Capita

Enabled by technology

Powered by people

2025 Full Year Results

March 2026

2025 results video

To view this video online please visit: https://capita.wistia.com/medias/xlxjteb8da

CEO
Adolfo Hernandez

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Capita

BETTER

Technology | **Efficiencies** | **Delivery** | **Company**

Business Processes

Growth

- Improved financial performance
- Clarity on what Capita is famous for
- Workforce equipped for change
- Delivering value to customers, employees and shareholders
- Innovation for better outcomes

2025 Summary

Significant progress made in 2025, moving forward a stronger, simpler Capita

BETTER

Technology	• Launch of **Capita AI Catalyst Lab and Catalyst Stack**, delivering efficiencies and innovative customer solutions with **humans in the loop** • We have moved over **60% of our revenue** to be served from public cloud • Growing our presence with significant **investment from hyperscaler partners** • **300** AI agents live across Group; increasing productivity
Efficiencies	• **£250m annualised cost savings** delivered; operating margin **+140bps to 5.2%** Reinvested £50m to **future proof** business • **Cost consciousness** and **transformation muscle** as we become a leaner organisation
Delivery	• cNPS improved to **+31** (2024:+28), highest since first measured in 2018 • Total contract value won **up 36%** to over £2.0bn • **Legacy issues resolved:** ICO settled and hand back for final closed book Life & Pensions contracts agreed
Company	• Employment engagement **consistent at 63%** (2024: 64%) • **Launched refreshed values**, building a cost disciplined high performance organisation • Launched **Capita 500** leadership programme and invested in our people • **Positive free cash flow** from end 2025 delivered; expect positive FY26

Financial Review

2025 Performance

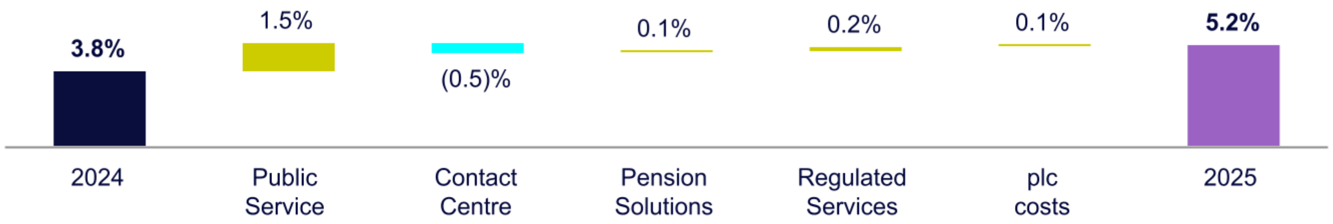
All figures included within this presentation are on an adjusted basis unless otherwise stated

CFO
Pablo Andres

Financial highlights

£m	2025	2024	Change
Revenue	**2,199.5**	2,225.7	(1.2)%
Operating profit	**113.5**	84.6	34.2%
Operating margin	***5.2%***	*3.8%*	*140bps*
Profit before tax (PBT)	**74.5**	40.5	84.0%
Earnings per share (EPS) (pence)	**49.7**	1.6	n/a
EBITDA	**188.0**	169.0	11.2%
Operating cash flow	**139.7**	82.8	68.7%
Cash conversion	***74.3%***	*49.0%*	*25.3%*
Free cash flow	**(54.0)**	(110.9)	51.3%
Net debt[1]	**(461.6)**	(415.2)	(46.4)
Net financial debt (pre-IFRS 16)	**(143.4)**	(66.5)	(76.9)

Operating margin bridge



1. Net debt includes £143m of financial debt, £318m IFRS 16 leases, and excludes £97m lease receivable asset

Significant improvement in profit and cash

Good revenue growth in Public Service and Pension Solutions, offset by 17.5% decline in Contact Centre

Strong increase in operating profit driven by improved contract performance in Public Service and in-year benefit from the £250m cost reduction programme

Profit before tax increase reflects the flow through of operating profit and lower finance costs

Improved cash conversion in line with expectations

Free cash outflow includes £53m of restructuring costs and £14m settlement with the Information Commissioner's Office (ICO). This excludes £13m outflow in closed book Life & Pensions business which has moved to business exits

