 31 March 2026.

The costs associated with the Group transformation programme include fixed-term staff costs of £5.5m (2024: £7.1m) to manage and implement changes, redundancy costs of £4.7m (2024: £4.5m), £3.7m of external consultancy costs (2024: £5.7m), loss on disposal of software of £2.2m (2024: £nil) and dual-run licence costs in relation to decommissioned operating systems of £0.5m (2024: £2.6m). For the year ended 31 March 2024 certain property exit costs of £0.5m were also incurred. The associated tax credit for restructure costs recognised as Other items is £4.1m (2024: £5.1m).

Acquisition- and disposal-related costs

	2025 £m	2024 £m
Amortisation of acquisition-related intangible assets	**(29.6)**	(24.8)
Employment-linked earnout charges[1]	**(8.6)**	(9.5)
Transaction costs[2]	**(4.3)**	(2.9)
Other acquisition-related costs	**(0.6)**	(1.1)
Acquisition and disposal costs	**(43.1)**	(38.3)
Tax	**7.6**	6.5
Acquisition and disposal costs net of tax	**(35.5)**	(31.8)

Notes:
1. Comprises amounts payable to former owners of acquired businesses where a condition of receiving the payment is the continued employment by the Group of the individual receiving the payment. These payments are accrued over the period that the related employment services are received up until the point at which the consideration becomes payable.
2. Comprises professional fees of £3.6m (2024: £3.1m) and integration costs of £0.7m (2024: £0.4m). In the year ended 31 March 2024, this was offset by professional fee accrual releases of £0.6m for completed acquisitions where no further costs were expected.

4. Other items continued

Other exceptional items

	2025 £m	2024 £m
Digital supplier platform[1]	(3.4)	(3.7)
Pension-related costs[2]	(9.4)	–
Other exceptional items	(12.8)	(3.7)
Tax	2.9	0.9
Other exceptional items net of tax	(9.9)	(2.8)

Notes:

1. 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 £2.3m (2024: £2.8m) and third-party implementation costs of £1.1m (2024: £0.9m). This implementation, which is transformational in nature, is expected to be completed during the year ending 31 March 2026. Cumulative cash costs of £14.9m have been recognised within the consolidated income statement and classified as Other items since its launch in 2022.
2. Includes a £2.8m charge where the Group entered into a settlement agreement with the trustees of the Plumbing Scheme with respect to its Section 75 debt in relation to the previously disposed Social Housing business. In addition, a £5.3m contract settlement charge has been recognised to reverse the gross surplus on certain Local Government Pension Schemes (LGPS), however an asset ceiling had been applied and therefore no net surplus was recognised on the consolidated statement of financial position. The reversal of the asset ceiling has been credited to other comprehensive income. There is also a £1.1m past service cost charge and a related £0.2m of administrative expense arising on changes to the Landmarc pension scheme rules that increase member benefits for pre-acquisition services. See Note 31.

5. Operating profit

Operating profit includes the following expenses:

Total Group	2025 £m	2024 £m
Depreciation of property, plant and equipment (Notes 13 and 25)	67.9	48.2
Amortisation of other intangible assets (Note 12)	38.1	33.0
Amortisation of contract assets (Note 16)	0.4	1.4
Impairment of intangible assets (Note 12)	–	0.1
Loss on disposal of property, plant and equipment	0.3	–
Loss on disposal of intangible assets	2.4	0.1
Impairment loss recognised on trade and other receivables (Note 24)	1.0	2.6

A detailed analysis of auditor's remuneration is provided below:

	2025 £'000	2024 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	336	323
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation – current year	4,113	4,041
Total audit fees – current year	4,449	4,364
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation – prior year	453	–
Total audit fees	4,902	4,364
Audit-related assurance services to the Group (interim review)	241	230
Total non-audit fees	241	230
Total	5,143	4,594

6. Employees

The average number of people employed during the financial year was:

Number of people	2025	2024 (restated)[1]
Business Services	46,814	42,159
Technical Services	13,510	12,062
Communities	12,487	10,601
Corporate Centre	171	158
Total Group	72,982	64,980

Note:
1. The comparatives for the year ended 31 March 2024 have been restated for the change in the composition of reportable segments.

The total employment costs, including Directors, were:

	2025 £m	2024 £m
Wages and salaries	2,225.6	1,926.9
Social security costs	225.3	177.5
Other pension costs[1]	55.9	43.2
Share-based payments[2] (Note 30)	16.1	20.3
Total	2,522.9	2,167.9

Notes:
1. Other pension costs for the year ended 31 March 2025 excludes £9.4m (2024: £nil) of pension-related costs charged to Other items (see Note 4). Including these expenses, other pension costs total £65.3m (2024: £43.2m).
2. The £16.1m share-based payments expense for the year ended 31 March 2025 includes £0.6m (2024: £nil) with respect to cash-settled schemes.

Executive and Non-Executive Directors' aggregate emoluments are shown below:

	2025 £m	2024 £m
Short-term employment benefits	4.0	3.6
Post-employment benefits	0.1	0.1
Share-based payments	4.7	5.5
Total	8.8	9.2

7. Finance costs and income

Finance costs	2025 £m	2024 £m
Interest on bank loans	3.5	1.8
Interest on private placement loan notes	5.3	4.8
Bank fees	1.2	1.4
Interest on lease liabilities (Note 25)	8.7	5.6
Other interest	0.8	–
Total	19.5	13.6

Finance income	2025 £m	2024 £m
Bank interest	3.0	3.7
Net interest on defined benefit pension scheme assets and liabilities (Note 31)	0.3	0.5
Total	3.3	4.2

8. Tax

Total Group	2025 £m	2024 £m
Current tax	20.4	22.1
Deferred tax (Note 21)	16.6	3.3
Tax charge for the year	37.0	25.4

Corporation tax is calculated at 25% (2024: 25%) of the estimated taxable profit for the year. A reconciliation of the tax charge to the elements of profit before tax per the consolidated income statement is as follows:

	2025			2024		
Total Group	Before Other items £m	Other items[1] £m	Total £m	Before Other items £m	Other items[1] £m	Total £m
Profit/(loss) before tax	217.9	(72.5)	145.4	200.8	(44.5)	156.3
Tax at UK rate of 25% (2024: 25%)	54.5	(18.1)	36.4	50.2	(11.1)	39.1
Reconciling tax charges for:						
Non-deductible/(taxable) items	0.5	3.5	4.0	(1.0)	(1.1)	(2.1)
Impact of equity accounted investments	–	–	–	(1.6)	–	(1.6)
Credit for losses not previously recognised	–	–	–	(8.8)	–	(8.8)
Overseas tax rates	(1.0)	–	(1.0)	(1.3)	–	(1.3)
Adjustments in respect of prior years	(2.4)	–	(2.4)	0.4	(0.3)	0.1
Tax charge/(credit) for the year	51.6	(14.6)	37.0	37.9	(12.5)	25.4
Effective tax rate for the year	23.7%	20.1%	25.4%	18.9%	28.1%	16.3%

Note:
1. Other items are as described in Note 4.

The tax charge during the year ended 31 March 2025, consists of charges with respect to current tax and deferred tax of £20.4m and £16.6m respectively. The current tax element of the Group's total tax charge of 14.0% is lower than the UK headline rate of 25% primarily due to the utilisation of brought forward tax losses against current year profits. The utilisation of tax losses generates a deferred tax rather than a current tax charge.

Certain expenditure is not deductible for tax purposes as set out in tax legislation. The main categories of non-deductible expenditure are certain acquisition-related costs, such as employment-linked earnout charges and professional fees that are classified as capital in nature for tax purposes.

Profits from joint ventures and associates are included in the consolidated financial statements on an after-tax basis.

Deferred tax is provided on items where the timing of tax relief differs from when the amounts are included in the financial statements such as tax depreciation, retirement benefit assets/liabilities, share options and short-term timing differences.

The Group does not have any material uncertain tax positions.

In addition to the amounts charged to the consolidated income statement: (i) a £1.2m charge for current tax (2024: £3.6m credit) and a £3.4m charge for deferred tax (2024: £nil) relating to remeasurements of retirement benefit assets/liabilities has been recognised within the consolidated statement of comprehensive income; (ii) no deferred tax relating to hedged items has been recognised within the consolidated statement of comprehensive income (2024: £0.1m); and (iii) a £4.7m credit for current tax (2024: £7.3m) and a £2.1m charge for deferred tax (2024: £3.4m credit) relating to share options have been recognised directly within equity.

Impact of Pillar Two legislation

Pillar Two legislation has been enacted or substantively enacted in jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning 1 April 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is close to 15%. A charge of £0.2m (2024: not applicable) as a result of the Pillar Two income taxes has been included in the overall tax charge for the year.

Tax strategy

The Group's tax strategy is published on its website and has been adhered to during the year (www.mitie.com).

9. Dividends

	2025 Pence per share	2025 £m	2024 Pence per share	2024 £m
Amounts recognised as distributions in the year:				
Final dividend for the prior year	3.0	38.5	2.2	28.6
Interim dividend for the current year	1.3	16.0	1.0	12.9
	4.3	54.5	3.2	41.5
Proposed final dividend for the year ended 31 March	3.0	36.7	3.0	38.6

Dividends are recognised as distributions in the year in which they are paid. Subject to approval at the Annual General Meeting on 22 July 2025, the final dividend for the year ended 31 March 2025 will be paid on 4 August 2025 to holders on the register on 20 June 2025. The ordinary shares will be quoted ex-dividend on 19 June 2025.

10. Earnings per share

The calculation of the basic and diluted earnings per share (EPS) is based on the following data:

	2025 £m	2024 £m
Net profit before Other items attributable to owners of the parent	157.6	157.8
Other items net of tax attributable to owners of the parent[1]	(56.2)	(31.5)
Net profit attributable to owners of the parent	101.4	126.3

Note:
1. Other items are as described in Note 4.

Number of shares	2025 million	2024 million
Weighted average number of ordinary shares for the purpose of basic EPS[1]	1,237.7	1,282.9
Effect of dilutive potential ordinary shares[2]	101.5	108.9
Weighted average number of ordinary shares for the purpose of diluted EPS[1,2]	1,339.2	1,391.8

Notes:
1. The weighted average number of ordinary shares in issue during the year excludes those accounted for in the Own shares reserve.
2. The dilutive potential ordinary shares relate to instruments that could potentially dilute basic earnings per share in the future, such as share-based payments. The diluted earnings per share uses the weighted average number of shares adjusted for potentially dilutive ordinary shares, unless it has the effect of increasing the earnings per share.

	2025 Pence per share	2024 Pence per share
Basic earnings before Other items[1]	12.7	12.3
Basic earnings	8.2	9.8
Diluted earnings before Other items[1]	11.8	11.3
Diluted earnings	7.6	9.1

Note:
1. Other items are as described in Note 4.

11. Goodwill

	£m
Cost	
At 1 April 2023	344.8
Arising on business combinations	49.4
At 31 March 2024	394.2
Arising on business combinations[1]	36.1
At 31 March 2025	**430.3**
Accumulated impairment losses	
At 1 April 2023, 31 March 2024 and 31 March 2025	**32.5**
Net book value	
At 31 March 2025	**397.8**
At 31 March 2024	361.7

Note:
1. See Note 29 for details of the current year acquisitions.

Goodwill impairment testing

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. The Group tests goodwill at least annually for impairment or more frequently if there are indicators that goodwill may be impaired.

The Group has reorganised its business in the year ended 31 March 2025, and the determination of CGUs has been updated accordingly to meet the criteria included in IAS 36 – *Impairment of Assets*. Business Services, Technical Services, Communities and Spain have been determined to be the relevant CGUs for the year ended 31 March 2025. The information presented for the year ended 31 March 2024 has been re-presented to reflect these changes, and, as a result, the £7.4m of goodwill previously allocated to the Central Government & Defence CGU has been reallocated on a relative value approach.

A summary of the goodwill balances and the discount rates used to assess the forecast cash flows from each CGU are as follows:

	2025		2024
	Pre-tax discount rate %	**Goodwill £m**	Goodwill (restated)[1] £m
Business Services	**9.5**	**167.5**	139.1
Technical Services	**9.5**	**144.1**	139.4
Communities	**9.5**	**81.0**	81.0
Spain	**10.2**	**5.2**	2.2
Total		**397.8**	361.7

Note:
1. The 2024 goodwill allocation by CGU has been restated to reflect the changes in the year to the way in which the Group monitors CGUs for goodwill impairment purposes.

At 31 March 2024 and under the previous organisational structure, the goodwill was allocated as follows:

	2024	
	Pre-tax discount rate %	Goodwill (as presented) £m
Business Services	10.6	138.1
Technical Services	10.6	133.0
Communities	10.7	81.0
Central Government & Defence	10.7	7.4
Spain	11.0	2.2
Total		361.7

Key assumptions

The recoverable amounts for each CGU are based on value-in-use, which is derived from discounted cash flow calculations. The key assumptions applied in value-in-use calculations are those regarding forecast operating profits, growth rates and discount rates.

11. Goodwill continued

Forecast operating profits

For all CGUs, the Group prepared cash flow projections derived from the most recent forecasts for the year ending 31 March 2026 and the Group's strategic plan to 31 March 2030. Forecast revenue and direct costs are based on past performance and expectations of future changes in the market, operating model and cost base including the impact of inflation.

Growth rates and terminal values

Medium-term revenue growth rates applied to the value-in-use calculations of each CGU reflect management's strategy for a period of five years. Terminal values were determined using a long-term growth assumption of 2.0% (2024: 2.0%).

Discount rates

The pre-tax discount rates used to assess the forecast cash flows from CGUs are derived from the Group's post-tax weighted average cost of capital, which was 7.1% as at the time of the Group's annual impairment review (2024: 7.9%). These rates are reviewed annually by external advisors and adjusted for the risks specific to the business being assessed and the market in which the CGU operates. All CGUs have the same access to the Group's treasury functions and borrowing lines to fund their operations.

Sensitivity analysis

A sensitivity analysis has been performed and management has concluded that no reasonably foreseeable change in the key assumptions would result in an impairment of the goodwill of any of the Group's CGUs.

12. Other intangible assets

	Acquisition-related				
	Customer contracts and relationships £m	Other £m	**Total acquisition-related £m**	Software and development expenditure £m	**Total £m**
Cost or valuation					
At 1 April 2023	338.2	10.9	**349.1**	90.8	**439.9**
Additions	–	–	**–**	8.4	**8.4**
Arising on business combinations	53.7	1.2	**54.9**	0.6	**55.5**
Disposals	(82.9)	(9.8)	**(92.7)**	(0.1)	**(92.8)**
At 31 March 2024	309.0	2.3	**311.3**	99.7	**411.0**
Additions[1]	–	–	**–**	8.9	**8.9**
Arising on business combinations	14.7	0.2	**14.9**	–	**14.9**
Disposals	–	(1.2)	**(1.2)**	(30.7)	**(31.9)**
At 31 March 2025	323.7	1.3	**325.0**	77.9	**402.9**
Amortisation and impairment					
At 1 April 2023	135.2	10.8	**146.0**	41.3	**187.3**
Charge for the year	24.6	0.2	**24.8**	8.2	**33.0**
Disposals	(82.9)	(9.8)	**(92.7)**	(0.1)	**(92.8)**
Impairments	–	–	**–**	0.1	**0.1**
At 31 March 2024	76.9	1.2	**78.1**	49.5	**127.6**
Charge for the year	29.2	0.4	**29.6**	8.5	**38.1**
Disposals	–	(1.0)	**(1.0)**	(28.5)	**(29.5)**
At 31 March 2025	106.1	0.6	**106.7**	29.5	**136.2**
Net book value					
At 31 March 2025	217.6	0.7	**218.3**	48.4	**266.7**
At 31 March 2024	232.1	1.1	**233.2**	50.2	**283.4**

Note:
1. Additions includes cash payments of £7.6m (2024: £8.4m) and related accruals of £1.3m (2024: £nil).

