

Mitie Group plc

Full year results for the 12 months to 31 March 2026 (FY26)

Double digit growth in revenue, operating profit and free cash flow
Record order book and bidding pipeline
Confidence in delivering FY25-FY27 Strategic Plan; foundations in place for FY28+
£100m of share buybacks in FY27 (including £40m current programme)

FY26 highlights

- **Revenue** up 10.5% to £5,619m (FY25: £5,083m), including 5.3% organic growth primarily driven by new contract wins and scope increases, pricing and projects upsell, alongside a 5.2% contribution from acquisitions
- **Operating profit before Other items¹** up 13% to £264m (FY25: £234m)
- **Operating profit margin before Other items¹** of 4.7% (FY25: 4.6%), despite headwinds of higher National Insurance Contributions, contract losses and other one-off costs; H2 FY26 margin 5.3% (H2 FY25: 5.0%)
- **Contract wins** of £6.3bn TCV² including renewals/extensions (FY25: £7.5bn)
- **Record total order book²** up 6% to £16.3bn (FY25: £15.4bn), reflecting book-to-bill ratio of 1.1x
- **Record pipeline** up 34% to £31.7bn (FY25: £23.7bn), of which >70% is due to be awarded in next 18 months
- **Basic EPS before Other items¹** up 7% to 13.6p (FY25: 12.7p), with the benefits of higher operating profit and share buybacks offsetting higher net finance costs and new share issuance to finance the Marlowe acquisition
- **Operating profit** of £151m (FY25: £162m) and basic EPS of 6.6p (FY25: 8.2p), reflecting higher Other items
- **Other items¹** of £113m (FY25: £73m) includes non-cash amortisation (£42m); costs to deliver margin enhancement initiatives (£29m); as well as Marlowe costs to achieve synergies and transaction costs (£22m)
- **Good free cash flow³** generation of £162m (FY25: £143m); cash from operations of £290m (FY25: £249m)
- **Strong balance sheet** with leverage, including leases, of 1.2x EBITDA (FY25: 0.8x), within our 0.75-1.5x target range, based on average daily net debt of £440m (FY25: £264m); covenant leverage of 0.8x
- **DB pension scheme** actuarial surplus estimated at c.£12m at end-FY26 (vs £73m actuarial deficit in 2020); deficit repair contributions ceased and insurance 'buy-in' being progressed with scheme trustee
- **Marlowe acquisition** for c.£350m (cash and shares) delivered market leadership in Facilities Compliance, with integration progressing well; initial cost synergies of £7m in FY26 and early contract wins/revenue synergies
- **Technology and data investments** underpin launch of enterprise-wide programme to re-imagine and optimise internal workflows and customer-facing solutions through agentic AI
- **Recommended final dividend** of 3.1p per share; total dividend up 5% to 4.5p per share (FY25: 4.3p)
- **Share buyback programme** for FY27 of £100m, including remaining c.£40m of existing £100m programme launched in October 2025 (c.£60m of which was completed in FY26)
- **Entering FY27** with confidence in delivering our FY25-FY27 Strategic Plan and continuing growth and margin expansion across our Facilities Management, Transformation and Compliance businesses

£m unless otherwise specified	12 months to 31 March 2026			12 months to 31 March 2025		
	Before Other items ^{1,3}	Other items ¹	Total	Before Other items ^{1,3}	Other items ¹	Total
Revenue	5,618.6	-	5,618.6	5,082.6	-	5,082.6
Operating profit	264.1	(112.7)	151.4	234.1	(72.5)	161.6
Operating profit margin	4.7%	n/a	2.7%	4.6%	n/a	3.2%
Profit before tax	236.4	(112.7)	123.7	217.9	(72.5)	145.4
Profit for the year	178.4	(88.1)	90.3	166.3	(57.9)	108.4
Basic earnings per share	13.6p		6.6p	12.7p		8.2p
Dividend per share			4.5p			4.3p
Cash generated from operations			290.4			248.7
Free cash inflow ³			162.1			142.8
Average daily net debt (incl. leases) ³			440.2			264.0
Closing net debt (incl. leases) ³			450.2			199.0
Total order book ²			£16.3bn			£15.4bn
Return on invested capital (ROIC) ³			18.1%			24.5%

1. Other items are described in Note 3 to the condensed consolidated financial statements.

2. Total Contract Value (TCV). Total order book includes secured fixed term contract work and estimates for projects and variable works. Book-to-bill ratio is the relationship between orders received during the year and revenue recognised for the year.

3. Performance before Other items, net debt, free cash flow, EBITDA and ROIC are presented as Alternative Performance Measures. Explanations as to why these measures are presented, and reconciliations to the equivalent statutory measures, are set out in the Alternative Performance Measures Appendix to the condensed consolidated financial statements.

Commenting on the year and the outlook, Phil Bentley, Chief Executive Officer, said:

“FY26 has been another year of progress as we enter the final year of our FY25–FY27 Strategic Plan, with double-digit growth in revenue and operating profit before Other items for the third consecutive year and good free cash flow generation. We also further developed our leadership into business-critical Facilities Compliance through the acquisition of Marlowe, and the integration is progressing well.

“Looking ahead, we enter FY27 with good momentum, supported by a record order book and bidding pipeline. Notwithstanding the potential for some incremental cost inflation as a result of the conflict in the Middle East, our ongoing margin enhancement initiatives, combined with the increasing mix of higher-margin Facilities Transformation and Facilities Compliance work and continued investment in data and AI, are expected to support margin progression, while we continue to reinvest for growth. We are confident of delivering our FY25-FY27 Strategic Plan.

“Mitie’s long-term value creation potential and foundations for the next phase of our strategy continue to be strengthened: capturing client ‘share of wallet’ in Facilities Management through deeper relationships and investments in sales & marketing; ‘turbo-charging’ Facilities Transformation through a growing pipeline of capital projects; and accelerating growth in Facilities Compliance with our existing clients, as we add Water & Environmental services and target larger opportunities in Fire & Security. Building on our leadership in technology, an enterprise-wide programme has been launched to re-imagine and optimise both our internal workflows and customer-facing solutions through agentic AI, positioning Mitie as a ‘frontier’ firm in the industry. Together, these strategic imperatives are expected to sustain above-market growth, expand margins and deliver attractive shareholder returns well beyond FY27.

“After almost a decade as CEO, it remains my intention to retire from Mitie at the end of the FY25-FY27 Strategic Plan, once a successor is in place – a process that is well underway. I am proud of the progress we have made in transforming Mitie into a world-class industry leader, positioned to deliver the ‘Future of High-Performing Places’ for our customers. I thank every one of our 84,000 Mitie colleagues for their dedication, professionalism and hard work, without which none of this could have been achieved. We are building a larger, more profitable and more cash generative business with a greater capacity to invest in growth and deliver attractive returns to shareholders.”

Analyst Presentation and Q&A

Phil Bentley (CEO) and Simon Kirkpatrick (CFO) will host a presentation and Q&A session today (4 June 2026) at 9.30am at The Shard and via a webcast:

For dial in details please contact kate.heseltine@mitie.com. A copy of the presentation will be available on the company website in advance of the live presentation at www.mitie.com/investors.

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About Mitie: *The Future of High Performing Places*

Founded in 1987, Mitie employs 84,000 colleagues and is the leading technology-led Facilities Management, Transformation and Compliance company in the UK. We are a trusted partner to a diverse range of large 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 Facilities Management service lines of Engineering Maintenance (hard services) and Security and Hygiene (soft services) we hold market leadership positions. We deliver Facilities Transformation projects in higher growth categories including buildings infrastructure, data centres, decarbonisation technologies, fire & security capital projects and power & grid connections, alongside Facilities Compliance capabilities in Fire & Security and Water & Environmental services. Our sector expertise includes central government, critical national infrastructure, defence, financial services, healthcare & life sciences, local government & education, manufacturing, media, retail & logistics and transport & aviation.

We hold industry-leading ESG credentials, including the CDP Climate and Supply Chain 'A List', and we have received multiple industry awards recently including Best Low Carbon Solution and Net Zero Carbon Strategy of the Year. We have been recognised as a 'UK Top Employer' for the eighth consecutive year, as well as being ranked 16th in the Top 100 Apprenticeship Employers and tenth in the Inclusive Top 50 UK Employers list. We were recently awarded a Royal Warrant by appointment to His Majesty King Charles for services to the Royal Household. Find out more at www.mitie.com.

Chief Executive's review

Overview

Mitie delivered a good financial performance and made further strategic progress during the second year of our FY25-FY27 Strategic Plan, consolidating our leading positions across our three key pillars of growth: Facilities Management, Facilities Transformation and Facilities Compliance.

Revenue for the 12 months to 31 March 2026 (FY26) grew by 10.5% to £5,619m (FY25: £5,083m), with organic growth of 5.3% – remaining well ahead of UK Facilities Management market growth of c.2-3% p.a. This uplift in revenue, combined with £25m of savings from our ongoing programmes of margin enhancement initiatives, has more than offset material cost headwinds, including from inflation, additional employer National Insurance Contributions (NIC), unsuccessful contract renewals and other one-off costs.

As a result, operating profit before Other items grew by 13% to £264.1m (FY25: £234.1m) and operating profit margin before Other items increased by 10bps to 4.7% (FY25: 4.6%). Basic earnings per share (EPS) before Other items grew by 7% to 13.6p (FY25: 12.7p), despite an £11.5m increase in net finance costs to £27.7m (FY25: £16.2m) primarily reflecting debt funding for the Marlowe acquisition, which completed in August 2025, alongside wider capital deployments.

Free cash flow generation grew by 13% to £162m (FY25: £143m) and was well ahead of our guidance for 'at least £120m'. Growth reflected the increase in operating profit before Other items alongside effective working capital management, which in turn supported increased capital deployments.

We secured £6.3bn total contract value (TCV) of contract wins/renewals/extensions, against a strong prior year comparative (FY25: £7.5bn). We are entering FY27 with a record order book of £16.3bn (FY25: £15.4bn) and pipeline of upcoming bidding opportunities of £31.7bn (FY25: £23.7bn), both of which include Marlowe for the first time.

Based on the equivalent IFRS measures, operating profit reduced by 7% to £151m (FY25: £162m) and basic EPS reduced by 20% to 6.6p (FY25: 8.2p). These reductions reflect a £40m increase in non-recurring 'Other items' to £113m (FY25: £73m), primarily due to the one-off transaction costs, integration costs, and non-cash amortisation related to the Marlowe acquisition. Further details are set out in the Finance review.

FY25-FY27 Strategic Plan

Our Strategic Plan set out to extend Mitie's Facilities Management market leadership into Facilities Transformation projects and, following the Marlowe acquisition, into business-critical Facilities Compliance. Together, these three pillars of growth create a compelling, end-to-end customer proposition that shifts our sales mix towards higher-margin adjacencies while meeting our customers' evolving needs.

We are differentiated by our scale, exceptional colleagues and sustained investment in technology and AI, enabling us to aggregate workflow and workforce data, improve efficiency, and deliver high-value insights to public and private sector customers on the performance of their built environment. Demand is underpinned by significant macro trends: tightening regulation of the built environment; increased investment in building modernisation; renewable energy; data centre investment; power & grid connections; and now, water services.

At our Capital Markets Event in October 2023, where we launched our Strategic Plan, we set ambitious financial targets, inclusive of M&A, to accelerate growth and deliver superior returns to shareholders:

- High single-digit compound annual revenue growth
- Operating margin of at least 5% by FY27
- Basic EPS growth above that of revenue growth, despite higher corporation tax rates
- Annual free cash flow of £150m by FY27

Our ambitious targets are underpinned by a proactive capital deployment policy, leverage of 0.75-1.5x (average daily net debt/EBITDA, including leases) and a return on invested capital above 20%.

Delivering our key pillars of growth through our divisions

We deliver Facilities Management, Facilities Transformation and Facilities Compliance through two business divisions – Business Services and Technical Services – each with specialist capabilities and specific sector focus. FY26 performance across both divisions is set out in the Operating review.

Business Services is the UK's largest provider of Security and Hygiene services, and generated revenue of £2,985m in FY26, up 18% compared to FY25 (£2,538m). Within this, Facilities Management represented 75% of divisional revenue, with Facilities Transformation (projects) contributing 11% and Facilities Compliance 14%. The latter includes both Marlowe and Mitie's capabilities in Fire & Security (excluding capital projects) and Water & Environmental services.

Technical Services is the UK's largest provider of Engineering Maintenance and engineering projects, including across Defence and Healthcare, Local Government & Education. The division generated revenue of £2,634m in FY26, up 3% compared to FY25 (£2,545m), with Facilities Management and Facilities Transformation (projects) contributing 59% and 41% of divisional revenue, respectively.

Accelerating growth

Our Strategic Plan is delivering accelerated growth across all three key pillars:

- 1) Facilities Management – key account growth and scope increases;
- 2) Facilities Transformation – projects upsell and infill acquisitions; and
- 3) Facilities Compliance – growth in Fire & Security and Water & Environmental services, following the acquisition of Marlowe (combined with Mitie's existing capabilities)

In FY26, organic growth through key accounts and scope increases alongside projects upsell contributed 5.3% to revenue growth, inclusive of contract pricing of 3%. Acquisitions completed since 1 April 2024 contributed a further 5.2% of inorganic growth, resulting in total revenue growth of 10.5% to £5,619m.

Across our three key pillars, Facilities Management revenue grew by 4% to £3,797m (FY25: £3,649m), Facilities Transformation revenue grew by 13% to £1,401m (FY25: £1,238m) and Facilities Compliance revenue grew by 115% to £421m (FY25: £196m).

Pillar 1: Facilities Management – sustained good level of contract awards

Facilities Management revenue increased by 4% to £3,797m (FY25: £3,649m) across our two divisions. Over the medium-term, we see significant opportunities to increase 'share of wallet' in Facilities Management by c.£1.5bn, through the addition of service lines to our existing strategic client accounts. We currently deliver Integrated Facilities Management (IFM) to only c.40% of our largest contracts.

During FY26, we secured £6.3bn TCV of contract wins and extensions/renewals, the majority of which relates to FM, reflecting recent investments in our sales and marketing teams. This compares to a record prior year comparative (FY25: £7.5bn TCV), which had included the £1bn Department for Work and Pensions award for Security services, the £0.4bn HMP Millsike prison contract and the renewal of our largest private sector contract.

New wins of £3.4bn TCV (FY25: £5.0bn) included Hygiene services for Transport for London; Security services for Asda; bundled and IFM services for Aviva, Imperial College London and Staffordshire Police; Immigration & Justice services for Scottish Prison Services and the Home Office; and Landscaping for Landsec. We also extended our UK relationships with Primark and an international e-commerce business to provide Hygiene services in Spain.

Renewals/extensions of £2.9bn TCV (FY25: £2.5bn) included Security services for Associated British Ports, Cooperative Group, Real Estate Management Ltd and one of the UK's largest supermarket chains; IFM for GSK; Landscaping for JLL; and Immigration & Justice services for the Home Office.

Mitie's renewal rate rebounded to 84% (FY25: 59%), closer to our longer-term average of c.90% and reflecting the good commercial momentum in the business.

Pillar 2: Facilities Transformation (projects) – Strong growth underpinned by favourable macro trends

Facilities Transformation revenue increased by 13% to £1,401m (FY25: £1,238m) across our two divisions. We continue to see strong demand for projects across our customers' estates, driven by the need to upgrade the built environment, with c.80% of work delivered to existing Facilities Management customers.

Project complexity has increased significantly over the past two years, with the average order value having doubled to c.£300k. Although each project is bespoke (running for 1-3 months), many form part of a larger upgrade programme aligned to the long-term investment priorities of our customers. Over the medium term, we see the potential to 'turbo-charge' projects growth and build a c.£2bn business.

Ageing estates, the need to modernise buildings, the introduction of digital technologies (Building Management/Energy Management Systems) and investment in data centres remain key drivers of growth. Customers are increasingly seeking integrated solutions that create intelligent, efficient and compliant buildings. This includes lifecycle upgrades, systems integration, and the deployment of smart technologies that enhance asset performance and reduce operating costs.

Regulatory changes also continue to underpin demand, for example in Fire & Security capital projects (and compliance services), where new responsibilities on building owners and managers are driving investment, and in energy efficiency, where minimum standards are expected to require all let commercial buildings to reach EPC B by 2030. The British Property Federation estimates that over 80% of UK commercial stock currently falls below this threshold.

Decarbonisation is a further catalyst, with customers investing in low-carbon renewable technologies such as air and ground source heat pumps, solar photovoltaic panels, electric vehicle charging infrastructure and battery storage, alongside upgrades to power & grid connections, to meet Net Zero commitments and reduce the impact of rising energy costs.

The UK continues to be one of Europe's largest and fastest-growing data centre markets, fuelled by hyperscaler and colocation demand as the use of AI expands rapidly. We have built leading capabilities in the design, delivery and maintenance of mechanical & electrical, cooling, and fire & security systems across these critical environments. Beyond the UK, we are also supporting customers such as Google, Microsoft and Equinix in high-growth European locations, including the Nordics, where we strengthened our regional capability through two infill Fire & Security acquisitions at the end of March.

Across our Defence contracts, we continue to deliver a broad range of project work aligned to the UK Government's commitment to modernise and decarbonise the defence estate. Lifecycle projects also remain a key growth driver across Healthcare, Local Government & Education, where public sector organisations are investing to improve estate resilience, energy performance and compliance.

In our telecoms infrastructure business, the management actions taken over the past two years have delivered a meaningful turnaround, with the business returning to break even in FY26, compared with an £11m loss in FY25. Revenue reduced by 35% to £37m (FY25: £57m) as we continued to exit unprofitable frameworks. Looking ahead, we expect to see a return to modest growth and profitability in the business.