Net financial debt to EBITDA ratio (both pre-IFRS 16): 1.0x at 31 December 2025

Adjusted to reported reconciliation

£m	2025	2024	Change
Adjusted profit before tax	**74.5**	**40.5**	**34.0**
Business exits	(101.6)	180.4	(282.0)
Impairment of goodwill	(73.7)	(75.1)	1.4
Cost reduction programme	(56.1)	(27.9)	(28.2)
Cyber incident	(15.9)	(1.0)	(14.9)
Other[1]	1.9	(0.3)	2.2
Reported (loss)/profit before tax	**(170.9)**	**116.6**	**(287.5)**

Reported loss driven by business exits and cost reduction programme

Business exits in 2025 primarily consists of closed book Life & Pensions including costs associated with exit agreement for Royal London contracts. 2024 primarily reflects gains on disposal of Capita One and Fera

Goodwill impairment relates to Contact Centre business reflecting continued underperformance

Incurred £56m of costs in relation to cost reduction programme, in line with expectations

Cyber incident largely represents the £14m settlement with the ICO

1. Other includes net finance costs and amortisation of intangible assets

Cash flow

£m	2025	2024
EBITDA	**188.0**	**169.0**
Net of deferred income and CFA	(46.6)	(33.9)
Other working capital (including AR and AP)	15.8	(50.3)
Non-cash and other adjustments	(17.5)	(2.0)
Operating cash flow	**139.7**	**82.8**
Operating cash conversion	***74.3%***	***49.0%***
Pension deficit contributions	-	(6.3)
Cyber incident	(13.6)	(5.0)
Cost reduction programme	(53.2)	(44.5)
Cash generated from operations excluding business exits	**72.9**	**27.0**

Improved cash conversion

Net of deferred income and CFA reflects continuing net unwind of deferred income. 2025 reflects increased outflow within the Pension Solutions business, arising from investment on the Civil Service Pension Scheme (CSPS)

Improvement in other working capital includes favourable timing within Public Service, together with a continuing focus on cash conversion cycles across the Group

Non-cash and other adjustments include movement in provisions, and amendments and early termination of leases

Improved cash conversion in line with expectations

Cyber incident outflow principally £14m ICO settlement

Cost reduction programme outflow represents cost incurred to deliver £250m annualised savings across both years

Cash flow and net debt movement

£m	2025	2024
Cash generated from operations excluding business exits	**72.9**	**27.0**
Net capital expenditure	(46.2)	(49.3)
Interest/tax paid	(41.1)	(42.0)
Net capital lease payments	(39.6)	(46.6)
Free cash flow excluding business exits	**(54.0)**	**(110.9)**

£m	2025	2024
Net financial debt (pre-IFRS 16)	**(143.4)**	**(66.5)**
Lease liability	(318.2)	(348.7)
Net debt	**(461.6)**	**(415.2)**
Lease receivable	96.6	95.7
Net debt including lease receivable	**(365.0)**	**(319.5)**

Improving operating and free cash flow performance

Capital expenditure reflects continued investment in our contract delivery with new technology solutions and cyber capabilities

Reduction in net capital lease payments from ongoing property portfolio rationalisation

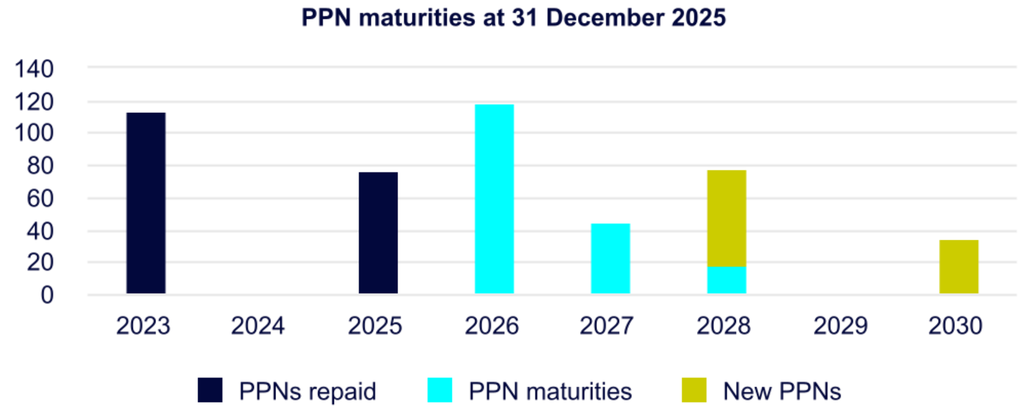
Free cash flow excludes £13m outflow in closed book Life & Pensions business which has moved to business exits