Customer contracts and relationships are amortised over their useful lives based on the period of time over which they are anticipated to generate benefits, with an average remaining useful life of eight years (2024: eight years). Other acquisition-related intangibles include brands and acquired software and technology which are amortised over their useful lives, with an average remaining useful life of three years.

Following a review of the carrying amount of intangible assets, no impairments have been recorded in the year ended 31 March 2025 (2024: £0.1m).

13. Property, plant and equipment

Property, plant and equipment comprise owned and leased assets.

	2025 £m	2024 £m
Owned property, plant and equipment	**54.5**	39.2
Right-of-use assets (Note 25)	**192.4**	165.5
Total	**246.9**	204.7

The table below relates to owned property, plant and equipment.

	Buildings £m	Plant and vehicles £m	Total £m
Cost or valuation			
At 1 April 2023	8.6	66.8	**75.4**
Additions	0.7	10.8	**11.5**
Disposals	–	(8.0)	**(8.0)**
Arising on business combinations	0.7	5.0	**5.7**
Effect of movements in exchange rates	–	(0.4)	**(0.4)**
At 31 March 2024	10.0	74.2	**84.2**
Additions[1]	0.8	26.5	**27.3**
Disposals	(0.3)	(14.3)	**(14.6)**
Arising on business combinations	0.4	1.2	**1.6**
Effect of movements in exchange rates	–	(0.5)	**(0.5)**
At 31 March 2025	10.9	87.1	**98.0**
Accumulated depreciation and impairment			
At 1 April 2023	6.5	35.8	**42.3**
Charge for the year	0.7	9.8	**10.5**
Disposals	–	(7.7)	**(7.7)**
Effect of movements in exchange rates	–	(0.1)	**(0.1)**
At 31 March 2024	7.2	37.8	**45.0**
Charge for the year	0.7	11.8	**12.5**
Disposals	(0.2)	(13.5)	**(13.7)**
Effect of movements in exchange rates	–	(0.3)	**(0.3)**
At 31 March 2025	7.7	35.8	**43.5**
Net book value			
At 31 March 2025	3.2	51.3	**54.5**
At 31 March 2024	2.8	36.4	**39.2**

Note:
1. Additions includes cash payments of £24.0m (2024: £11.5m) and related accruals of £3.3m (2024: £nil).

No impairment of property, plant and equipment has been recorded in the year ended 31 March 2025 (2024: £nil).

14. Interests in joint ventures and associates

At 31 March 2025, the Group has interests in associates, which are equity accounted, as detailed in Note 35.

Landmarc was accounted for as a joint venture until 16 November 2023, at which time the Group obtained control of Landmarc. Since 16 November 2023, Landmarc's financial results have been consolidated as a subsidiary of the Group.

In December 2024, the Group invested £0.8m in Chaperhome Ltd (Chaperhome). Chaperhome is the creator of WalkSafe, which is a personal safety application which combines journey-sharing features and a national Safe Space map.

The Sussex associate represents the Group's investment in Sussex Estates and Facilities LLP that provide FM services.

Equity accounted entities that were significant to the Group have been detailed below.

Interests in associates

	Ownership %	Nature of relationship	**2025 £m**	2024 £m
Sussex	35	Associate	**0.9**	0.9
Chaperhome	30.79	Associate	**0.7**	–
At 31 March			**1.6**	0.9

	Sussex[1] £m	**Chaperhome[1] £m**	**Group share of associates 2025 £m**	Group share of joint ventures and associates 2024 £m
At 1 April	**0.9**	**–**	**0.9**	8.8
Additions in period	**–**	**0.8**	**0.8**	–
Share of (loss)/profit before Other items	**–**	**(0.1)**	**(0.1)**	6.4
Share of other comprehensive expense	**–**	**–**	**–**	(0.1)
Dividends	**–**	**–**	**–**	(8.4)
De-recognised on obtaining control[2]	**–**	**–**	**–**	(5.8)
At 31 March	**0.9**	**0.7**	**1.6**	0.9

Notes:
1. Net assets/results of the entity multiplied by the respective proportion of the Group's ownership.
2. The Group's investment in the Landmarc joint venture was de-recognised on 16 November 2023.

Summarised statement of total comprehensive income (100%)

	2025			2024		
	Sussex £m	**Chaperhome £m**	**Total £m**	Sussex £m	Landmarc[1] £m	Total £m
Revenue (100%)	**24.5**	**–**	**24.5**	28.6	108.8	137.4
Group's share of revenue of joint ventures and associates	**8.6**	**–**	**8.6**	10.0	55.5	65.5
Depreciation and amortisation	**–**	**–**	**–**	–	(0.7)	(0.7)
Operating (loss)/profit	**(0.1)**	**(0.2)**	**(0.3)**	4.5	10.9	15.4
Finance income	**–**	**–**	**–**	–	0.2	0.2
Tax	**–**	**–**	**–**	0.5	(2.1)	(1.6)
(Loss)/profit for the year	**(0.1)**	**(0.2)**	**(0.3)**	5.0	9.0	14.0
Other comprehensive expense	**–**	**–**	**–**	–	(0.2)	(0.2)
Total comprehensive (expense)/income (100%)	**(0.1)**	**(0.2)**	**(0.3)**	5.0	8.8	13.8

Note:
1. Reflects the financial performance of Landmarc as a joint venture until 16 November 2023, from which point the Group consolidated the results of Landmarc.

14. Interests in joint ventures and associates continued

Summarised statement of financial position (100%)

	2025				2024		
	Sussex £m	Chaperhome £m	Other £m	Total £m	Sussex £m	Other £m	Total £m
Current assets	**6.5**	**0.7**	**0.8**	**8.0**	7.9	0.8	8.7
Current liabilities	**(3.9)**	**(0.1)**	**(0.8)**	**(4.8)**	(5.4)	(0.8)	(6.2)
Net assets (100%)	**2.6**	**0.6**	**–**	**3.2**	2.5	–	2.5
Group's share of net assets	**0.9**	**0.2**	**–**	**1.1**	0.9	–	0.9
The above includes the following:							
Cash and cash equivalents (100%)	**1.8**	**0.6**	**0.8**	**3.2**	0.5	0.8	1.3

The Group is not aware of any material commitments in respect of its interests in associates. There are no significant restrictions on the ability to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

15. Trade and other receivables

	2025 £m	2024 £m
Trade receivables	**538.3**	411.5
Accrued income	**339.3**	302.7
Prepayments	**59.5**	50.5
Other receivables	**51.3**	31.4
Total	**988.4**	796.1
Included in current assets	**967.9**	775.1
Included in non-current assets	**20.5**	21.0
Total	**988.4**	796.1

Trade receivables at 31 March 2025 represent 30 days credit on sales (2024: 25 days).

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

Information about the Group's exposure to credit risk and its loss allowance against the balance of trade receivables, accrued income and other receivables is provided in Note 24.

16. Contract assets

	Pre-contract costs £m	Contract fulfilment costs £m	Total £m
At 1 April 2023	0.6	1.3	**1.9**
Additions	–	1.0	**1.0**
Amortisation	(0.4)	(1.0)	**(1.4)**
At 31 March 2024	0.2	1.3	**1.5**
Additions	0.5	1.0	**1.5**
Amortisation	(0.1)	(0.3)	**(0.4)**
At 31 March 2025	0.6	2.0	**2.6**
Included in current assets	0.2	0.5	**0.7**
Included in non-current assets	0.4	1.5	**1.9**
Total	0.6	2.0	**2.6**

Pre-contract costs and contract fulfilment costs are amortised on a straight-line basis over the contract life, which is consistent with the transfer of services to the customer to which the asset relates.

Management has determined that no impairment of contract assets is required as at 31 March 2025 (2024: £nil).

17. Inventories

	2025 £m	2024 £m
Materials and total	**14.9**	14.7

18. Trade and other payables

	2025 £m	2024 £m
Trade payables	**205.0**	171.6
Other taxes and social security	**202.1**	156.1
Other payables	**70.5**	42.9
Accruals	**557.2**	534.5
Total	**1,034.8**	905.1
Included in current liabilities	**1,012.6**	892.4
Included in non-current liabilities	**22.2**	12.7
Total	**1,034.8**	905.1

Trade payables at 31 March 2025 represent 25 days credit on trade purchases (2024: 22 days).

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

19. Deferred income

The significant changes in deferred income are as follows:

	2025 £m	2024 £m
At 1 April	**107.3**	103.1
Revenue recognised that was included in the deferred income balance at the beginning of the year	**(90.6)**	(65.4)
Increase due to cash received, excluding amounts recognised as revenue during the year	**152.5**	65.4
Arising on business combinations	**4.8**	4.2
At 31 March	**174.0**	107.3
Included within current liabilities	**140.9**	91.8
Included within non-current liabilities	**33.1**	15.5
Total	**174.0**	107.3

20. Provisions

	Contract-specific costs £m	Insurance reserve £m	Pension £m	Dilapidations £m	Restructuring £m	Other £m	**Total £m**
At 1 April 2024	49.2	27.2	21.7	8.2	2.4	4.5	**113.2**
Additional provisions	11.6	11.3	–	3.2	0.5	0.6	**27.2**
Released to the consolidated income statement	(6.7)	(0.8)	–	(1.2)	–	(0.4)	**(9.1)**
Arising on business combinations	0.1	1.3	–	0.4	–	–	**1.8**
Transferred to other payables	–	–	(21.7)	–	–	–	**(21.7)**
Utilised	(11.2)	(11.7)	–	(0.2)	(2.6)	(1.6)	**(27.3)**
At 31 March 2025	43.0	27.3	–	10.4	0.3	3.1	**84.1**
Included in current liabilities	23.3	9.7	–	1.3	0.3	2.8	**37.4**
Included in non-current liabilities	19.7	17.6	–	9.1	–	0.3	**46.7**
Total	43.0	27.3	–	10.4	0.3	3.1	**84.1**

20. Provisions continued

Contract-specific costs

Contract-specific costs provisions of £43.0m (2024: £49.2m) comprise onerous contract provisions of £10.0m (2024: £8.8m) and other contract-specific provisions of £33.0m (2024: £40.4m).

Onerous contracts are mainly in respect of certain long-term Private Finance Initiative contracts. Due to the long-term nature of these contracts, it is expected that these provisions will be utilised over a weighted average period of 11 years. The Group recognised additional provisions of £4.7m (of which £0.1m arose on business combinations), released £0.7m and utilised £2.8m in the year with respect to onerous contract provisions.

Contract-specific provisions have been recognised primarily to cover remedial and rectification costs required to meet clients' contract terms, and include a £10.8m (2024: £10.9m) provision relating to a liability risk on a certain contract which is subject to dispute (see Note 2), £5.3m (2024: £6.3m) for rectification works on a certain contract and a £4.7m (2024: £3.8m) provision relating to a commercial settlement dispute for 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 eight years. The remaining provisions relate to other potential commercial claims and rectification work for other contracts. The Group recognised additional provisions of £7.0m, released £6.0m and utilised £8.4m in the year with respect to other contract-specific costs provisions.

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 consolidated statement of financial position date using advice from third-party actuarial experts. The provision is expected to be utilised over five years.

The insurance reserve of £27.3m is presented gross of an insurer reimbursement asset of £4.2m (2024: £4.9m), which represents the amount the Group is virtually certain to recover for claims under its insurance policies. Of this other receivable, £2.7m (2024: £3.2m) is presented as non-current.

Pension

The pension provision balance at 31 March 2024 comprised £21.7m for Section 75 employer debt liabilities of Robert Prettie & Co Limited and Mitie FM Limited as a result of their participation in the Plumbing & Mechanical Services (UK) Industry Pension Scheme (the Plumbing Scheme), a funded multi-employer defined benefit scheme. During the period, a settlement agreement was reached with the trustees of the Plumbing Scheme. As a result of this, the amount of £21.7m has been transferred from provisions to other payables, and a further charge of £2.8m has been recognised as Other items in respect of Mitie Property Services (UK) Limited's participation in the Plumbing Scheme. These amounts are expected to be paid over a period of three years.

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 in the next 10 years.

Restructuring

The restructuring provision as at 31 March 2025 is related to redundancies as part of the Group's Target Operating Model programme. The amount is expected to be utilised within the next year.

21. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon:

Assets/(liabilities)	Losses £m	Accelerated capital allowances £m	Retirement benefit liabilities £m	Intangible assets acquired £m	Share options £m	Short-term timing differences £m	**Total[1] £m**
At 1 April 2023	39.6	9.6	0.5	(50.7)	12.0	9.4	**20.4**
Arising on business combinations	1.1	–	–	(13.7)	–	–	**(12.6)**
(Charge)/credit to consolidated income statement	(9.9)	(2.0)	0.7	6.2	1.2	0.5	**(3.3)**
Credit to equity and other comprehensive income	–	–	–	–	3.4	–	**3.4**
At 31 March 2024	30.8	7.6	1.2	(58.2)	16.6	9.9	**7.9**
Arising on business combinations	0.1	(0.1)	–	(3.7)	–	–	**(3.7)**
(Charge)/credit to consolidated income statement	(16.8)	(4.6)	(1.3)	7.3	(0.4)	(0.8)	**(16.6)**
Charge to equity and other comprehensive income	–	–	(3.4)	–	(2.1)	–	**(5.5)**
At 31 March 2025	14.1	2.9	(3.5)	(54.6)	14.1	9.1	**(17.9)**

Note:
1. Deferred tax liabilities of £58.1m are offset against deferred tax assets of £40.2m (2024: Deferred tax assets of £66.1m were offset against deferred tax liabilities of £58.2m) as they relate to income taxes levied by the same tax authority, and the Group has the right to and intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets have been recognised in respect of all temporary differences where it is probable that these assets will be recovered.

The majority of the Group's deferred tax assets and liabilities are expected to be recovered over more than one year.

The Group has unutilised income tax losses of £88.7m (2024: £151.4m) that are available for offset against future profits. A deferred tax asset has been recognised in respect of £56.5m (2024: £123.2m) 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. See Note 1 for more information on these forecasts and the methodology applied.

No deferred tax asset has been recognised in respect of losses of £17.0m (2024: £13.0m), and disallowed interest under UK corporate interest restriction rules of £15.2m (2024: £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 consolidated statement of financial position date.

22. Cash and cash equivalents

	2025 £m	2024 £m
Cash and cash equivalents	**180.4**	244.9

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.

As at 31 March 2025, included within cash and cash equivalents is £4.3m (2024: £4.2m) which is subject to constraints on the Group's ability to utilise these balances. These constraints relate to cash held through a joint operation, where cash is not available for use by the Group.