Pillar 3: Facilities Compliance – Marlowe initial revenue and cost synergies delivered

On 4 August 2025, we completed the acquisition of Testing, Inspection and Certification specialist, Marlowe, for c.£350m, comprising 290p in cash (£228m) and 1.1 Mitie shares (86.6m new shares) per Marlowe share. The acquisition contributed £208m of revenue in the first eight months of ownership – the primary driver of 115% growth in Facilities Compliance revenue to £421m (FY25: £196m) within Business Services.

Marlowe has outstanding and highly complementary Fire & Security and Water & Environmental capabilities in the fast growing £7.6bn UK ‘Facilities Compliance’ market, which reflects the increasing requirements for business-critical assurance arising from more stringent regulations for fire and building safety, water usage and discharge. The combination of Mitie and Marlowe’s compliance businesses, with c.£0.5bn of annualised revenue, makes us the leader in this highly fragmented market, with the potential to become a c.£1.5bn business in the medium term.

The Marlowe integration programme continues to progress well, and as a result, we delivered initial cost synergies of £7m in FY26 (included within our expectation for at least £30m by FY28). These synergies have come from the consolidation of Marlowe’s Alarm Receiving Centre (ARC) operations into Mitie’s ARC in Northern Ireland; the exit from 15 Marlowe properties; and the streamlining of certain back-office operations, including payroll and procurement, as we move onto Mitie’s systems and ways of working.

These initial synergies give us good momentum into FY27, with ongoing workstreams including the optimisation of field force deployments onto a single platform; consolidation of further roles and responsibilities; continued property rationalisations; and the migration of Marlowe onto Mitie’s cyber-secure and AI-enabled core systems.

We have established specialist sales capabilities and are making good progress cross selling Marlowe’s regulatory-driven services to Mitie customers. Awards in Total Managed Water included a £128m, 10-year contract to provide AWE with water network management services and projects work. We see further project opportunities through our heat pump/extraction capabilities, as demonstrated by the recent award of a combined water and air source heat pump project at our University College London Hospital customer. In Total Fire & Security, wins at our existing clients, including JLL, Rolls Royce and Vodafone, were achieved. Additionally, Mitie compliance works contracted to third parties continue to be transitioned to Marlowe.

Record total order book and bidding pipeline

Our total order book increased by 6% to a record £16.3bn (end FY25: £15.4bn), net of £5.6bn of revenue that was delivered in the year, and our bidding pipeline increased by 34% to a record £31.7bn (end FY25: £23.7bn). Both the order book and pipeline now include Marlowe within Facilities Compliance and are split across our three key pillars, as below:

Key pillar:	Total order book			Bidding pipeline		
	FY26	FY25	Change	FY26	FY25	Change
Facilities Management	13.0	12.4	5%	24.1	18.3	32%
Facilities Transformation	2.8	2.8	-	6.8	4.8	42%
Facilities Compliance	0.5	0.2	150%	0.8	0.6	33%
Total	16.3	15.4	6%	31.7	23.7	34%

We have high near-term revenue visibility, with over 60% of the total order book due to be recognised in the next 1-3 years. Our typical Facilities Management contract length is 3-5 years in the private sector and up to 5-10 years in the public sector, while Facilities Transformation project work tends to be shorter-term in nature. Facilities Compliance contracts via Marlowe are typically ‘evergreen’ (i.e. automatically renew). Although we experienced some modest revenue dis-synergies, as expected, in the first few months of ownership as competitors moved work away, we have seen good growth momentum through the early cross-sell of services to Mitie’s large blue-chip customer base, such as the recent 10-year AWE award.

Across the bidding pipeline, significant sectors include Immigration & Justice, Defence and Healthcare, Local Government & Education in the public sector, alongside Retail, Critical National Infrastructure (including data centres), Manufacturing, Transport & Aviation and Financial Services in the private sector. Over 70% of the pipeline is due to be awarded in the next 18 months.

Operating margin progression

Progression in the operating profit margin before Other items continues to be driven by the increasing contribution from higher growth, higher-margin Facilities Transformation and Facilities Compliance work (including Marlowe cost synergies), alongside our ongoing programme of margin enhancement initiatives – many of which are being accelerated through the deployment of AI – together with operational leverage. These tailwinds are expected to more than offset inflationary pressures and contract pricing dynamics in a competitive market.

In FY26, the operating profit margin before Other items increased by 10bps to 4.7% (FY25: 4.6%), demonstrating the resilience of the business in the face of material headwinds. The most significant of these was a c.£50m increase in employer NICs, which we mitigated through a combination of contractual and commercial recoveries from customers and margin enhancement initiatives.

In total, we delivered £25m of cost savings through our margin enhancement initiative programmes. Key workstreams included the application of technology and AI to streamline workflows and optimise resource deployment (see ‘technology’ section below); our ‘Mitie First’ initiative to increase self-delivery and reduce reliance on third-party contractors; partnering with strategic client accounts to define and implement best-practice service delivery models; the continued delivery of efficiencies across back office functions; and the consolidation of core systems and processes across the Group. We also completed the rollout of Coupa, our procurement digital supplier platform.

Early investments in the Strategic Plan across sales & marketing, contract re-bids and training and incentives for our ‘in-contract’ teams continue to deliver clear benefits, including high-quality wins and renewals, and a record pipeline of bidding opportunities to support strong revenue growth over the medium-term. We also continue to invest in technology, including the development of our Intelligent360 solutions and the enablement of AI across our core systems, which will further enhance productivity and service quality over time.

Sustainable free cash flow generation

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

In FY26, the Group generated £290m of cash from operations (FY25: £249m), leading to a free cash inflow of £162m (FY25: £143m), well ahead of our guidance for ‘at least £120m’. The increase in free cash flow year-on-year reflects the increase in profitability and ongoing working capital process improvements, offsetting the increased working capital required to support our growing projects business, longer payment terms on certain contracts (particularly in the retail sector) and a one-off negative impact to working capital of £8m arising from the Procurement Act 2023. This came into effect in February 2025 and requires mandatory 30-day payment terms for all subcontractors and suppliers on government framework contracts.

Proactive and growing capital deployments

Our capital deployment policy is focused on the best use of capital to deliver superior returns to shareholders and drive long-term growth in the business, while maintaining a strong balance sheet, with leverage of between 0.75-1.5x (average daily net debt/EBITDA).

In FY26, we completed the acquisition of Marlowe for c.£350m, comprising 290p in cash (£228m) and 1.1 Mitie shares (86.6m new Mitie shares issued) per Marlowe share. As part of this acquisition, we incurred transaction costs of £7m. We also spent £15m on four infill acquisitions to add capability alongside £13m on performance-linked earnouts relating to infill acquisitions in prior years. We will continue to pursue strategic infill M&A, although this is likely to be modest in scale over the remainder of the Strategic Plan as we focus on delivering the benefits of the Marlowe acquisition to build our Facilities Compliance platform.

We prioritise a progressive dividend at a payout ratio of between 30-40%, and paid dividends of £55m during the year relating to the FY25 final dividend and FY26 interim dividend. The Board is recommending an FY26 final dividend of 3.1p per share, which, when added to the 1.4p interim dividend paid, takes the total dividend for FY26

to 4.5p per share. This is a 5% increase on the prior year (FY25: 4.3p) and represents a payout ratio of 33% (FY25: 34%). The final dividend will be paid on 27 August 2026, following approval at the 2026 AGM.

We have committed to purchase all shares required to fulfil colleague incentive schemes to prevent shareholder dilution and acquired 21m shares into our Employee Benefit Trust and Share Incentive Plan at a cost of £29m.

We will continue to return surplus funds to shareholders via share buybacks to maintain leverage within our target range. In October 2025, we launched a new £100m share buyback programme to be completed over c.12 months. During FY26, we purchased 38m shares (£63m) at an average price of c.166p. This includes 2m shares (£3m) purchased under a previous programme, which was paused to accommodate the Marlowe acquisition. We retained 5m shares in treasury to fulfil our 2022 Save As You Earn scheme (which vested in February 2026), and cancelled all shares purchased in excess of this.

Our intention is to commence a new £60m share buyback programme on completion of the remaining c.£40m 'tranche' of the current £100m programme, which will end no later than 30 September 2026. As such, we expect to spend £100m on share buybacks in total during FY27 (c.£40m current programme plus £60m new programme).

Strong balance sheet and low leverage

Closing net debt at 31 March 2026 increased by £251m to £450m (FY25: £199m), inclusive of £196m of lease obligations (FY25: £198m). The increase reflects proactive capital deployments of £414m, primarily relating to Marlowe (£228m), share buybacks (£63m) and dividends to shareholders (£55m), partially offset by good free cashflow generation, alongside a £2m decrease in lease obligations.

Average daily net debt in FY26 was £440m (FY25: £264m) and our average daily net debt/EBITDA leverage was 1.2x (FY25: 0.8x), within our 0.75-1.5x target leverage range. Excluding lease obligations, our leverage based on average daily net debt was 0.8x (FY25: 0.3x). Our covenant leverage (excluding leases and based on closing net debt) was also 0.8x.

The Group's main defined benefit pension scheme funding position continued to improve through a combination of deficit repair contributions and better investment returns. The latest quarterly funding update at 31 March 2026 from the scheme actuary showed an actuarial surplus of c.£12m, a material improvement compared to the £19m deficit reported in the last triennial valuation in 2023 (which had reduced from £73m in 2020). As a result, during the year we agreed with the scheme trustee to cease deficit repair contributions ahead of schedule, saving £4.8m. We are now working with the trustee to purchase a 'buy-in' policy with an insurer to cover scheme liabilities, a common approach adopted by well-funded schemes to de-risk the balance sheet of the company.

Advancing our technology leadership

Our technology leadership combines deep operational expertise with advanced data, digital and AI capabilities to deliver intelligent, outcome-focused solutions. By re-imagining and optimising core operational and customer processes, we are improving productivity, resilience and insight across increasingly complex customer estates, while enhancing our scalable digital platforms that support long-term growth.

Our Intelligent Solutions are integrated through Mozaic360, our unified data and AI insight platform for real-time visibility into service, asset and environmental performance. Mozaic360 was launched in FY26 and already supports more than 140 strategic customers, with the roll-out continuing in FY27.

Intelligent Engineering Maintenance provides condition-based monitoring and predictive maintenance across more than 700 connected sites, improving asset availability and reducing unplanned downtime. Intelligent Security uses advanced analytics to enable risk-based deployment across more than 8,200 customer sites, primarily in retail, while Intelligent Hygiene uses building data and sensors to deliver demand-led, sustainable services across more than 400 sites. Our Intelligent Energy Products support over 400 customers in managing 17TWh of energy, representing c.3-4% of the UK's non-domestic energy market.

Customer engagement and service delivery are increasingly supported by our digital command and engagement layer at our Technical Services Operations Centre and Intelligence Security Operations Centre. Aria, our customer mobile app, automates c.40% of service requests with its embedded AI assistant, ESME.

Internally, AI-driven automation is a gaining momentum. Through the SkanAI task mining platform, deployed across over 5,000 machines, 3.5m hours of operational tasks and process insights were generated in assisting Intelligent Process Automation (IPA). We are deploying AI agents and software robots across operational and back-office processes, supporting service desk operations, workflow automation and decision support. 155 'bots' are currently live or in development, reducing manual workflows and enabling faster response times and the creation of digital twins for key processes.

Our core enterprise platforms continue to evolve. We upgraded our Defence, Government and Commercial IBM Maximo systems to MAS 9.1, enabling AI-driven asset insights and integrated workflows across our FM service lines. We also completed the rollout of Coupa across the Group, embedding greater transparency and AI-enabled insights across procurement and spend management.

We operate a robust AI governance framework and continue to invest in digital/AI capability across our workforce. We have equipped thousands of colleagues with Microsoft Copilot tools, supported by structured learning programmes and have established 172 AI apprenticeships delivered in partnership with Corndel, Imperial College London and Microsoft.

Process reimagination and optimisation – positioning Mitie as a 'frontier' firm

The significant investments we have made in technology and data over almost a decade provide a strong platform for an enterprise-wide programme, developed with best-in-class partners across AI, engineering and transformation, to re-imagine and optimise both our internal workflows and our customer-facing solutions through agentic AI.

The programme builds on the foundations established through our IPA workstream, and will create an agile, AI-enabled ecosystem that will redefine traditional ways of working and position Mitie as a 'frontier' firm in the sector. This will in turn ensure that we are at the forefront of operational, product and market opportunities and support further margin expansion.

Over the next two years we will prioritise high-impact, end-to-end 'domains' (i.e. process groupings), covering more than 75% of Mitie's cost base, with a particular focus on Engineering Field Force; Hire-to-Retire; Hygiene Delivery; and Security Monitoring and Delivery. Each domain is supported by a central Transformation Office, AI Centre of Excellence and our integrated technology platform.

The programme is designed to create value across every aspect of our business. For Mitie, this is expected to drive material improvements in both efficiency and effectiveness – creating a cost to serve advantage, enhancing decision-making through automation and real-time data, and enabling repeatable, scalable deployment at contract level via 'clean room' architecture. For our customers, it will support a more consistent, proactive and insight-led experience as Mitie evolves further into higher-value segments and advisory services which leverage our proprietary operational insight and improve retention and contract quality.

We expect higher upfront one-off programme costs (c.£20-25m in FY27), which will be reported within Other items, with the benefits building progressively as domains are deployed and scaled, supporting continued investments to grow the business. We will provide further updates on the phasing of delivery as we progress into FY27 and beyond.

ESG and social value leadership

Mitie is recognised as an environmental, social and governance (ESG) and social value leader among global industry peers, with these principles embedded in how we operate. Our strong credentials – including CDP Climate and Supply Chain A List status and an MSCI ESG AA rating – also enable us to support customers in achieving their own sustainability and Net Zero goals.

At the end of 2025, we completed Phase I of our Plan Zero strategy, delivering material reductions in Scope 1 and 2 greenhouse gas emissions while significantly scaling the business from c.£2bn to £5.6bn. When adjusting for growth over the five-year period of Plan Zero, emissions reduced by c.90% on a market-based reporting basis, demonstrating a clear decoupling of emissions from growth and the achievement of effective Net Zero. We continue to work towards the stricter science-based definition of Net Zero and have established a new baseline for Plan Zero 2.0, targeting Net Zero across all emissions by 2035.

In July 2025 we launched Plan Thrive, our social value framework aligned to our purpose: *Better Places; Thriving Communities*. Plan Thrive embeds social value across our operations, with commitments to uplift one million lives and enable 1,000 places to prosper. Mitie continues to deliver meaningful impact through the Mitie Foundation, apprenticeships, inclusive recruitment, learning and development, and responsible supply chain practices.

We remain focused on attracting and developing talent, offering strong career pathways and industry-leading benefits. During the year, c.1,800 colleagues participated in more than 120 technical, professional and leadership programmes.

Outlook

FY26 has been another year of progress as we enter the final year of our FY25–FY27 Strategic Plan, with double-digit growth in revenue and operating profit before Other items for the third consecutive year and good free cash flow generation. We also further developed our leadership into business-critical Facilities Compliance through the acquisition of Marlowe, and the integration is progressing well.

Looking ahead, we enter FY27 with good momentum, supported by a record order book and bidding pipeline. Notwithstanding the potential for some incremental cost inflation as a result of the conflict in the Middle East, our ongoing margin enhancement initiatives, combined with the increasing mix of higher-margin Facilities Transformation and Facilities Compliance work and continued investment in data and AI, are expected to support margin progression, while we continue to reinvest for growth. We are confident of delivering our FY25–FY27 Strategic Plan.

Mitie's long-term value creation potential and foundations for the next phase of our strategy continue to be strengthened: capturing client 'share of wallet' in Facilities Management through deeper relationships and investments in sales & marketing; 'turbo-charging' Facilities Transformation through a growing pipeline of capital projects; and accelerating growth in Facilities Compliance with our existing clients, as we add Water & Environmental services and target larger opportunities in Fire & Security. Building on our leadership in technology, an enterprise-wide programme has been launched to re-imagine and optimise both our internal workflows and customer-facing solutions through agentic AI, positioning Mitie as a 'frontier' firm in the industry. Together, these strategic imperatives are expected to sustain above-market growth, expand margins and deliver attractive shareholder returns well beyond FY27.

After almost a decade as CEO, it remains my intention to retire from Mitie at the end of the FY25–FY27 Strategic Plan, once a successor is in place – a process that is well underway. I am proud of the progress we have made in transforming Mitie into a world-class industry leader, positioned to deliver the 'Future of High-Performing Places' for our customers. I thank every one of our 84,000 Mitie colleagues for their dedication, professionalism and hard work, without which none of this could have been achieved. We are building a larger, more profitable and more cash generative business with a greater capacity to invest in growth and deliver attractive returns to shareholders.

Operating review

We continue to simplify our organisational structure to reduce management overheads. The changes implemented from the start of FY26 primarily consist of splitting our Communities division into Business Services for Care & Custody (renamed Immigration & Justice) and into Technical Services for Healthcare, Local Government & Education. In Business Services, Landscapes has been combined with Hygiene (formerly reported separately within the division).

Having acquired Marlowe during the year, a new Facilities Compliance sub-division has been created within Business Services, comprising both Mitie and Marlowe's compliance activities in Fire & Security and Water & Environmental Services (including Waste, which was formerly reported separately within the division).

The above changes are reflected in the restated FY25 comparatives in the tables for Business Services and Technical Services below. Divisional operating profit before Other items is reported after absorbing direct overheads, as well as a share of Group services (IT, Finance and HR).

Business Services

Business Services is the UK's leading provider of technology-led Security and Hygiene services across c.2,500 public and private sector contracts, including expertise in Central Government and Immigration & Justice. Following the acquisition of Marlowe, it is also the leading provider of Facilities Compliance services. Mitie's Spanish business, which largely comprises Hygiene and Security services, is reported within the division.

