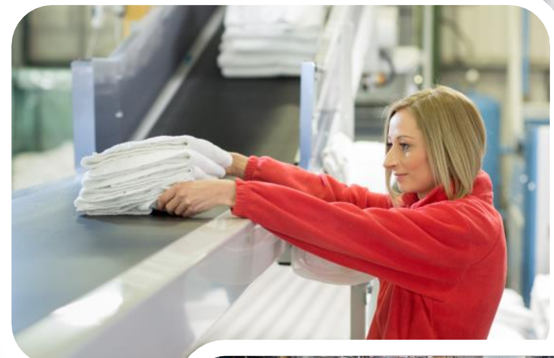
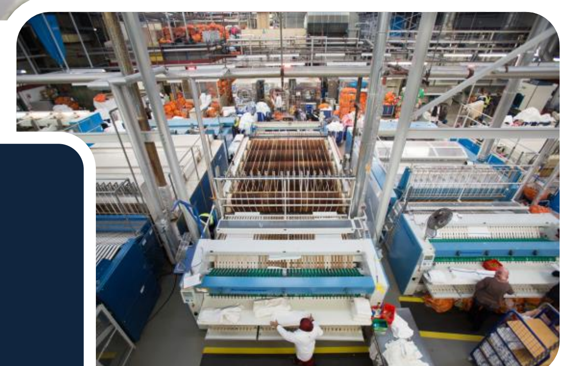
INTERIM RESULTS

Six months ended 30 June 2017

Chris Sander
Chief Executive Officer

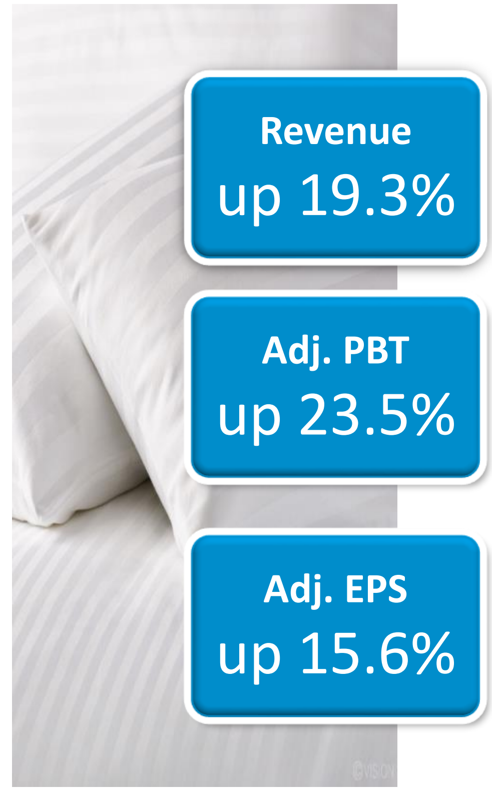
Yvonne Monaghan
Chief Financial Officer





Highlights

- Strong financial performance[1] reflecting organic growth of 4.8% and benefit of recent acquisitions
  - Revenue increased to £138.0m (+19.3%)
  - Adjusted PBT[2] increased to £16.8m (+23.5%)
  - Adjusted fully diluted EPS[2] increased to 3.7p (+15.6%)
- Strong delivery of Strategic Plan
  - Disposal of Drycleaning activities in January 2017
  - Continuing focus on operational synergies
  - Ongoing investment to increase capacity throughout the estate
- Ongoing development of Strategic Plan
  - Acquisition of PLS further expands the Group's coverage within Scotland and North East England



Notes:
1) Continuing operations
2) Before amortisation of intangible assets (excl. software amortisation), exceptional items and, in the case of EPS only, associated taxation