23. Financing liabilities

	2025 £m	2024 £m
Private placement notes	**180.0**	150.0
Lease liabilities (Note 25)	**197.5**	174.0
Loan arrangement fees	**(2.4)**	(2.5)
Total	**375.1**	321.5
Included in current liabilities	**52.2**	73.8
Included in non-current liabilities	**322.9**	247.7
Total	**375.1**	321.5

In September 2023, the Group increased its revolving credit facility (RCF) from £150m to £250m, and the maturity date was extended by one year from October 2026 to October 2027, with an option to extend for a further one-year period. This extension was exercised in October 2024 such that the facility now matures in October 2028. All other terms remain unchanged and the facility was undrawn at the time of the modification. During the year ended 31 March 2025, the RCF was utilised for short-term borrowings, with the average borrowing amounting to £22.6m over an average period of 10 days. Amounts drawn down during the year accumulated to £812m (2024: £8m) with equal amounts repaid (2024: £8m). There were no amounts outstanding at 31 March 2025 (2024: £nil).

In December 2022, the Group issued £120.0m of new US private placement (USPP) notes, under a delayed funding agreement to avoid any overlap with the £121.6m (being the repayment amount after taking account of the cross-currency interest rate swaps) of notes that matured in the same month. These notes 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.£270m at 31 March 2025. In December 2024, the Group issued £60m of new USPP 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%.

The RCF and USPP 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 31 March 2025, with leverage of 0.04x (2024: <0x) and interest cover of 38.7x (2024: 72.6x) (as set out in the Finance review on page 45) 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.

At 31 March 2025, the Group had £250.0m (2024: £250.0m) of undrawn committed borrowing facilities available, in respect of which all conditions precedent had been met.

The weighted average interest rates paid during the year were as follows:

	2025 %	2024 %
Bank loans	**6.7**	4.9
Private placement notes	**3.4**	3.2

Private placement notes

The USPP notes issued by the Group are unsecured and rank pari passu with other senior unsecured indebtedness of the Group. The amount, maturity and interest terms of these USPP notes as at 31 March 2025 are shown below.

Tranche	Maturity date	Amount	Interest terms
8 year	16 December 2030	£40.0m	£ fixed at 2.84%
7 year	22 December 2031	£60.0m	£ fixed at 5.71%
10 year	16 December 2032	£40.0m	£ fixed at 2.97%
12 year	16 December 2034	£40.0m	£ fixed at 3.00%

24. Financial instruments

Classification

The Group's principal financial assets are cash and cash equivalents, trade receivables, accrued income and other receivables. The Group's principal financial liabilities are financing liabilities, trade payables, accruals and other payables.

Details of the material accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expense) for each class of financial asset and financial liability are disclosed in Note 1.

The vast majority of financial instruments are held at amortised cost. The classification of the fair value measurement falls into three levels, based on the degree to which the fair value is observable. The levels are as follows:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from other observable inputs for the asset or liability
- Level 3 fair value measurements are those derived from valuation techniques using inputs that are not based on observable market data

There have been no transfers between levels in the year.

The Group held the following financial instruments at 31 March:

	2025 £m	2024 £m
Held at amortised cost		
Cash and cash equivalents (Note 22)	180.4	244.9
Trade receivables (Note 15)	538.3	411.5
Accrued income (Note 15)	339.3	302.7
Other receivables (Note 15)	50.4	30.5
Financing liabilities (Note 23)	(377.5)	(321.5)
Trade payables (Note 18)	(205.0)	(171.6)
Other payables (Note 18)	(69.7)	(42.7)
Accruals (Note 18)	(557.2)	(534.5)
Held at fair value through profit and loss (FVTPL)		
Other payables (Note 18)[1]	(0.8)	(0.2)
Held at fair value through other comprehensive income (FVTOCI)		
Other receivables (Note 15, 31)[2]	0.9	0.9

Notes:
1. Other payables measured at fair value of £0.8m (2024: £0.2m) represent the maximum contingent consideration payable for acquisitions which are level 3 within the fair value hierarchy (see Note 29).
2. Other receivables which are measured at fair value relate to a defined benefit reimbursement asset of £0.9m (2024: £0.9m) that is a level 2 asset within the fair value hierarchy.

Risk management objectives

The Group's treasury department monitors and manages the financial risks relating to the operations of the Group. These risks include those arising from interest rates, foreign currencies, liquidity, credit and capital management. The Group seeks to minimise the effects of these risks by using effective control measures and, where appropriate, derivative financial instruments to hedge certain risk exposures. The use of financial derivatives is governed by Group policies and reviewed regularly. Group policy is to not trade in financial instruments. The risk management policies remain unchanged from the previous year.

Interest rate risk

The Group's activities expose it to the financial risks of interest rates. The Group's treasury function reviews its risk management strategy on a regular basis and will, as appropriate, enter into derivative financial instruments in order to manage interest rate risk.

Interest rate sensitivity

The Group's interest rate sensitivity has been determined based on the exposure to interest rates on cash balances net of financing liabilities (excluding lease liabilities) at the consolidated statement of financial position date.

If underlying interest rates had been 0.5% higher for cash held on deposit and financing liabilities (excluding lease liabilities) at variable rates and all other variables were held constant, there would be no change in the Group's net finance costs for the year ended 31 March 2025 (2024: £0.4m).

24. Financial instruments continued

Foreign currency risk

The Group has limited exposure to transactional foreign currency risk from trading transactions in currencies other than the functional currency of individual group entities and some exposure to translational foreign currency risk from the translation of its foreign operations. The Group considers the need to hedge its exposures and, as appropriate, will enter into forward foreign exchange contracts to mitigate any significant risks.

At 31 March 2025, £26.5m (2024: £24.3m) of cash and cash equivalents were held in foreign currencies.

Liquidity risk

The Group monitors its liquidity risk using a cash flow projection model which considers the maturity of the Group's assets and liabilities and the projected cash flows from operations. Bank loans under committed facilities, which allow for appropriate headroom in the Group's daily cash movements, are then arranged. Details of the Group's bank facilities can be found in Note 23.

The tables below summarise the maturity profile (including both undiscounted interest and principal cash flows) of the Group's financial liabilities:

Financial liabilities at 31 March 2025	Within one year £m	Between one and five years £m	After five years £m	Total £m
Trade payables	205.0	–	–	205.0
Other payables	48.3	22.2	–	70.5
Accruals	557.2	–	–	557.2
Financing liabilities	71.1	177.8	207.5	456.4
Financial liabilities	881.6	200.0	207.5	1,289.1

Financial liabilities at 31 March 2024	Within one year £m	Between one and five years £m	After five years £m	Total £m
Trade payables	171.6	–	–	171.6
Other payables	30.2	12.7	–	42.9
Accruals	534.5	–	–	534.5
Financing liabilities	87.3	141.7	150.8	379.8
Financial liabilities	823.6	154.4	150.8	1,128.8

Credit risk

The Group's credit risk is monitored on an ongoing basis and formally reported quarterly. The value of business placed with financial institutions is reviewed on a daily basis. The Group's credit risk on liquid funds and derivative financial instruments is limited because the external counterparties are banks with high credit ratings assigned by international credit rating agencies and are managed through regular review. The maximum exposure to credit risk on cash and cash equivalents at the consolidated statement of financial position date is £180.4m (2024: £244.9m).

The Group's credit risk is primarily attributable to its receivable balances from customers. Before accepting a new customer, the Group uses external credit scoring systems to assess the potential customer's credit quality and define an appropriate credit limit, which is reviewed regularly.

The maximum exposure to credit risk in relation to trade receivables and accrued income at the consolidated statement of financial position date is the fair value of trade receivables and accrued income. The Group's customer base is large and unrelated and, accordingly, the Group does not have a significant concentration of credit risk with any one counterparty.

The amounts presented in the consolidated statement of financial position in relation to the Group's trade receivables, accrued income and other receivables balances are presented net of loss allowances. The Group performs an impairment analysis at each reporting period and measures loss allowances on receivable balances with customers at an amount equal to lifetime expected credit losses (ECLs) using both quantitative and qualitative information and analysis based on the Group's historical experience, and forward-looking information.

Other receivables are also subject to the impairment requirements of IFRS 9 and the loss allowance is measured using those losses expected to arise in the 12 months subsequent to the consolidated statement of financial position date. At 31 March 2025, a loss allowance of £3.0m (2024: £8.6m) was recognised in respect of other receivables.

24. Financial instruments continued

The following tables provide information about the Group's exposure to credit risk and ECLs against customer balances:

Trade receivables	2025 Gross carrying amount £m	2025 Loss allowance £m	2025 Net carrying amount £m	2024 Gross carrying amount £m	2024 Loss allowance £m	2024 Net carrying amount £m
Current (not overdue)	492.2	(0.8)	491.4	370.8	(1.2)	369.6
1-30 days overdue	35.8	(0.1)	35.7	28.4	(0.1)	28.3
31-60 days overdue	7.1	(0.1)	7.0	5.6	(0.1)	5.5
61-90 days overdue	1.9	(0.5)	1.4	6.6	(0.1)	6.5
More than 90 days overdue	11.2	(8.4)	2.8	10.4	(8.8)	1.6
Total	**548.2**	**(9.9)**	**538.3**	421.8	(10.3)	411.5

Accrued income[1]	2025 Gross carrying amount £m	2025 Loss allowance £m	2025 Net carrying amount £m	2024 Gross carrying amount £m	2024 Loss allowance £m	2024 Net carrying amount £m
1-30 days	261.6	(0.8)	260.8	241.6	(1.1)	240.5
31-60 days	27.8	(0.1)	27.7	23.1	(0.2)	22.9
61-90 days	16.7	(0.1)	16.6	13.1	(0.2)	12.9
More than 90 days	46.5	(12.3)	34.2	39.0	(12.6)	26.4
Total	**352.6**	**(13.3)**	**339.3**	316.8	(14.1)	302.7

Note:
1. Accrued income is aged from the date of recognition.

The following table provides the movement in the allowance for impairment in respect of trade receivables, accrued income and other receivables:

	2025 Trade receivables £m	2025 Accrued income £m	2025 Other receivables £m	2025 Total £m	2024 Trade receivables £m	2024 Accrued income £m	2024 Other receivables £m	2024 Total £m
At 1 April	10.3	14.1	8.6	33.0	13.3	11.6	6.2	31.1
Net impairment/(reversal) of impairment losses	1.9	(0.8)	(0.1)	1.0	(2.3)	2.5	2.4	2.6
Utilised	(2.3)	–	(5.5)	(7.8)	(0.7)	–	–	(0.7)
Acquisition of businesses	–	–	–	–	–	–	–	–
At 31 March	**9.9**	**13.3**	**3.0**	**26.2**	10.3	14.1	8.6	33.0

Capital management risk

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The capital structure of the Group consists of net debt per Note 26 and equity per the consolidated statement of changes in equity. The Group is not subject to externally imposed regulatory capital requirements.

25. Leases

Right-of-use assets	Properties £m	Plant and vehicles £m	Total £m
At 1 April 2023	37.9	85.9	**123.8**
Additions	2.0	76.1	**78.1**
Arising on business combinations	2.6	2.6	**5.2**
Modifications to lease terms and disposals	0.1	(3.8)	**(3.7)**
Depreciation	(7.4)	(30.3)	**(37.7)**
Effect of movement in exchange rates	–	(0.2)	**(0.2)**
At 31 March 2024	35.2	130.3	**165.5**
Additions	5.7	72.0	**77.7**
Arising on business combinations	0.6	0.7	**1.3**
Modifications to lease terms and disposals	1.3	2.2	**3.5**
Depreciation	(8.1)	(47.3)	**(55.4)**
Effect of movement in exchange rates	–	(0.2)	**(0.2)**
At 31 March 2025	34.7	157.7	**192.4**

Lease liabilities	2025 £m	2024 £m
At 1 April	**174.0**	129.4
Additions	**77.1**	80.2
Arising on business combinations	**1.2**	5.1
Modifications to lease terms and disposals	**1.5**	0.3
Interest expense related to lease liabilities	**8.7**	5.6
Repayment of lease liabilities (including interest)	**(64.8)**	(46.6)
Effect of movement in exchange rates	**(0.2)**	–
At 31 March	**197.5**	174.0
Included in current financing liabilities	**52.8**	44.4
Included in non-current financing liabilities	**144.7**	129.6
Total	**197.5**	174.0

Maturity analysis – contractual undiscounted cash flows	2025 £m	2024 £m
Less than one year	**62.4**	50.8
One to five years	**145.6**	124.1
More than five years	**13.4**	16.6
Total undiscounted lease liabilities	**221.4**	191.5

Amounts recognised in the consolidated income statement	2025 £m	2024 £m
Depreciation of right-of-use assets	**(55.4)**	(37.7)
Short-term lease expense	**(0.6)**	(0.4)
Operating profit impact	**(56.0)**	(38.1)
Interest on lease liabilities	**(8.7)**	(5.6)
Profit before tax impact	**(64.7)**	(43.7)

25. Leases continued

Amounts recognised in the consolidated statement of cash flows	2025 £m	2024 £m
Capital element of lease rental payments (financing cash flow)	56.1	41.0
Interest payments (operating cash flow)	8.7	5.6
Total cash outflow for capitalised leases	64.8	46.6

As set out in the Task Force on Climate-related Financial Disclosures, the Group is in the process of transitioning to electric vehicles in response to climate change. While the fleet utilising fossil fuels is expected to be phased out, existing vehicle leases are generally held for the full lease term. There is therefore no significant impact on the useful economic life of the current leased vehicles as a result of climate change commitments.

26. Analysis of net debt

	2025 £m	2024 £m
Cash and cash equivalents (Note 22)	180.4	244.9
Adjusted for: restricted cash (Note 22)	(4.3)	(4.2)
Bank loans (Note 23)	–	–
Private placement notes (Note 23)	(180.0)	(150.0)
Loan arrangement fees (Note 23)	2.4	2.5
Net (debt)/cash before lease obligations	(1.5)	93.2
Lease liabilities (Note 25)	(197.5)	(174.0)
Net debt	(199.0)	(80.8)

Reconciliation of net cash flow to movements in net debt	2025 £m	2024 £m
Net decrease in cash and cash equivalents	(64.2)	(2.9)
(Increase)/decrease in restricted cash	(0.1)	2.2
Net decrease in unrestricted cash and cash equivalents	(64.3)	(0.7)
Cash drivers		
Proceeds from new private placement notes	(60.0)	–
Private placement notes repaid	30.0	–
Repayment of bank loans	0.4	8.4
Payment of arrangement fees	0.6	1.2
Capital element of lease rentals	56.1	41.0
Non-cash drivers		
Non-cash movement associated with bank loans	(0.6)	(0.4)
Non-cash movement associated with private placement notes	(0.1)	(0.1)
Non-cash movement in lease liabilities	(79.6)	(85.6)
Effect of foreign exchange rate changes	(0.3)	(0.5)
Increase in net debt during the year	(117.8)	(36.7)
Opening net debt	(80.8)	(44.1)
Debt acquired as part of business combinations	(0.4)	–
Closing net debt	(199.0)	(80.8)

27. Share capital and share premium

	Ordinary shares		Share capital		Share premium	
	2025 Number million	2024 Number million	2025 £m	2024 £m	2025 £m	2024 £m
At 1 April	**1,340.4**	1,365.3	**33.3**	34.0	**132.0**	131.5
Issue of shares	**–**	1.2	**–**	–	**–**	0.5
Shares cancelled	**(78.9)**	(26.1)	**(2.0)**	(0.7)	**–**	–
At 31 March	**1,261.5**	1,340.4	**31.3**	33.3	**132.0**	132.0

Each allotted and fully paid ordinary share of 2.5 pence is a voting share in the capital of the Company, is entitled to participate in the profits of the Company, and on a winding-up is entitled to participate in the assets of the Company. The Company has one class of ordinary shares, which carries no right to fixed income.