Business Services, £m	FY26	FY25 (restated)	Change
Revenue	2,985	2,538	18%
Security	1,077	990	9%
Hygiene & Landscapes	564	510	11%
Facilities Compliance (incl. Marlowe)	421	196	115%
Central Government	377	384	(2)%
Immigration & Justice	319	291	10%
Spain	227	167	36%
Operating profit before Other items	187.1	180.4	4%
Operating profit margin before Other items	6.3%	7.1%	(0.8)ppt
Total order book	£7.5bn	£6.2bn	21%

Revenue split by growth pillar, £m	FY26	FY25	Change
Facilities Management ¹	2,248	2,056	9%
Facilities Transformation ²	316	286	10%
Facilities Compliance ³	421	196	115%
Total divisional revenue	2,985	2,538	18%

¹ Facilities Management is delivered across Security, Hygiene & Landscapes, Central Government, Immigration & Justice and Spain

² Facilities Transformation projects are delivered across Security and Central Government

³ Facilities Compliance comprises both Mitie and Marlowe's compliance activities (including Mitie's Waste business)

Performance highlights

- Revenue grew 18% to £3.0bn, reflecting net wins, pricing, projects and acquisitions, more than offsetting the one-off benefit from 'surge response' security work in the prior year and scope reductions in Escorting Services
- Operating profit before Other items grew 4% to £187.1m reflecting revenue growth, margin enhancement initiatives and acquisitions, more than offsetting headwinds from inflation/NIC and the loss of one high-margin public sector contract, as well as one-off prior year benefits from 'surge response' security work and a legal settlement
- £4.1bn TCv of wins and extensions/renewals resulted in a 21% increase in the total order book to £7.5bn (FY25: £6.2bn), net of £3.0bn of revenue produced in the year
- Facilities Compliance grew significantly through the acquisition of Marlowe, complementing existing Fire & Security capabilities and adding new Water & Environmental capabilities

Operational performance

Business Services delivered good growth in FY26, with the division benefiting from net wins in the current and prior year, projects and pricing, alongside contributions from the acquisition of Marlowe in the current year (which added £208m of revenue), and Argus Fire and Grupo Visegurity in the prior year. This more than offset the one-off benefit in the prior year from the provision of 'surge response' security work (which had added £59m of revenue) as well as a reduction in scope on the Escorting Services contract in Immigration & Justice. The Security, Hygiene & Landscapes and Immigration & Justice subdivisions all performed well.

Across our three key growth pillars, Facilities Management and Facilities Transformation showed good momentum, in particular from fire & security capital projects via GBE Converge, RHI and Argus Fire (reported within the Security subdivision) and smaller works on FM contracts. The significant growth in Facilities Compliance largely reflects the Marlowe acquisition.

The 0.8ppt reduction in the operating profit margin before Other items reflects the one-off benefits in the prior year from 'surge response' security work, which was higher-margin, and a favourable legal settlement, as well as the loss of a higher margin Central Government contract in September 2025. This was replaced by a similarly sized 7+3-year Security contract for the same organisation, albeit at a much lower margin in its first year, and with lower volumes of (higher-margin) projects. The impact of inflation and higher employer NICs were recovered or mitigated through margin enhancement initiatives.

More efficient workforce deployment and improving frontline productivity was underpinned by technology. Procurement savings have been achieved through the consolidation of spend across our preferred supplier list and robust materials cost control, while AI-enabled solutions have unlocked savings across both back-office and frontline operations, including supply chain management. Together, these programmes have mitigated cost pressures, strengthened operational key performance indicators and reinforced service quality.

Business Services secured £4.1bn TCV of wins and extensions/renewals across key sectors, including retail, transport & aviation, financial services and in the public sector. The largest wins included a five-year contract to provide Hygiene services for Transport for London, Landsec's Liverpool ONE complex and Walgreens Boots Alliance; Security services across Asda's national estate of 1,100 stores (having provided Security across their Logistics Estate since 2019); prisoner escorting for Scottish Prison Services; IFM for Aviva; and water network management compliance services for AWE. Notable extensions/renewals included the provision of Security services to one of the UK's largest supermarket chains and Co-operative Group, as well as contracts for the Home Office, GSK and JLL.

Within the subdivisions, Security delivered good growth against a strong prior year comparative, which had benefited from 'surge response' security work. In addition to net wins, pricing and the acquisition of Argus Fire in the prior year, fire & security capital projects growth was also strong. GBE Converge was the largest contributor, primarily delivering data centre projects to global customers in the UK and fast-growing European locations such as the Nordics, where we added further capability through two infill acquisitions (El-Team Vest and ABC Elektro) in March.

Data centre works included the delivery of a range of fire & security solutions in data centres for Iron Mountain in Slough, Ark in Middlesex (as part of a new relationship with Microsoft as an approved security integrator), and Google in Norway. Work also commenced to install the information communications technology (ICT) cabling and infrastructure package at a new NTT data centre in Amsterdam, where Microsoft is the customer, and end-to-end security and ICT solutions across five further phases of Digital Realty's Digital Park in Frankfurt.

Additionally, Argus Fire completed the mechanical fire protection installation at the Print & Ink Buildings in London for Landsec while RHI delivered civil works for National Grid at the Didcot national storage facility and civil, structural and engineering works on 10 substations across the National Grid Electricity Transmission estate, as well as essential earthing solutions for SSE and Scottish Power substations.

Hygiene and Landscapes benefited from prior and current year wins, with notable contracts including Community Health Partnerships, Pladis Global and Walgreens Boots Alliance, while in Central Government the loss of a major contract in the prior year resulted in a modest reduction in growth. In Immigration & Justice, HMP Millsike, the UK's first all-electric prison, became operational in April 2025. Following a period of mobilisation, it is expected to reach full

capacity to house and rehabilitate c.1,500 Category C inmates in HI FY27. The sub-division delivered double-digit growth, despite a reduction in scope on the Escorting Services contract.

In August 2025, Mitie further developed its leadership into the fast-growing Facilities Compliance market through the acquisition of Testing, Inspection and Certification specialist, Marlowe. Combined with Mitie's existing fire & security capabilities, the acquisition has created unique 'Total Fire & Security', offering both active and passive fire solutions while enhancing our security systems offering.

In addition, Marlowe's Water & Environmental services, combined with Mitie's Waste business, and water retail license (one of only 19 in the UK) has created a 'Total Managed Water' proposition in a fast-growing market. Demand for water services is underpinned by the step change in UK water infrastructure investment under Asset Management Period (AMP) 8 (2025-2030; £104bn), with further sector investment expected in AMP 9 (2030-2035), alongside tightening regulations and customer sustainability and resilience targets for large water users such as in manufacturing, transport, healthcare and data centres.

Since acquisition in August 2025, the Marlowe integration programme has started well, with early cost synergies of £7m (and at least £30m by FY28, consistent with previous guidance) resulting in operating profit before Other items for Marlowe of £16.5m in the period.

The strong performance in Mitie Spain reflected new contract wins (including AENA in the Canary Islands and Autonomous University of Madrid), scope increases and the contribution from Grupo Viseguridad (acquired in the prior year). Mitie Spain leveraged existing Group relationships with Primark and an e-commerce business in the UK to provide Hygiene services in Spain. It also expanded its security offering through the acquisition of the customer portfolio of SPM for up to £4.3m (of which £2.6m was paid in the year), doubling Security revenue in Spain to c.£40m.

Technical Services

Technical Services is the UK's leading provider of engineering Facilities Management services for buildings and critical assets across c.300 contracts, including for the Ministry of Defence (MoD) and in Healthcare, Local Government & Education. The division also delivers Facilities Transformation projects in high-growth areas including buildings infrastructure, decarbonisation technologies, data centres and power & grid connections.

Technical Services, £m	FY26	FY25 (restated)	Change
Revenue	2,634	2,545	3%
Engineering	1,414	1,395	1%
Defence	606	556	9%
Healthcare, Local Government & Education ¹	614	594	3%
Operating profit before Other items	135.9	109.1	25%
Operating profit margin before Other items	5.2%	4.3%	0.9ppt
Total order book	£8.7bn	£9.2bn	(5)%

Revenue split by growth pillar, £m	FY26	FY25	Change
Facilities Management ¹	1,549	1,593	(3)%
Facilities Transformation ¹	1,085	952	14%
Total divisional revenue	2,634	2,545	3%

¹ Facilities Management and Facilities Transformation are delivered across Engineering, Defence and Healthcare, Local Government & Education

Performance highlights

- Revenue grew 3% to £2.6bn, reflecting new wins, projects and lifecycle works, partially offset by one notable public sector contract that was lost in the prior year
- Operating profit before Other items grew by 25% to £135.9m, reflecting revenue growth, margin enhancement initiatives and the turnaround of the telecoms infrastructure business, partially offset by additional losses on one loss-making contract which we have now handed back
- Contract wins and extensions/renewals of £2.2bn TCV did not offset £2.6bn of revenue produced in the year, resulting in a 5.4% reduction in the total order book to £8.7bn (FY25: £9.2bn)
- Acquisition of Forest Group added capability in commercial refrigeration engineering maintenance
- New divisional Managing Director appointed, bringing significant industry experience and a clear agenda for technology-led growth, aligned to Mitie's Strategic Plan

Operational performance

Technical Services revenue growth was modest, with project wins in the current and prior year, acquisitions (ESM Power and Forest Group) and lifecycle works being partially offset by a weaker Facilities Management performance due to the loss of one notable public sector contract that was not successfully renewed at the end of FY25. Defence was the fastest growing subdivision in Technical Services, with growth coming largely from an increase in projects work across several large contracts.

Across our key growth pillars, Facilities Transformation performance was driven by data centre capital projects delivered by JCA Engineering and good momentum in Defence and Healthcare, Local Government & Education. The reduction in Facilities Management revenue reflected the contract loss noted above, and lower volumes on the Landmarc contract in Defence.

However, the 25% increase in operating profit before Other items to £135.9m, and 90bps improvement in the operating profit margin before Other items to 5.2% (FY25: 4.3%), largely reflected margin enhancement initiatives and management actions to address challenges in our telecoms infrastructure business, which more than offset the impact of inflation and employer NICs, alongside additional losses of £4.7m for one loss-making maintenance contract which ended in May 2026. The telecoms infrastructure business returned to break even in FY26

(compared to a loss of c.£11m in FY25). Telecoms revenue reduced by 35% to £37m (FY25: £57m), reflecting the planned exit from unprofitable frameworks.

Divisional margin enhancement initiatives focused on streamlining account structures, increasing self-delivery, introducing service 'bots' and reducing divisional overheads. Several further AI service 'bots' are also being implemented to simplify and standardise processes and unlock further efficiency gains.

The division secured £2.2bn TCV of wins and extensions/renewals. Notable new contract awards during the period included IFM for Aviva, engineering maintenance plus energy consulting for Staffordshire Police and Transport for London, and project work for Willmott Dixon. Notable extensions and renewals included GSK, JLL, Manchester Airport Group, the Home Office and Defence Infrastructure Organisation (RAF Mildenhall).

Within the sub-divisions, growth in Engineering was primarily driven by projects, in particular in data centres. The division completed the mechanical & electrical design and construction of the first of two new data centres for Ark at Longcross Park in Surrey and the second of four planned data centres at the Kao Data campus in Harlow. The third data centre for Kao Data is now under construction and is expected to complete in early 2027. It will deliver twice the capacity of its predecessors, with its design adapted to meet the rapidly evolving demands of AI workloads.

More widely, within power & grid projects, G2 Energy started construction on a £72m contract to design and build the 360MW Staythorpe battery energy storage system, one of the largest in Europe. Connection to the National Grid is expected in 2027 and, once complete, the system will store enough energy to power 95,000 homes for a day, strengthening UK energy resilience and supporting the transition to Net Zero. It was also awarded a contract for a 200MW system for Revera UK Operation at Windyhill in Glasgow.

Mitie has been a trusted partner to the UK Armed Forces for over 30 years, with Defence contracts accounting for c.11% (£606m) of Group revenue. To support a new era of modern, sustainable infrastructure, both domestically and in overseas military locations, we continue to deliver a range of projects work. This included refurbishment works on a critical airfield at RAF Mount Pleasant in the Falkland Islands, the installation and commissioning of a new bulk fuel facility at RAF Akrotiri in Cyprus, and new traditional and modular accommodation alongside kitchen refurbishment works at multiple locations. The good momentum in projects more than offset the reduction in volumes on the Landmarc contract.

In Healthcare, Local Government & Education, the one historically challenging PFI contract acquired with Interserve in 2020 delivered a small profit for the first time (FY25: £0.6m loss), following a series of management actions to improve productivity and reset pricing. Projects and lifecycle work included a new £10m urgent treatment centre at the Cumberland Infirmary in Carlisle; a new emergency department resuscitation building for Dudley Hospital; solar photovoltaic installations at Alder Hey Hospital; and design work for the full refurbishment of a mental health facility at Parkside Lodge (Leeds and York Partnership NHS Foundation Trust), which commenced shortly after the year end.

In November 2025, Mitie acquired Forest Group, a specialist engineering business delivering commercial refrigeration maintenance services, for up to £7m (comprising an initial payment of £4.2m and deferred payments of up to £2.5m over three years, linked to performance). This enables Mitie to self-deliver commercial refrigeration services, including to national high street and food retailers, where Mitie already has a leading presence in Security and Hygiene.

Finally, Sam White joined Mitie as Managing Director, Technical Services, in December 2025. Sam has brought significant industry experience and a clear agenda to accelerate technology-enabled service delivery, standardise processes and drive best-in-class operational performance through sector-led growth across the division. A number of changes to the Technical Services leadership team have also been made, including to appoint a new Sales Director and new Managing Directors of Healthcare and Critical Environments.

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 increased by 6% to £58.9m (FY25: £55.4m), primarily reflecting inflation, higher employer NICs and investments in sales and technology, partially offset by cost savings from margin enhancement initiative programmes.

Finance review

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	FY26	FY25
Revenue	5,618.6	5,082.6
Operating profit before Other items	264.1	234.1
Other items	(112.7)	(72.5)
Operating profit	151.4	161.6
Net finance costs	(27.7)	(16.2)
Profit before tax	123.7	145.4
Tax	(33.4)	(37.0)
Profit after tax	90.3	108.4
Less: Profit attributable to non-controlling interest	(7.7)	(7.0)
Profit attributable to owners of the parent	82.6	101.4
Basic earnings per share before Other items	13.6p	12.7p
Basic earnings per share	6.6p	8.2p

Revenue

Revenue for FY26 of £5,619m (FY25: £5,083m) has grown by 10.5% (£536m). Of this growth, 5.3% (£271m) was organic, driven by growth in Core FM (+1.0ppts), Projects (+2.5ppts), and pricing (+3.0ppts), offset by the completion of 'surge response' security work in the prior year (-1.2ppts). The remaining 5.2% (£265m) of growth was inorganic.

Organic Core FM growth (of £54m) includes revenue from new accounts such as the Department for Work & Pensions (DWP) (security), HMP Millsike, Metropolitan Police and Community Health Partnerships. This revenue growth is partially offset by the loss of two public sector contracts – one relatively low-margin contract in Technical Services (engineering), and one large, higher-margin contract in Business Services (central government) – as well as a reduction in scope on the Escorting Services contract in immigration & justice, and lower volumes on the Landmarc contract in defence.

Organic Projects growth of £125m in the year was driven by good momentum in the defence sector, and in healthcare, local government & education. Engineering projects in the fast-growing data centre market have also been a significant driver of growth, alongside decarbonisation work, such as the battery energy storage system at Staythorpe, which is one of the largest in Europe, and fire & security projects for customers in a range of sectors including, in particular, data centres. This growth was partially offset by planned exits from unprofitable frameworks as part of the turnaround of our telecoms infrastructure business.

The impact of pricing on revenue in FY26 was £151m (FY25: £121m), which related to both cost inflation (£114m) and the impact of the government's increase to employer National Insurance Contributions (NICs) (£37m). The gross increase in costs from these two inflationary drivers was £121m and £49m respectively, meaning that the recovery rates were 94% and 76%.

The £265m of inorganic growth is primarily driven by the strategic acquisition of Marlowe (£208m in FY26), alongside other smaller infill acquisitions completed during the year (Forest Group and SPM), and the full-year contribution of prior-year acquisitions (ESM Power, Argus Fire and Grupo Visegurity).

Operating profit

Operating profit before Other items was £264.1m (FY25: £234.1m), an increase of £30.0m compared to FY25 (+12.8%). This improvement was driven by organic Core FM and Projects growth (£12.7m), savings from margin enhancement initiatives (£25.1m), the turnaround of our telecoms infrastructure business (£10.4m), the delivery of early cost synergies from Marlowe (£7.0m), and inorganic growth (£12.2m). These factors were partially offset by the completion of the 'surge response' security work (-£11.7m), investments made to underpin our growth strategy (-£7.1m), and the unrecovered costs associated with inflation and the changes to employer NICs (together -£18.6m) referenced above.

The organic Core FM and Projects profit growth was driven by the revenue growth outlined above, in particular from higher-margin projects works. This growth was partially offset by the completion of the higher-margin public sector (central government) contract referenced above (completed in September 2025). The revenue from this completed contract was replaced by a similarly sized security contract for the same organisation, but at lower margins as a result of mobilisation costs and a smaller element of projects delivery. Core FM and Projects also includes an incremental £4.7m loss on one loss-making maintenance contract, which ended in May 2026 and will not be renewed.

Of the incremental £25.1m of profit from margin enhancement initiatives, the Target Operating Model programme contributed £20.0m through overhead efficiencies, primarily through optimisation of the Group's organisational structure and outsourcing of back office functions, as well as from efficiencies on contracts and operations. Savings on contracts and operations were achieved 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. The roll-out of Coupa (our digital supplier platform) was completed during the year, which generated an incremental £5.1m of savings.

The telecoms infrastructure business has been successfully turned around, breaking even in FY26 compared to the loss of £10.7m in FY25, and as we explain above, the Marlowe integration is progressing well, generating £7.0m of cost synergies in FY26.

Marlowe profit (excluding cost synergies) of £9.5m was the key driver of the £12.2m of inorganic profit growth, alongside £2.6m from the infill acquisitions completed during the year (Forest Group and SPM) and in the prior year (ESM Power, Argus Fire and Grupo Visegurity).

