



Company Presentation



MARLOWE AT A GLANCE

Marlowe is a UK leader in specialist services which assure safety and regulatory compliance, whilst managing risk for businesses across the country. We are focused on providing technology-enabled services across health & safety, HR compliance, fire safety, security, water treatment & hygiene and air testing & quality – all of which are vital to the wellbeing of our customers operations and are invariably governed by regulation.

MARKET BACKDROP



FINANCIAL PERFORMANCE



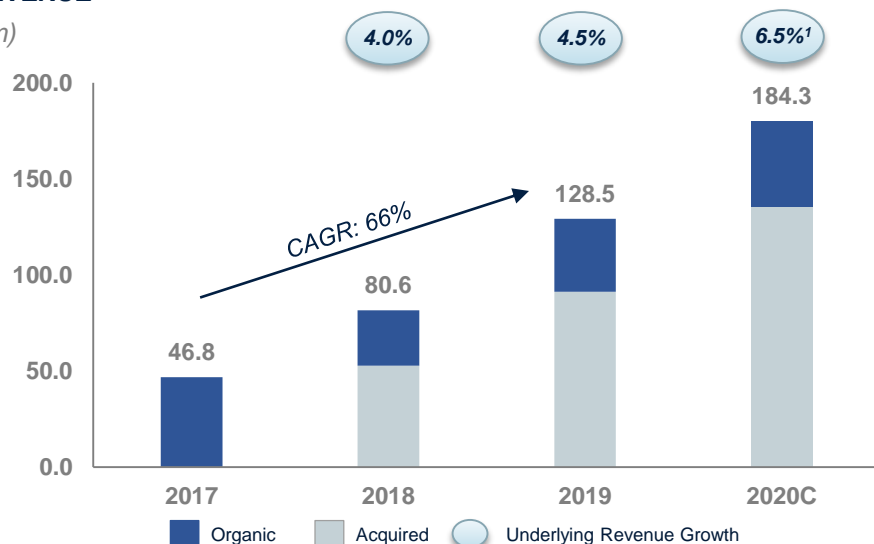
OPERATIONAL PERFORMANCE



STRONG HISTORY OF DELIVERING SHAREHOLDER VALUE

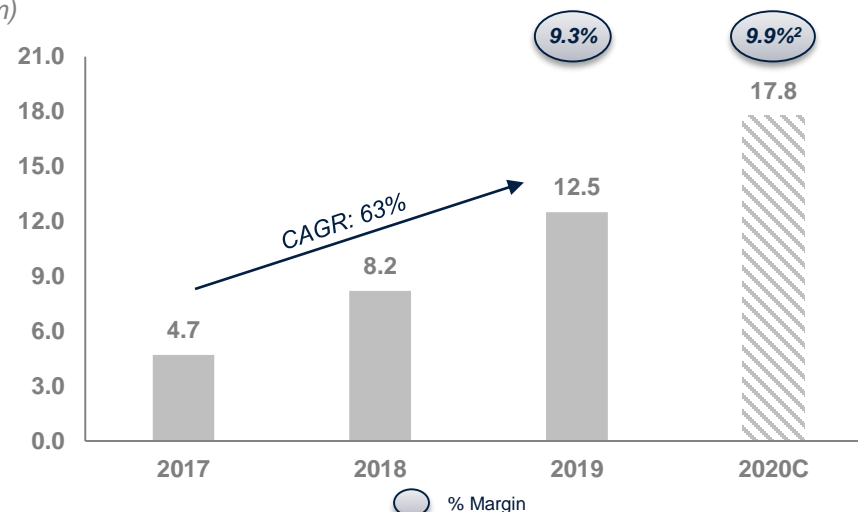
REVENUE

(£m)



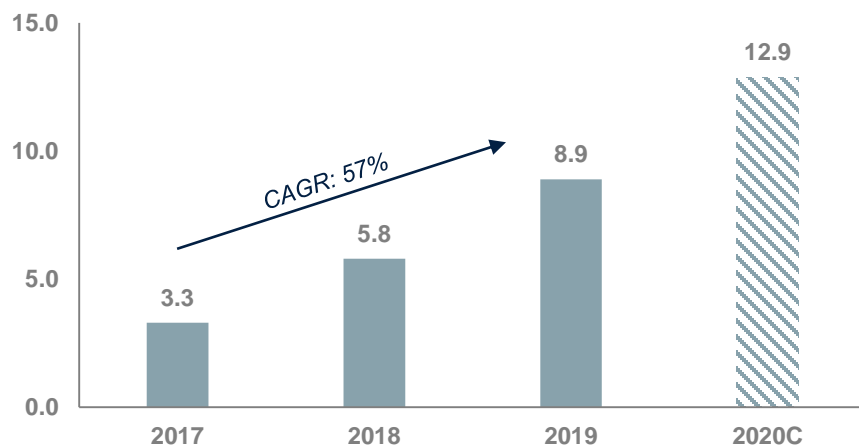
ADJUSTED EBITDA (pre HO)