Share premium represents the premium arising on the issue of equity shares.

During the year, no shares were issued to satisfy options under the Group's Save As You Earn (SAYE) employee share scheme (2024: 1.2m).

The Company purchased 89.0m (2024: 58.6m) shares at an average price of 116 pence (2024: 100 pence) under share buyback programmes, of which 10.1m (2024: 32.5m) were bought into treasury and 78.9m (2024: 26.1m) were cancelled. The consideration of £91.5m (2024: £26.3m) for the cancelled shares, together with associated fees and stamp duty of £1.0m (2024: £0.3m), utilised £92.5m (2024: £26.6m) of the Company's distributable profits. The cancellation of these shares led to a reduction of £2.0m (2024: £0.7m) in issued share capital and a corresponding increase in the capital redemption reserve (see capital redemption reserve in Note 28).

28. Reserves

Merger reserve

The merger reserve equates to £157.0m (2024: £157.0m) and represents amounts relating to premiums arising on shares issued subject to the provisions of Section 612 of the Companies Act 2006.

Own shares reserve

The own shares reserve of £65.1m (2024: £69.8m) represents the cost of ordinary shares in Mitie Group plc held for the purposes of the share schemes. The Group uses shares held in the Employee Benefit Trust (EBT) to satisfy conditional awards under the Group's Long Term Incentive Plan (LTIP), Conditional Share Plan (CSP), Enhanced Delivery Plan (EDP), Retention Share Plan (RSP) and Deferred Bonus Plan (DBP) share schemes, and shares held in the Share Incentive Plan (SIP) Trust to provide free shares and matching shares under the SIP scheme. Treasury shares are used to satisfy share options under the Group's SAYE share schemes. Details of the movements in the own shares reserve are set out below:

	Cost of shares (£m)				Number of shares			
	EBT	SIP Trust	Treasury	Total	EBT	SIP Trust	Treasury	Total
At 1 April 2024	47.1	17.9	4.8	**69.8**	47.7	17.0	5.1	**69.8**
Share purchases	13.2	1.4	12.2	**26.8**	11.7	1.1	10.1	**22.9**
Transfers	(2.7)	2.7	–	**–**	(3.2)	3.2	–	**–**
Distributions for exercises	(18.5)	(1.3)	(11.7)	**(31.5)**	(21.5)	(1.2)	(10.7)	**(33.4)**
At 31 March 2025	**39.1**	**20.7**	**5.3**	**65.1**	**34.7**	**20.1**	**4.5**	**59.3**

Share-based payments reserve

The share-based payments reserve of £40.4m (2024: £42.1m) represents credits in respect of the expense recognised during the vesting period for unexercised awards under the Group's equity-settled share schemes (see Note 30). The £1.7m movement in the share-based payments reserve is set out below:

	£m
At 1 April 2024	42.1
Share-based payments expense	15.5
Exercises	(17.2)
At 31 March 2025	**40.4**

Exercises of £17.2m represents the fair value of the awards exercised by employees in the year, based on the date the share schemes were granted. The net cost of these shares in the own shares reserve equated to £26.8m (being £31.5m cost of shares, offset by £4.7m of cash received from SAYE scheme exercises). The exercises therefore generated a loss of £9.6m that has been recognised in retained earnings. In addition, a charge of £1.4m with respect to dividend equivalents has been recognised in retained earnings, resulting in a total charge with respect to share-based payments (excluding tax) of £11.0m.

28. Reserves continued

Share-based payments movement in equity

The total movement in equity as a result of share-based payment related transactions is set out below.

	2025 £m	2024 £m
Share-based payment expense (Note 30)	15.5	20.3
Cash received from the exercise of SAYE scheme options	4.7	8.0
Dividend equivalents (Note 30)	(1.4)	(2.8)
At 31 March	**18.8**	25.5

Capital redemption reserve

The capital redemption reserve equates to £5.3m (2024: £3.3m). The increase of £2.0m relates to the cancellation of the shares bought back by the Company in the year. See Note 27.

Hedging and translation reserve

The hedging and translation reserve equates to £2.8m (2024: £2.1m) and includes balances arising on translation of the Group's foreign operations to which the combined movement was a loss of £0.7m during the year (2024: £0.8m loss).

29. Acquisitions

Current year acquisitions

Argus Fire

On 24 October 2024, the Group completed the acquisition of the entire issued share capital of Slademain Limited and its subsidiary Argus Fire Protection Company Limited (together Argus Fire) for a consideration of £44.2m, which comprises an initial cash consideration of £44.0m and £0.2m contingent on the settlement of certain receivables and payables. Argus Fire is a UK engineering-led fire systems business with over 40 years of experience which will enhance the Group's scale and self-delivered offering in this market, and has been integrated into the Group's Business Services division. Goodwill on the acquisition of Argus Fire represents the premium associated with the operations of Argus Fire which are considered to strengthen the Group's UK fire & security market offering by complementing existing solutions and providing cross-selling opportunities.

Visegurity

On 7 October 2024, the Group completed the acquisition of the entire issued share capital of Visegurity Express S.L., JP Silcom Servicios S.L. and Silcom Auxiliares S.L. (together Visegurity) for a consideration of €8.9m (£7.5m), which comprises an initial cash consideration of £7.0m, and £0.5m contingent on no additional pre-acquisition liabilities being identified which will be paid across four years. Visegurity is based in Barcelona and has over 20 years of experience in security services, employing 600 individuals and with a strong reputation in both public and private sectors representing a strategic expansion of the Group's security capabilities in Spain, and has been integrated into the Group's Business Services division.

Amounts up to a maximum of €2.0m (£1.7m) payable to the former owners of the business have been accounted for as remuneration for post-acquisition employment services because a condition of receiving payment is the former owners' continued employment within the Mitie Group. These amounts are payable based on two performance periods for the years ending 31 October 2025 and 31 October 2026 up to a maximum of €2.0m in total. These payments are accrued, where relevant conditions are met, over the period that the related employment services are received up until the point at which the consideration becomes payable. Goodwill on the acquisition of Visegurity represents the premium associated with the operations and workforce of Visegurity which are considered to expand and complement the growing suite of services offered by the Group in Spain and enhance cross-selling opportunities to an enlarged blue-chip, customer base.

ESM Power

On 1 August 2024, the Group completed the acquisition of the entire issued share capital of Woodford Investments Limited and its subsidiary ESM Power Limited (together ESM Power) for a consideration of £6.4m, which comprises an initial cash consideration of £6.3m, and £0.1m contingent on the outcome of a completion accounts process. ESM Power is a leading electrical engineering business specialising in power & grid connections which will enhance the Group's high voltage connections expertise, and has been integrated into the Group's Technical Services division.

Amounts up to a maximum of £3.0m payable to the former owners of the business have been accounted for as remuneration for post-acquisition employment services because a condition of receiving payment is the former owners' continued employment within the Mitie Group. These amounts are payable based on two performance periods for the years ending 31 March 2025 and 31 March 2026 up to a maximum of £3.0m in total. These payments are accrued, where relevant conditions are met, over the period that the related employment services are received up until the point at which the consideration becomes payable. Goodwill on the acquisition of ESM Power represents the premium associated with taking over the operations which are considered to strengthen the Group's high voltage connections expertise.

29. Acquisitions continued

Revenue and operating profit from acquisitions

The acquired entities contributed the following amounts of revenue and operating profit before Other items to the Group's results during the year ended 31 March 2025:

	Argus Fire £m	Visegurity £m	ESM Power £m	**Total £m**
Revenue	20.9	9.0	29.8	**59.7**
Operating profit before Other items	1.0	0.7	2.5	**4.2**

Based on estimates made of the full year impact if all acquisitions had been completed on 1 April 2024, Group revenue for the year would have increased by approximately £50.8m and operating profit before Other items would have increased by £3.2m, resulting in total Group revenue of £5,133.4m and total Group operating profit before Other items of £237.3m.

Fair value of assets and liabilities

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. The provisional purchase price allocation is as follows:

	Argus Fire £m	Visegurity £m	ESM Power £m	**Total £m**
Customer relationships and contracts	9.7	3.7	1.3	**14.7**
Brand	0.2	–	–	**0.2**
Property, plant and equipment	1.0	0.1	0.5	**1.6**
Right-of-use assets	0.7	0.5	0.1	**1.3**
Trade and other receivables	15.2	3.4	8.7	**27.3**
Current tax asset	0.1	–	–	**0.1**
Cash and cash equivalents	7.8	0.5	1.4	**9.7**
Trade and other payables	(11.8)	(1.9)	(5.0)	**(18.7)**
Bank loans	–	(0.4)	–	**(0.4)**
Deferred income	–	(0.1)	(4.7)	**(4.8)**
Provisions	(1.6)	–	(0.2)	**(1.8)**
Lease liabilities	(0.7)	(0.4)	(0.1)	**(1.2)**
Deferred tax liabilities	(2.5)	(0.9)	(0.3)	**(3.7)**
Net identifiable assets acquired	18.1	4.5	1.7	**24.3**
Goodwill	26.1	3.0	4.7	**33.8**
Total cash consideration	44.2	7.5	6.4	**58.1**
Initial cash consideration	44.0	7.0	6.3	**57.3**
Contingent consideration	0.2	0.5	0.1	**0.8**
Total consideration	44.2	7.5	6.4	**58.1**

Prior year acquisitions

On 1 November 2023 and 9 October 2023, the Group completed the acquisitions of GBE Converge Group Ltd (GBE) and Cliniwaste Holdings Limited (Cliniwaste) respectively. The accounting for these acquisitions was disclosed as provisional within the Group's results for the year ended 31 March 2024. The Group has used the 12-month measurement period from the date of acquisition, in accordance with IFRS 3 – *Business Combinations*, to finalise the fair value measurement relating to the completion accounts process.

During the year ended 31 March 2025, the fair value of consideration and corresponding goodwill for GBE was increased by £1.5m following the outcome of the completion accounts process and the fair value of the acquired net assets decreased by £0.5m due to a fair value adjustment. This led to a corresponding increase in goodwill of £2.0m. The increase in consideration was cash settled during the period.

In addition, the fair value of the acquired net assets for Cliniwaste decreased by £0.3m due to a fair value adjustment, which led to a corresponding increase in goodwill of £0.3m.

29. Acquisitions continued

Cash flows on acquisitions

	2025 £m	2024 £m
Cash consideration[1]	58.8	87.6
Less: cash balance acquired	(9.7)	(53.6)
Net outflow of cash – investing activities	49.1	34.0

Note:
1. Cash consideration of £58.8m comprises £57.3m initial cash consideration for current year acquisitions in addition to £1.5m in relation to the prior year acquisition of GBE.

30. Share-based payments

The Group has six equity-settled share schemes. The Group also has awarded performance-related bonuses for Executive Directors which are deferred in conditional shares under the Mitie Group plc 2010 Deferred Bonus Plan (DBP) and are accounted for as a share-based payment charge.

The Mitie Group plc Long Term Incentive Plan (LTIP)

The conditional awards of shares or rights to acquire shares (awards) are offered to a small number of key senior management personnel. Where offered as options, there is no associated exercise price. The vesting period is generally three years, although some awards are subject to a holding period of up to a further two years. If the awards remain unexercised after a period of 12 months from the date of vesting, the awards expire. The awards may be forfeited if the employee leaves the Group. Before the awards can be exercised, performance conditions must be satisfied that are based on movements in a range of non-market measures over a three-year period.

Retention Share Plan (RSP)

The RSP was introduced in the year ended 31 March 2022. The awards are offered to a small number of key senior management personnel. Where offered as options, there is no associated exercise price. The vesting period is three years. If the awards remain unexercised after a period of 10 years from the date of grant, the awards expire. The awards may be forfeited if the employee leaves the Group. There are no performance conditions attached to these awards.

The Enhanced Delivery Plan (EDP)

The EDP was introduced in the year ended 31 March 2021. The awards are offered to a small number of key senior management personnel. Where offered as options, there is no associated exercise price. The vesting period is three years, and awards are subject to a holding period of two additional years. If the awards remain unexercised after a period of 12 months from the date of vesting (but subject to the additional holding period), the awards expire. The awards may be forfeited if the employee leaves the Group. Before the awards can be exercised, performance conditions must be satisfied that are based on movements in non-market measures over a three-year period.

The Conditional Share Plan (CSP)

The awards are offered to a small number of key senior management personnel. Where offered as options, there is no associated exercise price. The vesting period is determined at the discretion of the Remuneration Committee and is generally two or three years. If the awards remain unexercised after a period of 10 years from the date of grant, the awards expire. The awards may be forfeited if the employee leaves the Group.

The Mitie Group plc Save As You Earn (SAYE) scheme

The SAYE scheme is open to eligible employees resident in the UK. The exercise price is not less than 80% of the market value of the shares, determined using either: the share price preceding the date on which invitations to participate in the scheme are issued or an average share price over five days preceding the invitation date. The vesting period is three years. If the options remain unexercised after a period of six months from the date of vesting, the options expire. Options may be forfeited if the employee leaves the Group. An equivalent scheme is open to eligible Ireland-resident employees.

30. Share-based payments continued

The Share Incentive Plan (SIP)

The SIP is open to eligible employees resident in the UK. Under the scheme, eligible employees are invited to invest in partnership shares which are purchased in the market on their behalf and held in a separate UK trust. Since October 2021, one conditional matching share has been awarded for every two partnership shares purchased and has a holding period of three years. Matching shares are funded by way of market purchases. The Group also, from time to time, launches free share schemes under which all employees receive an allocation of shares at no cost to the employee. The free shares have a holding period of three years.

Details of the awards and share options outstanding are as follows:

	2025	2024	**2025**		2024	
	Number of conditional share awards (million)	Number of conditional share awards (million)	**Number of share options (million)**	**Weighted average exercise price[1] (p)**	Number of share options (million)	Weighted average exercise price[1] (p)
Outstanding at 1 April	**83.2**	92.9	**58.3**	**64**	69.8	63
Granted during the year	**19.7**	13.6	**25.0**	**86**	25.2	78
Lapsed during the year	**(10.9)**	(6.3)	**(6.4)**	**66**	(7.7)	68
Exercised during the year	**(21.6)**	(17.0)	**(11.5)**	**45**	(29.0)	29
Outstanding at 31 March	**70.4**	83.2	**65.4**	**78**	58.3	64
Exercisable at the end of the year	**1.0**	4.0	**5.6**	**50**	4.0	28

Note:
1. The weighted average exercise prices for non-discretionary share plans are stated excluding the SIP schemes which have no associated exercise price.

The Group recognised the following expenses related to equity-settled share-based payments:

	2025 £m	2024 £m
Discretionary share plans	**8.6**	14.4
Non-discretionary share plans	**6.9**	5.9
	15.5	20.3

The equity-settled share-based payments expense charged to the consolidated income statement for the year is £15.5m (2024: £20.3m) and represents share-based payment transactions relating to discretionary and non-discretionary share plans. The associated social security charge for the year is £3.9m (2024: £5.5m).

In the year ended 31 March 2025, £1.4m of dividend equivalents have been accrued in relation to outstanding share awards (2024: £2.8m). Dividend equivalents accrued under the share option schemes are forfeitable and are payable after the vesting date when the share awards are exercised.

