JOHNSON SERVICE GROUP PLC

Interim Results
30 June 2025

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Service Group PLC

"The Board is pleased with the further progress made by the Group in the first half of the year and with the results reported today."

Peter Egan - Chief Executive Officer
Yvonne Monaghan - Chief Financial Officer

CONTENTS

1) Operational Highlights

2) Financials

3) Investment

4) Sustainability

5) Operational Performance

6) Outlook

7) Investment Case

Appendices

1 OPERATIONAL HIGHLIGHTS

"During the first six months we have continued to increase efficiency and capacity across the business through our ongoing capital investment plan."

Highlights

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- Organic revenue increased in HORECA by 1.4% and in Workwear by 1.3%
- Following a slower than anticipated start to the summer months, the slight improvement in HORECA volumes we reported in early July was maintained
- Movement of work to Crawley, together with installation of new sales, is progressing to plan
- Workwear customer retention levels at 94% continue to improve (Dec 2024: 93%)
- Energy costs remain elevated but are continuing to reduce as a percentage of revenue
- Productivity improvements and other actions helping to offset cost inflation
- Successful admission to trading on the Main Market of the London Stock Exchange on 1 August 2025
- Share buybacks:
  - £30.0 million buyback completed, bringing total amount returned to Shareholders through buybacks since 2022 to £65.3 million
  - Further buyback to return up to an additional £25.0 million to be launched shortly
- Adjusted operating profit margin improvement on track for target of at least 14% in 2026

2 FINANCIALS

"Overall, we are encouraged with the Group's performance and improving margin."

Financial Highlights

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	2025 H1	2024 H1	% Increase	2024 FY
Revenue (£m)	**257.5**	244.1	5.5%	513.4
Adjusted EBITDA (£m)[1,2]	**75.4**	69.2	9.0%	152.6
Adjusted EBITDA margin (%)[1,2]	**29.3**	28.3	-	29.7
Adjusted operating profit (£m)[2]	**28.7**	25.2	13.9%	62.3
Adjusted operating margin (%)[2]	**11.1**	10.3	-	12.1
Adjusted PBT (£m)[2]	**24.9**	21.5	15.8%	54.8
Adjusted diluted EPS (p)[2,3]	**4.6**	3.9	17.9%	10.1
Number of shares used in diluted EPS calc (m)[3]	**412.3**	414.8	-	418.2
Dividend (p)	**1.6**	1.3	23.1%	4.0

Notes:

1. Adjusted operating profit plus depreciation charge for property, plant and equipment, textile rental items and right of use assets, plus software amortisation.
2. Operating profit before amortisation of intangible assets (excluding software) and exceptional items and, in the case of earnings per share only, associated taxation.
3. Weighted average number of shares (undiluted) is 412.1m (June 2024: 414.4m). Shares in issue at 01/09/25 were 396.0m.

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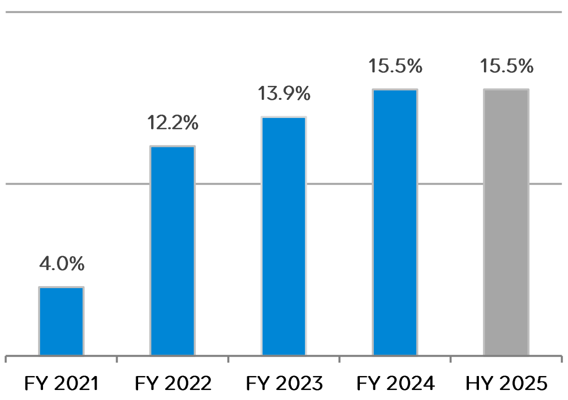
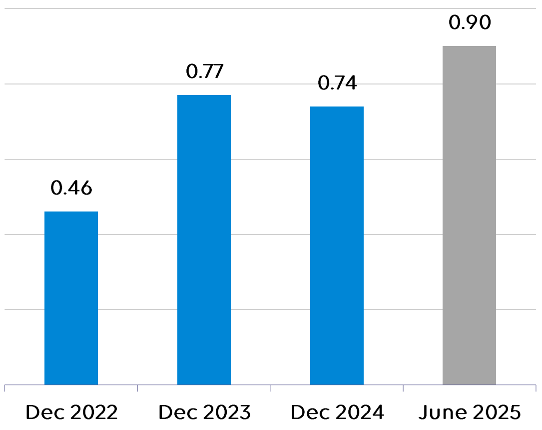
A Platform for Sustainable Growth

