

OCS Group Topco Limited

Annual report FY23 addendum reflecting guidelines for disclosure transparency in private equity ('the Walker Guidelines')

Trends and factors affecting future development, performance or position

The Group' success and financial performance are dependent on its ability to continue to serve as a trusted and long-term provider of essential facilities services to its large and diverse customer base.

As a provider of facilities services the Group's performance will be dependent upon certain macro level market, regulatory and fiscal trends and factors, which include:

- the growing trend of digitalisation and the importance of data driven informed decision making, to both increase efficiency and productivity within the OCS business but also to improve customer outcomes. The Group is continuing to identify opportunities and roll out initiatives to provide digitalised services, AI-based solutions, and incorporate new methods and levels of data collection, recording, monitoring and analysis into current practices.
- Ongoing growth in the outsourcing of facilities services in all of the Group's key markets, especially in the APAC region. Based on external market studies, the Group sees continued growth in outsourcing of c.6% Compound Annual Growth Rate 2023-26 in its core markets- UK, New Zealand and Thailand which provides opportunity for increasing the Group's revenues and profits.
- the increase in ESG regulation provides opportunity for the Group's hard facilities businesses to support its customers with both their ESG regulatory compliance and in reducing their environmental footprints within their businesses. This involves providing data to customers in areas like energy and water use, and waste and wastewater generation to enable accurate ESG reporting but also in adapting customers' built environments to reduce their consumption of energy, water and the production of emissions and waste.
- the Group provides "mission critical" services to customers in areas like cleaning / hygiene and security services. The Covid period saw an increase in the levels and quality of cleaning and in customer's security requirements. This trend has continued post-Covid. The Group's customers continue to focus on ensuring the best and safest experiences for their employees and their customers and the Group is at the heart of delivering services to deliver such outcomes.
- The Group's future revenue and profit growth is partly driven by inflation. The majority of our contract revenue is inflation linked allowing us to pass on inflationary increases (primarily linked to our cost base) to our customers.
- The Group has external debt, the interest on which is tied to SONIA and EURIBOR rates. Material increases in these rates would increase the cost to service debt which if not mitigated presents a risk to the business. There is a natural 'hedge' in place as interest rates usually move in tandem with inflation, which enables us to increase our pricing. In addition, the group hedges interest rate fluctuations in order to mitigate this risk.



to be your best™

In addition to organic growth, the Group has made, and will continue to make, strategic acquisitions to supplement or expand its geographical or service offerings. The success of such acquisitions is dependent upon the Group's ability to manage, execute and integrate such investments.

The Directors consider the Annual Report and financial statements for the years ended 31 December 2023 and this addendum to the Annual Report to comply with the Guidelines for Disclosure and Transparency in Private Equity.