The weighted average share price at the date of exercise for share awards and share options exercised during the year was 118p (2024: 95p). The conditional share awards and share options outstanding at 31 March 2025 had exercise prices (other than £nil in the case of the LTIP, CSP, EDP, DBP and the matching shares under the SIP) ranging from 27p to 86p (2024: 27p to 128p) and a weighted average remaining contractual life of 1.8 years (2024: 1.9 years). In the year ended 31 March 2025, 40.3m (2024: 34.6m) options were granted in respect of the SAYE, LTIP, CSP, RSP and DBP schemes and awards of matching shares and 4.4m (2024: 4.2m) free shares were granted under the SIP. The aggregate of the estimated fair values of those options granted and awards made was £36.5m (2024: £26.5m).

The fair value of options is measured by use of the Black-Scholes model.

The inputs into the Black-Scholes model for new schemes granted in the year are as follows:

	2025	2024
Share price (p)	**109**	103
Exercise price (p)	**86**	78
Expected volatility[1] (%)	**38**	47
Expected life (years)	**3**	3
Risk-free rate (%)	**4.2**	4.2
Expected dividends (%)	**4.2**	3.1

Note:
1. Expected volatility is calculated based on the historical share prices over a period equal to the vesting period.

31. Retirement benefit schemes

The Group operates a number of pension arrangements for employees:

- Defined contribution schemes for the majority of its employees
- Defined benefit schemes which include the Mitie Group plc Pension Scheme, the Landmarc Pension Scheme and other smaller schemes

Defined contribution schemes

A defined contribution scheme is a pension scheme under which the Group pays contributions to an independently administered fund; such contributions are based upon a fixed percentage of employees' pay. The Group has no legal or constructive obligations to pay further contributions to the fund once these contributions have been paid. Members' benefits are determined by the amount of contributions paid, together with investment returns earned on the contributions arising from the performance of each individual's chosen investments and the type of pension the member chooses to take at retirement. As a result, actuarial risk (that pension will be lower than expected) and investment risk (that the assets invested in do not perform in line with expectations) are borne by the employee.

The Group's contributions are recognised as an employee benefit expense when they are due.

The Group operates four separate schemes: a stakeholder defined contribution plan, which is closed to new members; a self-invested personal pension plan, which is closed to new members; and two Group personal pension (GPP) plans. Employer contributions are payable to each on a matched basis requiring employee contributions to be paid. Employees have the option to pay their share via a salary sacrifice arrangement. The scheme used to satisfy auto-enrolment compliance is a master trust, The People's Pension.

During the year, the Group made a total contribution to the defined contribution schemes of £26.8m (2024: £18.1m) and contributions to the auto-enrolment scheme of £24.7m (2024: £22.1m), which are included in the consolidated income statement charge. The Group expects to make contributions of a similar amount in the year ending 31 March 2026.

Defined benefit schemes

Mitie Group plc Pension Scheme (the Group scheme)

The Group scheme comprises two segregated sections: Part A (the Group section) and Part B (the Interserve section). The assets and liabilities of the two sections are ring-fenced.

The Group section provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their final pensionable pay.

The Group section was closed to new members in 2006, with new employees able to join one of the defined contribution schemes.

The Interserve section was formed in the year ended 31 March 2023 when the assets and liabilities were transferred from the Interserve Scheme Part C, which in turn had been formed to take Interserve members out of the Interserve Group Pension Scheme as part of the arrangements for Mitie's acquisition of Interserve in 2020.

The Group scheme is operated under the UK regulatory framework. Benefits are paid to members from the trust-administered fund, where the Trustee is responsible for ensuring that the scheme is sufficiently funded to meet current and future benefit payments. Plan assets are held in trust and are governed by pension legislation. If investment experience is worse than expected or the actuarial assessment of the scheme's liabilities increases, the Group's financial obligations to the scheme rise.

The nature of the relationship between the Group and the Trustee is also governed by regulations and practice. The Trustee must agree a funding plan with the sponsoring company such that any funding shortfall is expected to be met by additional contributions and investment outperformance. In order to assess the level of contributions required, triennial valuations are carried out, with the scheme's obligations measured using prudent assumptions (which are determined by the Trustee with advice from the scheme actuary). The most recent triennial valuation was carried out as at 31 March 2023, which indicated an actuarial deficit of £19.4m, an improvement of £72.7m since the last valuation. During the year, Mitie paid £8.4m of deficit repair contributions and the Group has agreed to pay further deficit repair contributions of £6.4m in FY26 and a smaller contribution, as required, in FY27 in order to eliminate the funding shortfall.

The Trustee's other duties include managing the investment of the scheme's assets, administration of plan benefits and exercising of discretionary powers. The Group works closely with the Trustee to manage the scheme.

The Group has an unconditional right to refund of surplus assuming the gradual settlement over time until all members have left the section. Accordingly, there is no restriction on the surplus.

31. Retirement benefit schemes continued

The Landmarc Pension Scheme (the Landmarc scheme)

The Group obtained control of Landmarc Support Services Limited (Landmarc) on 16 November 2023 (see Note 36). Landmarc is the employing company for the Landmarc scheme, which commenced on 1 July 2003, at which time approximately 1,000 employees became members of the scheme. From that date the majority of new employees were provided with defined contribution benefits under a separate arrangement, with membership of the Landmarc scheme for certain new employees only available at the discretion of the employing company. On 1 July 2021 the last remaining active members ceased accrual and the scheme closed to future accrual.

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

The membership data used for the formal actuarial valuation as at 31 December 2020 has been rolled forward and used to calculate results under IAS 19 – *Employee Benefits* by an independent qualified actuary. As required by IAS 19, the value of the defined benefit liabilities has been measured using the projected unit method.

The Group has an unconditional right to refund of surplus assuming the gradual settlement over time until all members have left the scheme. Accordingly, there is no restriction on the surplus on the Group's consolidated statement of financial position (or additional minimum liability to be recognised).

Other defined benefit schemes

Grouped together under Other schemes are a number of schemes to which the Group makes contributions under Admitted Body status to clients' (generally local government or government entities) defined benefit schemes in respect of certain employees who transferred to the Group under Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), as well as three smaller schemes that the Group acquired on the acquisition of Interserve. The valuations of the Other schemes are updated by an actuary at each consolidated statement of financial position date.

For the Admitted Body schemes, which are largely sections of the Local Government Pension Scheme, the Group will only participate for a finite period up to the end of the relevant contract. The Group is required to pay regular contributions, as decided by the relevant scheme actuaries and detailed in each scheme's Contributions Certificate, which are calculated every three years as part of a triennial valuation. In a number of cases, contributions payable by the employer are capped and any excess is recovered from the entity that the employees transferred from. In addition, in certain cases, at the end of the contract the Group will be required to pay any deficit (as determined by the scheme actuary) that is assessed for its notional section of the scheme.

The Group made contributions to the Other schemes of £0.1m in the year (2024: £0.4m). The Group expects to make contributions of a similar amount in the year ending 31 March 2026.

Multi-employer schemes

As a result of acquisition activity and staff transfers following contract wins, the Group participates in three multi-employer pension schemes. The total contributions to these schemes for the financial year ending 31 March 2026 are anticipated to be £0.1m. The Group's share of the assets and liabilities in respect of these schemes is minimal.

The Group previously participated in the Plumbing & Mechanical Services (UK) Industry Pension Scheme (the Plumbing Scheme), a funded multi-employer defined benefit scheme. The Plumbing Scheme was founded in 1975 and to date has had over 4,000 employers. The Group has received a Section 75 employer debt notice in respect of the participation of Robert Prettie & Co Limited in the Plumbing Scheme. As a result of the Interserve acquisition, the Group increased its participation in the Plumbing Scheme and the Group has received a Section 75 employer debt notice in respect of the participation of Mitie FM Limited.

Provisions of £21.7m were held at 31 March 2024 for Section 75 employer debts in respect of the participation of Robert Prettie & Co Limited and Mitie FM Limited in the Plumbing Scheme. During the year, a settlement agreement was reached with the trustees of the Plumbing Scheme. As a result of this, the amount of £21.7m has been transferred from provisions to other payables, and a further charge of £2.8m has been recognised as Other items in respect of Mitie Property Services (UK) Limited's participation in the Plumbing Scheme. See Note 20.

Accounting assumptions

The assumptions used in calculating the accounting costs and obligations of the Group's defined benefit pension schemes, as detailed below, are set after consultation with independent, professionally qualified actuaries.

The discount rate used to determine the present value of the obligations is set by reference to market yields on high-quality corporate bonds. The assumptions for price inflation are set by reference to the difference between yields on longer-term conventional government bonds and index-linked bonds. The assumptions for increases in pensionable pay take into account expected salary inflation, the cap at CPI, and how often the cap is likely to be exceeded.

The assumptions for life expectancy have been set with reference to the actuarial tables used in the latest funding valuations.

The Group is aware of a case involving Virgin Media and NTL Pension Trustee II Limited (and others). On 16 June 2023 the High Court issued a ruling in respect of this case, which was subsequently upheld by the Court of Appeal in August 2024, and could potentially lead to additional liabilities for pension schemes in the UK which were contracted out on a salary-related basis, and made amendments between April 1997 and April 2016.

Reasonable preliminary due diligence has concluded that the defined benefit obligation values disclosed in the Annual Report and Accounts 2025 do not require adjustment for the impact of this case, however, further investigation is ongoing. A material impact is considered unlikely. No amendments for this matter have been included in the IAS 19 actuarial valuation as the impact, if any, cannot be reliably assessed.

31. Retirement benefit schemes continued

Principal accounting assumptions at consolidated statement of financial position date

	Group section		Interserve section		Landmarc scheme		Other schemes	
	2025 %	2024 %	**2025 %**	2024 %	**2025 %**	2024 %	**2025 %**	2024 %
Key assumptions used for IAS 19 valuation:								
Discount rate	**5.79**	4.84	**5.82**	4.80	**5.70**	4.80	**5.82**	4.80
Expected rate of pensionable pay increases	**2.57**	2.63	**2.70**	2.80	**2.60**	3.30	**3.39**	2.80
Retail price inflation	**3.18**	3.26	**3.15**	3.20	**3.20**	3.30	**3.15**	3.20
Consumer price inflation	**2.57**	2.63	**2.70**	2.80	**2.60**	2.70	**2.70**	2.80
Future pension increases	**2.57**	2.63	**2.70**	2.80	**3.10**	3.30	**2.82**	3.20

	Group section		Interserve section		Landmarc scheme	
	2025 Years	2024 Years	**2025 Years**	2024 Years	**2025 Years**	2024 Years
Post-retirement life expectancy:						
Current pensioners at 65 – male	**87.1**	87.1	**84.7**	85.7	**85.0**	84.9
Current pensioners at 65 – female	**88.7**	88.6	**87.0**	88.3	**88.6**	88.6
Future pensioners at 65 – male	**88.1**	88.1	**85.7**	86.6	**86.2**	86.1
Future pensioners at 65 – female	**89.9**	89.1	**88.2**	89.4	**89.7**	89.7

Life expectancy for the Other schemes is that used by the relevant scheme actuary.

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	Increase/(decrease) in obligations %	Increase/(decrease) in obligations £m
Increase in discount rate	0.25%	(3.1)	(7.9)
Increase in retail price inflation[1]	0.25%	2.2	5.5
Increase in consumer price inflation (excluding pay)	0.25%	1.0	2.5
Increase in life expectancy	1 year	3.2	8.2

Note:
1. Including other inflation-linked assumptions (consumer price inflation, pension increases and salary growth).

Some of the above changes in assumptions may have an impact on the value of the scheme's investment holdings. For example, the Group scheme holds a proportion of its assets in UK corporate bonds. A fall in the discount rate as a result of lower UK corporate bond yields would lead to an increase in the value of these assets, mitigating the increase in the defined benefit obligation to some extent. The duration, or average term to payment for the benefits due, weighted by liability, is around 14 years for the Group and Interserve sections, and 11 years for the Landmarc scheme.

31. Retirement benefit schemes continued

Amounts recognised in consolidated financial statements

Amounts recognised in the consolidated income statement are as follows:

	2025					2024				
	Group section £m	Interserve section £m	Landmarc scheme £m	Other schemes £m	Total £m	Group section £m	Interserve section £m	Landmarc scheme £m	Other schemes £m	Total £m
Current service cost	(0.1)	(0.3)	–	(0.7)	(1.1)	(0.1)	(0.5)	–	(0.9)	(1.5)
Past service cost (including curtailments/ settlements)[1,2]	–	–	(1.1)	(5.3)	(6.4)	–	–	–	(0.3)	(0.3)
Total administrative expense[1]	(1.0)	(0.2)	(0.5)	(0.2)	(1.9)	(1.1)	–	(0.1)	(0.1)	(1.3)
Amounts recognised in operating profit	(1.1)	(0.5)	(1.6)	(6.2)	(9.4)	(1.2)	(0.5)	(0.1)	(1.3)	(3.1)
Net interest income/(cost)	0.2	0.1	0.1	(0.1)	0.3	0.3	0.2	0.1	(0.1)	0.5
Amounts recognised in profit before tax	(0.9)	(0.4)	(1.5)	(6.3)	(9.1)	(0.9)	(0.3)	–	(1.4)	(2.6)

Notes:
1. During the year ended 31 March 2025, an agreement to amend the Landmarc scheme rules to increase certain cash benefits which members receive on retirement was completed. The Group incurred a £1.1m past service cost charge and administrative expenses of £0.2m in relation to the amendment of the Landmarc scheme rules, which have been recognised in the consolidated income statement as Other items. See Note 4.
2. During the year ended 31 March 2025, the Group formally exited certain Local Government Pension Schemes (LGPS), resulting in a £5.3m contract settlement charge, which was recognised within Other items. See Note 4.

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

	2025					2024				
	Group section £m	Interserve section £m	Landmarc scheme £m	Other schemes £m	Total £m	Group section £m	Interserve section £m	Landmarc scheme £m	Other schemes £m	Total £m
Actuarial gains/(losses) arising due to changes in financial assumptions	22.8	2.9	4.3	6.6	36.6	2.2	0.2	(3.0)	2.6	2.0
Actuarial gains/(losses) arising from liability experience	0.9	1.8	(0.1)	(0.2)	2.4	(8.0)	–	0.4	0.5	(7.1)
Actuarial (losses)/gains due to changes in demographic assumptions	(0.1)	0.1	–	0.5	0.5	(0.5)	0.3	0.6	–	0.4
Movement in asset ceiling, excluding interest[1]	–	–	–	(2.4)	(2.4)	–	–	–	(6.0)	(6.0)
Return on scheme assets, excluding interest income	(19.0)	(2.3)	(3.8)	1.7	(23.4)	(7.9)	(1.7)	2.2	4.0	(3.4)
Return on reimbursement asset[2]	–	–	–	–	–	–	–	–	(0.1)	(0.1)
Amounts recognised in other comprehensive income/(expense)	4.6	2.5	0.4	6.2	13.7	(14.2)	(1.2)	0.2	1.0	(14.2)

Notes:
1. The £2.4m net charge for the year ended 31 March 2025 includes a £5.3m credit with respect to the reversal of gross surplus associated with the exit of certain LGPS schemes.
2. The reimbursement asset of £0.9m at 31 March 2025 (2024: £0.9m) is recorded within other receivables. See Note 24.

