



Capital Markets Day

29 September 2014

Ruby McGregor-Smith CBE

Chief Executive

Mitie – the strategic outsourcing company

Helping clients to run more efficient and effective businesses by looking after their facilities, their energy needs and the people they're responsible for

Overview



27 years
consecutive revenue
and earnings growth

FTSE 250
support services
business

70,000+
employees: top 20
UK private sector
employer

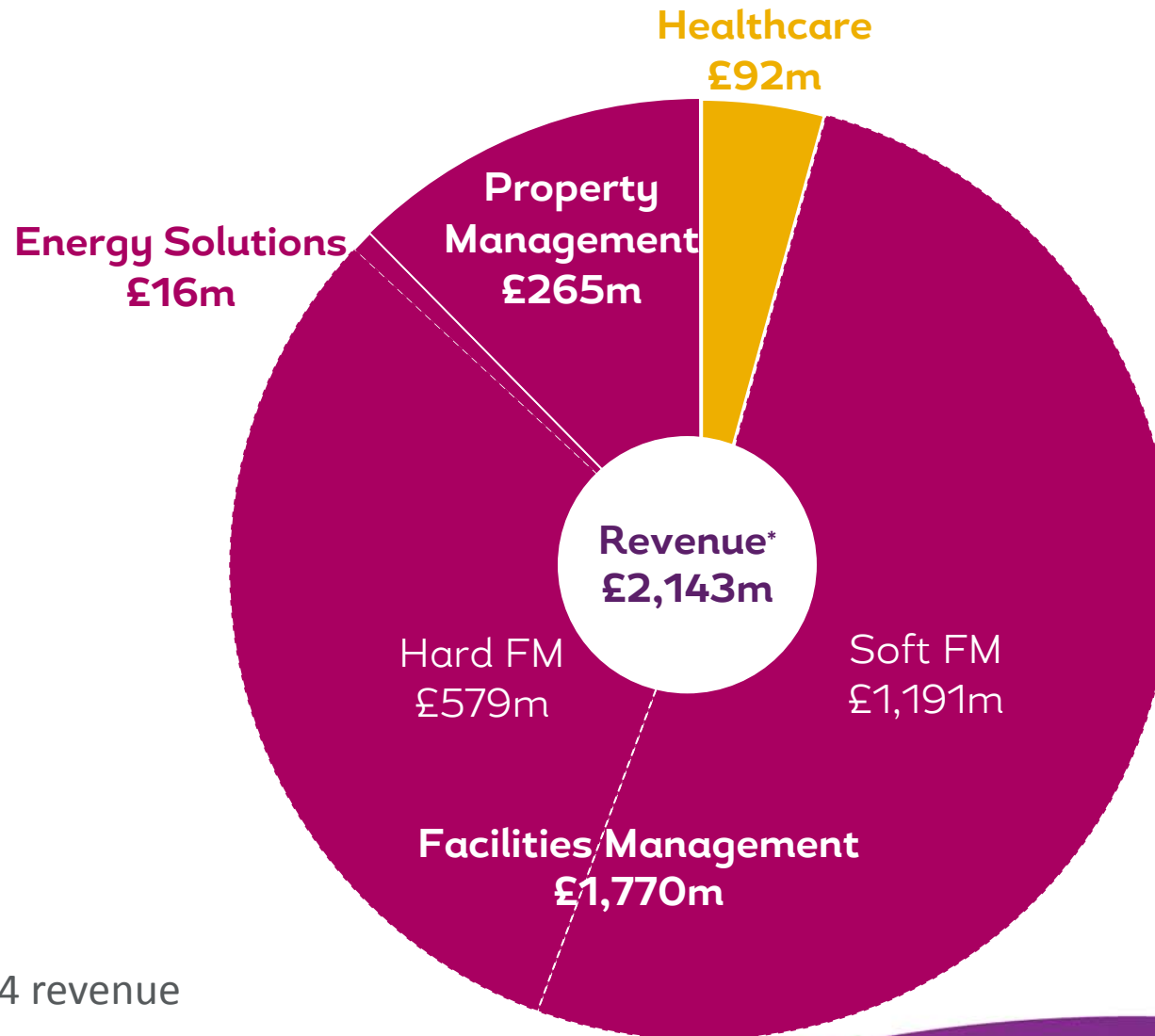
64%:36%
private sector
public sector

£2.1bn*
revenue

£128m*
operating profit

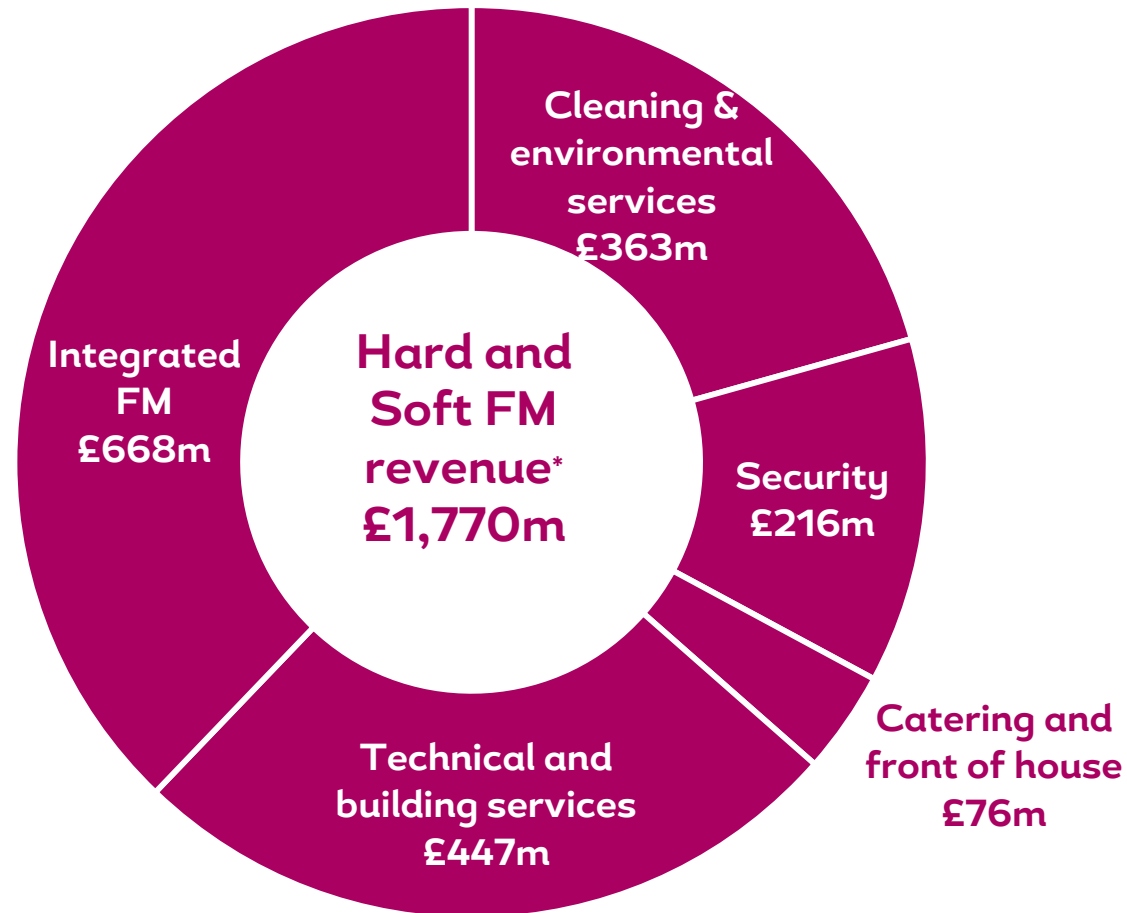
* Headline results for the financial year ended March 2014

The shape of our business



*FY14 revenue

Facilities Management breakdown



*FY14 revenue

Investment case



- Strong organic growth potential, backed by a large order book and excellent revenue visibility
- Very consistent margin track record – opportunity for gradual improvement
 - Blended group margin of 6.0%; major overhead investments made to support long-term growth and significant opportunities to leverage economies of scale
- Opportunity to take further market share
 - Core Facilities Management business is market-leading – ability to expand with existing, blue-chip client base
 - Homecare business provides platform for long-term growth in healthcare
 - Substantial sales pipeline
- Consistent, excellent cash generation and a strong balance sheet underpin profits
- Will continue to deliver sustainable profitable growth – generating strong shareholder returns supported by progressive dividend

