



15 April 2024  
**Mitie Group plc**

## **FY24 Full Year Trading Update**

**Record revenue of at least £4,500m (11% increase yoy)**  
**Operating profit increased to at least £200m (4.5% margin)**  
**Share buybacks continue with next £50m programme launched**

Mitie Group plc ("Mitie" / "the Group") (LSE: MTO), the UK's leading facilities transformation company, today provides a trading update for the year ended 31 March 2024 ("FY24").

### **Highlights**

- Mitie's strong track record of delivery continues: all medium-term targets met or significantly exceeded in FY24, the final year of our Three-Year Plan
- Record revenue<sup>1</sup> of at least £4,500m: an increase of c.11% yoy (FY23: £4,055m); Q4 revenue growth of c.10% against a strong prior year comparative
- Operating profit<sup>2</sup> increased to at least £200m, up c.23% yoy (FY23: £162m)
- Operating margin<sup>2</sup> of c.4.5% achieved in FY24: strong H2 operating margin of c.5%
- Basic EPS<sup>2</sup> expected to grow broadly in line with operating profit, with lower net finance costs and share capital reductions offset by a higher corporation tax rate
- Closing net debt of c.£85m (31 March 2023: £44m), reflecting strong free cash flow offset by increased shareholder returns, M&A and an increase in lease obligations
- Further £50m share buyback programme commences today

### **Commenting on the outlook, Phil Bentley, CEO, said:**

*"We are pleased with the performance of the business in FY24, having delivered record revenue and operating profit, and an operating margin of 4.5%. Free cash flow generation has been strong, supporting our ongoing commitment to the return of surplus funds to shareholders via share buybacks.*

*"Our focus on technology, innovation and our people underpins our industry leadership in the UK, which is the largest and most dynamic FM market in Europe. Our strategy for Facilities Transformation will see Mitie extend its market leading position by converting our record pipeline of opportunities into new Key Accounts; accelerating growth in projects as we work with our customers to transform their estates; and continuing delivery of cost saving initiatives."*

---

<sup>1</sup> Including share of JVs and associates

<sup>2</sup> Before other items



## **Trading update**

Q4 FY24 revenue of c.£1,240m increased by c.10% yoy (Q4 FY23: £1,127m), against a strong prior year comparative for projects work. Revenue has exceeded £1bn in each quarter of FY24, and has grown sequentially quarter-on-quarter.

As a result of the strong trading performance in the final quarter, we expect FY24 revenue to grow by c.11% to at least £4,500m (FY23: £4,055m). This increase reflects organic growth of c.7% from Key Accounts and Projects upsell, with c.4% of inorganic growth. The largest contributors to the inorganic growth were JCA Engineering, GBE Converge and RHI Industrials.

We have continued to see sustained demand from our clients for transformational projects across their estates, driven by macro trends including decarbonisation, the modernisation of the built environment, and changes in the regulatory landscape. FY24 Projects revenue will exceed £1bn (FY23: £0.8bn).

As a result of the uplift in Group revenue, combined with our extensive programme of margin enhancement initiatives and ongoing management of cost inflation, we now expect operating profit before other items to be at least £200m. This represents an increase of at least 23% on the prior year (FY23: £162m).

With this outturn we will have achieved the final target from our Three-Year Plan, reaching an operating margin of c.4.5% in FY24. Our H2 performance exceeded that of H1, both for revenue (H1 FY24: £2,132m) and operating profit (H1 FY24: £85m), resulting in an operating margin of c.5% in the second half of the year.

During the final quarter, we secured a number of notable wins and scope increases including with Eastern Police Forces for custody services, FDIS for decarbonisation projects work, London Southbank University and WPP for IFM, and Sainsburys and Lloyds Banking Group for additional security. Notable renewals included with Associated British Ports, AWE, the Department for Transport, GSK, HMRC, the Home Office, JLL and Qinetiq. We are entering the new financial year with a healthy order book and £19bn pipeline.