The investments of £7.1m have largely focused on enhancing our sales capabilities and investing in technology to help to drive growth in the final year of our strategic plan, and beyond.

Operating profit after Other items was £151.4m (FY25: £161.6m), with the increase in operating profit from the factors outlined above being more than offset by higher Other items costs of £112.7m (FY25: £72.5m), which are explained below.

Other items

£m	FY26	FY25
Target Operating Model	(23.9)	(14.4)
Process Re-Imagination & Optimisation	(1.7)	–
Digital supplier platform	(1.3)	(3.4)
Margin enhancement initiatives cash costs	(26.9)	(17.8)
Target Operating Model non-cash costs	(1.6)	(2.2)
Margin enhancement initiative costs	(28.5)	(20.0)
Marlowe acquisition transaction costs	(7.4)	–
Marlowe acquisition integration costs	(14.8)	–
Total Marlowe acquisition cash costs	(22.2)	–
Employment-linked earnout charges	(6.3)	(8.6)
Other acquisition-related costs	(3.8)	(4.9)
Acquisition-related cash costs	(32.3)	(13.5)
Marlowe acquisition integration non-cash costs	(1.1)	–
Amortisation of acquisition-related intangible assets	(41.5)	(29.6)
Acquisition-related costs	(74.9)	(43.1)
Pension-related cash costs	(0.1)	(3.0)
Pension-related non-cash costs	(9.2)	(6.4)
Pension-related costs	(9.3)	(9.4)
Total Other items	(112.7)	(72.5)
of which cash Other items	(59.3)	(34.3)

Cash Other items of £59.3m in FY26 comprised the costs of delivering the Group's margin enhancement initiatives of £26.9m (FY25: £17.8m), acquisition-related costs of £32.3m (FY25: £13.5m), and pension-related costs of £0.1m (FY25: £3.0m). Cash Other items were £25.0m higher than FY25 (£34.3m), due to the Marlowe acquisition, which added £22.2m.

The margin enhancement initiative cash costs of £26.9m (FY25: £17.8m) include the Process Re-Imagination & Optimisation programme, which was launched in FY26 to redefine ways of working, leveraging technology and Artificial Intelligence (AI) to support enhanced customer service and further margin expansion. This will be a major 'step change' for the business, requiring significant investment, including programme costs of c.£20–25m in FY27. The increase in Target Operating Model programme costs in FY26 was driven by £7.0m of costs associated with the Intelligent Process Automation workstream, which has leveraged the Skan AI task mining platform to build process insights and establish the foundation for the Process Re-Imagination & Optimisation programme.

The roll-out of our digital supplier platform (Coupa) was completed in FY26, and therefore no further Other item costs will be incurred. Margin enhancement initiative costs include the implementation teams, related redundancy costs, professional fees and dual running costs incurred to decommission systems.

Acquisition-related cash costs included transaction costs of £7.4m incurred to complete the Marlowe acquisition (FY25: £nil), and integration costs of £14.8m (FY25: £nil) to support the activities required to deliver the identified synergy savings over the next two years. Integration costs include integration team costs, redundancy expenses, and property exit costs. In addition, employment-linked earnout charges of £6.3m were incurred in FY26 (FY25: £8.6m), which are cash in nature and will be payable to former owners of acquired businesses if post-acquisition performance targets are achieved and employment conditions are satisfied.

Other acquisition-related cash costs of £3.8m (FY25: £4.9m) primarily comprise transaction costs relating to infill acquisitions of £1.7m (FY25: £3.6m) and integration costs associated with the prior year acquisition of Argus Fire of £0.7m (FY25: £nil).

Non-cash Other items of £53.4m (FY25: £38.2m) primarily relate to £41.5m (FY25: £29.6m) of amortisation of acquisition-related intangible assets, with the increased charge resulting from the acquisition of Marlowe during FY26. The remaining non-cash costs comprise pension-related costs of £9.2m (FY25: £6.4m), which are further explained in Note 3 to the condensed consolidated financial statements, Target Operating Model costs of £1.6m (FY25: £2.2m) related to the impairment of right-of-use assets of £1.3m (FY25: £nil) and to the write-off of software that became redundant of £0.3m (FY25: £2.2m), and Marlowe acquisition integration costs of £1.1m (FY25: £nil) related to the accelerated amortisation of intangible assets and impairment of right-of-use assets relating to certain Marlowe properties.

Net finance costs

Net finance costs increased to £27.7m in FY26 (FY25: £16.2m), primarily driven by debt financing associated with the Marlowe acquisition, which is explained below in the Liquidity and covenants section. The interest charge on leases increased by £1.5m, mainly due to the additional lease liabilities acquired with Marlowe during the year, and higher rates of interest.

Tax

The tax charge for the year was £33.4m (FY25: £37.0m), comprising a tax charge on profit before Other items of £58.0m (FY25: £51.6m) and a tax credit for Other items of £24.6m (FY25: £14.6m).

The effective tax rate (ETR) on profit before Other items of 24.5% (FY25: 23.7%) is slightly lower than the UK statutory rate of 25%, primarily due to the impact of lower tax rates on overseas profits.

After Other items, the tax charge for the period equated to an ETR of 27.0% (FY25: 25.4%), which is higher than the standard 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 £1.3bn of taxes in the year (FY25: £1.1bn). Of this total, £286m (FY25: £201m) relates to taxes borne by Mitie (principally UK corporation tax and employer NICs) and £999m (FY25: £902m) relates to taxes collected by Mitie on behalf of the UK Exchequer (principally VAT, income tax under Pay-As-You-Earn (PAYE) and employee NICs).

The Group paid corporation tax of £18.1m in the year (FY25: £11.0m), of which £12.5m (FY25: £6.4m) was paid in the UK, and £5.6m (FY25: £4.6m) 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.

Earnings per share

Basic earnings per share before Other items increased by 7.1% to 13.6p (FY25: 12.7p). This improvement was a result of the increase in operating profit before Other items in the year (+1.8p), partially offset by an increase in net finance charges (-0.7p) and an increase in the ETR (-0.2p).

The impact of the dilution related to the shares issued associated with the acquisition of Marlowe (-0.6p) has been fully offset by the reduction in the weighted average number of shares from the share buyback programme (+0.6p).

Basic earnings per share reduced to 6.6p (FY25: 8.2p), with the improvement from the factors outlined above being more than offset by the increase in Other items (explained above), mainly relating to the Marlowe acquisition.

Return on invested capital (ROIC)

£m unless otherwise specified	FY26	FY25
Operating profit before Other items	264.1	234.1
Tax ¹	(64.7)	(55.5)
Operating profit before Other items after tax	199.4	178.6
Invested capital	1,100.1	730.2
ROIC %	18.1%	24.5%

¹ Tax charge has been calculated on operating profit before Other items using the ETR for the year of 24.5% (FY25: 23.7%)

ROIC for FY26 decreased by 6.4ppts to 18.1% (FY25: 24.5%), primarily driven by the temporary impact of the Marlowe acquisition (-9.0ppt), which added £414m of invested capital. The increase to invested capital is higher than the consideration paid/net assets acquired of £351.5m due to the requirement to exclude certain liabilities – including deferred tax related to the acquired intangible assets – from invested capital. 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. ROIC is expected to improve significantly in FY27, once a full 12 months of profit is included for Marlowe, and as further planned synergy savings are realised.

Balance sheet

£m	FY26	FY25
Goodwill and intangible assets	1,019.0	664.5
Property, plant and equipment	262.7	246.9
Working capital balances	(175.9)	(202.9)
Provisions	(89.9)	(84.1)
Net debt	(450.2)	(199.0)
Net retirement benefit assets	15.4	13.9
Deferred tax liabilities	(51.0)	(17.9)
Other net assets	2.4	6.6
Net assets	532.5	428.0

As at 31 March 2026 the Group's reported net assets were £532.5m, an increase of £104.5m since 31 March 2025. This increase is primarily driven by the acquisition of Marlowe, including £223.8m of provisional goodwill and £146.5m of acquired intangible assets, partially offset by the increase in net debt related to the cash consideration for the acquisition of £228.2m. The net £123.3m increase in net assets from the Marlowe acquisition resulted from the shares issued as part of the total consideration (86.6m shares at £1.42).

The other elements of the overall increase in net debt of £251.2m are explained further below (in the Cash flow and net debt section).

Goodwill and intangible assets

As noted above, the increase of £354.5m is primarily driven by £223.8m of provisional goodwill and £146.5m of acquired intangible assets related to the Marlowe acquisition that was completed during the year. The remaining movement is driven by the amortisation of intangible assets (-£51.2m), partially offset by the goodwill and intangible assets arising from other current and prior year acquisitions (£24.8m), software acquired with Marlowe (£2.9m), and the capitalisation of software development costs (£7.7m).

Property, plant and equipment

The increase of £15.8m is primarily due to the increase in owned property, plant and equipment assets, reflecting mobilisation investments on new contracts, plus £8.8m of owned assets arising from in-year acquisitions, primarily related to the Marlowe acquisition. Our property and vehicle fleet lease portfolio has remained broadly unchanged, as increases from additions (£38.1m, primarily related to the continued transition of our leased fleet to

electric vehicles) and right-of-use assets acquired during the year (£27.2m, primarily related to the Marlowe acquisition) were largely offset by depreciation (-£67.9m).

Provisions

At 31 March 2026, provisions totalled £89.9m (FY25: £84.1m), which largely comprised contract-specific costs of £26.5m (FY25: £33.0m), insurance reserve of £30.4m (FY25: £27.3m) and dilapidation provisions of £16.3m (FY25: £10.4m). The net increase in provisions during the year of £5.8m included the acquisition of Marlowe, which added £11.3m, primarily related to insurance reserves and dilapidation provisions. The reduction in contract-specific provisions was a result of commercial settlements with customers that led to utilisation of the related provisions. See Note 10 to the condensed consolidated financial statements for further details on provisions.

Retirement benefit schemes

At 31 March 2026, the Group's net retirement benefit assets on an IAS 19 basis were £15.4m (FY25: £13.9m net assets). The net improvement of £1.5m was driven by favourable movements in financial assumptions, which resulted in an increase in the surplus on the main Group scheme to £18.2m (FY25: £14.4m surplus).

The scheme actuary provides quarterly funding updates on the main Group scheme. During FY26, the funding position had materially improved, through a combination of deficit repair contributions and investment returns, to an actuarial surplus (compared to a deficit of £19.4m in the 2023 triennial valuation). As a result, after paying £3.2m of deficit repair contributions in H1 FY26, further deficit repair contributions have ceased and the Group is now working with the trustee to purchase a 'buy-in' policy with an insurer to cover scheme liabilities.

As previously reported, the Group reached a settlement agreement with the trustees of the multi-employer defined benefit Plumbing & Mechanical Services (UK) Industry Pension Scheme relating to certain Section 75 liabilities. The settlement extinguishes any future liabilities relating to this scheme. The total £24.5m liability is being settled over a three-year period in equal monthly payments (which commenced in H2 FY25), of which £11.9m remained at 31 March 2026.

In January 2026, the Group completed the buyout of the Landmarc scheme and received a £1.6m refund relating to the scheme surplus. The scheme is now in the process of being wound up, and there were no associated assets or liabilities on the Group's balance sheet at 31 March 2026.

Deferred tax

The net deferred tax liability was £51.0m at 31 March 2026, which increased by £33.1m compared with the liability at 31 March 2025, primarily as a result of net deferred tax liabilities related to the intangible assets acquired with Marlowe, and the utilisation of tax losses which reduced deferred tax assets.

Cash flow and net debt

£m	FY26	FY25
Operating profit before Other items	264.1	234.1
Add back: depreciation, amortisation and impairment	95.9	76.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	360.0	310.9
Other items	(59.3)	(34.3)
Other operating movements	24.0	9.0
Operating cash flows before movements in working capital	324.7	285.6
Working capital movements ¹	(35.7)	(37.0)
Capex, capital element of lease payments and other	(85.6)	(80.1)
Net interest payments	(23.2)	(14.7)
Tax payments	(18.1)	(11.0)
Free cash inflow	162.1	142.8
Share buybacks ²	(58.6)	(100.0)
Purchase of own shares into trusts	(29.1)	(14.6)
Acquisitions ³	(264.6)	(57.3)
Dividends paid	(61.9)	(64.6)
Lease liabilities and other	0.9	(24.5)
Increase in net debt during the period	(251.2)	(118.2)
Closing net (debt)	(450.2)	(199.0)
Average daily net (debt)	(440.2)	(264.0)
Leverage ⁴ (average daily net debt/EBITDA)	1.2x	0.8x

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 condensed consolidated financial statements)

² Share buybacks are presented net of the proceeds received from the exercise of Save-As-You-Earn (SAYE) schemes of £4.3m in FY26 (FY25: £4.7m)

³ Acquisitions includes acquisition costs and employment-linked earnout payments, the related charges for which are reported within Other items

⁴ Leverage uses post-IFRS 16 net debt

Operating cash flows before movements in working capital improved by £39.1m to £324.7m (FY25: £285.6m), driven by the good trading performance reflected in the increased EBITDA. Cash Other items are higher in FY26 due to the Marlowe acquisition, as explained above. Other operating movements were £24.0m for FY26 (FY25: £9.0m), primarily related to the add back of non-cash share-based payment charges of £22.9m (FY25: £15.5m).

The Group generated a free cash inflow of £162.1m for FY26, with the strong trading performance partially offset by cash outflows from working capital movements, together with capex, lease payments, interest and tax payments.

The cash outflow from working capital in FY26 of £35.7m was similar to the prior year (FY25: £37.0m), related to investments required to support our growing projects business, together with longer payment terms on certain contracts (particularly in the retail sector) and the one-off negative impact of £8.0m arising from the Procurement Act 2023 that came into effect in February 2025, requiring faster payments to all subcontractors and suppliers on Government Framework Contracts. These headwinds were partially offset by the ongoing working capital process improvements.

Capex, capital element of lease payments and other increased by £5.5m compared to FY25. Capex increased by £8.4m in FY26, primarily related to the mobilisation of the DWP security contract. Capital lease repayments increased by £11.4m, due to the continued transition of our leased fleet to electric vehicles, as well as the expansion of the fleet through acquisitions (including Marlowe) and new contracts, both in the UK and overseas. This was partly offset by the reclassification of certain Other items cash payments that are not reported within free cash flow, and are instead reported within Acquisitions (below free cash flow), comprising employment-linked earnout payments and

acquisition transaction costs. These reclassified payments increased by £14.3m in FY26, primarily related to the Marlowe acquisition.

Net interest payments increased by £8.5m due to the higher levels of net debt associated with the acquisition of Marlowe, and our share buyback programme. Tax payments increased by £7.1m, driven by a combination of higher taxable profit in FY26 and tax refunds in FY25.

Net debt movements associated with acquisitions totalled £264.6m, largely relating to the strategic acquisition of Marlowe, which included net cash consideration of £219.4m (after offsetting net cash acquired of £8.8m) and debt acquired of £35.3m (including lease liabilities). Acquisitions also included employment-linked earnout payments of £13.0m related to prior period acquisitions, payments related to acquisition costs of £8.3m, mainly for Marlowe, and the net consideration of £14.9m for the acquisitions of SPM (£2.6m), Forest Group (£4.2m), El-Team Vest (£7.6m) and ABC Elektro (£0.5m).

During FY26, we purchased 38m shares for £62.9m through our share buyback programme, comprising 36m shares (£60.0m) under our current programme (£100m over 12 months), and 2m shares (£2.9m) under our previous programme, which was paused to accommodate the Marlowe acquisition. Of these shares, we retained 5m shares in treasury to fulfil our 2022 Save-As-You-Earn (SAYE) scheme (which vested in February 2026), and cancelled all shares purchased in excess of this. The £62.9m of purchases are presented net of the proceeds received from the exercise of SAYE schemes of £4.3m in FY26 (FY25: £4.7m). A further 21m shares (£29.1m) were purchased into employee trusts to satisfy share incentive schemes.

Dividend payments of £61.9m in FY26 comprised the FY25 final dividend of £36.6m, the FY26 interim dividend of £18.1m, together with dividends paid to the Landmarc minority shareholder of £7.2m. The recommended final FY26 dividend of 3.1p will result in a 5% increase in the total dividend per share to 4.5p for FY26 (FY25: 4.3p), representing a payout ratio of 33% (FY25: 34%).

The net movement in lease liabilities and other for FY26 was a relatively small decrease of £0.9m (FY25: net increase of £24.5m), with the net impact of new leases of £38.1m (FY25: £78.6m) and lease liabilities acquired in the year (£27.2m), mainly with Marlowe, largely offset by capital lease repayments (£67.5m). Given the significant progress we have made in previous years on the transition of our leased fleet to electric vehicles (including £79.6m of new leases in FY25), the impact has reduced in FY26 now that the core fleet has largely been converted.

Net debt

Average daily net debt of £440.2m for FY26 was £176.2m higher than in FY25 (£264.0m), contributing to a leverage ratio (average daily net debt/EBITDA) of 1.2x for FY26, within our target range of 0.75x–1.5x (FY25: 0.8x). Closing net debt at 31 March 2026 of £450.2m was £251.2m higher than at 31 March 2025 (£199.0m).

As noted above, the increase in net debt during FY26 was driven by capital deployment actions totalling £414.2m, including the strategic acquisition of Marlowe, partially offset by the free cash inflow generated during the year of £162.1m.

Liquidity and covenants

As at 31 March 2026, the Group had £610m of committed funding arrangements, comprising £360m of US Private Placement (USPP) notes with maturities ranging from 2028 to 2034 at a weighted average interest rate of 4.65%, and a £250m Revolving Credit Facility (RCF) maturing in October 2028.

A short-term bridge facility of £240m was put in place in June 2025, and fully drawn, to facilitate the acquisition of Marlowe in August 2025. On 13 October 2025, £60m of this facility was repaid from Mitie's existing balance sheet capacity, and the balance was refinanced by the issuance of £180m of USPP notes on 12 November 2025. The new USPP notes have maturities of between three and seven years, and a weighted average interest rate fixed at 5.44%.