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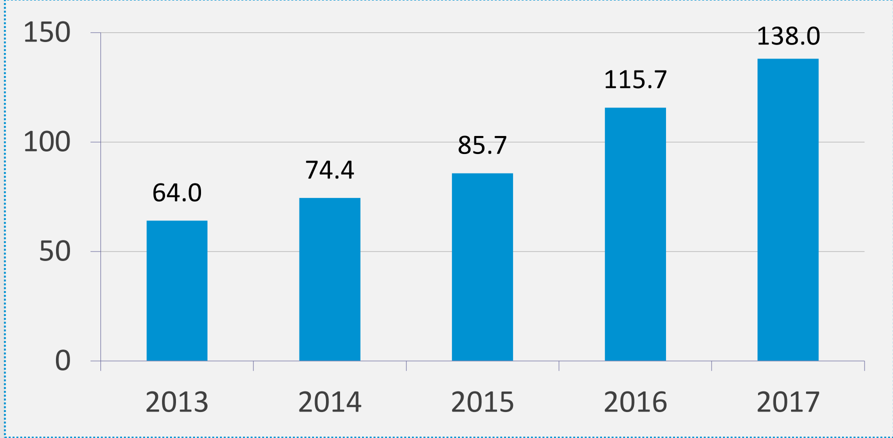
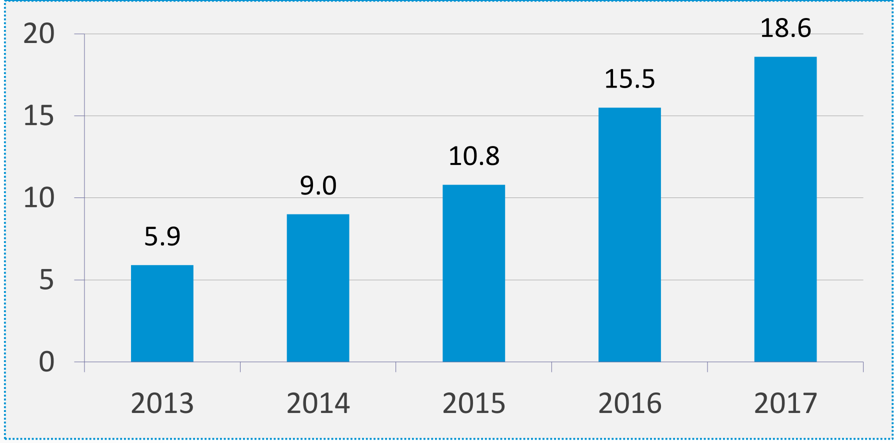
Interim Results Five Year Record

Continuing operations

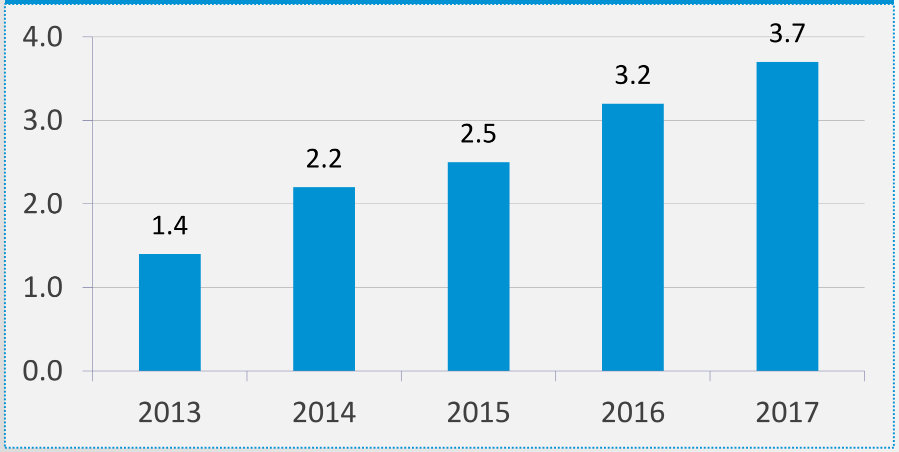
H1 Revenue (£m)