Free cash flow to be positive in 2026 reflecting non-recurrence of cost reduction programme and ICO settlement

Net debt includes £143m of financial debt, £318m IFRS 16 leases, and excludes £97m lease receivable asset

Liquidity & net debt

£m	2025	2024
Revolving credit facility (RCF)	**250.0**	**250.0**
Less: drawing on committed facilities	-	-
Available committed facilities	**250.0**	**250.0**
Net cash less restricted cash	79.4	147.2
Total liquidity	**329.4**	**397.2**



PPNs are net of swaps

Strong liquidity position

RCF extended in July to 31 December 2027 and amended to include a £50m accordion option, facility undrawn at year end

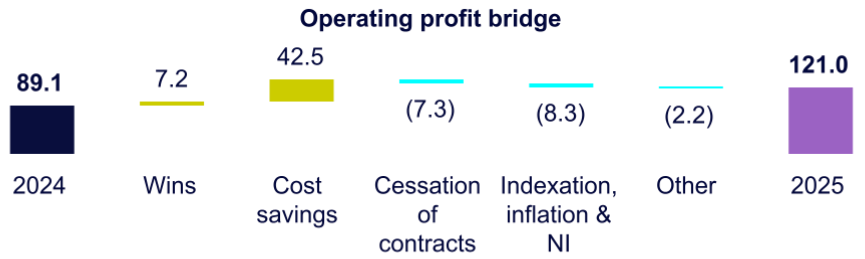
£75m additional committed financing facility entered into in February 2026. Expires after 18 months

In March 2025 issued £94m equivalent of US private placement notes (PPNs)

Net financial debt to EBITDA ratio (both pre-IFRS 16): 1.0x at 31 December 2025 (2024: 0.5x)

Capita Public Service (66% of Group revenue)

£m	2025	2024	Change
Revenue	**1,450.0**	1,387.2	4.5%
Operating profit	**121.0**	89.1	35.8%
Operating margin	*8.3%*	*6.4%*	*190bps*
EBITDA	**152.2**	125.6	21.2%
Operating cash flow	**135.0**	92.1	46.6%
Cash conversion	*88.7%*	*73.3%*	*15.4%*



Strong growth in revenue, margin and cash

Revenue +4.5%

Benefit from Health Assessment Advisory Service win and Disabled Students Allowance contract

Growth on the Transport for London contract, including opening of Silvertown Tunnel

Scope expansions on Royal Navy Training and extension of Primary Care Support England contract

Partly offset by flow through of prior year contract losses

Operating margin +190bps

Net benefit from the revenue flow through on new and expanded contracts

Material savings delivered through the cost reduction programme

Partly offset by continued reinvestment in technology solutions and a £9m impact from the National Insurance increase

EBITDA and cash conversion

Strong cash conversion with favourable timing on receipts at year-end

Capita Public Service

Key achievements in 2025…

Execution

Won the Digital Marketing Grand Prix Award for the You Belong Here campaign, which has reversed a 5 year decline in Army applications

Our Health Assessment Advisory Service (HAAS) team marked its one-year anniversary - delivering nearly 500,000 assessments

Growth

Total contract value (TCV) won of nearly **£1.2bn**

In 2025, Public Service sold 103 deals (>£1M TCV) that had ‘native’ or ‘agentic AI’ embedded in our solution, representing 62% of deals sold, including incremental AI, this is 82%

Unweighted pipeline of c£18bn, more than doubled across 2025

Delivery

cNPS increased nine points to +37

Partnered with Kings Charity and Business in the Community to deliver job coaching programmes - supporting vulnerable individuals to overcome employment barriers.
Successful testing of internal agentic capabilities

KPI performance consistent at **93%**

Efficiency

Worked with Snowflake to unify fragmented data and transform citizen experience in contact centres

Consolidated and optimised **divisional growth function**

Technology

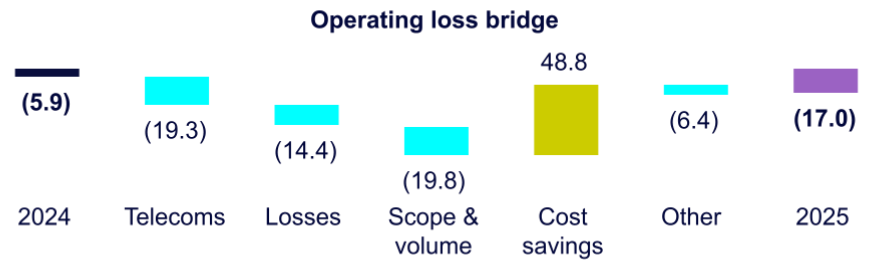
Several examples from **Capita AI Catalyst Lab live** across the division