31. Retirement benefit schemes continued

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

	2025					2024				
	Group section £m	**Interserve section £m**	**Landmarc scheme £m**	**Other schemes £m**	**Total £m**	Group section £m	Interserve section £m	Landmarc scheme £m	Other schemes £m	Total £m
Fair value of scheme assets	**165.3**	**22.7**	**36.7**	**69.1**	**293.8**	174.8	24.4	41.1	80.0	320.3
Present value of defined benefit obligations	**(154.7)**	**(18.9)**	**(34.8)**	**(43.8)**	**(252.2)**	(177.4)	(23.2)	(38.1)	(58.1)	(296.8)
Surplus/(deficit) without restriction	**10.6**	**3.8**	**1.9**	**25.3**	**41.6**	(2.6)	1.2	3.0	21.9	23.5
Asset ceiling	**–**	**–**	**–**	**(27.7)**	**(27.7)**	–	–	–	(24.3)	(24.3)
Net pension asset/(liability)	**10.6**	**3.8**	**1.9**	**(2.4)**	**13.9**	(2.6)	1.2	3.0	(2.4)	(0.8)

All figures above are shown before deferred tax. The total of schemes in a surplus position is £16.3m (2024: £4.2m).

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

	2025					2024				
	Group section £m	**Interserve section £m**	**Landmarc scheme £m**	**Other schemes £m**	**Total £m**	Group section £m	Interserve section £m	Landmarc scheme £m	Other schemes £m	Total £m
At 1 April	**177.4**	**23.2**	**38.1**	**58.1**	**296.8**	169.6	22.5	–	62.2	254.3
Arising on business combination	**–**	**–**	**–**	**–**	**–**	–	–	36.3	–	36.3
Current service cost	**0.1**	**0.3**	**–**	**0.7**	**1.1**	0.1	0.5	–	0.9	1.5
Interest cost	**8.4**	**1.1**	**1.8**	**2.4**	**13.7**	7.9	1.1	0.7	2.7	12.4
Contributions from scheme members	**–**	**0.1**	**–**	**0.1**	**0.2**	–	0.1	–	0.2	0.3
Actuarial (gains)/losses arising due to changes in financial assumptions	**(22.8)**	**(2.9)**	**(4.3)**	**(6.6)**	**(36.6)**	(2.2)	(0.2)	3.0	(2.6)	(2.0)
Actuarial (gains)/losses arising from experience	**(0.9)**	**(1.8)**	**0.1**	**0.2**	**(2.4)**	8.0	–	(0.4)	(0.5)	7.1
Actuarial losses/(gains) due to changes in demographic assumptions	**0.1**	**(0.1)**	**–**	**(0.5)**	**(0.5)**	0.5	(0.3)	(0.6)	–	(0.4)
Benefits paid	**(7.6)**	**(1.0)**	**(2.0)**	**(1.4)**	**(12.0)**	(6.5)	(0.5)	(0.9)	(1.4)	(9.3)
Past service cost	**–**	**–**	**1.1**	**–**	**1.1**	–	–	–	(1.4)	(1.4)
Contract transfer	**–**	**–**	**–**	**–**	**–**	–	–	–	(2.0)	(2.0)
Contract settlement	**–**	**–**	**–**	**(9.2)**	**(9.2)**	–	–	–	–	–
At 31 March	**154.7**	**18.9**	**34.8**	**43.8**	**252.2**	177.4	23.2	38.1	58.1	296.8

The defined benefit obligations analysed by participant status is as follows:

	2025			2024		
	Group section £m	**Interserve section £m**	**Landmarc scheme £m**	Group section £m	Interserve section £m	Landmarc scheme £m
Active	**1.1**	**8.5**	**–**	1.8	20.3	–
Deferred	**72.3**	**2.9**	**6.9**	102.9	1.7	12.2
Pensioners	**81.3**	**7.5**	**27.9**	72.7	1.2	25.9
At 31 March	**154.7**	**18.9**	**34.8**	177.4	23.2	38.1

31. Retirement benefit schemes continued

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

	2025					2024				
	Group section £m	**Interserve section £m**	**Landmarc scheme £m**	**Other schemes £m**	**Total £m**	Group section £m	Interserve section £m	Landmarc scheme £m	Other schemes £m	Total £m
At 1 April	**174.8**	**24.4**	**41.1**	**80.0**	**320.3**	170.3	24.2	–	77.2	271.7
Arising on acquisition	**–**	**–**	**–**	**–**	**–**	–	–	39.1	–	39.1
Interest income	**8.6**	**1.2**	**1.9**	**3.3**	**15.0**	8.2	1.3	0.8	3.4	13.7
Actuarial (losses)/gains on assets	**(19.0)**	**(2.3)**	**(3.8)**	**1.7**	**(23.4)**	(7.9)	(1.7)	2.2	4.0	(3.4)
Contributions from the sponsoring companies[1]	**9.5**	**0.5**	**–**	**0.1**	**10.1**	11.8	1.0	–	0.4	13.2
Contributions from scheme members	**–**	**0.1**	**–**	**0.1**	**0.2**	–	0.1	–	0.2	0.3
Expenses paid	**(1.0)**	**(0.2)**	**(0.5)**	**(0.2)**	**(1.9)**	(1.1)	–	(0.1)	(0.1)	(1.3)
Benefits paid	**(7.6)**	**(1.0)**	**(2.0)**	**(1.4)**	**(12.0)**	(6.5)	(0.5)	(0.9)	(1.4)	(9.3)
Past service cost	**–**	**–**	**–**	**–**	**–**	–	–	–	(1.7)	(1.7)
Contract transfer	**–**	**–**	**–**	**–**	**–**	–	–	–	(2.0)	(2.0)
Contract settlement	**–**	**–**	**–**	**(14.5)**	**(14.5)**	–	–	–	–	–
At 31 March	**165.3**	**22.7**	**36.7**	**69.1**	**293.8**	174.8	24.4	41.1	80.0	320.3

Note:
1. Group section contributions of £9.5m (2024: £11.8m) is inclusive of £8.4m deficit repair contributions (2024: £10.6m).

Movements in the asset ceiling were as follows:

	2025 £m	2024 £m
At 1 April	**24.3**	17.5
Interest cost on asset ceiling	**1.0**	0.8
Change in asset ceiling excluding interest	**2.4**	6.0
At 31 March	**27.7**	24.3

Fair values of the assets held by the schemes were as follows:

	2025					2024				
	Group section £m	**Interserve section £m**	**Landmarc scheme £m**	**Other schemes £m**	**Total £m**	Group section £m	Interserve section £m	Landmarc scheme £m	Other schemes £m	Total £m
Equities	**22.4**	**–**	**–**	**35.1**	**57.5**	28.3	–	–	42.8	71.1
Government bonds	**72.4**	**8.5**	**–**	**3.2**	**84.1**	70.7	10.6	–	4.0	85.3
Corporate bonds	**55.8**	**5.8**	**–**	**13.7**	**75.3**	53.0	6.0	–	14.1	73.1
Property	**2.3**	**–**	**–**	**11.2**	**13.5**	2.3	–	–	11.8	14.1
Diversified growth fund	**7.4**	**8.4**	**–**	**0.9**	**16.7**	8.6	7.8	–	1.5	17.9
Cash	**3.8**	**–**	**2.5**	**4.1**	**10.4**	11.2	–	1.9	4.7	17.8
Insurance policies	**–**	**–**	**34.2**	**0.9**	**35.1**	–	–	39.2	1.1	40.3
Commodities	**1.2**	**–**	**–**	**–**	**1.2**	0.7	–	–	–	0.7
Total fair value of assets	**165.3**	**22.7**	**36.7**	**69.1**	**293.8**	174.8	24.4	41.1	80.0	320.3

The investment portfolios are diversified, investing in a wide range of assets, in order to provide reasonable assurance that no single asset or type of asset could have a materially adverse impact on the total portfolio. To reduce volatility, certain assets are held in a matching portfolio, which largely consists of government and corporate bonds, designed to mirror movements in corresponding liabilities.

The property assets represent quoted property investments.

31. Retirement benefit schemes continued

Risks and risk management

The Group scheme, in common with the majority of UK plans, has a number of risks. These areas of risk and the ways in which the Group has sought to manage them, with respect to the Group scheme, are set out in the table below.

The risks are considered from both a funding perspective, which drives the cash commitments of the Group, and from an accounting perspective, i.e. the extent to which such risks affect the amounts recorded in the Group's consolidated financial statements:

Risk	Description
Asset volatility	The funding liabilities are calculated using a discount rate set with reference to government bond yields, with allowance for additional return to be generated from the investment portfolio. The defined benefit obligation for accounting is calculated using a discount rate set with reference to corporate bond yields. The Group scheme holds 22% of its assets in equities and other return-seeking assets (principally diversified growth funds (DGFs) and property). The returns on such assets tend to be volatile and are not correlated to government bonds. This means that the funding level has the potential to be volatile in the short term, potentially resulting in short-term cash requirements, or alternative security offers, which are acceptable to the Trustee, and an increase in the net defined benefit liability recorded on the Group's consolidated statement of financial position. Equities and DGFs are considered to offer the best returns over the long term with an acceptable level of risk and hence the scheme holds a significant proportion of these types of assets. However, the scheme's assets are well-diversified by investing in a range of asset classes, including property, government bonds and corporate bonds. The Group scheme holds 4% of its assets in DGFs which seek to maintain high levels of return while achieving lower volatility than direct equity funds. The allocation to return-seeking assets is monitored to ensure it remains appropriate, given the scheme's long-term objectives. The investment in bonds is discussed further below.
Changes in bond yields	Falling bond yields tend to increase the funding and accounting obligations. However, the investment in corporate and government bonds offers a degree of matching, i.e. the movement in assets arising from changes in bond yields partially matches the movement in the funding or accounting obligations. In this way, the exposure to movements in bond yields is reduced.
Inflation risk	The majority of the Group scheme's benefit obligations are linked to inflation. Higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the Group scheme's assets are either unaffected by inflation (fixed interest bonds) or loosely correlated with inflation (equities), meaning that an increase in inflation will also increase the deficit.
Life expectancy	The majority of the Group scheme's obligations are to provide a pension for the life of the member, so increases in life expectancy will result in an increase in the obligations.

Areas of risk management

Although investment decisions in the Group scheme are the responsibility of the Trustee, the Group takes an active interest to ensure that pension plan risks are managed effectively. The Group and Trustee have agreed a long-term strategy for reducing investment risk where appropriate.

Certain benefits payable on death before retirement are insured.

32. Contingent liabilities

Contractual disputes

The Group is, from time to time, party to contractual disputes that arise in the ordinary course of business. Management does not anticipate that the outcome of any of these disputes will have a material adverse effect on the Group's financial position, other than as already provided for in the consolidated financial statements. In appropriate cases, a provision is recognised based on best estimates and management judgement but there can be no guarantee that these provisions (which may be subject to potentially material revision from time to time) will result in an accurate prediction, due to the uncertainty of the actual costs and liabilities that may be incurred.

33. 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 year, the Group made payments of £0.4m (2024: £0.2m) to the Mitie Foundation to fund operations.

During the year ended 31 March 2025, the Group recognised revenue from transactions with associates of £1.9m (2024: £5.3m). The amount due from associates at the year end is £0.1m (2024: £nil).

The Group's key management personnel include the Executive Directors, Non-Executive Directors and members of the Mitie Group Executive (MGX). Details of the Directors' remuneration are included in Note 6. The remuneration for the other members of the MGX, including the share-based payments charge, is £8.2m (2024: £11.4m).

	2025 £m	2024 £m
Short-term employment benefits	**5.5**	5.8
Post-employment benefits	**0.4**	0.3
Share-based payments	**2.3**	5.3
At 31 March	**8.2**	11.4

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 year ended 31 March 2025 meet the definition of related party transactions.

34. Events after the reporting period

There have been no material events since the statement of financial position date that require adjustment or disclosure.

35. Related undertakings

The subsidiaries, joint ventures, associates, and joint operations of the Group as at 31 March 2025 have been disclosed below. Unless otherwise stated, the shareholding is held indirectly by Mitie Group plc and is represented by ordinary shares, of which the proportion of ownership interests held equals the voting rights. No subsidiary undertakings have been excluded from the consolidation.

The principal activities of all undertakings, unless otherwise stated, is the performance of FM services or the holding companies of other undertakings performing these services. All undertakings are tax resident in their country of incorporation unless otherwise stated.

Subsidiaries

Country/registered address/company	Aggregate % of share class	Share class
United Kingdom		
35 Duchess Road, Rutherglen, Glasgow, Scotland, G73 1AU, United Kingdom		
Cliniwaste Health South Limited[1] (registration number SC648410)	100	Ordinary
Cliniwaste Holdings Limited[2]	100	Ordinary
P2ML Ltd[1] (registration number SC299864)	100	Ordinary
Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG, United Kingdom		
8point8 Support Limited[1] (registration number 07370013)	100	Ordinary (all classes)
8point8 Training Limited[1] (registration number 10064042)	100	Ordinary
Argus Fire Protection Company Limited	100	Ordinary
Biotecture Limited[1] (registration number 06297364)	100	Ordinary
Care & Custody (Health) Limited[2]	100	Ordinary
Converge Technology Ltd[1] (registration number 08225307)	100	Ordinary (all classes)
CTI Power Limited[2]	100	Ordinary
Custom Solar Ltd[1] (registration number 07886213)	100	Ordinary (all classes)
ESM Power Limited[1] (registration number 04611637)	100	Ordinary
Esoteric Limited[1] (registration number 04441008)	100	Ordinary
G.B. Electronics Limited[1] (registration number 02674826)	100	Ordinary
GBE Converge Group Ltd[1] (registration number 03648989)	100	Ordinary (all classes)
Global Aware International Ltd[2]	100	Ordinary
Insitu Cleaning Company Limited[1] (registration number 01623889)	100	Ordinary
J C A Engineering Ltd	100	Ordinary
Jabez Holdings Limited[2]	100	Ordinary
JCA Head Co Limited[2]	100	Ordinary (all classes)
JCA HQ Group Holdings Ltd.[2]	100	Ordinary
Landmarc Support Services Limited	100[3]	Ordinary–A
Linx International Group Limited[1] (registration number 02057133)	100	Ordinary
Maclellan International Limited[1] (registration number 03688689)	100	Ordinary
Maclellan Management Services Limited[2]	100	Ordinary
Mitie (Defence) Limited	100	Ordinary
Mitie (Facilities Services) Limited[1] (registration number 00725583)	100	Ordinary
Mitie Aviation Security Limited[4]	100	Ordinary
Mitie Built Environment Limited[2]	100	Ordinary, preferred
Mitie Care and Custody Limited[4]	100	Ordinary (all classes)
Mitie Catering Services Limited	100	Ordinary (all classes)
Mitie Cleaning & Environmental Services Limited	100	Ordinary
Mitie Company Secretarial Services Limited[5]	100	Ordinary
Mitie Environmental Services Limited	100	Ordinary
Mitie FM Limited	100	Ordinary
Mitie FS (UK) Limited	100	Ordinary
Mitie Group Pension Scheme Trustee Company Limited[5]	100	Ordinary
Mitie Holdings Limited[2]	100	Ordinary
Mitie Infrastructure Limited[2,6]	100	Ordinary (all classes)