The Group has continued to deliver strong and sustainable growth in the aftermath of COVID-19

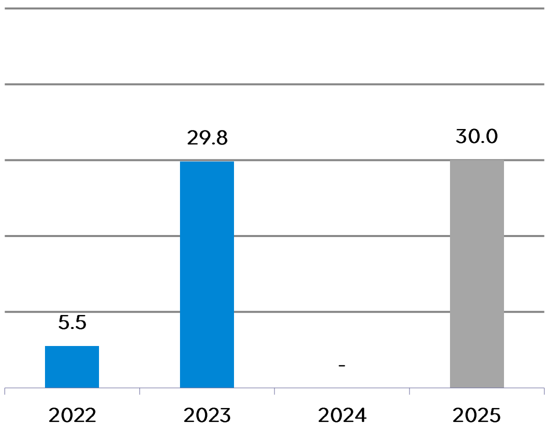
ROCE (%)[1]



Leverage (x:1)[2]



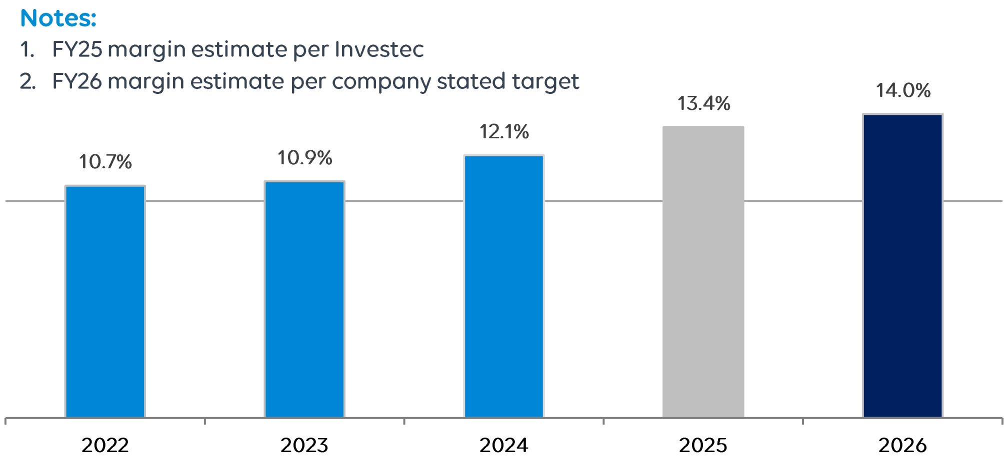
Share buyback (£m)[3]