Silvertown and Blackwall tunnel scheme go live with Transport for London

Deployment of **agentic assistants across the Health Assessment Advisory Service and Transport for London** contracts

Capita Experience – Contact Centre (24% Group revenue)

£m	2025	2024	Change
Revenue	**536.7**	650.9	(17.5)%
Operating loss	**(17.0)**	(5.9)	(188.1)%
Operating margin	*(3.2)%*	*(0.9)%*	*(230)bps*
EBITDA	**16.3**	34.3	(52.5)%
Operating cash flow	**6.7**	0.1	n/a
Cash conversion	*41.1%*	*0.3%*	*40.8%*



Revenue reduction partially offset by cost savings

Revenue (17.5)%

Reduction in revenue reflects lower volumes and offshoring, primarily within the Telecommunications vertical, and contract losses

Total contract value won of £717m including the BBC contract extension

Operating loss £17.0m

Impact of lower revenue

Partly offset by savings delivered through the cost reduction programme

Scope and volume includes lower levels of project work

Other includes rise in National Insurance and reinvestment

Operating loss includes c.£15m of costs in respect of under-utilised property and c.£10m loss from German business

EBITDA and cash conversion

Improved conversion due to timing of key receipts and phasing of supplier invoicing

Cash flow includes c.£20m outflow on under-utilised properties and c.£8m cash outflow from German business

Capita Experience – Pension Solutions (9% Group revenue)

£m	2025	2024	Change
Revenue	**187.0**	179.0	4.5%
Operating profit	**29.9**	28.1	6.4%
Operating margin	*16.0%*	*15.7%*	*30bps*
EBITDA	**37.4**	34.1	9.7%
Operating cash flow	**18.4**	33.3	(44.7)%
Cash conversion	*49.2%*	*97.7%*	*(48.5)%*

Increased digital investment in Civil Service Pension Scheme

Revenue +4.5%

Benefit from indexation and extensions on our existing contracts

Contract bid win rate of 96% and total contract value won of £150m

Operating profit +30bps

Flow-through of revenue benefit

Savings delivered through the cost reduction programme

Reduced interest income to £17m, due to lower UK interest rates (2024: £22m)

EBITDA and cash conversion

Operating cash flow includes investment in contract fulfilment assets for CSPS of £26m

Cash conversion reduction reflects investment in CSPS and delay of a milestone payment

2026 outlook

Revenue

- **Group:** low single digit revenue growth:
  - **Public Service:** low to mid-single digit revenue growth driven by mobilisation of new contract wins partially offset by contract exits
  - **Contact Centre:** mid to high-single digit revenue reduction reflecting continued contract losses, reduced volumes and offshoring activities
  - **Pension Solutions:** mid-teen revenue growth driven by annualised impact of CSPS win and continuation of Teachers Pension Scheme contract which we expect to hand back in the next year
  - **Regulated Services:** expected decline driven by non-repeat of one-off benefit in the Mortgage Software business

Operating margin

- **Group:** small reduction reflecting continued challenges in Contact Centre business
  - **Public Service:** operating profit consistent; margin impacted by contract mobilisation costs associated with Synergy win
  - **Contact Centre:** reduced operating loss, improving trend expected in H2
  - **Pension Solutions:** reduction in operating profit reflecting mobilisation costs on CSPS
  - **Regulated Services:** expected to be breakeven reflecting non-repeat of one-off benefit in the Mortgage Software business

Free cash flow

- Positive free cash flow excluding business exits of between £20m – £40m, reflecting non repeat of cost reduction programme spend and ICO settlement
- Cash conversion of 70% to 80%

Net debt

- Broadly aligned with 2025, reflecting positive free cash flow offset by business exit cash outflows, predominantly closed book Life & Pensions

Phasing

- Revenue growth weighted to second half of the year with small decline expected in H1
- Margin benefit expected in second half, reflecting revenue growth phasing and reducing mobilisation costs on CSPS
- Free cash flow weighted to second half of the year, in line with growth in Group margin