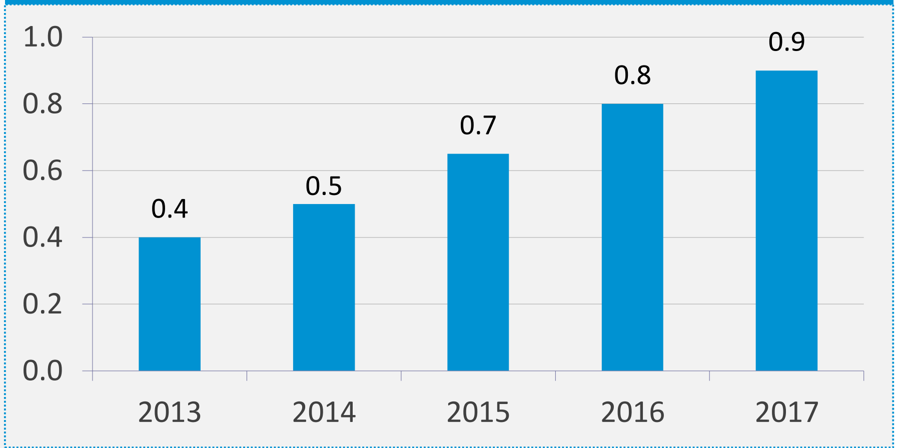
H1 Adjusted Operating Profit (£m)



H1 Adjusted Fully Diluted EPS (p)



H1 Dividend per Share (p)



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Income Statement

Continuing operations (£m)	2017 H1	2016 H1 Restated	Increase
Revenue	**138.0**	115.7	19.3%
Adjusted operating profit[1]	**18.6**	15.5	20.0%
Adjusted operating margin[1]	**13.5%**	13.4%	n/a
Exceptional items	**-**	(0.7)	n/a
Adjusted PBT[1]	**16.8**	13.6	23.5%
Adjusted EPS[1]	**3.7p**	3.2p	15.6%
Number of shares used in EPS calc[2]	**368.6**	344.9	n/a
Interim dividend per share	**0.9p**	0.8p	12.5%

Notes:
1) Before amortisation of intangible assets (excluding software amortisation), exceptional items and, in the case of EPS only, associated taxation
2) Weighted average number of shares 365.9m plus 2.7m potentially dilutive shares relating to employee options. Actual number of shares in issue at June 2017 was 366.5m.

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Cash Flow

Continuing Operations (£m)	2017 H1	2016 H1 Restated	2016 FY
Adjusted operating profit	**18.6**	15.5	37.7
Depreciation and software amortisation (excl. exceptionals)	**23.4**	19.3	43.3
Working capital (excl. exceptionals)	**(0.9)**	3.3	3.0
Capital expenditure – fixed assets	**(7.0)**	(4.8)	(14.6)
– rental stocks (net)	**(18.2)**	(15.4)	(31.8)
– fixed asset proceeds	**0.1**	0.1	0.1
Interest and tax	**(5.4)**	(3.5)	(8.9)
Exceptional items (cash effect)	**-**	-	0.2
Dividends	**(6.2)**	(4.8)	(7.7)
Additional pension contributions	**(2.4)**	(0.9)	(1.9)
Other	**0.1**	0.4	0.5
Net cash inflow	**2.1**	9.2	19.9
Equity issue (net)	**0.3**	28.8	29.3
Discontinued operations	**(0.2)**	(2.0)	(1.7)
Acquisitions / Disposals	**6.0**	(73.7)	(74.5)
Net debt decrease / (increase)	**8.2**	(37.7)	(27.0)
Net debt	**(90.0)**	(108.9)	(98.2)

Ongoing Delivery and Development of Strategic Plan

- Disposal of Drycleaning activities
- Development of core markets within Textile Rental
- Delivery of operational efficiencies
- Continuity of margin
- Further investment in divisional operational teams
- Development of an in-house badge production facility for Apparelmaster
- Development of a group-wide brand recognition programme
- Development of a coordinated purchasing strategy across HORECA operations
- Development of bespoke IT platforms for workwear and linen businesses
- New processing facilities under review given high levels of customer demand
- Acquisition of PLS in July 2017