(£m)



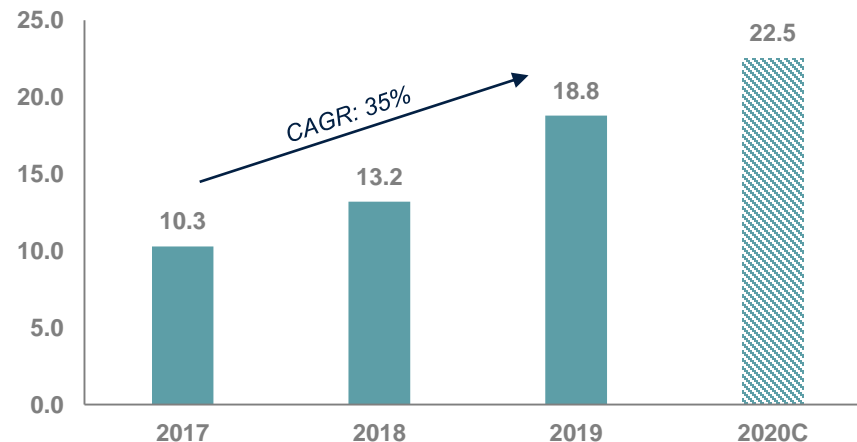
ADJUSTED PROFIT BEFORE TAX

(£m)



ADJUSTED EARNINGS PER SHARE

(Pence)



Sources:

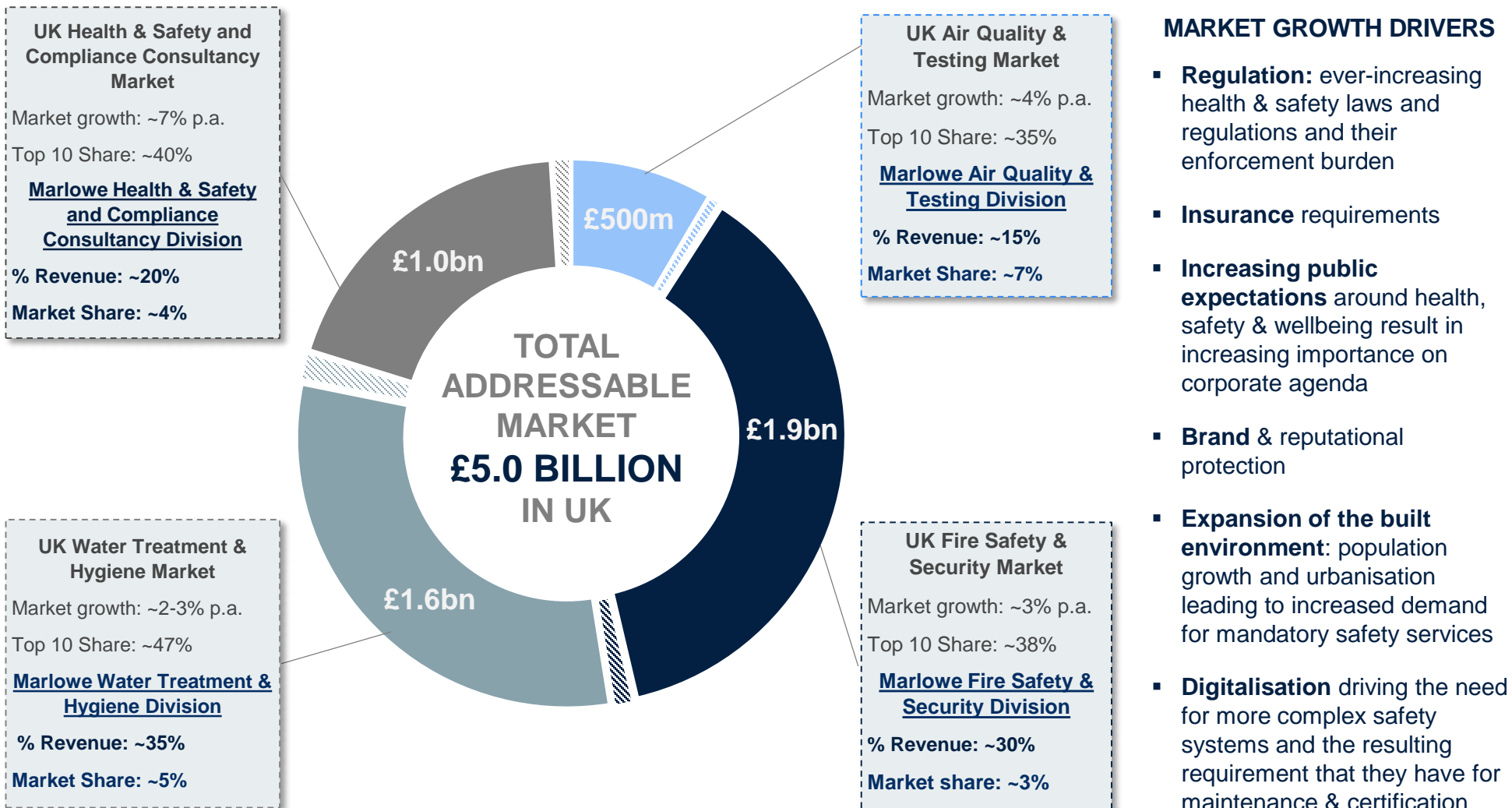
Statutory accounts, broker research; Adjusted EBITDA before head office costs.