CEO
Adolfo Hernandez

Building long term value for a BETTER Capita

Done Ongoing

Future Growth

Future state operating model

Innovation & ways of working to launch and scale solutions

Cost & EBITDA transformation to fund the journey

- (Done) **Comprehensive cost out program** transforming how we operate, organise and deliver
- (Done) Delivered annualised cost savings of £250m and **built transformation muscle** supporting continuous discipline
- (Ongoing) Generate cash for the organisation to **invest for the future**

- (Done) AI and Product organisation **systematically deploying disruptive tech – hyperscaler partners; AI Catalyst Lab, AI Catalyst stack, combined with Human in the Loop**
- (Ongoing) **Launching and scaling first AI solutions** with customers
- (Ongoing) **People Strategy** to support vision - increased accountability, innovative culture, sales effectiveness

- (Ongoing) **Developing a future state operating model:**

  - *Simplified*
  - *Agile*
  - *Automated*
- (Ongoing) **Blueprint for Agentification of Capita** *(internally & customers)*

- (Ongoing) **Transform way BPO operates** in public and private sector
- (Ongoing) **Trusted sovereign partner to regulated & public industries** in capturing benefits from Agentic AI

Now a leaner organisation

Well progressed in vision to be the first AI led BPO

Improved margin and free cash flow

Focus on delivering greater value from Contact Centre

Highest ever Group cNPS; improving win rates and £19.8bn unweighted pipeline

Our strategy is to be the first AI-led business process outsourcer

AI-enabled services as share of total European BPO market[1]

2025

c.£50bn

c.£10bn

c.£40bn

AI driving disruption in public and private sectors

Services not AI-enabled

AI-enabled services

2027

c.£55bn

c.£30bn

c.£25bn

Significant growth in middle and back office

- Growing technology and AI adoption requirements
- Public Sector: AI to deliver better services & front-line productivity
- Private Sector: AI efficiencies & better customer engagement
- Skills challenge for adoption
- Market disruption provides an entry point to AI native, process first companies like Capita

- Current data maturity needs to improve
- Fragmented offering of technology offerings
- There is an opportunity / requirement to inject AI into current service to improve value
- Significant opportunity in middle and back office – front office an enabler and entry point in some cases

Market size includes public and private BPO sector, excluding IT managed services & consulting

1. AI-enabled services assuming a component of AI infused into service (not exclusively AI); assumed client adoption & avg. renewal rate: Public sector: 30-40% (every 5 years) Private sector: 40-60% (every 1.5 years) | Source: Gartner; IDC; Market participant interviews

Capita’s Competitive Advantage

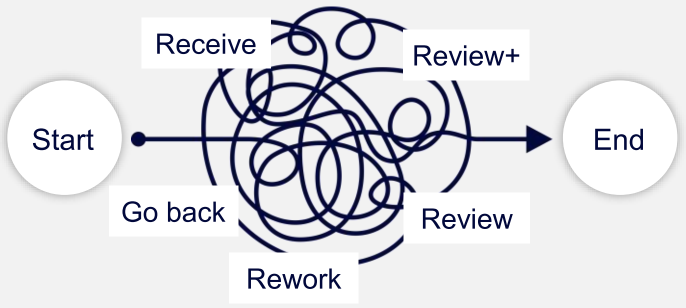
We don't build the engines; we pilot them

We understand our customers’ **process complexity** and dependencies

Process Expertise...

THEORY

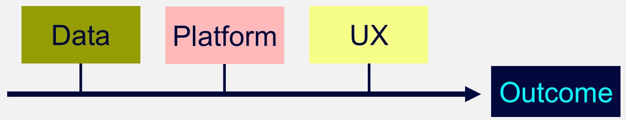
REALITY



We **orchestrate across silos** and systems to deliver outcomes

...plus Process Orchestration...