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Acquisition of PLS

- Modern and well equipped facility, located south of Edinburgh
- Predominantly serves the high volume hotel linen market throughout much of Scotland and North East England
- Processes some 350,000 pieces per week
- 130 employees
- Complements existing Afonwen and Bourne businesses
- £4.9m revenue and £0.5m adjusted EBIT in the year to August 2016
- Terms of acquisition: £6.6m on a debt free, cash free basis plus freehold property used by the business purchased for additional £1.25m
- Further £0.8m investment in a new fully integrated soiled linen sorting and automatic bagging system to support ongoing expansion

PLS

Units 1 & 2 Sherwood Industrial Estate

Internal view of Link Building

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UK Wide Presence

Workwear

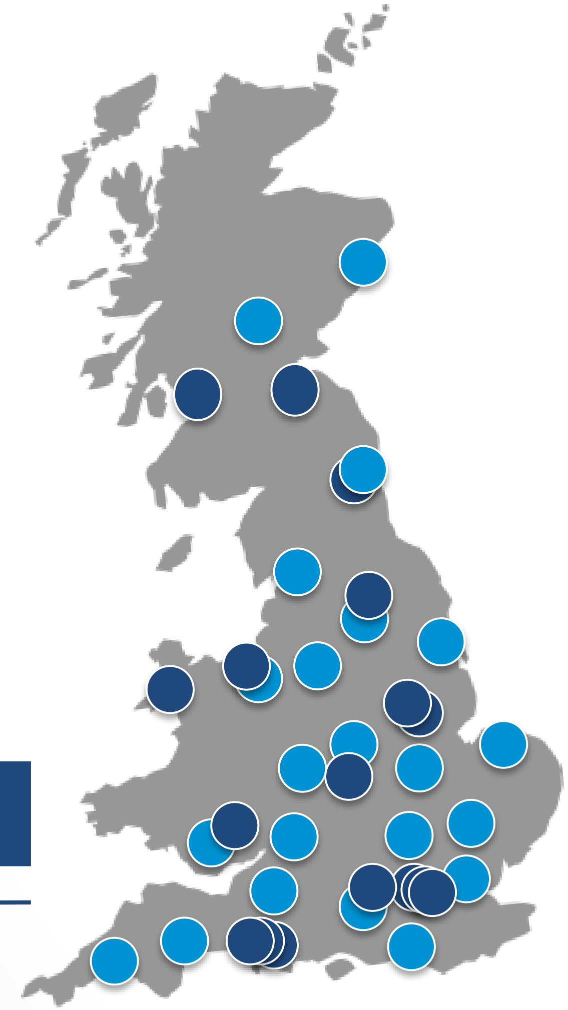
- 17 laundries
- 5 depots
- 2,200 employees
- 370 commercial vehicles
- 1.3 million wearers

HORECA (hotels, restaurants & catering)

- 15 laundries
- 2 depots
- 3,000 employees
- 370 commercial vehicles
- 8.5 million items processed a week (average)

Johnsons Apparelmaster – We care for what you wear	Johnsons Stalbridge Linen Services	London Linen Supply Est. 1935	Johnsons bourne textile services	afonwen laundry & linen hire	PLS
Workwear	Premium linen & chefs' wear	Restaurant & catering linen	High volume hotel linen	High volume hotel linen	High volume hotel linen

Six Leading Brands in Textile Rental



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Operational Performance – Textile Rental

£m	2017 H1	2016 H1	Increase
Revenue	**138.0**	115.7	19.3%
Adjusted operating profit[1]	**20.7**	17.3	19.7%
Margin	**15.0%**	15.0%	

- Overall revenue growth of 19.3% with all brands trading ahead of 2016
- Underlying revenue growth of 4.8%
- Trading benefitted from synergies across HORECA operations
- One-off benefit of £1.0m (work from private laundry affected by fire)
- Continued high levels of capital investment throughout the estate to increase capacity and efficiencies
- High levels of customer retention – reflects focus on customer service