Notes:

(1) H1 2020 only. (2) H1 2020 only, excludes Clearwater restructuring costs.

SIGNIFICANT SCOPE TO GROW MARKET SHARE

Marlowe's total addressable market is estimated to be £5.0 billion per annum. On run rate revenue of £200 million, Marlowe's market share is less than 5%, demonstrating the significant potential for future growth.



MARLOWE'S END-TO-END APPROACH TO HEALTH AND SAFETY COMPLIANCE

Marlowe provides regulated testing, inspection & compliance services. Each is delivered by one of our specialist divisions. Individually, these divisions are leading players in their fields but together form a group that can provide a comprehensive and integrated approach to our customers safety, risk management and regulatory compliance.

~20%
revenue

HEALTH, SAFETY & COMPLIANCE

Purpose

Assure the regulatory compliance of commercial organisations in health & safety, employment law and property risk management.

Recurring Service

Auditing, consulting, training & software as a service (SaaS).

WILLIAM MARTIN
COMPLIANCE SOLUTIONS
Health & Safety Consultants

WILLIAM MARTIN
MERIDIAN RISK MANAGEMENT

Quantum
Compliance

LAW
LAW AT WORK

~15%
revenue

AIR TESTING & QUALITY

Purpose

Assure commercial properties are compliant with air quality and environmental regulations.

Recurring Service

Inspecting, testing, sampling, monitoring, remediating and certifying.

DCUK FM
MARLOWE Critical Services

tersus
MARLOWE Critical Services

~30%
revenue

FIRE SAFETY & SECURITY

Purpose

Assure buildings have adequate fire safety measures and that fire & security systems are compliant with latest regulations.

Recurring Service

Assessing, testing, inspecting, maintaining, monitoring and certifying.

MARLOWE
FIRE & SECURITY
MARLOWE Critical Services

333
FIRE & SECURITY
MARLOWE Critical Services

flamefast
FIRE SYSTEMS
MARLOWE Critical Services

iafs
FIRE & SECURITY
MARLOWE Critical Services

FSE
FIRE SAFETY SYSTEMS LTD
MARLOWE Critical Services

~35%
revenue

WATER TREATMENT & HYGIENE

Purpose

Assure water systems are safe, efficient, sustainable and compliant.

Recurring Service

Assessing, dosing, maintaining, monitoring, testing, treating and certifying.

WCS Group
The H₂O experts
MARLOWE Critical Services

Atana

B & V
Chemicals

GUARDIAN
Air & Water Hygiene Specialists
MARLOWE Critical Services

Clearwater



MARLOWE DELIVERS THE FULL RANGE OF RISK & COMPLIANCE SERVICES

Customers prefer a single, national provider of safety & compliance services. Marlowe delivers compliance across four closely-related risk sectors: fire safety & security, water, air, health & safety and employer compliance consultancy.