Investment considerations – strategic direction



- Substantially de-risked the business
 - On track to exit loss-making M&E engineering construction business by end of FY15
 - All design and build contracts within Asset Management being reviewed
 - Further update to be provided at interim results
 - No exceptional losses from the above two businesses to be reported after FY15
- Remaining business is focused on long-term services, with greater revenue visibility and lower risk
- Core FM business is in a strong position
 - Leads the UK market for integrated services
 - Single service businesses continue to feed strong pipeline of bundled/integrated contracts
 - Private sector still driving more growth than public sector, with minimal exposure to central government

Investment considerations – strategic direction



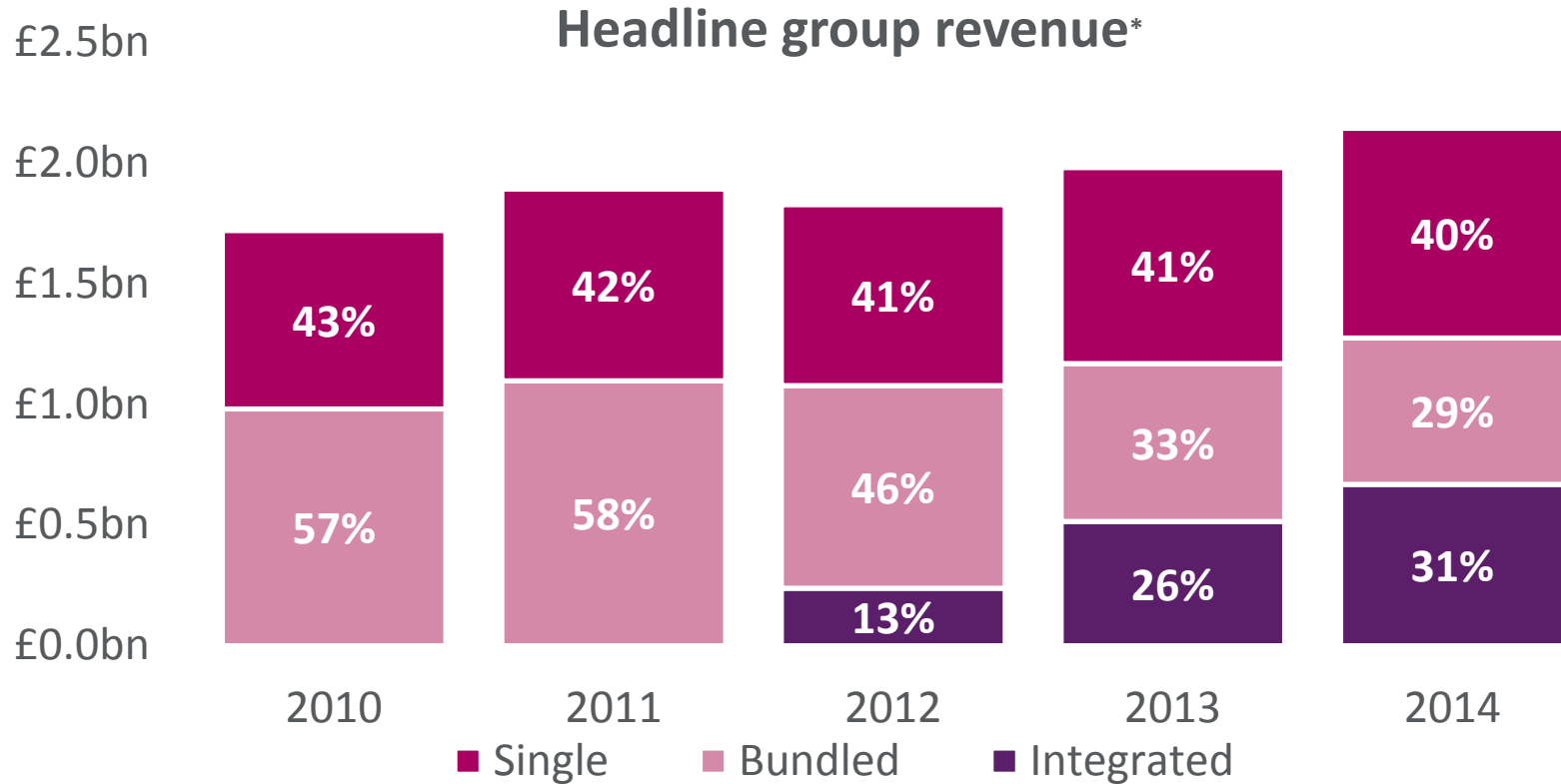
- Continued focus on sustaining our excellent track record of:
 - Cash conversion >80%, strong working capital discipline
 - Organic revenue growth – mid-single digit in the short-term
 - Margins – 6%, with aspirations to grow in medium to long-term
 - Capital expenditure <2% of revenues
- Anticipate increasing returns on capital employed as we focus on organic growth