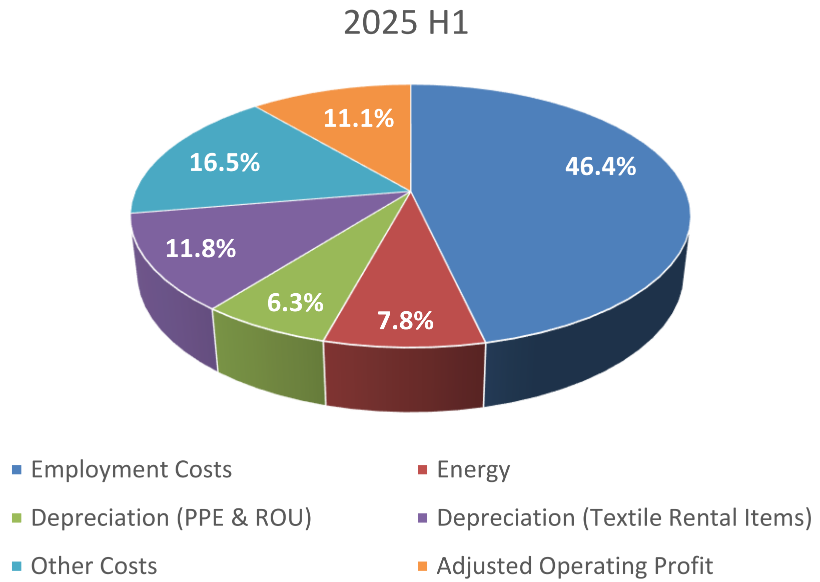


Notes:
1. Calculated as rolling 12-month adjusted operating profit divided by the average of opening and closing Shareholders' equity, net debt and post-employment benefits.
2. Covenant must be less than three times.
3. Figures shown are as at 1 September 2025 and exclude associated fees and represent amounts returned to shareholders in each financial year.

Margin Progression

Margin improvement on track for target of at least 14.0% in 2026





Margin Pressures

- Cost pressures remain, particularly in relation to energy and labour
- 2025 H1 energy costs represented 7.8% of revenue (2024 H1: 9.4%; 2024 FY: 8.8%; 2019 H1: 6.5%)
- Energy prices being proactively managed with various fixed pricing in place at Aug 25:

	Gas	Electricity	Diesel
FY25 H2	90%	75%	95%
FY26	60%	50%	80%
FY27	40%	30%	-

- Employment costs now represent some 46.4% of revenue (2024 H1: 44.7%; 2024 FY: 44.6%; 2019 H1: 43.2%)
- Cost base challenging due to increased labour rates and the significant increase in tax on UK employers from April 2025

Cash Flow

		2025 H1 £m	2024 H1 £m	2024 FY £m
Adjusted operating profit		**28.7**	25.2	62.3
Depreciation, impairment and software amortisation		**46.7**	44.0	90.3
Working capital		**(9.7)**	(7.3)	(1.4)
Capital expenditure	fixed assets and software	**(23.8)**	(29.8)	(44.6)
	rental stocks (net)	**(29.7)**	(29.6)	(60.9)
	fixed asset proceeds	**0.1**	0.1	0.3
Interest		**(3.7)**	(3.8)	(7.4)
Tax		**(3.3)**	(1.1)	(2.7)
Exceptional items (cash effect)		**(1.0)**	-	(0.3)
Dividends		**(11.1)**	(7.9)	(13.3)
Other		**(0.3)**	1.1	2.6
Net cash (outflow) / inflow		**(7.1)**	(9.1)	24.9
Share buybacks		**(16.8)**	-	-
Discontinued operations (cash effect)		**-**	-	0.1
Acquisitions		**(3.1)**	-	(28.4)
New lease liabilities		**(2.4)**	(3.7)	(7.3)
Increase in Net Debt		**(29.4)**	(12.8)	(10.7)
NET DEBT		**145.0**	117.7	115.6
Net Debt excluding IFRS 16 Leases		**99.0**	74.1	68.6

Other Financial Information

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Interest

- Interest cost of £3.8m including £1.3m relating to IFRS 16 lease liabilities (2024 H1: £3.7m and £1.1m respectively; 2024 FY: £7.5m and £2.3m respectively)
- Notional pension interest income of £0.1m (2024 H1: £nil; 2024 FY: £nil)

Bank Facility

- £135.0m Revolving Credit Facility
- Available to August 2027
- Leverage of 0.90x (2024: H1: 0.82x; 2024 FY: 0.74x)

Taxation

- Effective taxation rate[1] of 24.1% (2024 H1: 24.7%; 2024 FY: 23.2%)
- Cash tax payable will remain below the tax charge due to full expensing rules for UK capital expenditure