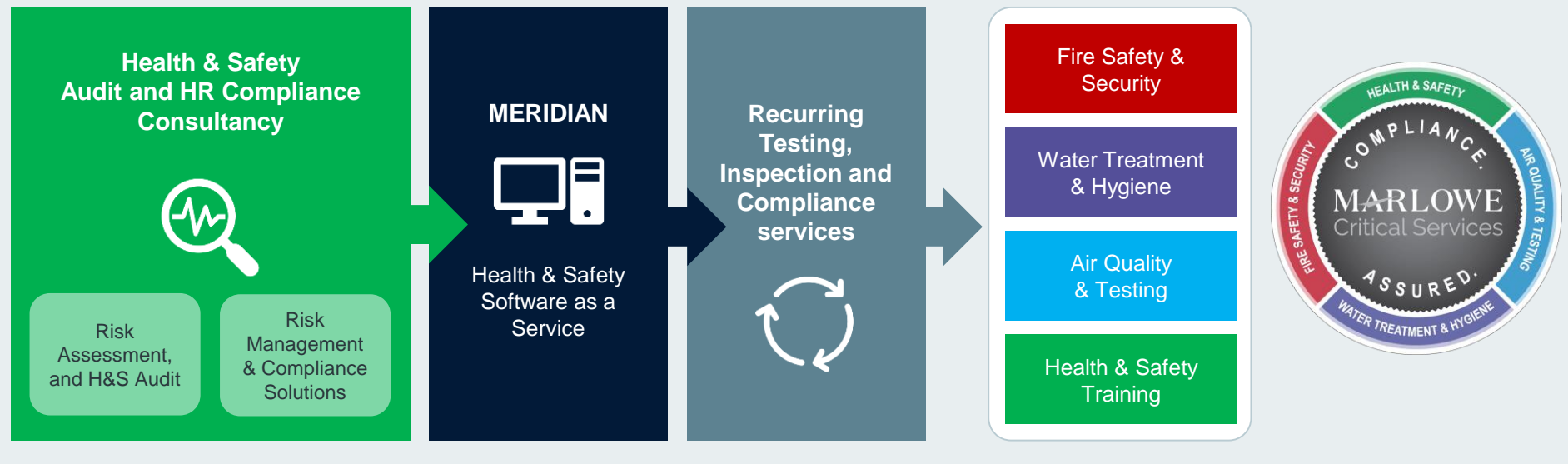
- Audit & Consultancy
- Compliance Software
- Test & Inspect
- Treat & Remediate
- Certify

Services which assess & monitor risk to ensure safety & compliance within businesses of all sizes and minimise risk

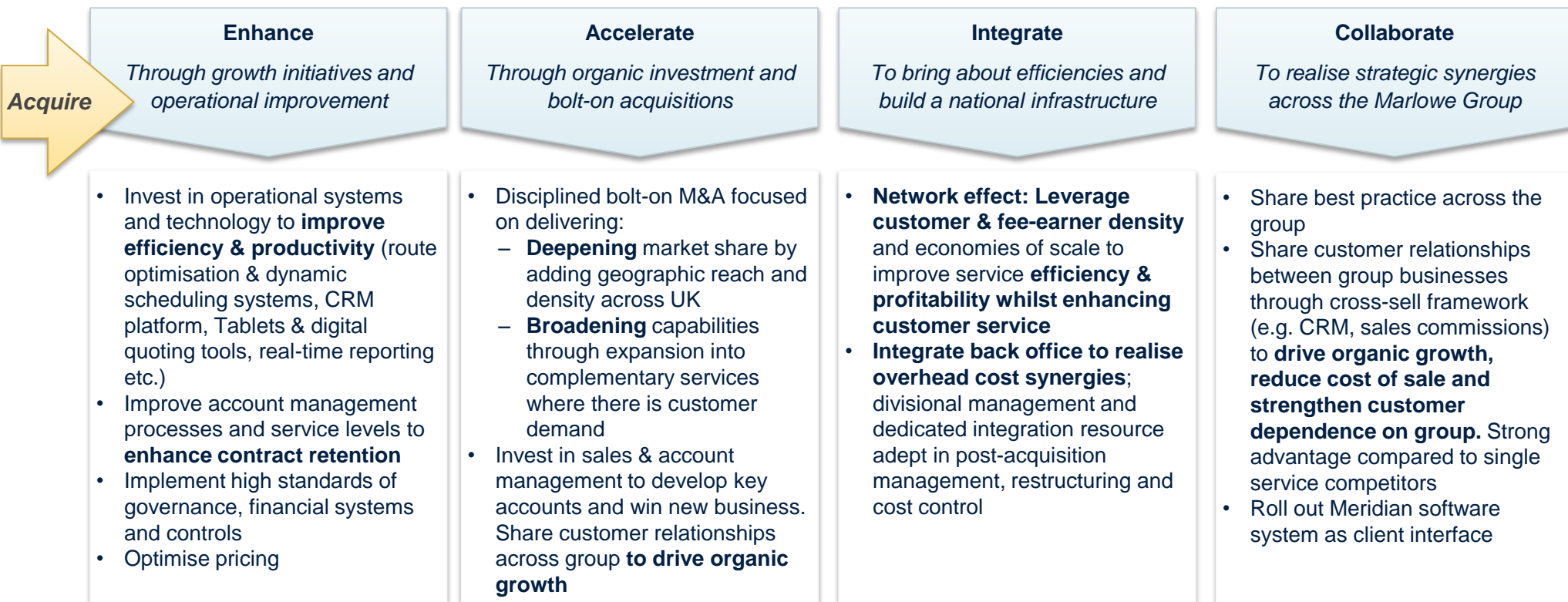
We then provide services to test, inspect, maintain the compliance of premises & safety systems to certify their ongoing compliance