Long-term strategy and growth aspirations



Business area	Strategy	Long-term organic growth potential	Acquisition potential
Facilities Management	<ul style="list-style-type: none"> • Remain the UK market leader in integrated FM and continue growing with existing clients • Further grow our specialist single-service businesses and be a top four provider in each of these markets 	5 to 10%	No acquisitions of scale required – niche/bolt-on capability only
Property Management	<ul style="list-style-type: none"> • Focused on long-term contracts with housing associations and local authorities 	1 to 10%	No acquisitions
Energy Solutions	<ul style="list-style-type: none"> • Utilyx focused on higher-margin energy consulting – differentiates us in FM market • No further design and build projects – consulting only 	5 to 10%	Potential for small, niche acquisitions
Healthcare	<ul style="list-style-type: none"> • Grow MiHomecare into the UK's market leading homecare business • Shape the social care market by delivering transformational healthcare partnerships • Expand into more complex care 	>10%	No acquisitions of scale required – niche/bolt-on capability only

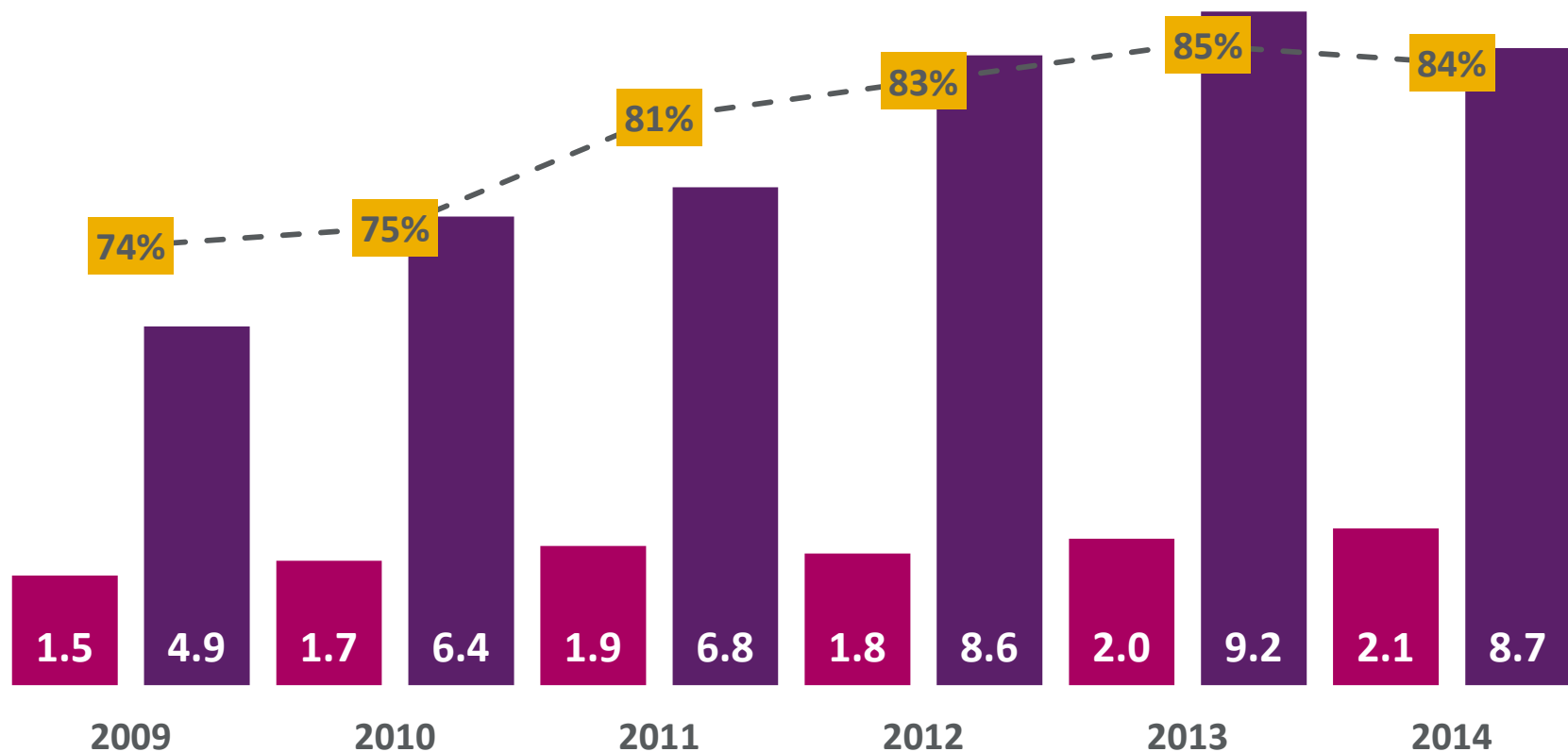
Market shift to integrated contracts



- Significant revenue still derived from single service contracts – opportunity to benefit further