Pensions

- Net pension surplus of £5.0m (2024 H1: £2.6m; 2024 FY: £2.9m)
- Slight increase in the discount rate assumption (due to increases in corporate bond yields) and a fall in the assumption of future inflation
- No deficit recovery contributions expected to be paid in 2025

Dividend

- Continuing progressive dividend policy
- Interim dividend increased by 23.1% to 1.6p (2024 H1: 1.3p)
- Dividend cover of 2.5x (2024 H1: 2.5x; 2024 FY: 2.5x)

ROCE

- Return on Capital Employed 15.5% (2024 H1: 14.8%; 2024 FY: 15.5%)
- Calculated as rolling 12-month adjusted operating profit divided by the average of opening and closing Shareholders' equity, net debt and post-employment benefits

Notes:
1. Based on profit before taxation before amortisation of intangible assets (excluding software amortisation) and exceptional items.

3 Investment

"We are also continuing to focus on improving efficiencies driven by capital investment and process changes…"

Capital Expenditure

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£23.8m

Investment

Wrexham
New Boiler

Pwllheli
Sorting system and automatic dryers

Ireland
Investment completed at our Wexford and Naas sites

Edinburgh
Sorting system and automatic dryers

Group-Wide
New commercial vehicles

Shaftesbury
New Boiler

4 Sustainability

"We have been awarded a silver medal by EcoVadis, the world's most trusted provider of business sustainability ratings."

Sustainability

- We are continuing to work with both our customers and suppliers as we make progress in meeting our sustainability goals
- Awarded a silver medal by EcoVadis
- Progress in reducing consumption of single use plastics
- Fourth Sustainability Report published
- Plastic wrapping of clean, delivered product removed from two hotel linen sites
- New site in Crawley offers significant and lasting progress towards our sustainability targets:
  - consumes around half the energy of a traditional laundry
  - provides significant water recycling opportunities
  - utilises renewable energy sources
  - delivers in vehicles powered by HVO, which is 90% carbon free

"We are committed to developing our environmental and social responsibility agenda and continue to make excellent progress...."

5 OPERATIONAL PERFORMANCE

"Our continued focus on operational excellence and margin improvement has positioned us well to achieve our target of at least a 14.0% adjusted operating profit margin in 2026 and we are on track to meet full year adjusted operating profit in line with market expectations."

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Operational Performance

HORECA

JOHNSONS Hotel Linen
JOHNSONS Hotel, Restaurant & Catering Linen
JOHNSONS Luxury Linen
JOHNSONS Ireland

	2025 H1	2024 H1	2024 FY
Revenue (£m)	**185.4**	172.9	371.2
Adjusted EBITDA (£m)[1,2]	**53.7**	48.1	110.5
Adjusted EBITDA margin (%)[1,2]	**29.0**	27.8	29.8
Adjusted operating profit (£m)[2]	**22.5**	18.4	49.4
Adjusted operating margin (%)[2]	**12.1**	10.6	13.3

Notes:
1. Adjusted operating profit plus depreciation charge for property, plant and equipment, textile rental items and right of use assets, plus software amortisation.
2. Operating profit before amortisation of intangible assets (excluding software amortisation) and exceptional items.

Operational Performance

HORECA

- Organic revenue increased by 1.4%
- Sales pipeline remains consistently strong
- New depot improves access to hotel customers in London and the South East
- Our new Crawley site, which is one of the most sustainable and energy efficient laundries of scale in the UK, is now operational, allowing for accelerated growth
- Johnsons Ireland rebranding ongoing; first rebranded vehicles now on the road
- Continued investment in several site locations to create extra space and processing capacity
- All new investments have a pre-requisite to reduce carbon emissions against our 2030 targets

Operational Performance

Workwear

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JOHNSONS Workwear

	2025 H1	2024 H1	2024 FY
Revenue (£m)	**72.1**	71.2	142.2
Adjusted EBITDA (£m)[1,2]	**25.9**	24.5	49.4
Adjusted EBITDA margin (%)[1,2]	**35.9**	34.4	34.7
Adjusted operating profit (£m)[2]	**10.4**	10.2	20.3
Adjusted operating margin (%)[2]	**14.4**	14.3	14.3

Notes:

1. Adjusted operating profit plus depreciation charge for property, plant and equipment, textile rental items and right of use assets, plus software amortisation.
2. Operating profit before amortisation of intangible assets (excluding software amortisation) and exceptional items.