35. Related undertakings continued

Country/registered address/company	Aggregate % of share class	Share class
Mitie Integrated Services Limited	100	Ordinary
Mitie Landscapes Limited	100	Ordinary (all classes)
Mitie Limited	100	Ordinary
Mitie PFI Limited	100	Ordinary (all classes)
Mitie Property Services (UK) Limited[7]	100	Ordinary (all classes)
Mitie Roofing Limited[7]	100	Ordinary
Mitie Security (First) Limited[2]	100	Ordinary, deferred (all classes)
Mitie Security (Knightsbridge) Limited[2]	100	Ordinary
Mitie Security Limited	100	Ordinary
Mitie Shared Services Limited	100	Ordinary
Mitie Specialist Services (Holdings) Limited[1] (registration number 03044401)	100	Ordinary
Mitie Technical Facilities Management Limited	100	Ordinary (all classes)
Mitie Technical Services Limited[2]	100	Ordinary
Mitie Telecoms Assets Limited[2]	100	Ordinary
Mitie Telecoms Limited	100	Ordinary
Mitie Telecoms Towers Limited[1] (registration number 08811106)	100	Ordinary
Mitie Telecoms Ventures Limited[2]	100	Ordinary
Mitie Treasury Management Limited[7]	100	Ordinary
Mitie Trustee Limited[5]	100	Ordinary
Mitie Waste & Environmental Services Limited[4]	100	Ordinary (all classes)
Mitiefm (Holdings) Limited[2]	100	Ordinary
Mitiefm Services Limited[1] (registration number 02820560)	100	Ordinary, redeemable Ordinary, deferred
Perpetuity Training Limited[1] (registration number 04505069)	100	Ordinary
Procius Limited[1] (registration number 04730672)	100	Ordinary (all classes)
RHI Industrials Limited[1] (registration number 04233669)	100	Ordinary
Robert Prettie & Co Limited	100	Ordinary
Rock Power Connections Ltd[1] (registration number 08247808)	100	Ordinary (all classes)
Slademain Limited[1] (registration number 01776920)	100	Ordinary (all classes)
Source Eight Limited[2,4]	100	Ordinary (all classes)
Source8 Africa Limited[1] (registration number 08743753)	100	Ordinary (all classes)
Tavcom Limited[1] (registration number 03120861)	100	Ordinary A
UK CRBS Limited[1] (registration number 03656962)	100	Ordinary (all classes)
Utilyx Asset Management Limited[2]	100	Ordinary
Utilyx Healthcare Energy Services Limited[1] (registration number 06900475)	100	Ordinary
Utilyx Limited[1] (registration number 03922833)	100	Ordinary
Vantage Solutions Limited[1] (registration number 10902316)	100	Ordinary
Wealthy Thoughts Limited[2]	100	Ordinary
Woodford Investments Limited[1] (registration number 10714484)	100	Ordinary
Mitec Operations Centre, Unit 9B, First Floor, Silverwood Business Park, Silverwood Rd, Lurgan, Craigavon, Northern Ireland, BT66 6SY, United Kingdom		
Mitie NI Limited	100	Ordinary
France		
259 Rue St Honore, 75001, Paris, France		
Mitie France SAS	100	Ordinary

35. Related undertakings continued

Country/registered address/company	Aggregate % of share class	Share class
Germany		
c/o Pinsent Masons Germany LLP, OTTOSTR. 21, 80333, Munich, Germany		
Mitie Deutschland GmbH	100	Ordinary
Guernsey		
Plaza House, Third Floor, Elizabeth Avenue, St. Peter Port, GY1 2HU, Guernsey		
Mitie Engineering Services (Guernsey) Limited[8]	100	Ordinary
Ireland		
108 Q House, 76 Furze Road, Sandyford, Dublin 18, D18 AY29, Ireland		
Mitie Facilities Management Limited[4]	100	Ordinary (all classes)
Jersey		
IFC 5, St Helier, JE1 1ST, Jersey		
Mitie Engineering Services (Jersey) Limited[8]	100	Ordinary
Kingdom of Saudi Arabia		
PO Box 26982, Riyadh, 11595, Kingdom of Saudi Arabia		
Interserve Saudi Arabia LLC[2]	100	Ordinary
Netherlands		
Javastraat 12, Rotterdam, Netherlands		
Mitie Nederland B.V.	100	Ordinary
Ondernemingsweg 25, 1422 DZ, Uithoorn, Netherlands		
GBE Converge B.V.	100	Ordinary
Nigeria		
235 Ikorodu Road, Ilupeju, Lagos, Nigeria		
Source8 Delivery (Nigeria) Limited	100	Ordinary
Spain		
Avenida de Cornellá 140, Planta 6, Puerta 2 (08950) Esplugues de Llobregat, Barcelona, Spain		
JP Silcom Servicios S.L.	100	Ordinary
Silcom Auxiliares S.L.	100	Ordinary
Visegurity Express S.L.	100	Ordinary
c/o Cala Blanca, Número 15, Polígono Son Fuster, 07009, Palma, Spain		
Mitie Integra Baleares S.L.	100	Ordinary
c/o Luciano Ramos Diaz, 1, Local 2 Despacho 4 – S Cristobal Laguna, 38202, San Cristobal de la Laguna, Tenerife, Spain		
Mitie Integra Canarias S.L.	100	Ordinary
Calle Fernando Beautell, 25, 1 Planta, Polígono Costa Sur, 38009, Santa Cruz de Tenerife, Spain		
Bisermax Control S.L.	100	Ordinary
Biservicus Sistemas De Seguridad S.A.	100	Ordinary
Calle Juan Ignacio Luca de Tena, 8, 28027, Madrid, Spain		
Mitie Facilities Services S.A.	100	Ordinary
Translimp Contract Services S.A.	100	Ordinary
Calle Metalurgia, 8, planta 2 puerta A, 47610 Zaratán, Valladolid, Spain		
Fundación Mitie	100	Ordinary
Calle San Miguel 25, Bajo 1, Azuqueca de Henares, 19200, Guadalajara, Spain		
Mitie Centro Especial de Empleo S.L.	100	Ordinary
Carretera Santa Creu do Calafell 81, Gava, 08850, Barcelona, Spain		
Mitie Integra S.L.	100	Ordinary
Switzerland		
Brandschenkestrasse 90, CH-8027, Zurich, Switzerland		
Mitie Schweiz GmbH	100	Ordinary

35. Related undertakings continued

Country/registered address/company	Aggregate % of share class	Share class
United Arab Emirates		
PO Box 41394, Abu Dhabi, United Arab Emirates		
Landmarc Gulf Consultancy Management LLC	49	Ordinary

Joint ventures

Country/registered address/company	Aggregate % of share class	Share class
United Kingdom		
Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG, United Kingdom		
Pride (SERP) Ltd	100[9]	A Ordinary
Kingdom of Saudi Arabia		
Unit 6 and 7, Al Amani Center, Anas Bin Malik Road, Building number 2727, Additional number 8114, Riyadh, Postal Code 133, Kingdom of Saudi Arabia		
Interserve Rezayat Company LLC[2]	50	Ordinary
United States of America		
4800 Westfields Boulevard, Suite 400, Chantilly, Virginia, 20151, United States of America		
Amentum Mitie Pacific LLC	30	Ordinary

Associates

Country/registered address/entity	Aggregate % of share class	Share class
United Kingdom		
Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG, United Kingdom		
Sussex Estates and Facilities LLP	35	Partnership interest
Suite 1, First Floor Coachworks Arcade, Northgate Street, Chester, CH1 2EY, United Kingdom		
Chaperhome Ltd	36.78[10]	Ordinary A

Joint operations

	Aggregate %	Share class
United Kingdom		
OneAim[11]	50	Not applicable

Notes:
1. These subsidiaries have taken advantage of the audit exemption under Section 479A of the Companies Act 2006 for the period ended 31 March 2025. As such, Mitie Group plc has provided a guarantee against all debts and liabilities in these subsidiaries as at 31 March 2025.
2. In liquidation as at 31 March 2025.
3. 100% ownership held in Ordinary-A shares. 51% ownership of total share capital, as another party owns the remaining 49%. See Note 36.
4. The Company holds direct minority interest in these subsidiaries.
5. These subsidiaries were dormant during the year ended 31 March 2025 and will take the exemption from audit for the year by virtue of Section 480 of the Companies Act 2006.
6. The Company has voting control of this subsidiary through direct interests in a class of shares representing fewer than 50% of the total issued share capital of the subsidiary.
7. Held directly by the Company.
8. The Company is also a tax resident in the United Kingdom.
9. 100% ownership held in A Ordinary shares. 50% ownership of total share capital, as another party owns the remaining 50%.
10. 36.78% ownership held in Ordinary A shares. 30.79% ownership of total share capital due to existence of other share classes and other parties own the remaining 69.21%. Voting rights are 32.7% as a certain share class is non-voting. See Note 14.
11. Principal activity is siteworks.

36. Non-controlling interests

The Group has opted to recognise the non-controlling interest in Landmarc at its proportionate share of the acquired identifiable net assets.

The summarised financial information represents the consolidated position of Landmarc and its subsidiaries that would be shown in its consolidated financial statements prepared in accordance with UK-adopted International Accounting Standards under Group accounting policies before intercompany eliminations.

The comparative summarised statement of total comprehensive income is for the period from 16 November 2023 to 31 March 2024. Landmarc was accounted for as a joint venture until 16 November 2023, at which time the Group obtained control of Landmarc. Since 16 November 2023, Landmarc's financial results have been consolidated as a subsidiary of the Group.

Summarised statement of total comprehensive income

	Year to 31 March 2025 £m	16 November 2023 to 31 March 2024 £m
Revenue[1]	**206.6**	93.2
Profit for the financial year/period before Other items	**17.8**	10.4
Other items	**(3.5)**	(1.0)
Profit for the year/period	**14.3**	9.4
Other comprehensive income	**0.4**	0.2
Total comprehensive income	**14.7**	9.6
Profit attributable to non-controlling interests after Other items	**7.0**	4.6
Total comprehensive income attributable to non-controlling interest	**7.2**	4.7
Dividends paid to non-controlling interests	**10.1**	2.5

Note:
1. Includes £14.9m (16 November 2023 to 31 March 2024: £14.4m) of intercompany revenue at nil margin which has been eliminated on consolidation.

Summarised statement of financial position

	2025 £m	2024 £m
Non-current assets	**37.6**	37.9
Current assets	**47.2**	56.9
Total assets	**84.8**	94.8
Current liabilities	**(40.8)**	(45.2)
Non-current liabilities	**(8.1)**	(7.8)
Total liabilities	**(48.9)**	(53.0)
Net assets	**35.9**	41.8
Equity shareholders' funds	**18.3**	21.3
Non-controlling interests	**17.6**	20.5
Total equity	**35.9**	41.8

Summarised statement of cash flows

	Year to 31 March 2025 £m	16 November 2023 to 31 March 2024 £m
Net (decrease)/increase in cash and cash equivalents	**(12.5)**	7.3

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Notes	2025 £m	2024 £m
Non-current assets			
Investments in subsidiaries	4	**661.2**	652.5
Other receivables	5	**0.2**	0.2
Deferred tax assets	6	**11.1**	9.4
Total non-current assets		**672.5**	662.1
Current assets			
Trade and other receivables	5	**260.4**	195.7
Current tax receivable	7	**13.1**	36.5
Cash and cash equivalents		**1.7**	0.5
Total current assets		**275.2**	232.7
Total assets		**947.7**	894.8
Current liabilities			
Trade and other payables	8	**(66.9)**	(99.3)
Provisions	9	**(5.7)**	(5.4)
Total current liabilities		**(72.6)**	(104.7)
Net current assets		**202.6**	128.0
Non-current liabilities			
Provisions	9	**(10.2)**	(10.1)
Total non-current liabilities		**(10.2)**	(10.1)
Total liabilities		**(82.8)**	(114.8)
Net assets		**864.9**	780.0
Equity			
Share capital	10	**31.3**	33.3
Share premium	10	**132.0**	132.0
Merger reserve	10	**157.0**	157.0
Own shares reserve	10	**(65.1)**	(69.8)
Share-based payments reserve	10	**40.4**	42.1
Capital redemption reserve	10	**5.3**	3.3
Retained profits[1]	10	**564.0**	482.1
Total equity		**864.9**	780.0

Note:
1. The profit for the year ended 31 March 2025 was £238.2m (2024: £173.9m).

The accompanying notes on pages 209 to 212 form an integral part of the financial statements.

The Company financial statements of Mitie Group plc, company registration number SC019230, were approved by the Board of Directors and authorised for issue on 4 June 2025. They were signed on its behalf by:

Phil Bentley
Chief Executive Officer

Simon Kirkpatrick
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital £m	Share premium £m	Merger reserve £m	Own shares reserve £m	Share-based payments reserve £m	Capital redemption reserve £m	Retained profits £m	Total equity £m
At 1 April 2023	34.0	131.5	157.0	(59.0)	33.7	2.6	395.0	**694.8**
Profit for the year	–	–	–	–	–	–	173.9	**173.9**
Total comprehensive income	–	–	–	–	–	–	173.9	**173.9**
Transactions with owners								
Dividends paid	–	–	–	–	–	–	(41.5)	**(41.5)**
Purchase of own shares[1]	–	–	–	(19.6)	–	–	–	**(19.6)**
Share buybacks[2]	(0.7)	–	–	(31.8)	–	0.7	(26.6)	**(58.4)**
Share-based payments[3]	–	0.5	–	40.6	8.4	–	(21.4)	**28.1**
Tax on share-based payments	–	–	–	–	–	–	2.7	**2.7**
Total transactions with owners	(0.7)	0.5	–	(10.8)	8.4	0.7	(86.8)	**(88.7)**
At 31 March 2024	33.3	132.0	157.0	(69.8)	42.1	3.3	482.1	**780.0**
At 1 April 2024	33.3	132.0	157.0	(69.8)	42.1	3.3	482.1	**780.0**
Profit for the year	–	–	–	–	–	–	238.2	**238.2**
Total comprehensive income	–	–	–	–	–	–	238.2	**238.2**
Transactions with owners								
Dividends paid	–	–	–	–	–	–	(54.5)	**(54.5)**
Purchase of own shares[1]	–	–	–	(14.6)	–	–	–	**(14.6)**
Share buybacks[2]	(2.0)	–	–	(12.2)	–	2.0	(92.5)	**(104.7)**
Share-based payments[3]	–	–	–	31.5	(1.7)	–	(10.6)	**19.2**
Tax on share-based payments	–	–	–	–	–	–	1.3	**1.3**
Total transactions with owners	(2.0)	–	–	4.7	(1.7)	2.0	(156.3)	**(153.3)**
At 31 March 2025	31.3	132.0	157.0	(65.1)	40.4	5.3	564.0	**864.9**

Notes:

1. The Employee Benefit Trust acquired 11.7m (2024: 19.1m) ordinary shares through market purchases for a consideration together with associated fees and stamp duty of £13.2m (2024: £18.9m) and the Share Incentive Plan Trust acquired 1.1m (2024: 0.6m) shares for a consideration of £1.4m (2024: £0.7m).
2. The share buybacks resulted in the purchase of 89.0m ordinary shares (2024: 58.6m) for a consideration of £92.5m (2024: £26.6m), of which 78.9m ordinary shares (2024: 26.1m) have subsequently been cancelled. In addition, 10.1m ordinary shares (2024: 32.5m) were bought into treasury for a consideration of £12.2m (2024: £31.8m). See Notes 27 and 28 of the consolidated financial statements.
3. The £10.6m (2024: £21.4m) loss in retained earnings with respect to share-based payments represents the loss on exercises of share scheme awards of £9.6m (2024: £21.2m) and the charge with respect to dividend equivalents of £1.0m (2024: £0.2m). See Note 28 of the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. Basis of preparation and material accounting policies

(a) Basis of preparation

Mitie Group plc (the Company) is a public company limited by shares, incorporated in the United Kingdom and registered in Scotland. It was incorporated on 16 July 1936 under the Companies Act 1929. The Company's registered office is at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. The Company's financial statements are presented in pounds sterling, which is the Company's functional and presentational currency. All amounts have been rounded to the nearest hundred thousand pounds, unless otherwise indicated. The Group comprises the Company and all its subsidiaries.

