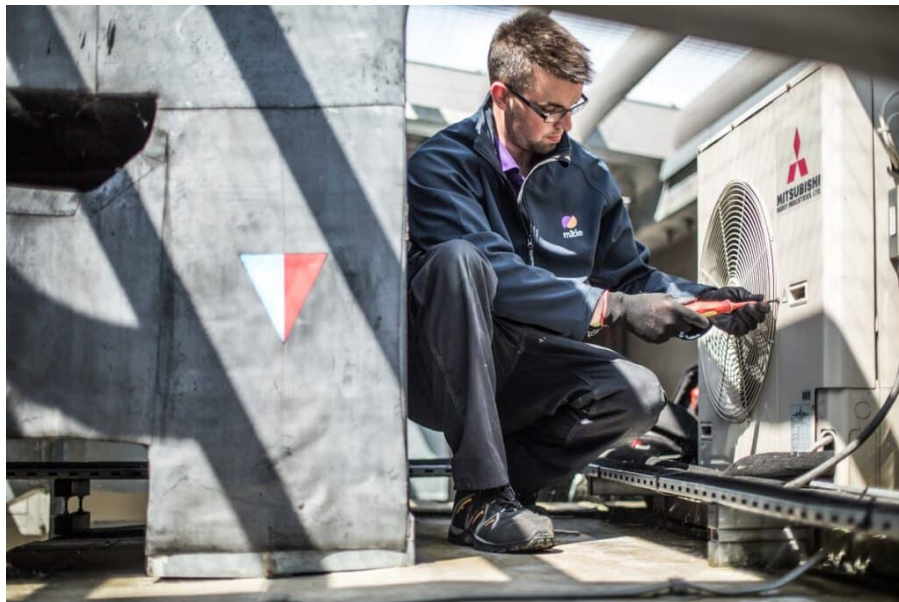


Mitie releases H1 performance results

3 years ago



Mitie has released its H1 results for the six month period ending 2023.

Revenue has increased 11% to £2,132m (H1 FY23: £1,923m), reflecting contract re-pricing, continued growth in Key Accounts, Projects upsell and infill M&A, partially offset by contract scope reductions.

Results for the six months ended 30 September 2023

£m unless otherwise specified	Six months to 30 September 2023			Six months to 30 September 2022		
	Before other items ^{1,5}	Other items ²	Total	Before other items ^{1,5}	Other items ²	Total
Revenue including share of JVs & associates	2,132.4	-	2,132.4	1,922.9	-	1,922.9
Group revenue	2,083.3	-	2,083.3	1,874.3	-	1,874.3
Operating profit/(loss) ³	84.6	(27.8)	56.8	68.0	(17.5)	50.5
Operating profit margin ³	4.0%	-	2.7%	3.5%	-	2.6%
Profit/(loss) before tax	80.1	(27.8)	52.3	60.6	(17.5)	43.1
Profit/(loss) for the period	64.8	(21.9)	42.9	49.1	(13.8)	35.3
Basic earnings per share	5.0p	-	3.3p	3.6p	-	2.6p
Interim dividend per share	-	-	1.0p	-	-	0.7p
Cash generated from operations	-	-	73.0	-	-	19.5
Free cash inflow / (outflow) ^{5,6}	-	-	47.9	-	-	(5.0)
Average daily net debt ⁷	-	-	(156.1)	-	-	(62.0)
Closing net debt ⁷	-	-	(112.7)	-	-	(64.0)
Total order book ⁴	-	-	£9.9bn	-	-	£9.6bn
Return on invested capital ⁵	-	-	24.6%	-	-	22.8%

1. Including share of joint ventures (JVs) and associates.

2. Other items are described in Note 3 to the condensed consolidated financial statements. In H1 FY24 £11.4m relates to non-cash amortisation of acquired intangible assets (H1 FY23: £10.6m).

3. Operating profit includes share of profit after tax from JVs and associates. Operating profit margin is operating profit as a percentage of revenue including share of JVs and associates.

4. Total order book includes secured fixed term contract work, variable (including estimated variable work) and project work. Book to bill ratio is the relationship between orders received during the period and revenue recognised for the period.

5. Performance before other items, net debt, free cash flow, EBITDA and return on invested capital 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 Appendix to the condensed consolidated financial statements.

6. Prior year comparative restated to exclude the cash outflow relating to share purchases to satisfy share awards. An explanation is provided in the Alternative Performance Measures in the Appendix to the condensed consolidated financial statements.

Commenting on the first six months and the outlook, Phil Bentley, Group Chief Executive, said: “We had a good first half with revenue, profits and earnings per share all up strongly. Our strategy of focusing on Key Accounts growth and Projects upsell, combined with contract re-pricing and infill M&A, drove an 11% increase in revenue. The Group’s operating margin before other items increased by 50bps to 4.0%, as a result of the ongoing delivery of margin enhancement initiatives and careful management of inflation.

“Our divisions are performing well, and I’m particularly encouraged by our performance in Technical Services and Central Government & Defence. My appreciation goes to our 65,000 colleagues for their amazing commitment. Through their hard work, allied to our technology-led approach, Mitie is transforming the built environment and the lived experience for our c.3,000 customers.

“The Group is on track to have met, or significantly exceeded, all of our previous medium-term financial targets and guidance for FY24, the final year of our current Three-Year Plan (FY22-FY24).

“At our Capital Markets Event in October we introduced our new Three-Year Plan (FY25-FY27): From Facilities Management to Facilities Transformation, which sets out ambitious financial targets. Our Facilities Transformation strategy will enhance the built environment of our customers by improving productivity, working environments, security and cleanliness, whilst reducing their carbon intensity. This strategy will extend Mitie’s market leadership positions in the UK – the largest and most dynamic FM market in Europe – and will enable Mitie to reach its full potential, both financially and through our positive contribution to the environment and society. I am proud to be leading the Group through this next stage of our development.

“Looking ahead, we are encouraged by new Key Account wins, increased revenues from Projects upsell, and the positive momentum from cost savings initiatives implemented in the first half. The Group remains on track to deliver recently raised guidance for operating profit before other items of at least £190m in FY24”.