*Revenue excludes engineering construction business from 2012

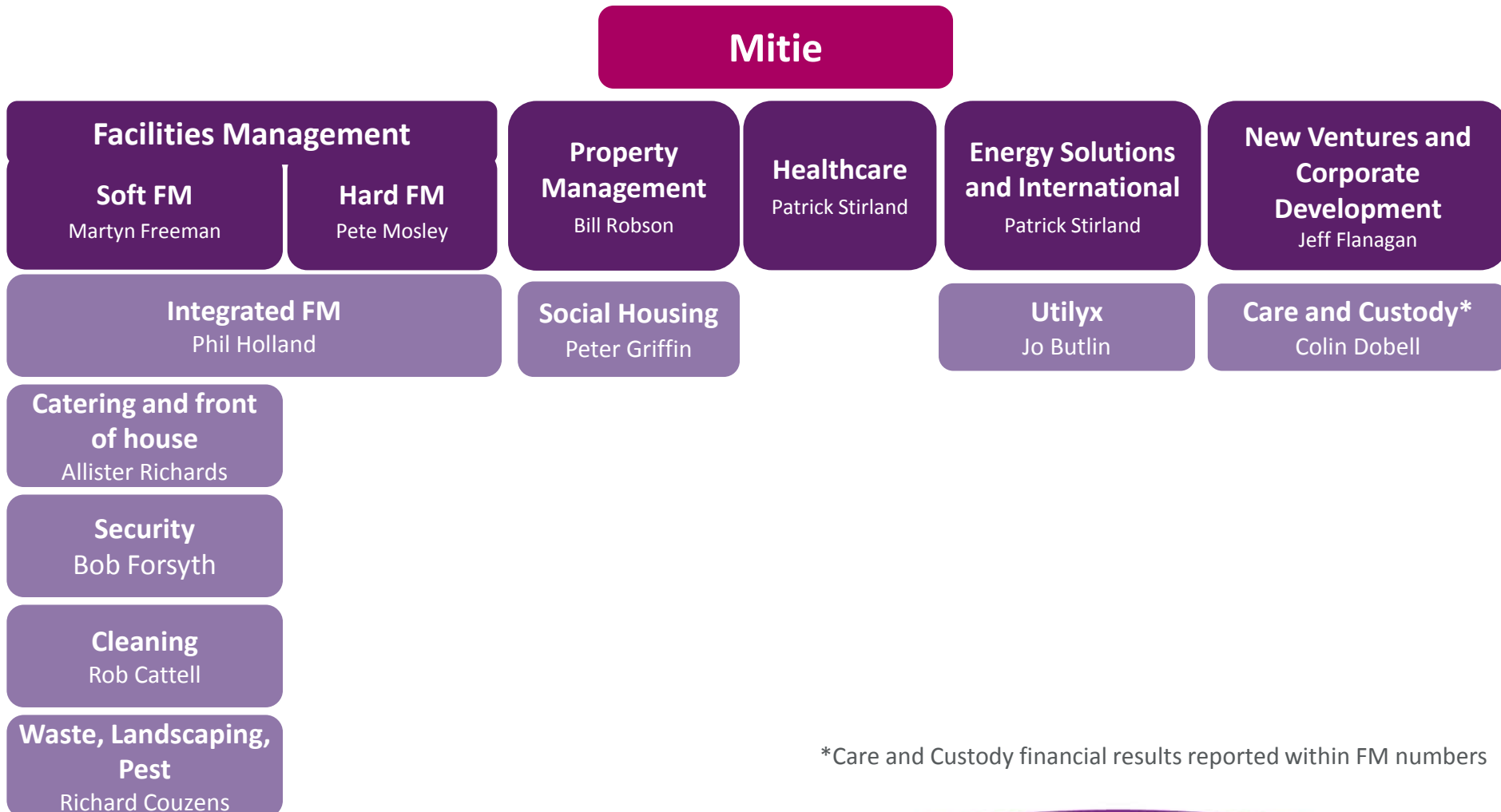
Exceptional revenue visibility



■ Headline revenue £bn ■ Aggregate order book £bn -◆- Secured revenue (at start of FY) %

Revenue excludes engineering construction business from 2012 onwards

Operational management



*Care and Custody financial results reported within FM numbers

Who you will meet today



Division/Business	Director
Soft FM	Martyn Freeman
Cleaning	Rob Cattell
Environmental services (landscaping, waste, pest control)	Richard Couzens
Catering & front of house	Allister Richards
Security	Bob Forsyth
Integrated FM	Phil Holland
Lloyds Banking Group contract	Chris Newton
Hard FM	Pete Mosley
Care & Custody	Colin Dobell
Property Management / Social Housing	Bill Robson / Peter Griffin
Healthcare	John Telling
Energy Solutions	Jo Butlin

Key clients by business



Cleaning & environmental services FY14 revenue: £363m	Tesco	Co-op	Royal Cornwall Hospitals	St George's Hospital	First Great Western
Catering & front of house FY14 revenue: £76m	RBS	Standard Life	Channel 4	Olympia	Co-op
Security FY14 revenue: £216m	Heathrow	Eurostar	AWE	UBS	Eurotunnel
Hard FM FY14 revenue: £447m	Heathrow Airport	Ashworth & Rampton Hospital	Four Seasons Home Care	JLL	City of London