Operational Performance

Workwear

- Good momentum in new business sales
- Customer retention levels increased to 94% (2024: 93%) and trending towards historic levels
- Capital expenditure included new commercial vehicles, laundry processing equipment and boiler systems
- Small industrial workwear processing unit in Bristol suffered a fire; no disruption to customer service
- Project to relocate operations from Lancaster to Manchester has been successfully implemented

6 OUTLOOK

"We are confident in reporting a full year adjusted operating profit in line with current market expectations…."

Outlook

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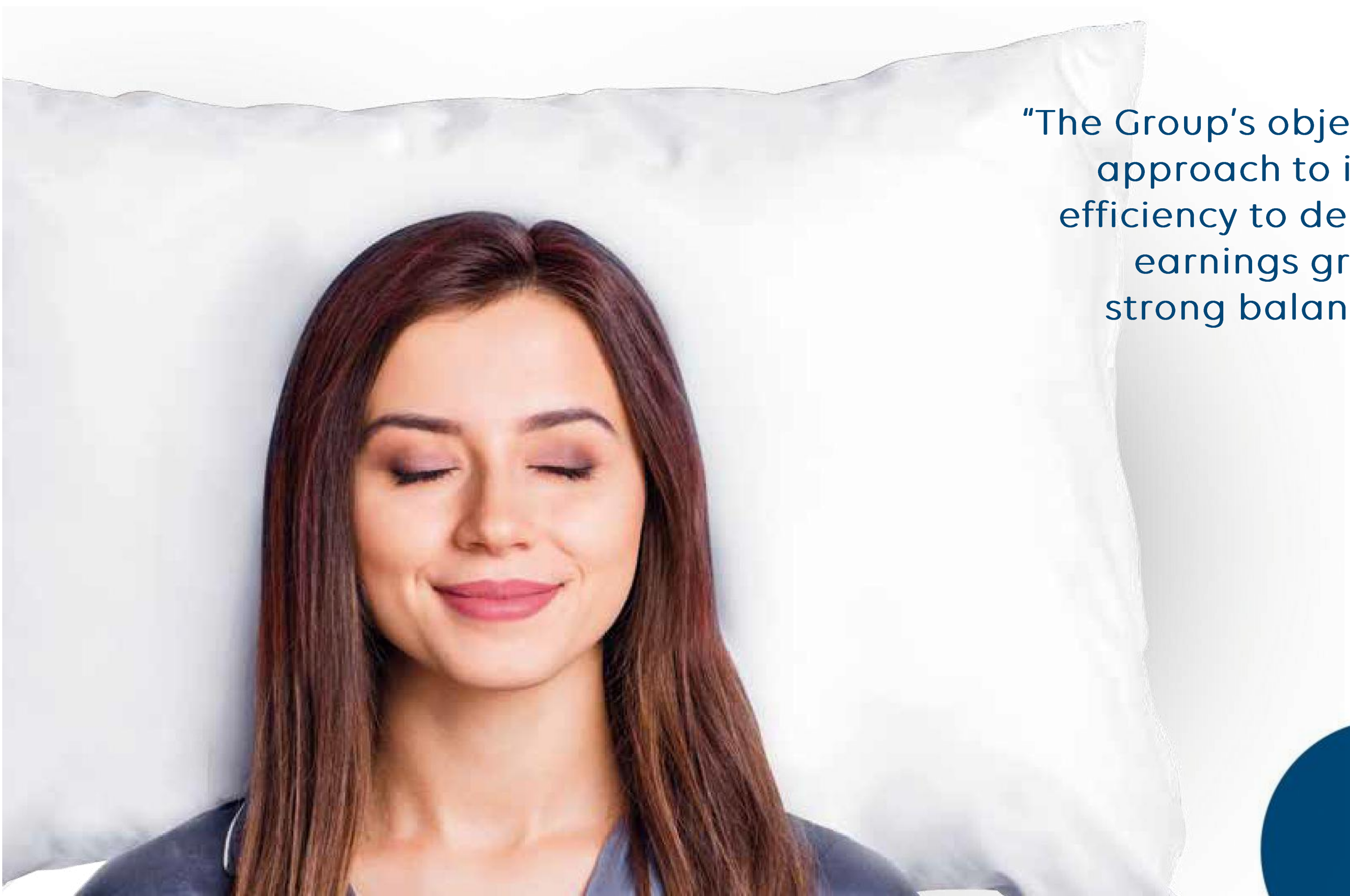
- Encouraging trading momentum and proactive management of costs
- Adjusted operating margin will continue to improve
- Integration of recent acquisitions ongoing
- Expansion strategy being delivered through new Crawley site, London depot and targeted investment
- Focus on expanding the Group through targeted investment in existing sites together with identifying complementary acquisition opportunities
- Strong Balance Sheet to support organic investment, M&A and increased returns to Shareholders
- Confident in medium and long-term growth prospects
- The Board remains confident in reporting full year adjusted operating margin in line with current market expectations
- Intention to return up to £25.0m to Shareholders through a further share buyback programme