THEORY



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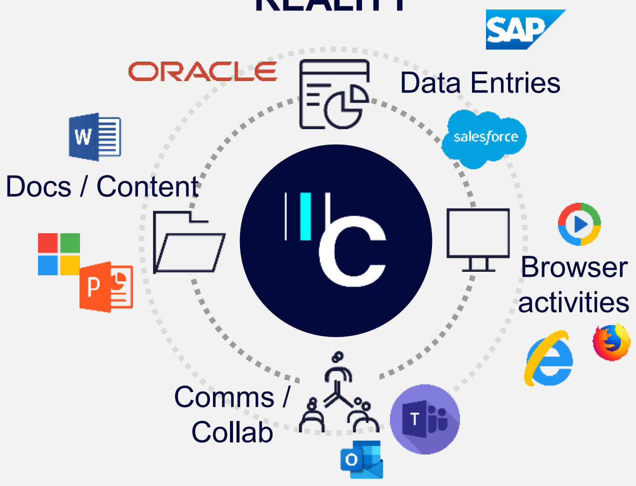
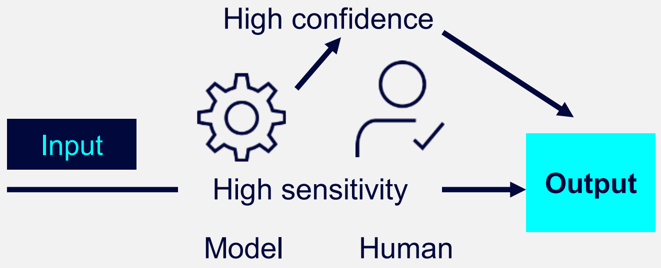
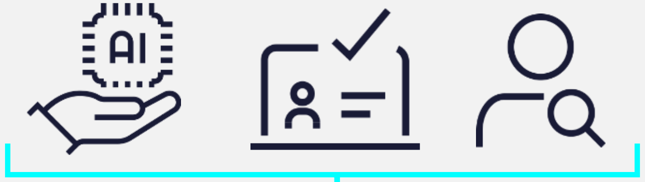


We deploy fully integrated teams with **trusted** domain + process expertise

...delivered with Human expertise in the loop





Delivering trusted outcomes in regulated industries

Capita position as the Orchestrator to deliver "managed outcomes"

- Deep understanding of BPO processes
- Highly trained AI proficient professionals
- Proprietary data and data about processes

Capita → Delivering managed outcomes for customers using global AI infrastructure

Applications	Oracle, Salesforce, Amazon Connect, ServiceNow, SAP	~$280bn Est. global rev for Gen AI and AI-centric software in 2027
Platforms	Microsoft, Salesforce, Google Cloud Platform, Amazon Bedrock	~$20-30bn Est. global rev for AI platform software in 2023
AI models	Anthropic, OpenAI, 350K+ LLMs	~$20-30bn Est. investment raised by Gen AI companies in 2023
Data layer	databricks, Palantir, snowflake	~$260bn Est. global rev. for big data & business analytics (BDA) solutions in 2022
Computing infrastructure	aws, Azure, Google Cloud Platform, Oracle Cloud Infrastructure	~$590bn Projected data center capex in 2025
Chip processing	NVIDIA, AMD, aws, intel	~$600-700bn Capex in global semiconductor industry, 2019-2023

800 other agentic AI startups worldwide

Source: Goldman Sachs; NVIDIA CEO keynote (March 2025); Del'Oro; International Data Corporation (IDC); CNBC; BCG analysis.

Capita – the "last mile" partner for hyperscalers

STRATEGIC THEMES

Disciplined Execution

Multi-year commercial agreements generating leverage – enabling Capita to negotiate from a position of scale rather than deal-by-deal

AI-Led Operational Efficiency

AI overlay on high-volume, rules-based public sector workflows is a replicable pattern across Capita's contract base – not a one-off

AI Capability Building – Unique among BPOs

Accelerating Capita's accreditations with Microsoft, AWS, Salesforce, Snowflake, and Databricks in Data & AI, Security, Digital App Innovation, and Service Delivery. We are up-skilling our process experts to maintain service continuity for our clients

Data Platform Co-investment

Co-developing Foundational, Secure, BPO – ready Data Platforms with the top Data Platform ISVs – Snowflake and Databricks

PARTNER ACHIEVEMENTS

Microsoft – "Capita is among the top 3% of Agentic Enterprises worldwide"

- Massive adoption of Copilot internally: 500K Copilot interactions monthly Strategic partnership: Offering Copilot enablement to our customer base using our Customer Zero experience
- **Growth: £2bn of joint pipeline**

Salesforce – Capita EMEA launch partner for Agentforce

- First BPO globally to run Agentforce in live operations
- Established Mulesoft as agentic orchestration layer so we can operate across hyperscaler ecosystems
- **Growth: £1.4bn of joint pipeline**