Health & safety audits, employment law and HR advice, fire safety consultancy, water risk assessments, fire safety system inspections, water hygiene sampling, ventilation hygiene inspections, lab analysis, fire system monitoring etc
Water treatment, fire system maintenance, kitchen extract compliance, asbestos management, contractor management

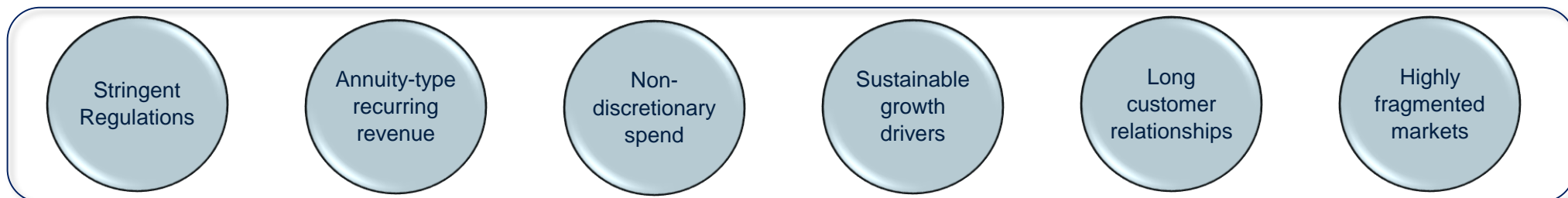
End-to-End Health & Safety and Compliance Model



MARLOWE MODEL FOR POSITIONING TO CREATE SHAREHOLDER VALUE



Key strategic attributes underpin our business and investment approach...



GROUP CUSTOMERS AND CROSS-SELLING

RESILIENT AND BROAD CUSTOMER BASE

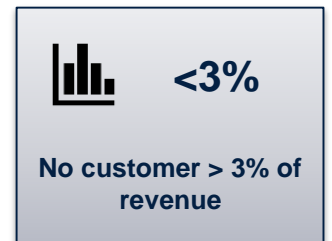
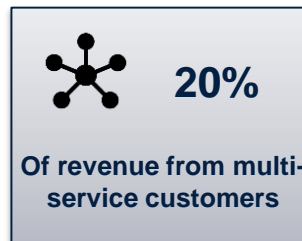
- **17,000+ customers** across all sectors from SME's to FTSE 100 companies. Average customer spend ~£12k
- We work with 1 in every 8 of the UK's large businesses (250+ employees)
- 80%+ group revenue from direct relationships with end users
- 78%+ group revenue from recurring services. *Majority of the remainder is providing additional services to long-term service clients and often repeat work*
- Customer retention: **c.90%+**; average group customer relationship of c.10 years. Improving as a result of better service, capabilities and switching costs

CROSS SELLING

- Services procured by same decision-makers within customer organisations across the group
- The majority of our customers require the majority of our compliance services
- Cross-selling culture:
 - Centrally led initiative – cross-sales management, CRM platform, sales meeting & forums, commissions, marketing & events, sales buddy system, effective communication across the group
- Approximately 20% of Marlowe's revenues are now multi-service, where we are delivering more than one service to our customers. Within the top 1,000 customers, this percentage increases to 37% and within our top 100 customers to 52%

CROSS DIVISIONAL SALES (TOP 100 CUSTOMERS)

Divisions with the same customer:	2 Divisions	3 Divisions	4 Divisions	Total
Value:	£11.7m	£16.5m	£3.9m	£32.0m
% of Top 100 Revenue:	19.00%	26.80%	6.30%	52.00%