Notes:
1) Before amortisation of intangible assets (excl. software amortisation), exceptional items and, in the case of earnings per share only, associated taxation

Bank Facility, Hedging & Interest

Bank Facility

- £120.0m Revolving Credit Facility ("RCF") expiring April 2020
- RCF at LIBOR + applicable margin
- RCF average margin during H1 2017 was 1.75% and will be the same for at least Q3 2017
- Net debt at 30 Jun 2017: £90.0m (31 Dec 2016: £98.2m)
- Gearing (net debt/EBITDA[1]) of 1.7x at June 2017

£m	2017 H1	2016 H1 Restated
Bank / lease interest	**1.6**	1.6
Notional interest	**0.2**	0.3
Total	**1.8**	1.9

Hedging

- Hedging arrangements in place as follows:
  - £10m to Jun 18 at 0.49%
  - £15m to Jan 19 at 1.47%
  - £10m to Jun 19 at 0.55%
  - £15m to Jan 20 at 1.67%

Interest

- Interest cost (excluding notional pension interest) of £1.6m (2016 H1: £1.6m)
- Notional pension interest cost slightly reduced to £0.2m (2016 H1: £0.3m)

Note 1: Adjusted operating profit plus depreciation of PPE

Pensions and Tax

Pensions

- Net deficit of £7.0m (Dec 2016: £13.8m)
- Reduction due to combination of asset returns being greater than expected and experience gains on liabilities
- Deficit recovery payments of £0.9m (2016 H1: £0.9m)
- Additional, one-off, payment of £1.5m in April 2017
- Ongoing deficit recovery payments have been agreed with the Trustee at the existing amount of £1.9m per annum

Tax

- Effective tax rate on adjusted profit before taxation of 19.4% (2016: 20.3%)

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Moving Forward

Shareholder value

Organic growth opportunities

- Boosted by:
  - increased geographic coverage
  - increased capacity

Investment programme

- To create market-leading modern estate, and support:
  - further operational efficiencies
  - increased throughput
  - high customer service levels

Acquisitions

- Further synergy gains, including scale efficiencies, anticipated from recent acquisitions
- Q3 acquisition of PLS expands geographic coverage in two under-represented regions
- Additional complementary opportunities

Strong first half performance → **Full year results expected to be slightly ahead of current market expectations** → **Balance sheet supports growth strategy**

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THANK YOU

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Appendix 1 - Segmental Results (Continuing)

	H1 2017		H1 2016 (Restated)	
	Revenue £m	Adjusted Operating Profit[1] £m	Revenue £m	Adjusted Operating Profit[1] £m
- Trading	138.0	20.0	115.7	16.7
- Allocated Income	-	0.7	-	0.6
Textile Rental	**138.0**	**20.7**	**115.7**	**17.3**
Group Costs	**-**	**(2.1)**	**-**	**(1.8)**
TOTAL	**138.0**	**18.6**	**115.7**	**15.5**

Note 1: Before amortisation of intangible assets (excluding software amortisation) and exceptional items

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Appendix 2 - Disposal of Drycleaning Activities

- Transaction completed on 4 January 2017 for gross consideration of £8.25m on a debt free, cash free basis
- Drycleaning activities reported as Discontinued Operations and net assets classified as “held for sale” as at 31 December 2016
- £2.0m goodwill impairment recognised within Discontinued Operations at 31 December 2016
- Disposal leaves Group focused on core Textile Rental operations
- Initial proceeds used to repay debt and fund an additional £1.5m payment into the Defined Benefit pension scheme
- Contingent consideration of up to £1.0m receivable by 27 December 2017
- Liability for closed shops with a lease expiry before 30 June 2016 remains with the Group and is estimated at £1.8m, of which £0.2m has been utilised in the period to 30 June 2017