On 18 July 2025, Morningstar DBRS confirmed that Mitie's BBB investment grade credit rating remains unchanged.

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 2026, the Group was operating well within these ratios at 0.82x covenant leverage and 17.8x interest cover. A reconciliation of the calculations is set out in the table below:

£m		FY26	FY25
Operating profit before Other items		264.1	234.1
Add: depreciation, amortisation and impairment		95.9	76.8
Headline EBITDA		360.0	310.9
Add: covenant adjustments ¹		24.6	23.8
Leases adjustment ²		(78.1)	(64.1)
Consolidated EBITDA	(a)	306.5	270.6
Full-year effect of acquisitions and disposals		8.0	3.5
Adjusted consolidated EBITDA	(b)	314.5	274.1
Net finance costs		27.7	16.2
Less: covenant adjustments		(0.3)	(0.5)
Leases adjustment ³		(10.2)	(8.7)
Consolidated net finance costs	(c)	17.2	7.0
Interest cover (ratio of (a) to (c))		17.8x	38.7x
Net debt		450.2	199.0
Covenant adjustment ⁴		–	5.7
Impact of hedge accounting and upfront fees		2.1	2.4
Leases adjustment ⁵		(195.5)	(197.5)
Consolidated total net debt	(d)	256.8	9.6
Covenant leverage (ratio of (d) to (b))		0.82x	0.04x

¹ Covenant adjustments to 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)

Condensed consolidated income statement

For the year ended 31 March 2026

	Notes	2026			2025		
		Before Other items £m	Other items ¹ £m	Total £m	Before Other items £m	Other items ¹ £m	Total £m
Revenue	2	5,618.6	–	5,618.6	5,082.6	–	5,082.6
Cost of sales		(4,962.3)	–	(4,962.3)	(4,512.9)	–	(4,512.9)
Gross profit		656.3	–	656.3	569.7	–	569.7
Administrative expenses		(393.5)	(112.7)	(506.2)	(341.4)	(72.5)	(413.9)
Other income		1.7	–	1.7	5.9	–	5.9
Share of loss of joint ventures and associates		(0.4)	–	(0.4)	(0.1)	–	(0.1)
Operating profit/(loss)²	2	264.1	(112.7)	151.4	234.1	(72.5)	161.6
Finance income		3.3	–	3.3	3.3	–	3.3
Finance costs		(31.0)	–	(31.0)	(19.5)	–	(19.5)
Net finance costs		(27.7)	–	(27.7)	(16.2)	–	(16.2)
Profit/(loss) before tax		236.4	(112.7)	123.7	217.9	(72.5)	145.4
Tax	4	(58.0)	24.6	(33.4)	(51.6)	14.6	(37.0)
Profit/(loss) after tax		178.4	(88.1)	90.3	166.3	(57.9)	108.4
Attributable to:							
Equity holders of the parent		169.2	(86.6)	82.6	157.6	(56.2)	101.4
Non-controlling interests		9.2	(1.5)	7.7	8.7	(1.7)	7.0
Profit/(loss) for the year		178.4	(88.1)	90.3	166.3	(57.9)	108.4
Earnings per share (EPS) attributable to owners of the parent							
Basic	6	13.6p		6.6p	12.7p		8.2p
Diluted	6	12.6p		6.1p	11.8p		7.6p

Notes:

1. Other items are as described in Note 3.

2. Including net reversal of impairment losses on trade receivables, accrued income and other receivables of £0.5m (2025: net impairment loss of £1.0m).

Condensed consolidated statement of comprehensive income

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
Profit for the year		90.3	108.4
Items that will not be reclassified to profit or loss in subsequent years			
Remeasurement of net retirement benefit assets/liabilities	16	9.0	13.7
Tax charge relating to items that will not be reclassified to profit or loss in subsequent years	4	(2.2)	(4.6)
		6.8	9.1
Items that may be reclassified to profit or loss in subsequent years			
Exchange differences on translation of foreign operations		1.1	(0.7)
		1.1	(0.7)
Other comprehensive income for the year		7.9	8.4
Total comprehensive income for the year		98.2	116.8
Attributable to:			
Equity holders of the parent		90.4	109.6
Non-controlling interests		7.8	7.2
Total comprehensive income for the year		98.2	116.8

Condensed consolidated statement of financial position

As at 31 March 2026

	Notes	2026 £m	2025 £m
Non-current assets			
Goodwill	7	642.5	397.8
Other intangible assets		376.5	266.7
Property, plant and equipment		262.7	246.9
Interests in associates		0.5	1.6
Trade and other receivables	8	19.7	20.5
Contract assets		3.7	1.9
Retirement benefit assets	16	18.2	16.3
Total non-current assets		1,323.8	951.7
Current assets			
Inventories		26.7	14.9
Trade and other receivables	8	1,082.2	967.9
Contract assets		1.1	0.7
Current tax receivable		1.6	4.1
Cash and cash equivalents	11	108.9	180.4
Total current assets		1,220.5	1,168.0
Total assets		2,544.3	2,119.7
Current liabilities			
Trade and other payables	9	(1,128.8)	(1,012.6)
Deferred income		(138.6)	(140.9)
Current tax payable		(5.4)	(3.4)
Financing liabilities	12	(62.5)	(52.2)
Provisions	10	(36.9)	(37.4)
Total current liabilities		(1,372.2)	(1,246.5)
Net current liabilities		(151.7)	(78.5)
Non-current liabilities			
Trade and other payables	9	(10.7)	(22.2)
Deferred income		(31.2)	(33.1)
Financing liabilities	12	(490.9)	(322.9)
Provisions	10	(53.0)	(46.7)
Retirement benefit liabilities	16	(2.8)	(2.4)
Deferred tax liabilities		(51.0)	(17.9)
Total non-current liabilities		(639.6)	(445.2)
Total liabilities		(2,011.8)	(1,691.7)
Net assets		532.5	428.0

	2026 £m	2025 £m
Equity		
Share capital	32.7	31.3
Share premium	132.0	132.0
Merger reserve	278.1	157.0
Own shares reserve	(71.4)	(65.1)
Share-based payments reserve	50.6	40.4
Capital redemption reserve	6.1	5.3
Translation reserve	(1.7)	(2.8)
Retained profits	87.9	112.3
Equity attributable to owners of the parent	514.3	410.4
Non-controlling interests	18.2	17.6
Total equity	532.5	428.0

Condensed consolidated statement of changes in equity

For the year ended 31 March 2026

	Share capital £m	Share premium £m	Merger reserve £m	Own shares reserve £m	Share-based payments reserve £m	Capital redemption reserve £m	Translation reserve £m	Retained profits £m	Equity attributable to owners of parent £m	Non-controlling interests £m	Total equity £m
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
At 1 April 2025	31.3	132.0	157.0	(65.1)	40.4	5.3	(2.8)	112.3	410.4	17.6	428.0
Profit for the year	–	–	–	–	–	–	–	82.6	82.6	7.7	90.3
Other comprehensive income	–	–	–	–	–	–	1.1	6.7	7.8	0.1	7.9
Total comprehensive income	–	–	–	–	–	–	1.1	89.3	90.4	7.8	98.2
Transactions with owners											
Dividends paid	–	–	–	–	–	–	–	(54.7)	(54.7)	–	(54.7)
Issue of shares ³	2.2	–	121.1	–	–	–	–	–	123.3	–	123.3
Purchase of own shares ¹	–	–	–	(29.1)	–	–	–	–	(29.1)	–	(29.1)
Share buybacks ²	(0.8)	–	–	(7.7)	–	0.8	–	(55.2)	(62.9)	–	(62.9)
Share-based payments	–	–	–	30.5	10.2	–	–	(15.1)	25.6	–	25.6
Tax on share-based payments	–	–	–	–	–	–	–	11.3	11.3	–	11.3
Non-controlling interest dividends	–	–	–	–	–	–	–	–	–	(7.2)	(7.2)
Total transactions with owners	1.4	–	121.1	(6.3)	10.2	0.8	–	(113.7)	13.5	(7.2)	6.3
At 31 March 2026	32.7	132.0	278.1	(71.4)	50.6	6.1	(1.7)	87.9	514.3	18.2	532.5

Notes:

1. The Employee Benefit Trust acquired 20.3m (2025: 11.7m) ordinary shares through market purchases for a consideration together with associated fees and stamp duty of £27.5m (2025: £13.2m) and the Share Incentive Plan Trust acquired 1.1m (2025: 1.1m) shares for a consideration of £1.6m (2025: £1.4m).
2. The share buybacks resulted in the purchase of 37.9m ordinary shares (2025: 89.0m), of which 32.9m ordinary shares (2025: 78.9m) were purchased for £55.2m (2025: £92.5m) and were subsequently cancelled. The remaining 5.0m ordinary shares (2025: 10.1m) were bought into treasury for a total consideration of £7.7m (2025: £12.2m).
3. As part of the consideration for the acquisition of Marlowe Limited (formerly Marlowe plc), 86.6m shares were issued with a premium of £121.1m arising (see Note 15). These share issues qualified for merger relief under Section 612 of the Companies Act 2006, such that the premium was credited to the merger reserve, as it was not required to be credited to the share premium account.

Condensed consolidated statement of cash flows

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
Operating profit before Other items	2	264.1	234.1
Other items	3	(112.7)	(72.5)
Operating profit		151.4	161.6
Adjustments for:			
Share-based payments expense		22.9	15.5
Defined benefit pension expense	16	12.0	9.4
Defined benefit pension contributions	16	(4.7)	(10.1)
Pension settlement ¹	16	1.6	–
Depreciation of property, plant and equipment		85.8	67.9
Amortisation of other intangible assets		51.2	38.1
Share of loss of joint ventures and associates		0.4	0.1
Amortisation of contract assets		0.9	0.4
Impairment of right-of-use assets	13	1.9	–
Loss on disposal of other intangible assets		0.3	2.4
Loss on disposal of property, plant and equipment		0.8	0.3
Loss on disposal of shares in interests in associates		0.2	–
Operating cash flows before movements in working capital		324.7	285.6
Increase in inventories		(0.4)	(0.2)
Increase in receivables		(42.5)	(168.9)
Increase in contract assets		(3.1)	(1.5)
(Decrease)/increase in deferred income		(8.5)	61.9
Increase in payables		32.3	82.5
Decrease in provisions		(12.1)	(10.7)
Cash generated from operations		290.4	248.7
Income taxes paid		(18.1)	(11.0)
Interest paid		(25.7)	(17.7)
Net cash generated from operating activities		246.6	220.0
Investing activities			
Acquisition of businesses, net of cash acquired ²	15	(234.3)	(49.1)
Investment in associates and joint ventures		–	(0.8)
Interest received		2.5	3.0
Purchase of property, plant and equipment		(33.4)	(24.0)
Purchase of other intangible assets		(6.7)	(7.6)
Disposal of property, plant and equipment		0.6	0.6
Disposal of intangible assets		0.1	–
Net cash used in investing activities		(271.2)	(77.9)

Notes:

- In January 2026, the Group completed the buy-out of the Landmarc pension scheme with an authorised insurance company and the Group received a £1.6m refund relating to the scheme surplus. See Note 16.
- Acquisition of businesses is net of cash acquired of £12.4m (2025: £9.7m). See Note 15.

	Notes	2026 £m	2025 £m
Financing activities			
Purchase of own shares		(29.1)	(14.6)
Shares bought back		(62.9)	(104.7)
Capital element of lease rentals	13	(67.5)	(56.1)
Proceeds from new private placement notes	12	180.0	60.0
Repayment of private placement notes	12	–	(30.0)
Proceeds from bridge loan facility	12	240.0	–
Repayment of bridge loan facility and other bank loans	12	(249.0)	(0.4)
Payment of arrangement fees		(1.1)	(0.6)
Proceeds received on settlement of share-based payment transactions		4.3	4.7
Equity dividends paid	5	(54.7)	(54.5)
Dividends paid to non-controlling interest		(7.2)	(10.1)
Net cash used in financing activities		(47.2)	(206.3)
Net decrease in cash and cash equivalents		(71.8)	(64.2)
Net cash and cash equivalents at beginning of the year		180.4	244.9
Effect of foreign exchange rate changes		0.3	(0.3)
Net cash and cash equivalents at end of the year	11	108.9	180.4

Notes to the condensed consolidated financial statements

For the year ended 31 March 2026

I. Basis of preparation

(a) Basis of preparation

The financial information in this announcement has been extracted from the Group's Annual Report and Accounts for the year ended 31 March 2026 and is prepared in accordance with UK-adopted International Accounting Standards (IAS).

Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRS and the financial information set out does not constitute Mitie Group plc's (the Company) statutory accounts for the current or prior years.

Statutory accounts for the years ended 31 March 2026 and 31 March 2025 have been reported on by the independent auditor.

The independent auditor's reports for the years ended 31 March 2026 and 31 March 2025 were unqualified and did not draw attention to any matters by way of emphasis. The independent auditor's reports for the years ended 31 March 2026 and 31 March 2025 did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006. Statutory accounts for the year ended 31 March 2025 have been filed with the Registrar and the statutory accounts for the year ended 31 March 2026 will be delivered following the Company's annual general meeting.

The condensed 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 condensed consolidated financial statements for the year ended 31 March 2026 have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered the Group's business activities and the principal risks and uncertainties.

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 condensed 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 2026 were a £250m revolving credit facility maturing in October 2028, which was undrawn as at 31 March 2026, and £360m 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.

Of the Group's USPP notes, £120m were issued in December 2022, allocated equally across 8, 10 and 12-year maturities, with an average coupon of 2.94%. In October 2024, the Group entered into a three-year uncommitted shelf facility with initial capacity of approximately £320m, which was increased to approximately £360m in March 2026. As at 31 March 2026, undrawn capacity under the facility was approximately £120m, available for drawdown until October 2027.

In December 2024, the Group issued £60m of new USPP notes under the shelf facility, replacing an existing £30m note that matured in the same month. These notes have a seven-year maturity and carry a coupon rate of 5.71%.

To facilitate the acquisition of Marlowe, the Group secured a £240m bridge facility during the year ended 31 March 2026. The facility was scheduled to mature in June 2026, with an option to extend to June 2027. In October 2025, £60m of the facility was repaid, with the remaining £180m refinanced through a drawdown under the Group's US Private Placement shelf facility on 12 November 2025. The new USPP notes have maturities ranging from three to seven years and carry a weighted average fixed interest rate of 5.44%.

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 £256.8m as at 31 March 2026. 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 28% in the year ending 31 March 2027 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 condensed 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.

Accounting standards that are newly effective in the current year

The following amendment became effective during the year ended 31 March 2026 and has not had a material impact on the Group:

- Amendments to International Accounting Standard (IAS) 21 – The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

Accounting standards that are not yet mandatory and have not been applied by the Group

At the date of authorisation of these condensed 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 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
- IFRS 20 – Regulatory Assets and Regulatory Liabilities

(b) Critical accounting judgements and sources of estimation uncertainty

The preparation of condensed 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 condensed consolidated financial statements.

Profit before Other items

Other items are items of financial performance which management believes should be separately identified on the face of the condensed 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.

Other items after tax of £88.1m were charged (2025: £57.9m) to the condensed consolidated income statement for the year ended 31 March 2026. A complete analysis of the amounts included in Other items is detailed in Note 3.

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.

Measurement of defined benefit pension obligations

At 31 March 2026, net retirement benefit assets of £18.2m (2025: £16.3m) and net retirement benefit liabilities of £2.8m (2025: £2.4m) were recognised. The measurement of gross defined benefit obligations of £214.1m (2025: £252.2m) requires judgement, and is dependent on material key assumptions, including discount rates, inflation and life expectancy. See Note 16 for further details and a sensitivity analysis for the key assumptions.

Other sources of estimation uncertainty

The below estimates are not considered to be a significant source of estimation uncertainty as per the requirements of IAS 1 – Presentation of Financial Statements (IAS 1) but represent areas of focus for management.

Revenue recognition

The Group's revenue recognition policies 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, 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 and there is estimation uncertainty involved in determining the applicable revenue constraint.

Business combinations – purchase price allocation

When the Group completes a business combination, the identifiable assets and liabilities acquired are recognised at their acquisition date fair values in accordance with IFRS 3 – Business Combinations. The determination of these fair values involves selection and application of appropriate valuation techniques and assumptions, which results in estimation uncertainty.

During the year ended 31 March 2026, the Group completed the acquisition of Marlowe plc, representing a transaction that was material to the Group. Total consideration of £351.5m resulted in provisional goodwill of £223.8m, after recognising provisional fair values of identifiable net assets acquired of £127.7m (see Note 15). The most significant fair value adjustments related to the recognition and measurement of intangible assets for customer relationships and contracts, with a provisional fair value of £143.0m recognised together with a corresponding provisional deferred tax liability of £35.8m.

The fair value of customer relationships and contracts was determined using the multi-period excess earnings method, applying an appropriate discount rate to forecast post-tax cash flows. In applying this valuation technique, management was required to exercise judgement in estimating the inputs for the model including customer attrition rates, revenue growth, earnings before interest, tax, depreciation and amortisation (EBITDA) margins (including the expected impact of market participant synergies) and the discount rate.

Of the inputs in the model, significant estimation uncertainty was noted on customer attrition rates used in determining the valuation of customer contracts and relationships. A reasonably possible increase of two percentage points in the assumed attrition rate would result in a decrease in the provisional fair value of these intangible assets of approximately £19.3m, with a corresponding increase in goodwill of £14.5m (net of deferred tax). A reasonably possible decrease of two percentage points would increase the fair value of customer contracts and relationships by approximately £24.0m, with a corresponding reduction in goodwill of £18.0m (net of deferred tax). The sensitivity could lead to material movements in the valuation of customer relationships and contracts; however, this is considered a longer-term uncertainty and is not expected to result in a material change within the 12 months following 31 March 2026.

Contract-specific cost provisions

The Group is, 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. Estimation is required in determining the probable outflow in respect to contract-specific costs, for which the Group recognised provisions at 31 March 2026 of £26.5m (2025: £33.0m), see Note 10.