7 INVESTMENT CASE



"The Group's objective is to employ a disciplined approach to investment, returns and capital efficiency to deliver sustainable compounding earnings growth whilst also maintaining a strong balance sheet and increasing ROCE."

Repositioned as a Dedicated Textile Services Provider

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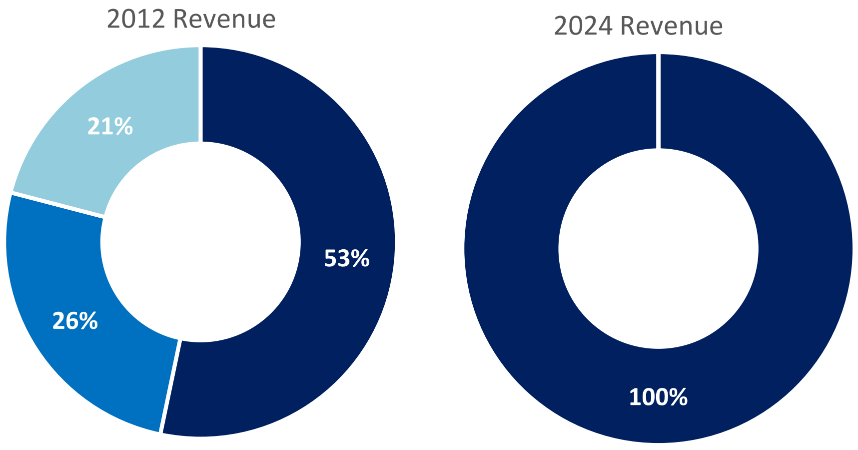
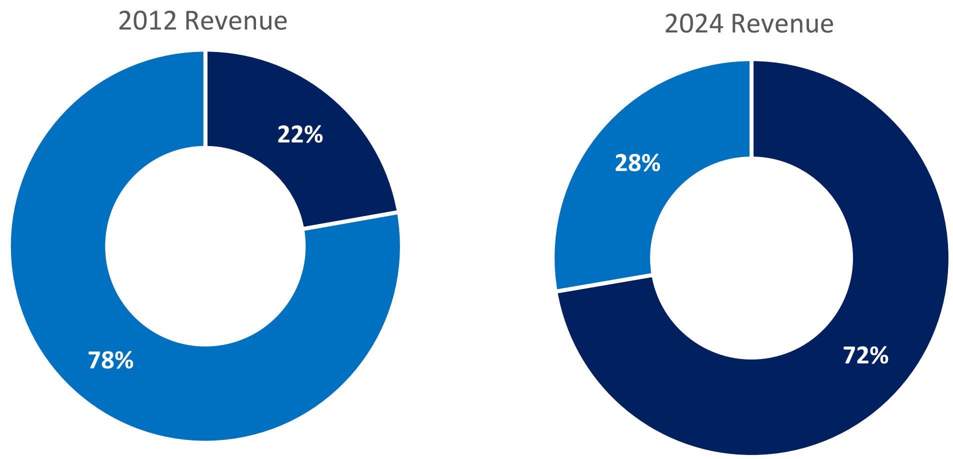
Revenue previously derived from three distinct sources…now derived from one focused business