Integrated FM FY14 revenue: £668m	Lloyds Banking Group	Rolls-Royce	Vodafone	Ministry of Justice	BSkyB
Care & Custody FY14 revenue: £7m*	Ministry of Justice	Home Office			
Property Management FY14 revenue: £265m	Lewisham	Orbit Housing	Crawley Borough Council	Hammersmith & Fulham	Basildon Borough Council
Healthcare FY14 revenue: £92m	London Borough of Southwark	City & Council Swansea	Cambridge	Surrey County Council	County & City of Cardiff
Energy Solutions FY14 revenue: £16m	HSBC	John Lewis	McDonalds	Royal Mail	Honda

*Care and Custody financial results reported in FM numbers but split separately here for illustrative purposes

Key competitors by business



Cleaning & environmental services	Interserve/ Initial Cleaning	OCS	ISS	Compass	Servest
Catering & front of house	BaxterStorey	Compass	Sodexo	Elior	CH&Co
Security	G4S	Securitas	VSG/Compass	ISS	OCS
Hard FM	Interserve	Integral	Norland	Carillion	Cofely
Integrated FM	Carillion	Cofely	Interserve	JCI	ISS
Care & Custody	G4S	Serco	GEO	Carillion	Amey
Property Management	Mears	Wilmot Dixon	Kier	Keepmoat	Wates
Healthcare	Saga Allied	Leonard Cheshire	Care UK	Mears	Carewatch
Energy	Schneider Electric	Inenco	EnergyQuote JHA	Big 6 Energy Supplier	