Within this total, £10.8m (2025: £10.8m) 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. The actual exposure to the Group may differ from the amount provided at 31 March 2026 due to the multiple variables associated with the particular issues involved in the dispute. The value of the provision represents management's best estimate at the reporting date. 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.

Onerous contract provisions

The recognition of onerous contract provisions is based on assumptions that are subject to longer-term uncertainties. Onerous contract provisions totalling £12.1m have been recognised at 31 March 2026 (2025: £10.0m), see Note 10.

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.

2. 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 in deciding how to allocate resources and in assessing performance. The Group has determined the Chief Operating Decision Maker to be its Board of Directors.

The Group manages its business on a service division basis. During the year, the Group reorganised its Communities division, where the Healthcare, Local Government & Education business was transferred into the Technical Services division, and the Immigration & Justice business was transferred into the Business Services division. The Compliance business, which was previously reported within the Technical Services division, has also transferred to the Business Services division. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

As a result of the reorganisation, Communities is not considered to be an operating segment for the year ended 31 March 2026, and the Group therefore has two reportable segments (2025: three segments). The change in operating segments reflects how the Chief Operating Decision

Maker evaluates the divisions and their performance and decides on resource allocation. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

Revenue, 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 2026 or in the comparative year. The UK Government is not considered to be a single customer.

Condensed consolidated income statement information

	2026			2025 (restated) ¹		
	Revenue £m	Operating profit/(loss) before Other items ² £m	Operating margin before Other items ² %	Revenue £m	Operating profit/(loss) before Other items ² £m	Operating margin before Other items ² %
Business Services	2,985.1	187.1	6.3	2,538.0	180.4	7.1
Technical Services	2,633.5	135.9	5.2	2,544.6	109.1	4.3
Corporate Centre	–	(58.9)	–	–	(55.4)	–
Total Group	5,618.6	264.1	4.7	5,082.6	234.1	4.6

Notes:

1. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.
2. Other items are as described in Note 3.

A reconciliation of segment operating profit before Other items to total profit before tax is provided below:

	2026 £m	2025 £m
Operating profit before Other items ¹	264.1	234.1
Other items ¹	(112.7)	(72.5)
Net finance costs	(27.7)	(16.2)
Profit before tax	123.7	145.4

Note:

1. Other items are as described in Note 3.

Geographical segments

Revenue, operating profit before Other items and operating margin before Other items from external customers by geographical segment are shown below:

	2026			2025		
	Revenue £m	Operating profit before Other items ¹ £m	Operating margin before Other items ¹ %	Revenue £m	Operating profit before Other items ¹ £m	Operating margin before Other items ¹ %
United Kingdom	5,271.4	241.3	4.6	4,826.1	219.3	4.5
Spain	226.7	14.1	6.2	167.2	9.7	5.8
Ireland	62.5	3.3	5.3	60.1	2.8	4.7
Other countries ²	58.0	5.4	9.3	29.2	2.3	7.9
Total	5,618.6	264.1	4.7	5,082.6	234.1	4.6

Notes:

1. Other items are as described in Note 3.
2. No other individual countries are considered material in the context of the Group's overall revenue to be separately presented.

The carrying amount of non-current assets, excluding financial instruments, retirement benefits, and interest in associates, by geographical segment is shown below:

	2026 £m	2025 £m
United Kingdom	1,245.3	879.0
Spain	29.0	24.0
Ireland	10.4	10.2
Other countries	0.7	0.1
Total	1,285.4	913.3

Supplementary information

	2026			2025 (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	12.6	1.0	0.9	7.3	0.1	0.4
Technical Services	4.2	0.3	–	4.1	0.3	–
Corporate Centre	69.0	49.9	–	56.5	37.7	–
Total	85.8	51.2	0.9	67.9	38.1	0.4

Note:

1. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

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.

	2026			2025 (restated) ¹		
	Sector ²			Sector ²		
	Government £m	Non-government £m	Total £m	Government £m	Non-government £m	Total £m
Business Services	1,259.2	1,725.9	2,985.1	1,202.5	1,335.5	2,538.0
Technical Services	1,535.4	1,098.1	2,633.5	1,441.7	1,102.9	2,544.6
Total revenue	2,794.6	2,824.0	5,618.6	2,644.2	2,438.4	5,082.6

Notes:

1. The comparatives for the year ended 31 March 2025 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.

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 work contracted with customers and excludes the impact of anticipated variable works and projects.

	2026			2025 (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	2,222.7	5,271.6	7,494.3	1,387.3	5,840.1	7,227.4
Technical Services	1,460.7	4,101.3	5,562.0	983.4	3,690.9	4,674.3
Total Group	3,683.4	9,372.9	13,056.3	2,370.7	9,531.0	11,901.7

Note:

1. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

3. Other items

Other items are items of financial performance which management believes should be separately identified on the face of the condensed consolidated income statement to assist in understanding the underlying financial performance achieved by the Group.

The Group separately reports acquisition and disposal costs within Other items. These include the amortisation of acquisition-related intangible assets, integration costs, employment-linked earnout charges, and gains or losses on business disposals. 'Other items' also include cost of restructuring programmes, impairments of goodwill and acquired intangible assets, charges arising on the exit of pension schemes and other exceptional items, together with the associated tax effects.

	2026	2025
	£m	£m
Restructuring costs	(27.2)	(16.6)
Acquisition and disposal costs	(74.9)	(43.1)
Other exceptional items	(10.6)	(12.8)
Total Other items before tax	(112.7)	(72.5)
Tax charge on Other items	24.6	14.6
Total Other items after tax	(88.1)	(57.9)

Restructuring 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. The costs are analysed below:

	2026	2025
	£m	£m
Target Operating Model ¹	(25.5)	(16.6)
Process Re-imagination & Optimisation ²	(1.7)	–
Restructuring costs	(27.2)	(16.6)
Tax	6.8	4.1
Restructuring costs net of tax	(20.4)	(12.5)

Notes:

1. The Target Operating Model (TOM) transformation programme includes the further outsourcing of back-office functions, process optimisation and system consolidation and optimising the organisation structure. Since its launch in the year ended 31 March 2022, cumulative costs of £70.7m have been recognised within the condensed consolidated income statement and classified as Other items, of which £66.9m were cash costs. The programme is expected to complete by 31 March 2027.

2. During the year ended 31 March 2026, the Group launched the Process Re-imagination & Optimisation programme, to redefine ways of working, leveraging technology and AI to support enhanced customer service and further margin expansion. This will be a major 'step change' for the business, requiring significant investment, including estimated programme costs of c.£20–25m in the year ending 31 March 2027.

The costs associated with the Group restructuring programmes include £9.3m (2025: £3.7m) of external consultancy costs, fixed-term staff costs of £6.2m (2025: £5.5m) to manage and implement changes, redundancy costs of £5.3m (2025: £4.7m), impairment of right-of-use assets of £1.3m (2025: £nil), other property exit costs of £2.1m (2025: £nil), dual-run licence costs in relation to decommissioned operating systems of £2.7m (2025: £0.5m) and loss on disposal of software of £0.3m (2025: £2.2m).

Acquisition and disposal costs

	2026 £m	2025 £m
Amortisation of acquisition-related intangible assets	(41.5)	(29.6)
Integration costs ¹	(16.6)	(0.7)
Transaction costs ²	(9.1)	(3.6)
Employment-linked earnout charges ³	(6.3)	(8.6)
Other acquisition-related costs	(1.4)	(0.6)
Acquisition and disposal costs	(74.9)	(43.1)
Tax	15.1	7.6
Acquisition and disposal costs net of tax	(59.8)	(35.5)

Notes:

1. Comprises costs in relation to professional fees of £6.9m (2025: £0.7m), fixed-term staff costs of £4.7m (2025: £nil), redundancy costs of £3.0m (2025: £nil), impairment of right-of-use assets of £0.6m (2025: £nil), other property exit costs of £0.9m (2025: £nil), and £0.5m (2025: £nil) of accelerated amortisation in relation to software that is in the process of being replaced due to integration activities.

2. Relates to professional fees.

3. Comprises earnout amounts payable to former owners of acquired businesses under the terms of the sale and purchase agreements 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.

Other exceptional items

	2026 £m	2025 £m
Pension-related costs ¹	(9.3)	(9.4)
Digital supplier platform ²	(1.3)	(3.4)
Other exceptional items	(10.6)	(12.8)
Tax	2.7	2.9
Other exceptional items net of tax	(7.9)	(9.9)

Notes:

1. Comprises a £7.9m contract settlement charge to reverse the gross surplus on three Local Government Pension Schemes (2025: £5.3m), where an asset ceiling had been applied and therefore no net surplus was recognised on the condensed consolidated statement of financial position. The reversal of the asset ceiling has been credited to other comprehensive income. In addition, one-off past service costs of £1.3m were recognised due to changes in certain pension scheme rules (2025: £1.1m), together with £0.6m of administrative expenses relating to the Landmarc pension scheme buyout (2025: £0.2m). The costs were partially offset by a £0.5m release of an accrual following the final settlement agreement with the trustees of the Plumbing Scheme in respect of the Section 75 debt, relating to the previously disposed Social Housing business (2025: £2.8m charge). See Note 16.

2. 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 costs comprise fixed-term staff costs of £1.3m (2025: £2.3m), and during the year ended 31 March 2025, third-party implementation costs of £1.1m were also incurred. The roll-out of the digital supplier platform was completed in the year ended 31 March 2026, and cumulative cash costs of £16.2m were recognised within the condensed consolidated income statement and classified as Other items since its launch in 2022.

4. Tax

	2026 £m	2025 £m
Total Group		
Current tax	34.6	20.4
Deferred tax	(1.2)	16.6
Tax charge for the year	33.4	37.0

Corporation tax is calculated at 25% (2025: 25%) of the estimated taxable profit for the year. A reconciliation of the tax charge to the elements of profit before tax per the condensed consolidated income statement is as follows:

	2026			2025		
	Before Other items £m	Other items ¹ £m	Total £m	Before Other items £m	Other items ¹ £m	Total £m
Total Group						
Profit/(loss) before tax	236.4	(112.7)	123.7	217.9	(72.5)	145.4
Tax at UK rate of 25% (2025: 25%)	59.1	(28.2)	30.9	54.5	(18.1)	36.4
Reconciling tax charges for:						
Non-deductible items	1.2	3.6	4.8	0.5	3.5	4.0
Credit for losses not previously recognised	(0.3)	–	(0.3)	–	–	–
Overseas tax rates	(1.0)	–	(1.0)	(1.0)	–	(1.0)
Adjustments in respect of prior years	(1.0)	–	(1.0)	(2.4)	–	(2.4)
Tax charge/(credit) for the year	58.0	(24.6)	33.4	51.6	(14.6)	37.0
Effective tax rate for the year	24.5%	21.8%	27.0%	23.7%	20.1%	25.4%

Note:

1. Other items are as described in Note 3.

The tax charge during the year ended 31 March 2026, consists of charges with respect to current tax of £34.6m, and credits with respect to deferred tax of £1.2m. The effective tax rate for the Group of 27.0% is higher than the UK headline rate of 25.0% primarily due to non-deductible items.

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.

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 condensed consolidated income statement: (i) a £1.1m credit for current tax (2025: £1.2m charge) and a £3.3m charge for deferred tax (2025: £3.4m) relating to remeasurements of retirement benefit liabilities has been recognised within the condensed consolidated statement of comprehensive income; and (ii) a £7.4m credit for current tax (2025: £4.7m) and a £3.9m credit for deferred tax (2025: £2.1m charge) relating to share options have been recognised directly within equity.

Impact of Pillar Two legislation

Pillar Two legislation has either been enacted or substantively enacted in jurisdictions in which the Group operates, and has been effective for the Group since 1 April 2025. 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 therefore close to 15%. A charge of £0.2m (2025: £0.2m) 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).

5. Dividends

	2026 Pence per share	2026 £m	2025 Pence per share	2025 £m
Amounts recognised as distributions in the year:				
Final dividend for the prior year	3.0	36.6	3.0	38.5
Interim dividend for the current year	1.4	18.1	1.3	16.0
	4.4	54.7	4.3	54.5
Proposed final dividend for the year ended 31 March	3.1	39.5	3.0	36.7

Dividends are recognised as distributions in the year in which they are declared. Subject to approval at the Annual General Meeting on 21 July 2026, the final dividend for the year ended 31 March 2026 will be paid on 27 August 2026 to shareholders on the register on 17 July 2026. The ordinary shares will be quoted ex-dividend on 16 July 2026.

6. Earnings per share

The calculation of the basic and diluted earnings per share (EPS) is based on the following data:

	2026 £m	2025 £m
Net profit before Other items attributable to owners of the parent	169.2	157.6
Other items net of tax attributable to owners of the parent ¹	(86.6)	(56.2)
Net profit attributable to owners of the parent	82.6	101.4

Note:

1. Other items are as described in Note 3.

	2026 million	2025 million
Number of shares		
Weighted average number of ordinary shares for the purpose of basic EPS ¹	1,245.6	1,237.7
Effect of dilutive potential ordinary shares ²	102.1	101.5
Weighted average number of ordinary shares for the purpose of diluted EPS ^{1,2}	1,347.7	1,339.2

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.

	2026 Pence per share	2025 Pence per share
Basic earnings before Other items ¹	13.6	12.7
Basic earnings	6.6	8.2
Diluted earnings before Other items ¹	12.6	11.8
Diluted earnings	6.1	7.6

Note:

1. Other items are as described in Note 3.

7. Goodwill

	£m
Cost	
At 1 April 2024	394.2
Arising on business combinations	36.1
At 31 March 2025	430.3
Arising on business combinations (Note 15)	244.7
At 31 March 2026	675.0

Accumulated impairment losses

At 1 April 2024, 31 March 2025 and 31 March 2026	32.5
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Net book value

At 31 March 2026	642.5
At 31 March 2025	397.8

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 2026, and the determination of CGUs has been updated accordingly to meet the criteria included in IAS 36 – *Impairment of Assets*. Business Services, Technical Services and Spain have been determined to be the relevant CGUs for the year ended 31 March 2026. The information presented for the year ended 31 March 2025 has been re-presented to reflect these changes, and, as a result, the £81.0m of goodwill previously allocated to the Communities 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:

	2026		2025
	Pre-tax discount rate %	Goodwill £m	Goodwill (restated) ¹ £m
Business Services	10.9	423.2	188.3
Technical Services	10.9	211.5	204.3
Spain	11.6	7.8	5.2
Total		642.5	397.8

Note:

1. The 2025 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 2025 and under the previous organisational structure, the goodwill was allocated as follows:

	2025	
	Pre-tax discount rate %	Goodwill (as presented) £m
Business Services	9.5	167.5
Technical Services	9.5	144.1
Communities	9.5	81.0
Spain	10.2	5.2
Total		397.8

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.

Forecast operating profits

For all CGUs, the Group prepared cash flow projections derived from the most recent forecasts for the year ended 31 March 2027 and the Group's strategic plan to 31 March 2031. 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% (2025: 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 7.7% as at the time of the Group's annual impairment review (2025: 7.1%). 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.

8. Trade and other receivables

	2026 £m	2025 £m
Trade receivables	585.8	538.3
Accrued income	394.3	339.3
Prepayments	75.9	59.5
Other receivables	45.9	51.3
Total	1,101.9	988.4
Included in current assets	1,082.2	967.9
Included in non-current assets	19.7	20.5
Total	1,101.9	988.4

Management considers that the carrying amount of trade and other receivables approximates their fair value.

9. Trade and other payables

	2026 £m	2025 £m
Trade payables	282.1	205.0
Other taxes and social security	217.6	202.1
Accruals	566.9	557.2
Other payables	72.9	70.5
Total	1,139.5	1,034.8
Included in current liabilities	1,128.8	1,012.6
Included in non-current liabilities	10.7	22.2
Total	1,139.5	1,034.8

Management considers that the carrying amount of trade and other payables approximates their fair value.

10. Provisions

	Contract specific costs £m	Onerous contracts £m	Insurance reserve £m	Dilapidations £m	Other £m	Total £m
At 1 April 2025	33.0	10.0	27.3	10.4	3.4	84.1
Additional provisions	4.8	13.0	13.3	0.6	2.2	33.9
Released to the condensed consolidated income statement	(1.3)	(2.9)	-	(0.4)	(0.2)	(4.8)
Arising on business combinations ¹	-	4.2	4.1	6.3	0.9	15.5
Utilised	(10.0)	(12.2)	(14.3)	(0.6)	(1.7)	(38.8)
At 31 March 2026	26.5	12.1	30.4	16.3	4.6	89.9
Included in current liabilities	11.7	7.2	10.7	3.8	3.5	36.9
Included in non-current liabilities	14.8	4.9	19.7	12.5	1.1	53.0
Total	26.5	12.1	30.4	16.3	4.6	89.9

Note:

1. Onerous contract provisions arising on business combinations relate to the prior year acquisition of ESM Power Limited. The insurance reserve, dilapidations provisions and other provisions arising on business combinations relate to the acquisition of Marlowe and Forest Group. See Note 15

Contract-specific costs

Contract-specific costs provisions have been recognised primarily to cover remedial and rectification costs required to meet clients' contract terms, and include a £10.8m (2025: £10.8m) provision relating to a liability risk on a certain contract which is subject to dispute (see Note 1), and £3.8m (2025: £5.3m) for rectification works on 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 seven years. In the year ended 31 March 2026, a settlement has been reached on a certain contract resulting in a provision utilisation of £4.7m (2025: Contract-specific provision £4.7m), with a further £3.5m utilised on rectification works on another contract. The remaining provisions relate to other potential commercial claims and rectification work for other contracts.

Onerous contracts

Onerous contracts include provisions for certain long-term Private Finance Initiative, and other contracts. Due to the long-term nature of Private Finance Initiative contracts, it is expected that these provisions will be utilised over a weighted average period of six years. During the year ended 31 March 2026, an onerous contract provision held for a certain contract was increased by £10.1m, where the contract has ended following the year end and will not be renewed.