These financial statements were prepared in accordance with Financial Reporting Standard 101 – Reduced Disclosure Framework (FRS 101). In preparing its financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The Company's financial statements have been prepared on the historical cost basis and on a going concern basis.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes
- The statement of compliance with UK-adopted International Accounting Standards
- The effects of new but not yet effective UK-adopted International Accounting Standards
- Disclosures in respect of capital management
- Disclosures in respect of the compensation of Key Management Personnel
- Disclosures in respect of related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 – *Share-based Payment* in respect of Group settled share-based payments
- Certain disclosures required by IAS 12 – *Income Taxes*
- Certain disclosures required by IFRS 13 – *Fair Value Measurement* and the disclosures required by IFRS 7 – *Financial Instruments: Disclosures*

In accordance with Section 408(3) of the Companies Act 2006, the Company is exempt from the requirement to present its income statement.

There are no new and mandatorily effective standards in the year that could have a material impact on the financial statements.

(b) Material accounting policies

The material accounting policies and measurement bases adopted are the same as those disclosed in Note 1 of the consolidated financial statements except as noted below, and have been applied consistently throughout the year and the preceding year, unless stated otherwise.

Investments

Investments in subsidiaries are shown at cost less any impairments. Investments in subsidiaries are reviewed on an ongoing basis for any indication of impairment and, if any such indication exists, the investment's recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying value of an asset exceeds its recoverable amount.

Financial instruments

Intercompany loans are all assessed as being repayable on demand. The impairment assessment of receivables is in accordance with IFRS 9.

The Company enters into financial guarantee arrangements to guarantee the indebtedness of other companies within the Group. The financial guarantee contracts are measured in accordance with IFRS 9.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is provided in full on temporary differences that result in an obligation at the statement of financial position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon tax rates and legislation that have been enacted or substantively enacted at the statement of financial position date. Temporary differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on unremitted earnings of subsidiaries, joint ventures and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Share-based payments

Details of the Company's equity-settled share schemes are provided in Note 30 of the consolidated financial statements. The cost of options and conditional awards over the Company's shares granted to employees of the Company's subsidiaries are accounted for as a capital contribution within the carrying value of investments in subsidiaries.

1. Basis of preparation and material accounting policies continued

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

The preparation of the financial statements under FRS 101 requires management to make judgements, estimates and assumptions that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual results may differ from these judgements, estimates and assumptions.

There were no critical judgements that had significant effects on the amounts recognised in the financial statements and there were no significant sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

2. Staff numbers and costs

There were no persons employed by the Company (including Directors) during the years ended 31 March 2025 and 31 March 2024. Information about the Directors' remuneration has been disclosed in Note 6 of the consolidated financial statements.

3. Auditor's remuneration

The auditor's remuneration for audit services to the Company has been disclosed in Note 5 of the consolidated financial statements.

4. Investments in subsidiaries

	£m
Net book value	
At 1 April 2024	**652.5**
Capital contribution with respect to share-based payments	**9.2**
Impairment charge for the year	**(0.5)**
At 31 March 2025	**661.2**
Cost	
At 1 April 2023	721.8
At 31 March 2024	735.0
At 31 March 2025	**737.0**
Impairment	
At 1 April 2023	82.5
At 31 March 2024	82.5
At 31 March 2025	**75.8**

Details of the Company's subsidiary undertakings have been disclosed in Note 35 of the consolidated financial statements.

The carrying amount of the Company's investments in subsidiary undertakings has been tested for impairment in accordance with IAS 36 – *Impairment of Assets*. The carrying amount was compared to the asset's recoverable amount and assessed by reference to value-in-use if required. The value-in-use has been calculated based upon a discounted cash flow methodology using the most recent forecasts prepared by management. These forecasts cover the next five years with a terminal value using a long-term growth assumption of 2.0% (2024: 2.0%) and are consistent with those used for the Group's goodwill impairment assessment. The key assumptions for the value-in-use calculation are forecast revenue, direct costs, expectations of future changes in the market, operating model and cost base, and discount rates. The pre-tax discount rates used to assess the forecast cash flows, ranging from 9.5% to 10.2%, have been derived from the Company's post-tax weighted average cost of capital, which was 7.1% at 31 March 2025 (2024: 7.7%). These rates are reviewed annually by external advisors and adjusted for the risks specific to the business being assessed and the market in which it operates.

During the year, Source Eight Limited (a subsidiary of the Company) was placed into voluntary liquidation. As a result, the investment held by the Company in Source Eight Limited has been impaired by £0.5m (2024: £nil). All other investments had significant headroom and required no impairment. In addition, £7.2m of cost, along with an equivalent amount of accumulated impairment, has been disposed of in relation to investments that have a nil net book value.

Reasonably possible changes to the key assumptions would not have resulted in an additional impairment in the Company's investments in subsidiary undertakings (2024: £nil).

5. Trade and other receivables

	2025 £m	2024 £m
Amounts owed by subsidiaries	**220.3**	163.0
Prepayments	**8.7**	7.3
Other receivables[1]	**31.6**	25.6
Total	**260.6**	195.9
Current	**260.4**	195.7
Non-current	**0.2**	0.2
Total	**260.6**	195.9

Note:
1. Includes £27.2m (2024: £23.1m) of VAT payments on account made on behalf of other Group entities and £0.6m (2024: £0.6m) of VAT owed by tax authorities.

Amounts owed by subsidiaries are generally repayable on demand. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

6. Deferred tax assets

	Accelerated capital allowances £m	Share options £m	Short-term timing differences £m	Total £m
At 1 April 2023	0.5	5.1	–	**5.6**
(Charge)/credit to income statement	(0.1)	0.9	0.4	**1.2**
Credit to equity	–	2.6	–	**2.6**
At 31 March 2024	0.4	8.6	0.4	**9.4**
Credit to income statement	–	0.3	1.0	**1.3**
Credit to equity	–	0.4	–	**0.4**
At 31 March 2025	0.4	9.3	1.4	**11.1**

7. Current tax receivable

As at 31 March 2025, the Company held a current tax receivable of £13.1m (2024: £36.5m), comprising amounts owed by subsidiaries in relation to Group relief of £1.3m (2024: £5.7m) and £11.8m (2024: £29.1m) of tax payments made on behalf of other Group entities. In 2024 the receivable also included £1.7m owed by tax authorities.

8. Trade and other payables

	2025 £m	2024 £m
Trade payables	**2.7**	1.4
Amounts owed to subsidiaries	**41.8**	73.9
Other taxes and social security	**6.3**	5.8
Accruals	**12.1**	13.6
Other payables	**4.0**	4.6
Total	**66.9**	99.3

Amounts owed to subsidiaries are repayable on demand. The Directors consider that the carrying amount of trade and other payables approximates their fair value. Included within amounts owed to subsidiaries above is £20.7m (2024: £70.7m) relating to interest-bearing loans at 5% per annum (2024: 5% per annum).

9. Provisions

	£m
At 1 April 2024	15.5
Additional provisions	9.5
Utilised	(9.1)
At 31 March 2025	15.9
Current	5.7
Non-current	10.2
Total	15.9

Provisions were in respect of the insurance reserve. The Company 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 using advice from third-party actuarial experts. The provision is expected to be utilised over five years.

10. Equity

Details of the Company's share capital, share premium, merger reserve, own shares reserve, share-based payments reserve and capital redemption reserve have been disclosed in Notes 27 and 28 of the consolidated financial statements. Retained profits comprise the earnings and losses of the Company less amounts distributed to the Company's shareholders.

11. Dividends

Dividends recognised have been disclosed in Note 9 of the consolidated financial statements.

12. Contingent liabilities

As disclosed in Note 35 of the consolidated financial statements, certain subsidiaries have taken advantage of the audit exemption under Section 479A of the Companies Act 2006 for the year ended 31 March 2025. A parent company guarantee has been provided for these companies under Section 479C of the Companies Act 2006.

13. Share-based payments

The Company has certain equity-settled share schemes as described in Note 30 of the consolidated financial statements.

14. Related party transactions

Details of the related party transactions have been disclosed in Note 33 of the consolidated financial statements.

The Directors are remunerated for their services to the Group as a whole. No remuneration was paid to the Directors specifically in respect of their services to the Company for the years ended 31 March 2025 or 31 March 2024. Detailed disclosures of Directors' remuneration and share interests are given in the Directors' remuneration report on pages 124 to 137.

Under FRS 101, the Company is exempt from disclosing key management personnel compensation and transactions with other companies wholly owned by the Group. The Company had no other related party transactions during the year ended 31 March 2025 (2024: £nil).

APPENDIX – ALTERNATIVE PERFORMANCE MEASURES

The Group presents various Alternative Performance Measures (APMs) as management believes that these are useful for users of the consolidated 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 consolidated financial statements. During the year, the APM in relation to performance excluding Covid-related contracts has been removed as is not applicable for the year ended 31 March 2025 or the comparative year. 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 for users of the consolidated financial statements to obtain a proper understanding of the financial information and the underlying performance of the business.

These Other items include acquisition- and disposal-related costs such as amortisation of acquisition-related intangible assets and charges with respect to employment-linked earnouts, impairment of goodwill, gain or loss on business disposals, as well as cost of restructuring programmes, charges arising on exit of pension schemes and other exceptional items.

Further details of these Other items are provided in Note 4.

Operating profit		2025 £m	2024 £m
Operating profit from continuing operations	Statutory measures	**161.6**	165.7
Adjust for: restructure costs	Note 4	**16.6**	20.4
Adjust for: acquisition- and disposal-related costs	Note 4	**43.1**	38.3
Adjust for: other exceptional items	Note 4	**12.8**	3.7
Adjust for: fair value gain on Landmarc acquisition	Note 4	–	(17.9)
Operating profit before Other items	Performance measures	**234.1**	210.2

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

	2025			2024 (restated[1])		
Operating profit/(loss)	Reported results £m	Adjust for: Other items (Note 4) £m	Performance measures £m	Reported results £m	Adjust for: Other items (Note 4) £m	Performance measures £m
Segment						
Business Services	**154.6**	**8.4**	**163.0**	146.5	3.3	149.8
Technical Services	**68.0**	**11.0**	**79.0**	82.6	(7.7)	74.9
Communities	**43.8**	**3.7**	**47.5**	34.8	1.3	36.1
Corporate Centre	**(104.8)**	**49.4**	**(55.4)**	(98.2)	47.6	(50.6)
Total Group	**161.6**	**72.5**	**234.1**	165.7	44.5	210.2

Note:
1. The comparatives for the year ended 31 March 2024 have been restated for the change in composition of reportable segments (See Note 3).

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.

Earnings per share		2025 pence	2024 pence
Statutory basic earnings per share	Statutory measures	**8.2**	9.8
Adjust for: Other items per share		**4.5**	2.5
Basic earnings per share before Other items	Performance measures	**12.7**	12.3

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 constraints on the Group's ability to utilise these balances, has been excluded from the net debt measure.

Total financial obligations (TFO) are defined as the Group's net debt and the net retirement benefit assets/liabilities. TFO represents all debt-like financing items the Group has made use of at the year end.

A reconciliation from reported figures is presented below:

Net debt		2025 £m	2024 £m
Cash and cash equivalents	Statutory measures	**180.4**	244.9
Adjusted for: restricted cash	Note 22	**(4.3)**	(4.2)
Financing liabilities	Note 23	**(375.1)**	(321.5)
Net debt	Performance measures	**(199.0)**	(80.8)
Net retirement benefit assets/(liabilities)	Note 31	**13.9**	(0.8)
TFO	Performance measures	**(185.1)**	(81.6)

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. This measure showed average daily net debt of £264.0m for the year ended 31 March 2025, compared with £160.7m for the year ended 31 March 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.

Free cash flow		2025 £m	2024 £m
Net cash generated from operating activities	Statutory measures	**220.0**	197.7
Add: net (increase)/decrease in restricted cash	Note 22	**(0.1)**	2.2
Interest received		**3.0**	3.6
Dividends received from joint ventures and associates	Note 14	**–**	8.4
Employment-linked earnouts[1]		**7.0**	0.7
Purchase of property, plant and equipment	Note 13	**(24.0)**	(11.5)
Purchase of other intangible assets	Note 12	**(7.6)**	(8.4)
Disposal of property, plant and equipment		**0.6**	0.2
Lease incentives received		**–**	5.7
Capital element of lease rentals paid	Note 25	**(56.1)**	(41.0)
Free cash inflow	Performance measures	**142.8**	157.6

Note:
1. During the year ended 31 March 2025, payments totalling £7.0m (2024: £0.7m) 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. The costs related to performance-based employment-linked earnouts are charged to the consolidated income statement and classified as Other items (see Note 4).

Earnings before interest, tax, depreciation and amortisation

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

EBITDA		2025 £m	2024 £m
Profit before tax	Statutory measures	**145.4**	156.3
Add: net finance costs	Note 7	**16.2**	9.4
Operating profit		**161.6**	165.7
Add: Other items	Note 4	**72.5**	44.5
Operating profit before Other items		**234.1**	210.2
Add:			
Depreciation of property, plant and equipment	Note 13, 25	**67.9**	48.2
Amortisation of non-current assets[1]	Note 12	**8.5**	8.2
Amortisation of contract assets	Note 16	**0.4**	1.4
Impairment of non-current assets	Note 12	**–**	0.1
EBITDA	Performance measures	**310.9**	268.1

Note:
1. Excludes amounts classified in the consolidated income statement as Other items. See Note 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.

		2025 £m	2024 £m
Net assets	Statutory measures	**428.0**	473.7
Add:			
Non-current liabilities		**445.2**	327.6
Current provisions	Note 20	**37.4**	66.5
Current private placement notes	Note 23	**–**	30.0
Deduct:			
Non-current deferred tax assets	Note 21	**–**	(7.9)
Cash and cash equivalents	Note 22	**(180.4)**	(244.9)
Invested capital	Performance measures	**730.2**	645.0
Operating profit before Other items		**234.1**	210.2
Tax[1]		**(55.5)**	(39.7)
Operating profit before Other items after tax		**178.6**	170.5
ROIC %	Performance measures	**24.5%**	26.4%

Notes:
1. Tax charge has been calculated at the effective tax rate for the year on pre-tax profits before Other items for continuing operations of 23.7% (2024: 18.9%).

Overview

Interim results for H1 FY26	20 November 2025

Dividends

FY25 interim dividend (1.3p paid)	4 February 2025
FY25 final dividend (3.0p proposed)	
Ex-dividend date	19 June 2025
Record date	20 June 2025
Last date for receipt/revocation of Dividend Re-investment Plan (DRIP) mandate	7 July 2025
Payment date	4 August 2025

Annual General Meeting

2025 Annual General Meeting	22 July 2025

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Mitie online share portal

Mitie has a portal where shareholders can register and can then login to:

- Access information on shareholdings and movements
- Update address details
- View dividend payments received and register bank mandate instructions
- Sell Mitie shares
- Complete an online proxy voting form
- Register for e-communications allowing Mitie to notify shareholders by email that certain documents are available to view on its website. This will further reduce Mitie's carbon footprint as well as reduce costs

If you wish to register, please sign up at: www.mitie-shares.com.

Corporate website

This report can be downloaded in PDF from the Mitie website, which also contains additional general information about Mitie.

Please visit www.mitie.com.

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