- Textile Services
- Drycleaning
- Facilities Management

Source of revenue within Textile Services significantly changed



- HORECA
- Workwear

Disposals	Acquisitions
SGP property & facilities management; Johnsons The Cleaners	bourne textile services; London Linen Group Est. 1935; ZiP Textile Services Ltd; afonwen laundry & linen hire; Regency Laundry Concierge; PLS; Ashbon Laundry; Chester Textile Services CTS; empirelaundry™; StarCounty; South West Laundry; fresh linen; Lilliput Services … delivering Quality Linen; Celtic Linen

An Essential Service Provider

An Essential Service Provider
The services we provide to our customers are essential to their business

Quality Service
We provide our customers with a quality service which they can rely upon

A Local Service
Our proximity to customers enables us to quickly respond to their needs

Sustainable
Working in partnership with our customers and suppliers to reduce environmental impact

Substitution
Limited alternatives to our offering in a market that has tight capacity

A Consistent and Proven Strategy

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	Key Components of Our Medium-Term Outlook	Supported By
Organic Revenue Growth	▪ Value-added proposition and market leading service supports above market growth ▪ Consistent track record of delivering organic growth	Exceptional service underpinned by quality and reliability Long-term relationships and customer partnerships driving a market leading position
Operating Margin	▪ Line of sight on reducing energy costs ▪ Margin accretion from capacity utilisation	Structural growth market with consolidation opportunities
Capital Allocation	▪ Strong balance sheet provides scope to invest in additional organic capacity and targeted M&A opportunities ▪ Track record of returning excess cash to shareholders	Attractive business model with high returns on capital Strong sustainability credentials and talented people

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Appendices

Appendix 1
Segmental Analysis

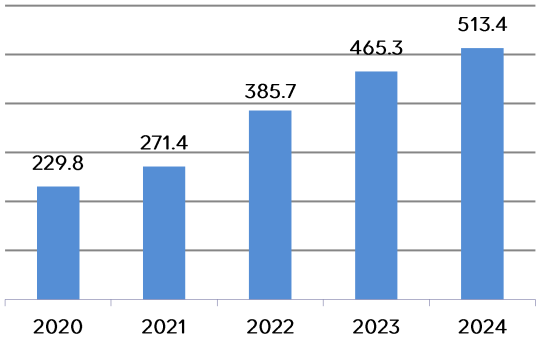
	2025 HY			2024 HY			2024 FY		
	Revenue £m	Adjusted Operating Profit [1] £m	Adjusted EBITDA [1,2] £m	Revenue £m	Adjusted Operating Profit [1] £m	Adjusted EBITDA [1,2] £m	Revenue £m	Adjusted Operating Profit [1] £m	Adjusted EBITDA [1,2] £m
HORECA	185.4	22.5	53.7	172.9	18.4	48.1	371.2	49.4	110.5
Workwear	72.1	10.4	25.9	71.2	10.2	24.5	142.2	20.3	49.4
Textile Rental	**257.5**	**32.9**	**79.6**	**244.1**	**28.6**	**72.6**	513.4	69.7	159.9
Group Costs	-	(4.2)	(4.2)	-	(3.4)	(3.4)	-	(7.4)	(7.3)
Total	257.5	28.7	75.4	244.1	25.2	69.2	513.4	62.3	152.6

Notes:
1. Operating Profit before amortisation of intangible assets (excluding software amortisation) and exceptional items.
2. Adjusted operating profit plus depreciation charge for property, plant and equipment, textile rental items and right of use assets, plus software amortisation.