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 condensed 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 £30.4m is presented gross of an insurer reimbursement asset of £3.4m (2025: £4.2m), which represents the amount the Group is virtually certain to recover for claims under its insurance policies. Of this other receivable, £2.2m (2025: £2.7m) is presented as non-current.

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 nine years as properties are exited.

11. Cash and cash equivalents

	2026 £m	2025 £m
Cash and cash equivalents	108.9	180.4

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. There were no gross overdraft balances at 31 March 2026 (2025: no gross overdrafts).

As at 31 March 2026, included within cash and cash equivalents is £5.7m (2025: £4.3m) 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.

12. Financing liabilities

	2026 £m	2025 £m
Private placement notes	360.0	180.0
Lease liabilities (Note 13)	195.5	197.5
Loan arrangement fees	(2.1)	(2.4)
Total	553.4	375.1
Included in current liabilities	62.5	52.2
Included in non-current liabilities	490.9	322.9
Total	553.4	375.1

US Private Placement (USPP) notes

Previously, in December 2022, the Group issued £120m of USPP notes, which are split equally between 8, 10 and 12 year maturities, and were issued with an average interest rate of 2.94%.

Subsequently, in October 2024, the Group additionally entered into a three-year uncommitted USPP shelf facility with initial capacity of approximately £320m, which was increased to approximately £360m in March 2026. At 31 March 2026, undrawn capacity under the facility was approximately £120m (31 March 2025: £260m at constant currency to 31 March 2026), available for drawdown until October 2027.

In December 2024, the Group issued £60m of new USPP notes under the shelf facility, replacing an existing £30m note that matured in the same month. These notes have a seven-year maturity and carry an interest rate of 5.71%.

To facilitate the acquisition of Marlowe, the Group secured a £240m bridge facility during the year ended 31 March 2026. The facility was scheduled to mature in June 2026, with an option to extend to June 2027. In October 2025, £60m of the facility was repaid, with the remaining £180m refinanced through a drawdown under the Group's USPP shelf facility on 12 November 2025. The new USPP notes have maturities ranging from three to seven years and carry a weighted average fixed interest rate of 5.44%.

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 2026 are shown below.

Tranche	Maturity date	Amount	Interest terms
3 year	12 November 2028	£50.0m	£ fixed at 5.27%
5 year	12 November 2030	£65.0m	£ fixed at 5.38%
8 year	16 December 2030	£40.0m	£ fixed at 2.84%
7 year	22 December 2031	£60.0m	£ fixed at 5.71%
7 year	12 November 2032	£65.0m	£ fixed at 5.63%
10 year	16 December 2032	£40.0m	£ fixed at 2.97%
12 year	16 December 2034	£40.0m	£ fixed at 3.00%

Revolving Credit Facility (RCF)

The Group has an RCF of £250m with a maturity date of October 2028. During the year ended 31 March 2026, the RCF was utilised for short-term borrowings, with the average borrowing amounting to £22.5m (2025: £22.6m) over an average period of 13 days (2025: 10 days). Amounts drawn down during the year accumulated to £810m (2025: £812m) with equal amounts repaid in 2026 and 2025. There were no amounts outstanding at 31 March 2026 (2025: no amounts outstanding).

At the acquisition date, Marlowe had an outstanding balance on its revolving credit facility of £9.0m which was subsequently repaid by the Group. Following the repayment the facility was closed.

As at 31 March 2026, the Group had available £250m (2025: £250m) of undrawn committed borrowing facilities in respect of the RCF to which all conditions precedent had been met.

Compliance with covenants

The RCF, bridge facility, and USPP notes are unsecured but have financial and non-financial covenants and obligations commonly associated with these arrangements. The two key financial covenant ratios are leverage and interest cover, measured biannually on a rolling 12-month basis at 31 March and 30 September as follows:

- Leverage – ratio of ‘consolidated total net borrowings’ to ‘adjusted consolidated EBITDA’) shall not exceed 3.0x
- Interest cover – ratio of ‘consolidated EBITDA’ to ‘consolidated net finance costs’, shall not be lower than 4.0x

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 2026, with leverage of 0.82x (2025: 0.04x) and interest cover of 17.8x (2025: 38.7x), and therefore all amounts are classified in line with repayment dates.

On 18 July 2025, Morningstar DBRS confirmed that Mitie’s BBB investment grade credit rating remains unchanged.

The weighted average interest rates paid during the year were as follows:

	2026 %	2025 %
Bank loans	5.7	6.7
Private placement notes	4.3	3.4

13. Leases

Right-of-use assets	Properties £m	Plant and vehicles £m	Total £m
At 1 April 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
Additions	4.9	30.1	35.0
Arising on business combinations (Note 15)	6.4	20.8	27.2
Modifications to lease terms and disposals	0.3	2.8	3.1
Impairments	(1.9)	–	(1.9)
Depreciation	(10.1)	(57.8)	(67.9)
Effect of movement in exchange rates	–	0.4	0.4
At 31 March 2026	34.3	154.0	188.3

Lease liabilities	2026 £m	2025 £m
At 1 April	197.5	174.0
Additions	34.6	77.1
Arising on business combinations	27.2	1.2
Modifications to lease terms and disposals	3.2	1.5
Interest expense related to lease liabilities	10.2	8.7
Repayment of lease liabilities (including interest)	(77.7)	(64.8)
Effect of movement in exchange rates	0.5	(0.2)
At 31 March	195.5	197.5

Included in current financing liabilities	63.1	52.8
Included in non-current financing liabilities	132.4	144.7
Total	195.5	197.5

Maturity analysis – contractual undiscounted cash flows	2026 £m	2025 £m
Less than one year	70.7	62.4
One to five years	136.9	145.6
More than five years	7.6	13.4
Total undiscounted lease liabilities	215.2	221.4

	2026 £m	2025 £m
Amounts recognised in the condensed consolidated income statement		
Depreciation of right-of-use assets	(67.9)	(55.4)
Short-term lease expense	(1.2)	(0.6)
Operating profit impact	(69.1)	(56.0)
Interest on lease liabilities	(10.2)	(8.7)
Profit before tax impact	(79.3)	(64.7)

	2026 £m	2025 £m
Amounts recognised in the condensed consolidated statement of cash flows		
Capital element of lease rental payments (financing cash flow)	67.5	56.1
Interest payments (operating cash flow)	10.2	8.7
Total cash outflow for capitalised leases	77.7	64.8

14. Analysis of net debt

	2026 £m	2025 £m
Cash and cash equivalents (Note 11)	108.9	180.4
Adjusted for: restricted cash (Note 11)	(5.7)	(4.3)
Private placement notes (Note 12)	(360.0)	(180.0)
Loan arrangement fees (Note 12)	2.1	2.4
Net debt before lease obligations	(254.7)	(1.5)
Lease liabilities (Note 13)	(195.5)	(197.5)
Net debt	(450.2)	(199.0)

	2026 £m	2025 £m
Reconciliation of net cash flow to movements in net debt		
Net decrease in cash and cash equivalents	(71.8)	(64.2)
Increase in restricted cash	(1.4)	(0.1)
Net decrease in unrestricted cash and cash equivalents	(73.2)	(64.3)
Cash drivers		
Proceeds from new private placement notes	(180.0)	(60.0)
Private placement notes repaid	—	30.0
Proceeds from bridge loan facility	(240.0)	—
Repayment of bridge loan facility and other bank loans	249.0	0.4
Payment of arrangement fees	1.1	0.6
Capital element of lease rentals	67.5	56.1
Non-cash drivers		
Non-cash movement associated with bank loans	(1.3)	(0.6)
Non-cash movement associated with private placement notes	(0.1)	(0.1)
Non-cash movement in lease liabilities	(38.3)	(79.6)
Effect of foreign exchange rate changes	0.3	(0.3)
Debt acquired as part of business combinations	(36.2)	(0.4)
Increase in net debt during the year	(251.2)	(118.2)
Opening net debt	(199.0)	(80.8)
Closing net debt	(450.2)	(199.0)

15. Acquisitions

Current year acquisitions

Marlowe Limited, formerly Marlowe plc (Marlowe)

On 4 August 2025, the Group completed the acquisition of the entire issued share capital of Marlowe for a total transaction consideration of £351.5m. This comprised a cash payment of £228.2m, and the issuance of 86.6 million ordinary shares valued at £123.3m. Marlowe is a leading provider of Testing, Inspection & Certification (TIC) services in the UK and has been integrated into the Group's Business Services division. The acquisition of Marlowe will enhance Mitie's existing TIC business, allowing it to become a leading Facilities Compliance provider across each of the key subsectors of TIC.

The goodwill is attributable to the operations and workforce of Marlowe and the Group-specific synergies, including cross-selling and operational efficiencies expected to be achieved from integrating Marlowe into the Group's existing TIC business.

Seguridad Profesional Mediterranea and Serveis Puntuals i Manteniment (together, SPM)

On 30 September 2025, the Group acquired the trade and assets of SPM for total cash consideration of £4.3m, of which £1.7m is deferred at 31 March 2026 and payable over three years. SPM is based in Barcelona and provides security services, specialising in surveillance and ancillary services. The acquisition expands the Group's security capabilities in Spain and SPM has been integrated into the Group's Business Services division.

Goodwill arising on the acquisition represents the value attributed to the acquired, mobilised workforce and the anticipated enhancement of the Group's service offering in the Spanish market.

Forest Group Holdings Limited and its subsidiaries, Forest U.K. Limited and GB Refrigeration Limited (together, Forest Group)

On 19 November 2025, the Group acquired 100% of the issued share capital of Forest Group for a cash consideration of £5.0m. Forest Group is a UK-based, engineering-led refrigeration services business. The acquisition strengthens the Group's self-delivery capabilities within the retail sector and Forest Group has been integrated into the Group's Technical Services division.

Amounts of up to £2.5m payable to the former owners of Forest Group have been accounted for as remuneration for post-acquisition employment services, as entitlement to these payments is conditional upon the continued employment of the former owners within the Group. The amounts are payable based on performance over three periods ending 31 March 2026, 31 March 2027 and 31 March 2028, subject to an aggregate maximum of £2.5m. Where relevant conditions are met, these amounts are recognised as an expense over the period in which the related services are received, up to the point at which the payments become payable.

Goodwill arising on the acquisition reflects the expected benefits from the acquired operations and workforce, which are anticipated to enhance the Group's self-delivery and capabilities within the retail sector.

EI-Team Vest A/S (ETV)

On 31 March 2026, the Group acquired 100% of the issued share capital of ETV, for a total transaction consideration of £12.7m, of which £2.3m is deferred and payable over the following three years contingent on post-acquisition performance. ETV is a Danish electrical contracting and installation business. The acquisition enhances the Group's self-delivery capabilities in fire, security and electrical works within one of Europe's fastest-growing data centre markets and will be integrated into the Group's Business Services division.

Amounts of up to £2.0m payable to the former owner of ETV have been accounted for as remuneration for post-acquisition employment services, as entitlement to these payments is conditional upon the continued employment of the former owners within the Group. The amounts are payable based on the sellers' continued employment over three periods ending 31 December 2026, 31 December 2027 and 31 December 2028. Where relevant conditions are met, these amounts are recognised as an expense over the period in which the related services are received, up to the point at which the payments become payable.

Goodwill arising on the acquisition represents the expected future benefits from the acquired operations and workforce, which are anticipated to enhance and support the Group's self-delivery capabilities and its fire, security and electrical offerings across the Nordic regions.

ABC Elektro AS (ABC)

On 31 March 2026, the Group acquired 100% of the issued share capital of ABC, for a total cash consideration of £0.6m, of which £0.1m is payable on finalisation of the completion accounts process. ABC is a Norwegian electrical installation business. The acquisition enhances the Group's self-delivery capabilities in fire, security and electrical works within the Nordic region and will be integrated into the Group's Business Services division.

Amounts of up to £0.4m payable to the former owners of ABC have been accounted for as remuneration for post-acquisition employment services, as entitlement to these payments is conditional upon the continued employment of the former owners within the Group. The amounts are payable based on the sellers' continued employment over two periods ending 31 December 2027 and 31 December 2028. Where relevant conditions are met, these amounts are recognised as an expense over the period in which the related services are received, up to the point at which the payments become payable.

Goodwill arising on the acquisition represents the expected future benefits from the acquired operations and workforce, which are anticipated to enhance the Group's fire, security and electrical offerings across the Nordic regions.

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 2026:

	Marlowe	SPM	Forest Group	Total¹
	£m	£m	£m	£m
Revenue	207.9	4.5	2.4	214.8
Operating profit before Other items	16.5	0.3	0.1	16.9

Note:

1. As ETV and ABC were acquired on 31 March 2026, these acquisitions did not contribute to revenue or operating profit before Other items for the year ended 31 March 2026.

Based on estimates made of the full-year impact if all acquisitions had been completed on 1 April 2025, revenue for the year would have increased by approximately £131.5m, and operating profit before Other items would have increased by £9.3m, resulting in total revenue of £5,750.1m and total Group operating profit before Other items of £273.4m. Profit after tax would have increased by approximately £5.3m, resulting in total Group profit after tax of £95.6m.

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 acquisitions are provisional. The purchase price allocation, including the valuation of identifiable intangible assets arising on acquisition, will be finalised within 12 months of the acquisition date. The provisional purchase price allocation is as follows:

	Marlowe £m	SPM £m	Forest Group £m	ETV £m	ABC £m	Total £m
Customer relationships and contracts	143.0	2.3	1.6	–	–	146.9
Brand	3.5	–	–	–	–	3.5
Other intangible assets	2.9	–	–	–	–	2.9
Property, plant and equipment (owned)	8.7	–	0.1	–	–	8.8
Right-of-use assets	26.3	–	0.3	0.6	–	27.2
Trade and other receivables	68.1	–	1.3	1.3	0.2	70.9
Inventories	10.8	–	0.3	0.1	0.2	11.4
Cash and cash equivalents	8.8	–	0.8	2.8	–	12.4
Current tax asset/(liabilities)	2.8	–	(0.2)	–	–	2.6
Trade and other payables	(62.5)	–	(1.1)	(1.0)	(0.3)	(64.9)
Deferred Income	(4.2)	–	–	–	–	(4.2)
Lease liabilities	(26.3)	–	(0.3)	(0.6)	–	(27.2)
Financing liabilities	(9.0)	–	–	–	–	(9.0)
Provisions	(11.2)	–	(0.1)	–	–	(11.3)
Deferred tax liabilities	(34.0)	(0.6)	(0.5)	(0.3)	–	(35.4)
Net identifiable assets acquired	127.7	1.7	2.2	2.9	0.1	134.6
Goodwill	223.8	2.6	2.8	9.8	0.5	239.5
Total consideration	351.5	4.3	5.0	12.7	0.6	374.1
Cash consideration	228.2	2.6	5.0	10.4	0.5	246.7
Shares consideration ¹	123.3	–	–	–	–	123.3
Deferred consideration	–	1.7	–	–	–	1.7
Contingent consideration	–	–	–	2.3	0.1	2.4
Total consideration	351.5	4.3	5.0	12.7	0.6	374.1

Note:

1. The share-based consideration consisted of 86.6m ordinary shares issued, valued at £1.424 per share based on the closing price on 4 August 2025.

Prior year acquisitions

On 1 August 2024, the Group completed the acquisition of Woodford Investments Limited and its subsidiary ESM Power Limited (together ESM). Subsequently on 24 October 2024, Slademain Limited and its subsidiary Argus Fire Protection Company Limited (together Argus) were also acquired by the Group.

The accounting for these acquisitions was disclosed as provisional within the Group's Annual Report and Accounts 2025, as these acquired businesses were in the 12-month measurement period as allowed by IFRS 3 Business Combinations. During the year ended 31 March 2026, Management have finalised the acquisition accounting for these businesses, and measurement period adjustments have been recognised to reflect new information about conditions and circumstances that existed at the acquisition date.

Following the measurement period adjustments, the fair value of acquired net assets for ESM decreased by £4.4m. This reduction was due to an increase in onerous contract provisions of £4.2m and deferred income of £1.7m related to specific projects, and an increase in deferred tax assets of £0.5m and current tax receivables of £1.0m resulting in a corresponding increase in goodwill of £4.4m.

Additionally, the fair value of acquired net assets for Argus decreased by £0.8m due to derecognition of certain reimbursement assets of £1.1m, and an increase in current tax receivables of £0.3m, resulting in a corresponding increase in goodwill of £0.8m.

As these adjustments to acquisition accounting are not material for the Group, goodwill values have been adjusted in the current year rather than re-presenting goodwill as at 31 March 2025.

Cash flows on acquisitions

	2026 £m	2025 £m
Cash consideration	246.7	58.8
Less: cash balance acquired	(12.4)	(9.7)
Net outflow of cash – investing activities	234.3	49.1

During the year ended 31 March 2026, payments totalling £13.0m (2025: £7.0m) have been made to the former owners of certain acquired businesses with respect to employment-linked earnouts which are included within net cash generated from operating activities.

16. 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 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 £33.8m (2025: £26.8m) and contributions to the auto-enrolment scheme of £28.5m (2025: £24.7m), which are included in the condensed consolidated income statement charge. The Group expects to make contributions of a similar amount in the year ending 31 March 2027.

Defined benefit schemes

Mitie Group plc Pension Scheme (the Group scheme)

The Group scheme comprises two segregated sections: the Group section (Group Part A) and the Interserve section (Group Part B). The assets and liabilities of the two sections are ring-fenced.

The Group Part A 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 Part A section was closed to new members in 2006, with new employees able to join one of the defined contribution schemes.

The Group Part B 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, the Group paid £3.2m of deficit repair contributions. The funding position has materially improved (through a combination of deficit repair contributions and investment returns) to an actuarial surplus and due to the improved funding position of the scheme, no further deficit repair contributions are expected to be required in the year ending 31 March 2027. We are working with the Trustee of the scheme to enter into a qualifying insurance buy-in to secure the benefits of the scheme, which had not completed as at 31 March 2026.