ACQUISITIVE GROWTH MODEL

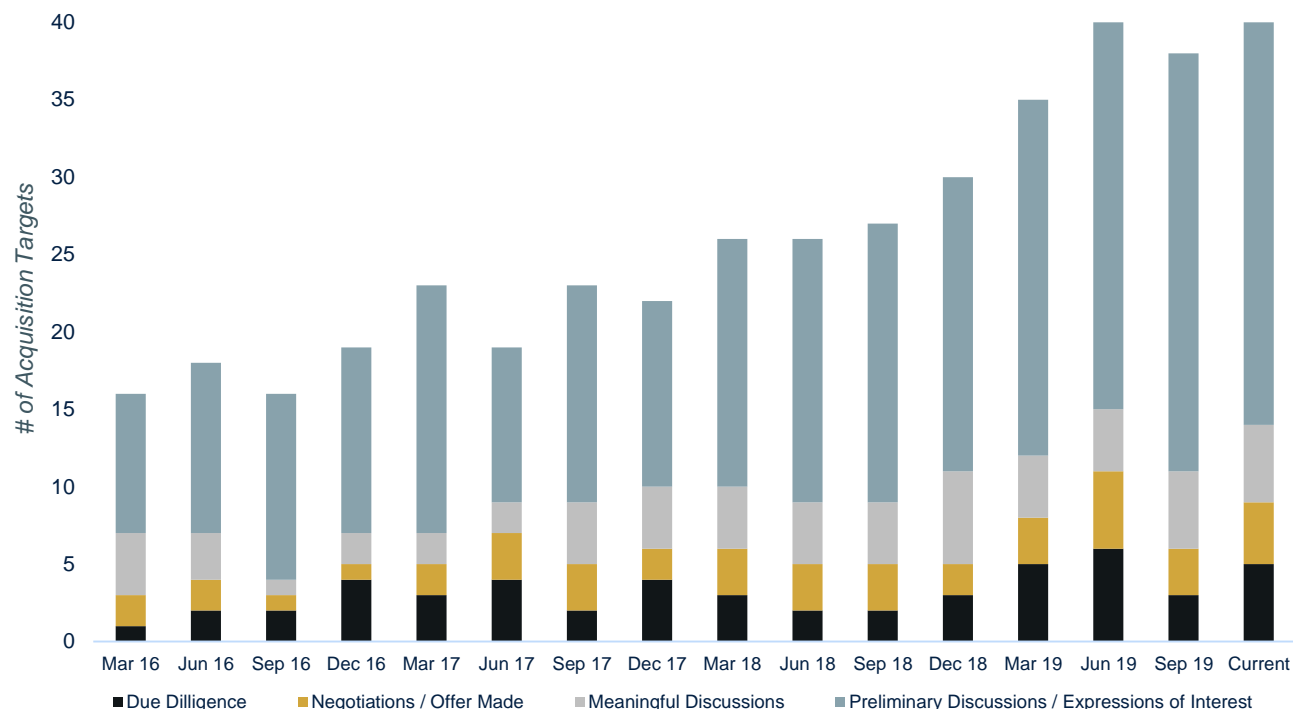
An efficient end-to-end M&A engine, completing 30 acquisitions since 2016. Dedicated M&A resource adept at identifying and engaging with complementary targets, negotiating attractive deals, conducting due diligence and working with divisional management to prepare detailed integration plans.

- Acquisition is key to Marlowe's compounding growth strategy, **growing market share, building density and broadening service capabilities**
- Track record of delivery and effective target relationship management results in **'preferred bidder status'** and a degree of monopsony bargaining power
- Proficient at delivering **off-market opportunities**; typically avoid sale processes
- Acquisition parameters extend beyond those of other typical acquirers; *willing to pursue small scale targets and 'difficult' transaction structures (corporate carve-outs etc.) hence less competition for assets and attractive valuations*
- Group's industry expertise coupled with extensive M&A experience allows for a streamlined and highly targeted diligence process
- Average target size has increased as group has scaled, but we continue to extract significant value from smaller bolt-on acquisitions

STRONG ACQUISITION TARGET PIPELINE

(# of Targets at each stage of process 2016 – Present)

Deep target pipeline advanced to varying stages enables steady, sustainable supply of new deals. Multiple opportunities in parallel ensures ability to walk away from less attractive deals or unrealistic seller expectations. Divisional group structure allows for multiple concurrent integration programmes.



Total acquisition consideration since 2016: £130 million

TECHNOLOGY DRIVING CUSTOMER EXPERIENCE, OPERATIONAL EFFICIENCIES AND VALUE CREATION

Marlowe's technology led approach to Health & Safety compliance is central to quality of service and customer experience, and distinguishes our proposition within our markets. Technology is harnessed throughout the group to enhance efficiency of service delivery and back office functions and to improve our clients compliance.