Snowflake

- Citizen Contact joint solution launched with 17 live client contracts
- Improved call handling and volume prediction

AWS – Capita is the only EMEA BPO for AWS' AI services launch

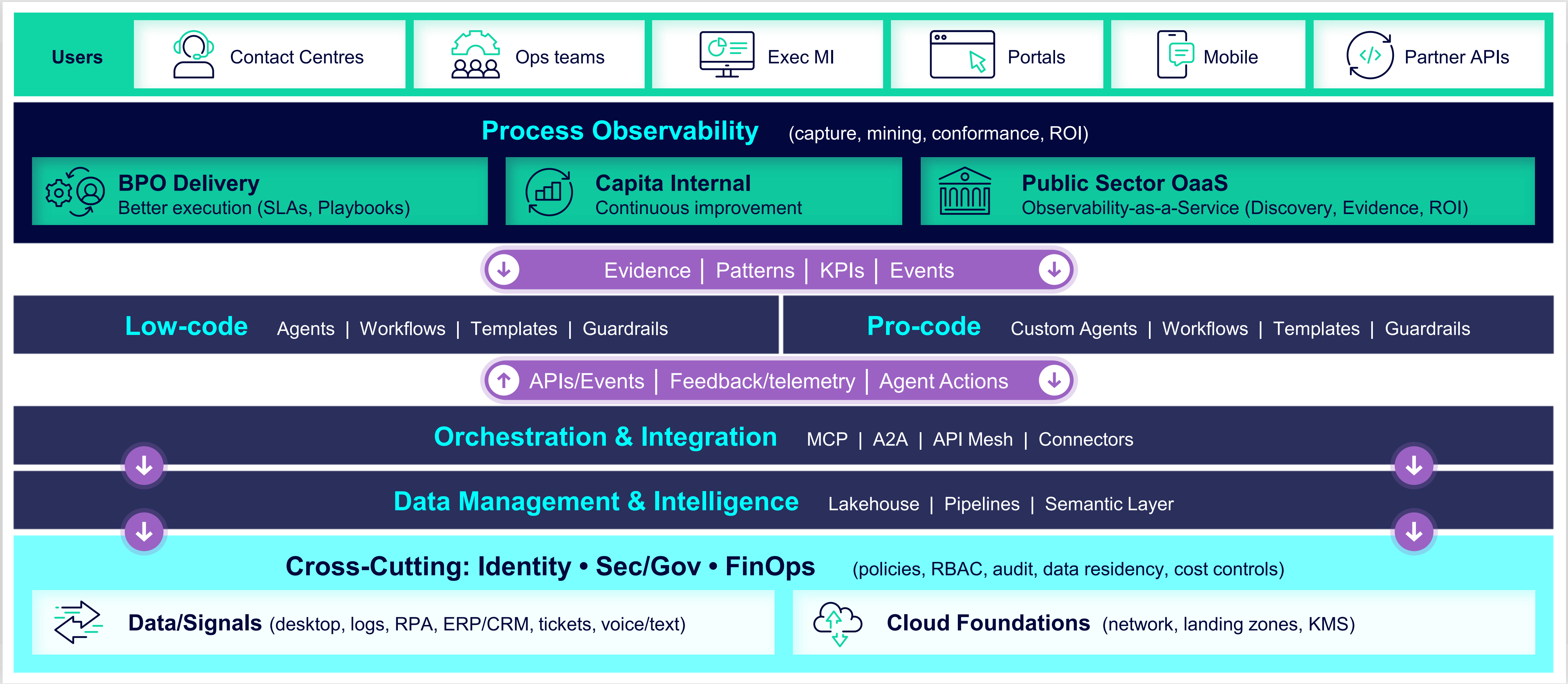
- At scale migration to Amazon: Over 100 Capita managed customers successfully migrated to Amazon Connect
- Already delivering proof of value in Public Sector Contracts by reducing Average Handling Time and quadrupling throughput
- **Growth: £1bn of joint pipeline**

Databricks

- 37 use cases covering all aspects of business & contract management now supported on the platform
- 1,000 secure and well governed data sets available from across Capita

Capita AI Catalyst Stack - “Process First” Agentification Engine

Integrated platform leveraging hyperscaler partners' technologies to automate business processes, combining process observability, rapid AI build and deployment, secure orchestration, and trusted data management.