## **Infill M&A**

We completed seven strategic acquisitions for a combined consideration of £65m in FY24. Our position as a leader in the intelligence and technology-led Fire & Security market has been enhanced by four acquisitions, including RHI Industrials (a leading installer of high-tech security and access controls), and GBE Converge (a leading provider of fire, security and ICT solutions). We also enhanced our Mechanical & Electrical (M&E) engineering capabilities through the acquisition of JCA Engineering, which is a leading principal contractor for complex engineering projects, with a particular focus on Data Centres and other critical environments.

## **Net debt**

Closing net debt (post-IFRS 16) at 31 March 2024 was c.£85m (31 March 2023: £44m). The increase in net debt since 31 March 2023 reflects strong free cash flow generation, offset by planned capital deployment actions and an increase in lease obligations.



Total capital deployments of £149m included the share buyback programme (£50m)<sup>3</sup>, share purchases for employee incentive schemes (£20m), strategic acquisitions (£65m) and dividend distributions (£44m), partially offset by Landmarc cash acquired on consolidation (£30m). There has also been an increase of c.£45m in lease obligations as we transition our fleet to the more expensive electric vehicles and extend the duration of the leases.

FY24 average daily net debt is expected to be c.£160m (FY23: £84m).

### Capital allocation and share buybacks

Our capital allocation policy prioritises a progressive dividend; the purchase of all shares to fulfil employee incentive schemes; strategic bolt on acquisitions; and the return of surplus funds to shareholders, whilst ensuring that we remain within our target leverage range of 0.75x to 1.5x (average net debt / EBITDA).

Consistent with our policy, we are continuing to buy back shares through a further £50m programme which commences today. Within the programme, c.10m of the shares purchased will be held in treasury to satisfy the 2021 Save as You Earn (SAYE) scheme, vesting in January 2025. All remaining shares purchased as part of the buyback programme will be cancelled.

Over the past two years, 127m shares have been purchased for £100m via share buyback programmes (of which 95m have been cancelled), at an average price of 79p. A further 71m shares have been purchased for £58m into our Employee Benefit Trust (at an average price of 82p).

### Full year results release and presentation

Mitie's full year results for the year ended 31 March 2024 will be released on Thursday 6 June 2024 and a presentation will be held for analysts at 9.30am.

– END –

Full Year Summary	FY24 Expected	FY23 Actual
Revenue	At least £4,500m	£4,055m
Operating profit before other items	At least £200m	£162m
Average daily net debt	c.£160m	£84m
Closing net debt	c.£85m	£44m

FY24 financials disclosed in the above trading update are unaudited.

### For further information

**Kate Heseltine**

Group IR & Corporate  
Finance Director

M: +44 (0)738 443 9112 E: [kate.heseltine@mitie.com](mailto:kate.heseltine@mitie.com)

<sup>3</sup> Net of £8m cash receipts from the exercise of 2020 SAYE scheme shares that vested in December 2023



**Claire Lovegrove**  
Director of Corporate Affairs

M: +44 (0)790 027 6400 E: [claire.lovegrove@mitie.com](mailto:claire.lovegrove@mitie.com)

**Richard Mountain**  
FTI Consulting

M: +44 (0)790 968 4466

## **About Mitie**

Founded in 1987, Mitie employs 65,000 colleagues and is the leading technology-led Facilities Transformation company in the UK. We are a trusted partner to c.3,000 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 decision making.

In each of our core services of Engineering (Hard Services) and Security and Cleaning & Hygiene (Soft Services) we hold market leading positions. We also upsell Projects capabilities in the areas of building fitouts and modernisation, decarbonisation, fire & security, and telecoms infrastructure. Our sector expertise includes Central Government, Critical National Infrastructure, Defence, Financial Services, Healthcare & Life Sciences, Local Government & Education, Retail & Logistics and Transport & Aviation.

We hold industry leading ESG credentials, including a CDP 'A' score, and in the past 12 months we have received multiple industry awards including B2B Marketing Team of the Year, Best Low Carbon Solution and Net Zero Carbon Strategy of the Year. Targeting Net Zero by the end of 2025, our ambitious emissions reduction plans have also been validated by the Science Based Targets initiative (SBTi). We have been recognised as a UK Top Employer for the sixth consecutive year. Find out more at [www.mitie.com](http://www.mitie.com).