MERIDIAN PLATFORM

- Proprietary compliance software solution to manage health, safety and compliance across multi-property organizations
- Central to an organisation's H&S and risk management strategy in a typical deployment providing complete visibility of compliance standards and enabling day-to-day compliance management
- Developed, maintained & managed in-house by ~25 software heads (Marlowe have increased investment in this area)
- Draws data from consultant apps, other Marlowe group systems, customer record systems etc to present holistic view of health & safety compliance in real-time
- Offered as a bespoke installation and as an 'off the shelf' product to ensure appropriate price point available for all of Marlowe's customers



11k users



35k properties



3 million documents



20 external links



100+ automated reports



~2m actions

TECHNOLOGY ENHANCING PROCESSES TO CREATE VALUE

- Technology strategy is central to post-acquisition management; often acquired businesses have lacked technology investment and have outdated systems in place
- Suite of technology enhancements implemented across all divisions to date includes:
 - **CRM:** operational platforms to plan, schedule and deliver services, manage sales and maintain and develop customer relationships
 - **Dynamic Resource Scheduling:** scheduling software to optimise route efficiency and automate data management (i.e. recording consultant time on site, compliance information and engineer locations directly from tablets). Lightfoot vehicle tracking system to improve fuel efficiency and driver safety
 - **Report Writing Software:** to enhance the quality, efficiency and accuracy of risk assessments and consultant compliance reports
 - **Back office systems:** e.g. SAGE 200 finance platform, Marlowe employee portal to manage HR, company procedures, employee communications etc. Flexicapture OCR system to automate purchase ledger and avoid manual data entry
 - **Quickquote** – proprietary app for engineers to price remedial work via their tablet at a service visit, removing the need for return visit

STRATEGY IN ACTION: ACQUISITION OF SUEZ WATER CONDITIONING SERVICES

The acquisition of Suez's UK water treatment division in August 2018 illustrates Marlowe's capacity to complete complex transactions at attractive multiples and extract further meaningful value through both cost and revenue synergies.

TRANSACTION BACKGROUND AND RATIONALE

- Suez Water Conditioning Services was a direct competitor to Marlowe's water treatment activities; **Marlowe approached Suez about the possibility of a sale of the business unit**
- Suez SA sought offers from a handful of prospective acquirers, but proceeded to exclusivity with **Marlowe as the bidder most likely to deliver and most able to accommodate the intricacies of the carve-out**
- Suez WCS was broadly breakeven on revenue ~£13 million; identified scope for material savings once combined with Marlowe's water business

– **EV: £4.5 million**

Acquisition rationale for Marlowe:

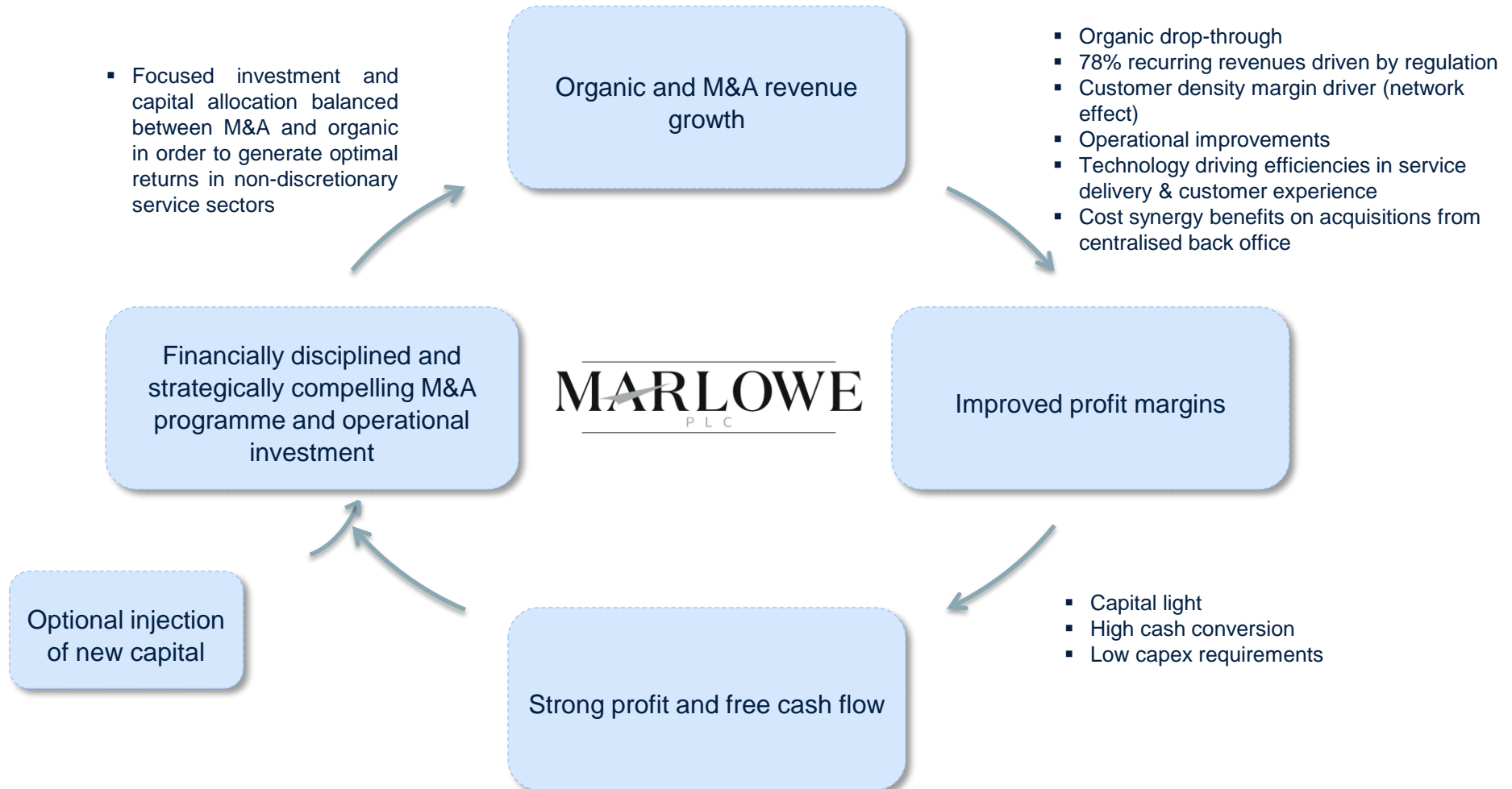
- **Developed further scale** in our core water treatment and hygiene activities; significantly **enhanced customer site density**, presenting opportunity to **improve job / engineer efficiency across the combined division**
- **Broadened our capabilities into blending of water treatment chemicals** (Suez had blending facility); reduced dependence on 3rd party suppliers whilst keeping the margin on internal chemical sales across the water division, enhancing profitability
- Subsequently divested non-core contracts with associated revenue of £600k for £2.3 million, **reducing effective EV by ~50%**

POST-ACQUISITION MEASURES AND RESULTS

	Measures	Results
Overhead Rationalisation	<ul style="list-style-type: none"> • Back office headcount reduced by ~13% • Leveraged group footprint to exit two properties 	<ul style="list-style-type: none"> • Reduced overheads ~40%
Operational Efficiencies	<ul style="list-style-type: none"> • Integrated service delivery (engineers and customers) • Insourced all chemical spend 	<ul style="list-style-type: none"> • Reduced sub-contractors usage by c.50% (continues to fall) • ~10% saving on materials, improving division gross margin
Technology	<ul style="list-style-type: none"> • Implemented Marlowe water CRM, replacing prior paper based processes 	<ul style="list-style-type: none"> • Improved revenue / engineer c. 15%
Sales	<ul style="list-style-type: none"> • Refocused management on sales generation and customer account management 	<ul style="list-style-type: none"> • Achieved ~10% improvement on run rate revenue in year since acquisition • No material customer attrition

Material margin expansion achieved: EBITDA margin improved from low single digits at acquisition to 10%+ by Q1 2019

VIRTUOUS CIRCLE OF COMPOUNDING REVENUE, PROFIT AND CASH FLOW GROWTH



SUMMARY AND OUTLOOK

- Marlowe has a clear strategy to strengthen its position as the UK's leading provider of regulated compliance services
- Uniquely positioned in the UK to work with clients across their compliance requirements: from initial audit and consultancy; through to software for managing compliance obligations and the implementation of a full programme to ensure ongoing safety & compliance
- 17,000 customers with recurring revenues of ~78%
- Organic growth has accelerated as a result of the Group's broader & better service capabilities, and the benefits of cross-selling services across our divisions
- Scale and critical mass have resulted in increasing customer spend as we deepen relationships and deliver multiple complementary services. Market leading density of customers and fee-earners continues to drive service delivery efficiencies which is accretive to margins
- Strong pipeline of target acquisition opportunities advanced to various stages across all our existing markets which is key to compounding growth strategy. Widespread execution and integration experience from 30 deals since 2016 streamlining acquisition process, implementing multiple programmes concurrently and mitigating post-acquisition risk
- The second half of the year has started well, with solid trading across our divisions supplemented by recent acquisitions

MARLOWE

PLC



Compliance. Assured.