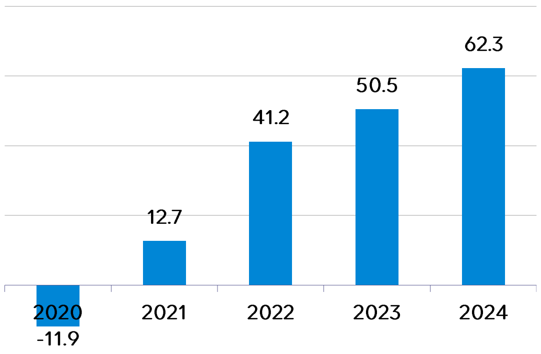
Appendix 2
A Platform for Sustainable Growth

The Group has continued to deliver strong and sustainable growth in the aftermath of COVID-19

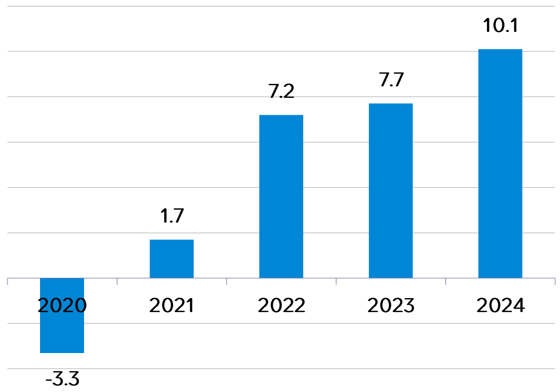
Revenue (£m)



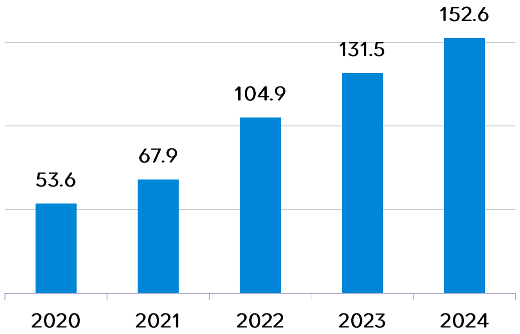
Adjusted Operating Profit (£m)



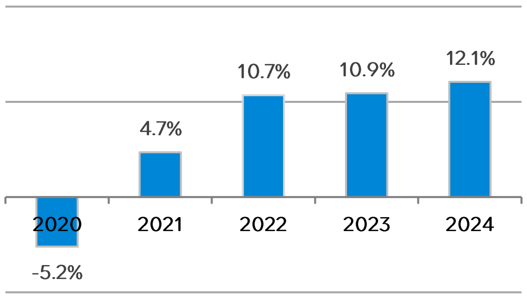
Adjusted Diluted EPS (p)[1]



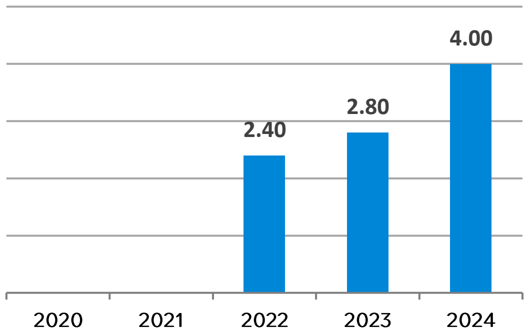
Adjusted EBITDA (£m)



Adjusted Operating Profit Margin (%)



Dividend per Share (p)



Notes:

1. Adjusted Diluted EPS in 2021, 2022 and 2023 excludes the impact of capital allowances super deduction

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