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.

The Landmarc Pension Scheme (the Landmarc scheme)

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. Separately, a decision was taken to proceed with a scheme buyout, and in January 2026 the Group completed the buyout of the Landmarc scheme with an authorised insurance company, receiving a £1.6m refund relating to the scheme surplus. Under this arrangement, the scheme's assets and liabilities relating to members' accrued benefits were transferred to the insurer, which has assumed responsibility for the payment of future pension benefits in accordance with the scheme rules.

As a result of the transaction, the Group has eliminated its exposure to future funding, longevity, inflation and investment risks in respect of these obligations.

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, 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 condensed 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. Any surplus positions are restricted as the Group does not have an unconditional right to a refund.

The Group made contributions to the Other schemes of £0.3m in the year (2025: £0.1m). The Group expects to make contributions of a similar amount in the year ending 31 March 2027.

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 year ending 31 March 2027 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.

During the year ended 31 March 2025, a settlement agreement was reached with the trustees of the Plumbing Scheme. As a result of this, the amount of £21.7m was transferred from provisions to other payables, and a charge of £2.8m was recognised as Other items in respect of Mitie Property Services (UK) Limited's participation in the Plumbing Scheme. The costs were partially offset by a £0.5m release of an accrual during the year ended 31 March 2026 following the final settlement agreement with the trustees of the Plumbing Scheme in respect of the Section 75 debt.

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 indexed-linked bonds. The assumptions for increases in pensionable pay take into account expected salary inflation, the cap at consumer price inflation, 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.

Principal accounting assumptions at condensed consolidated statement of financial position date

	Group Part A		Group Part B		Landmarc scheme		Other schemes	
	2026 %	2025 %	2026 %	2025 %	2026 %	2025 %	2026 %	2025 %
Key assumptions used for IAS 19 valuation:								
Discount rate	6.12	5.79	6.16	5.82	–	5.70	6.17	5.82
Expected rate of pensionable pay increases	2.88	2.57	3.00	2.70	–	2.60	3.82	3.39
Retail price inflation	3.44	3.18	3.41	3.15	–	3.20	3.41	3.15
Consumer price inflation	2.88	2.57	3.00	2.70	–	2.60	3.00	2.70
Future pension increases	2.88	2.57	3.00	2.70	–	3.10	2.81	2.82

	Group Part A		Group Part B		Landmarc scheme	
	2026 Years	2025 Years	2026 Years	2025 Years	2026 Years	2025 Years
Post-retirement life expectancy:						
Current pensioners at 65 – male	87.5	87.1	85.0	84.7	–	85.0
Current pensioners at 65 – female	88.9	88.7	87.1	87.0	–	88.6
Future pensioners at 65 – male	88.6	88.1	86.1	85.7	–	86.2
Future pensioners at 65 – female	90.1	89.9	88.4	88.2	–	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	(Decrease)/increase in obligations %	(Decrease)/increase in obligations £m
Increase in discount rate	0.25%	(3.2)	(6.7)
Increase in retail price inflation ¹	0.25%	2.0	4.4
Increase in consumer price inflation (excluding pay)	0.25%	1.0	2.2
Increase in life expectancy	1 year	2.9	6.2

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 Part A and B sections.

Amounts recognised in condensed consolidated financial statements

Amounts recognised in the condensed consolidated income statement are as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Current service cost	(0.1)	(0.2)	–	(0.7)	(1.0)	(0.1)	(0.3)	–	(0.7)	(1.1)
Past service cost (including curtailments/settlements) ^{1,2}	–	(1.3)	–	(7.9)	(9.2)	–	–	(1.1)	(5.3)	(6.4)
Total administrative expense ³	(0.8)	(0.2)	(0.7)	(0.1)	(1.8)	(1.0)	(0.2)	(0.5)	(0.2)	(1.9)
Amounts recognised in operating profit	(0.9)	(1.7)	(0.7)	(8.7)	(12.0)	(1.1)	(0.5)	(1.6)	(6.2)	(9.4)
Net interest income/(cost)	0.8	0.2	0.1	(0.1)	1.0	0.2	0.1	0.1	(0.1)	0.3
Amounts recognised in profit before tax	(0.1)	(1.5)	(0.6)	(8.8)	(11.0)	(0.9)	(0.4)	(1.5)	(6.3)	(9.1)

Notes:

- During the year ended 31 March 2026, an agreement to amend the Group Part B scheme rules to increase certain cash benefits which members receive on retirement was completed. The Group incurred a £1.3m past service cost charge in relation to the amendment of the Group Part B scheme rules, which have been recognised in the condensed consolidated income statement as Other items. See Note 3.
- During the year ended 31 March 2026, the Group formally exited certain Local Government Pension Schemes (LGPS), resulting in a £7.9m contract settlement charge, which was recognised within Other items. See Note 3.
- During the year ended 31 March 2026, the Group completed the buyout of the Landmarc scheme. Administrative expenses of £0.6m were incurred as a result of the buyout process, and these were recognised within Other items. See Note 3.

Amounts recognised in the condensed consolidated statement of comprehensive income are as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Actuarial gains/(losses) arising due to changes in financial assumptions	3.8	0.3	(0.8)	0.2	3.5	22.8	2.9	4.3	6.6	36.6
Actuarial (losses)/gains arising from liability experience	(1.3)	–	(0.3)	(0.7)	(2.3)	0.9	1.8	(0.1)	(0.2)	2.4
Actuarial (losses)/gains due to changes in demographic assumptions	(0.4)	(0.1)	–	0.2	(0.3)	(0.1)	0.1	–	0.5	0.5
Movement in asset ceiling, excluding interest ¹	–	–	–	0.1	0.1	–	–	–	(2.4)	(2.4)
Return on scheme assets, excluding interest income	(1.2)	(0.1)	1.4	7.9	8.0	(19.0)	(2.3)	(3.8)	1.7	(23.4)
Return on reimbursement asset ²	–	–	–	–	–	–	–	–	–	–
Amounts recognised in other comprehensive income	0.9	0.1	0.3	7.7	9.0	4.6	2.5	0.4	6.2	13.7

Notes:

- The £0.1m net credit (2025: £2.4m net charge) for the year ended 31 March 2026 includes a £7.9m credit (2025: £5.3m) with respect to the reversal of gross surplus associated with the exit of certain LGPS schemes.
- The reimbursement asset of £0.9m at 31 March 2026 (2025: £0.9m) is recorded within other receivables.

The amounts included in the condensed consolidated statement of financial position are as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Fair value of scheme assets	168.3	23.0	–	67.1	258.4	165.3	22.7	36.7	69.1	293.8
Present value of defined benefit obligations	(152.8)	(20.3)	–	(41.0)	(214.1)	(154.7)	(18.9)	(34.8)	(43.8)	(252.2)
Surplus without restriction	15.5	2.7	–	26.1	44.3	10.6	3.8	1.9	25.3	41.6
Asset ceiling	–	–	–	(28.9)	(28.9)	–	–	–	(27.7)	(27.7)
Net pension asset/(liability)	15.5	2.7	–	(2.8)	15.4	10.6	3.8	1.9	(2.4)	13.9

All figures above are shown before deferred tax. The total of schemes in a surplus position is £18.2m (2025: £16.3m).

Movements in the present value of defined benefit obligations were as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
At 1 April	154.7	18.9	34.8	43.8	252.2	177.4	23.2	38.1	58.1	296.8
Additional schemes entered into	–	–	–	1.6	1.6	–	–	–	–	–
Current service cost	0.1	0.2	–	0.7	1.0	0.1	0.3	–	0.7	1.1
Interest cost	8.7	1.1	1.5	2.1	13.4	8.4	1.1	1.8	2.4	13.7
Contributions from scheme members	–	0.1	–	0.1	0.2	–	0.1	–	0.1	0.2
Actuarial (gains)/losses arising due to changes in financial assumptions	(3.8)	(0.3)	0.8	(0.2)	(3.5)	(22.8)	(2.9)	(4.3)	(6.6)	(36.6)
Actuarial losses/(gains) arising from experience	1.3	–	0.3	0.7	2.3	(0.9)	(1.8)	0.1	0.2	(2.4)
Actuarial losses/(gains) due to changes in demographic assumptions	0.4	0.1	–	(0.2)	0.3	0.1	(0.1)	–	(0.5)	(0.5)
Benefits paid	(8.6)	(1.1)	(1.8)	(1.5)	(13.0)	(7.6)	(1.0)	(2.0)	(1.4)	(12.0)
Past service cost	–	1.3	–	–	1.3	–	–	1.1	–	1.1
Contract settlement	–	–	(35.6)	(6.1)	(41.7)	–	–	–	(9.2)	(9.2)
At 31 March	152.8	20.3	–	41.0	214.1	154.7	18.9	34.8	43.8	252.2

The defined benefit obligations analysed by participant status is as follows:

	2026			2025		
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Group Part A £m	Group Part B £m	Landmarc scheme £m
Active	1.0	7.7	–	1.1	8.5	–
Deferred	67.4	3.0	–	72.3	2.9	6.9
Pensioners	84.4	9.6	–	81.3	7.5	27.9
At 31 March	152.8	20.3	–	154.7	18.9	34.8

Movements in the fair value of scheme assets were as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
At 1 April	165.3	22.7	36.7	69.1	293.8	174.8	24.4	41.1	80.0	320.3
Additional schemes entered into	–	–	–	2.0	2.0	–	–	–	–	–
Interest income	9.5	1.3	1.6	3.3	15.7	8.6	1.2	1.9	3.3	15.0
Actuarial (losses)/gains on assets	(1.2)	(0.1)	1.4	7.9	8.0	(19.0)	(2.3)	(3.8)	1.7	(23.4)
Contributions from the sponsoring companies ¹	4.1	0.3	–	0.3	4.7	9.5	0.5	–	0.1	10.1
Contributions from scheme members	–	0.1	–	0.1	0.2	–	0.1	–	0.1	0.2
Expenses paid	(0.8)	(0.2)	(0.7)	(0.1)	(1.8)	(1.0)	(0.2)	(0.5)	(0.2)	(1.9)
Benefits paid	(8.6)	(1.1)	(1.8)	(1.5)	(13.0)	(7.6)	(1.0)	(2.0)	(1.4)	(12.0)
Exit credit paid on scheme buyout ²	–	–	(1.6)	–	(1.6)	–	–	–	–	–
Contract settlement	–	–	(35.6)	(14.0)	(49.6)	–	–	–	(14.5)	(14.5)
At 31 March	168.3	23.0	–	67.1	258.4	165.3	22.7	36.7	69.1	293.8

Notes:

1. Group Part A section contributions of £4.1m (2025: £9.5m) is inclusive of £3.2m deficit repair contributions (2025: £8.4m).

2. In January 2026, the Group completed the buyout of the Landmarc scheme with an authorised insurance company and the Group received a £1.6m refund relating to the scheme surplus.

	2026 £m	2025 £m
At 1 April	27.7	24.3
Interest cost on asset ceiling	1.3	1.0
Change in asset ceiling excluding interest ¹	(0.1)	2.4
At 31 March	28.9	27.7

Note:

1. The £0.1m net credit (2025: £2.4m net charge) for the year ended 31 March 2026 includes a £7.9m credit (2025: £5.3m) with respect to the reversal of gross surplus associated with the exit of certain LGPS schemes.

Fair values of the assets held by the schemes were as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Equities	16.2	–	–	34.4	50.6	22.4	–	–	35.1	57.5
Government bonds	84.4	7.0	–	3.3	94.7	72.4	8.5	–	3.2	84.1
Corporate bonds	58.1	5.5	–	11.3	74.9	55.8	5.8	–	13.7	75.3
Property	–	–	–	11.7	11.7	2.3	–	–	11.2	13.5
Diversified growth fund	6.4	8.4	–	0.8	15.6	7.4	8.4	–	0.9	16.7
Cash	3.1	2.1	–	4.7	9.9	3.8	–	2.5	4.1	10.4
Insurance policies	–	–	–	0.9	0.9	–	–	34.2	0.9	35.1
Derivative financial instruments	(0.9)	–	–	–	(0.9)	–	–	–	–	–
Commodities	1.0	–	–	–	1.0	1.2	–	–	–	1.2
Total fair value of assets	168.3	23.0	–	67.1	258.4	165.3	22.7	36.7	69.1	293.8

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.

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 condensed 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 16% of its assets in equities and other return-seeking assets, principally diversified growth funds (DGFs). 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 condensed 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 8% 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.

17. Events after the reporting period

On 2 June 2026, the Board approved the initiation of a £100m share buyback programme for the year ending 31 March 2027 (including the remaining c.£40m tranche of existing £100m programme launched in October 2025).

Appendix – Alternative Performance Measures

The Group presents various Alternative Performance Measures (APMs) as management believes that these are useful for users of the condensed 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 condensed consolidated financial statements. 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 condensed consolidated financial statements to obtain a proper understanding of the financial information and the underlying performance of the business.

The Group separately reports acquisition and disposal costs within Other items. These include the amortisation of acquisition-related intangible assets, integration costs, employment-linked earnout charges, and gains or losses on business disposals. 'Other items' also include cost of restructuring programmes, impairments of goodwill and acquired intangible assets, charges arising on the exit of pension schemes and other exceptional items.

Further details of these Other items are provided in Note 3.

		2026 £m	2025 £m
Operating profit			
Operating profit	Statutory measures	151.4	161.6
Adjust for:			
Restructuring costs	Note 3	27.2	16.6
Acquisition and disposal costs	Note 3	74.9	43.1
Other exceptional items	Note 3	10.6	12.8
Operating profit before Other items	Performance measures	264.1	234.1

Reconciliations are provided below to show how the Group's segmental reported results are adjusted to exclude Other items.

	2026			2025 (restated) ¹		
	Reported results £m	Adjust for: Other items (Note 3) £m	Performance measures £m	Reported results £m	Adjust for: Other items (Note 3) £m	Performance measures £m
Operating profit/(loss)						
Segment						
Business Services	172.1	15.0	187.1	171.8	8.6	180.4
Technical Services	114.2	21.7	135.9	94.6	14.5	109.1
Corporate Centre	(134.9)	76.0	(58.9)	(104.8)	49.4	(55.4)
Total Group	151.4	112.7	264.1	161.6	72.5	234.1

Note:

1. The comparatives for the year ended 31 March 2025 have been restated for the change in composition of reportable segments (see Note 2).

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.

		2026 pence	2025 pence
Earnings per share			
Statutory basic earnings per share	Statutory measures	6.6	8.2
Adjust for: Other items per share		7.0	4.5
Basic earnings per share before Other items	Performance measures	13.6	12.7

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:

		2026 £m	2025 £m
Net debt			
Cash and cash equivalents	Statutory measures	108.9	180.4
Adjust for: restricted cash	Note 11	(5.7)	(4.3)
Financing liabilities	Note 12	(553.4)	(375.1)
Net debt	Performance measures	(450.2)	(199.0)
Net retirement benefit assets	Note 16	15.4	13.9
TFO	Performance measures	(434.8)	(185.1)

The Group uses an average net debt measure as this reflects its financing requirements throughout the year. The Group calculates its average net debt based on the daily closing figures. This measure showed average daily net debt of £440.2m for the year ended 31 March 2026, compared with £264.0m for the year ended 31 March 2025.

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.

		2026 £m	2025 £m
Free cash flow			
Net cash generated from operating activities	Statutory measures	246.6	220.0
Add: net increase in restricted cash	Note 11	(1.4)	(0.1)
Interest received		2.5	3.0
Employment-linked earnouts ¹		13.0	7.0
Acquisition transaction costs ²		8.3	–
Purchase of property, plant and equipment		(33.4)	(24.0)
Purchase of other intangible assets		(6.7)	(7.6)
Disposal of property, plant and equipment		0.6	0.6
Disposal of other intangible assets		0.1	–
Capital element of lease rentals paid	Note 13	(67.5)	(56.1)
Free cash inflow	Performance measures	162.1	142.8

Notes:

1. During the year ended 31 March 2026, payments totalling £13.0m (2025: £7.0m) 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 condensed consolidated income statement and classified as Other items (see Note 3).

2. During the year ended 31 March 2026, acquisition transaction costs charged to the income statement totalled £9.1m (see Note 3), of which £8.3m have been settled in cash during the year. Free cash flow has been adjusted to exclude the impact of acquisition transaction costs, reflecting the significant transaction expenses incurred on the acquisition of Marlowe. The comparative free cash flow for the year ended 31 March 2025 has not been adjusted to reflect £3.6m of acquisition transaction costs, as the amount is immaterial for a prior year re-presentation.

Earnings before interest, tax, depreciation and amortisation

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a measure of the Group's profitability. EBITDA is measured as profit/(loss) before tax 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.

		2026 £m	2025 £m
EBITDA			
Profit before tax	Statutory measures	123.7	145.4
Add: net finance costs		27.7	16.2
Operating profit		151.4	161.6
Add: Other items	Note 3	112.7	72.5
Operating profit before Other items		264.1	234.1
Add:			
Depreciation of property, plant and equipment		85.8	67.9
Amortisation of non-current assets ¹		9.2	8.5
Amortisation of contract assets		0.9	0.4
EBITDA	Performance measures	360.0	310.9

Note:

1. Excludes amounts classified in the condensed consolidated income statement as Other items. See Note 3.

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.

		2026 £m	2025 £m
Net assets	Statutory measures	532.5	428.0
Add:			
Non-current liabilities		639.6	445.2
Current provisions	Note 10	36.9	37.4
Deduct:			
Cash and cash equivalents	Note 11	(108.9)	(180.4)
Invested capital	Performance measures	1,100.1	730.2
Operating profit before Other items		264.1	234.1
Tax ¹		(64.7)	(55.5)
Operating profit before Other items after tax		199.4	178.6
ROIC %	Performance measures	18.1%	24.5%

Note:

1. Tax charge has been calculated at the effective tax rate for the year on pre-tax profits before Other items of 24.5% (2025: 23.7%).