AI Catalyst Lab: Our people driving rapid innovation

12+ solutions delivered YTD, 400+ ideas,
30+ propositions in validation and build phases

- Customer & citizen requirements
- 'Art of the Possible' shaping
- Market Trends
- Process mapping / gap analysis
- Other ideation from across the organisation

CATALYST LAB

Validation, prioritisation and productisation

- Innovation Workshops
- Demos / vibe-coding
- Product Design / Resourcing
- Document Validation & Fraud Detection
- Automated Recruitment
- AI-powered Intelligent Mailrooms & Document Processing

- Solutions for customers with tangible impacts on citizens
- Solutions tested by Capita as Customer Zero

Select examples of Catalyst Lab engagements for AI-powered solutions:

Fire Risk Assessment, assurance and compliance assessments driving innovation with clients in Defence and National Preparedness vertical of Public Service

Increasing army recruitment through AgentForce and driving efficiencies in medical screening

More functional assessments to be processed with Central Government clients

Decrease time to resolution on Disability Student Allowance contract

Partner for transformation strategy across front, middle, and back office for Local Councils

AI Agents in Capita

In EVERY function and virtually EVERY type of customer

300+ Active Agents across the Group	**56** Customer Deployed Agents	**22,000** hours saved per week	Majority of Pipeline includes **AI Delivery**	**Over 2/3** of 2025 Revenue AI Enabled

AI-powered Case Management with Human in the Loop Assurance

Lego block modularity to address any use case and market

	Front office	Middle office	Back office
AI Capabilities	**AgentSuite** Real-time AI for Customer service employees >20% reduction in average handling time	**Evidence Manager** Automatically identifies evidence fraud	**Finance Automation** Automation of 27 accounts payable processes exported to customer contracts
	Citizen Contact AI agents to manage omnichannel communications across multiple councils in the UK	**AI-powered Recruiting/Agentforce** E2E digitalisation of recruiting workflow (19,000+ candidates)	**Invoice Processing** Time to process reduced from hours to seconds
	Customer Service Optimisation Unifying 500+ reports in a contact centre to deliver cost saving actionable insights	**Case Summarisation** Generates actionable summaries to professional assessors	**Audit Agent** Intelligent identification of concerning errors and omissions
Live Deployments	**Transport** AI-powered discount verification system for new tolling scheme (90% reduction in cost to service)	**Fire Risk Assessment** Tripling the throughput of building fire risk assessment	**Local Government aged debt** Alleviate councils' financial pressure by collecting aged debt (outcome-based win-win proposition)

Value Creation of Capita’s evolution to AI enabled BPO

	Traditional Capita	New Capita: AI enabled BPO Agentic AI + Human Coordination = Exponential Value	BETTER
Pricing model	**FTE-Based:** Revenue tied directly to headcount and labour hours	**Outcome-Based:** Decoupled from headcount; captures the full value of AI productivity and human in the loop	EFFICIENCIES
Capital intensity	**High Opex:** Huge spend on human labour, recruitment, and facilities	**Minimal Capex:** "Hyperscaler-only" strategy; reuses leading global AI infrastructure on pay per use basis	TECHNOLOGY
Workflow strategy	**Manual:** Human-led processes that are difficult to scale or standardise	**Legacy-Agnostic:** Agents operate above legacy software, treating them as data repositories	EFFICIENCIES
Technology moat	**None:** Limited proprietary tech; third-party tools and human effort	**Telemetry of Work:** Proprietary insight into the "heart and lungs" of complex, regulated customer processes	DELIVERY
Market position	**Commodity:** A "race to the bottom" as simple tasks are automated	**Human in the Loop:** Skilling up colleagues/ agentification of processes orchestrated in a trusted and auditable way	COMPANY

Better Delivery

Improved go to market strategy driving growth of order book, more wins and effectiveness

Customer net promoter score
+31 points
2024: +28 points

Total contract value secured increased
36%
to over £2bn

Unweighted pipeline significantly improved at
£19.8bn
2024: £11.1bn

Group book to bill improved to
0.9x
2024: 0.6x

Growth Achievements

£750m TCV
secured by CPS in mid sized contracts following renewed focus on this size

Win rate improved to **64%** up from 32% across Group

Continued growing interest and demand for agentic AI solutions across all divisions

2025 wins

Royal Navy
HSE
Ministry of Defence
BBC
Southern Water
Kent County Council

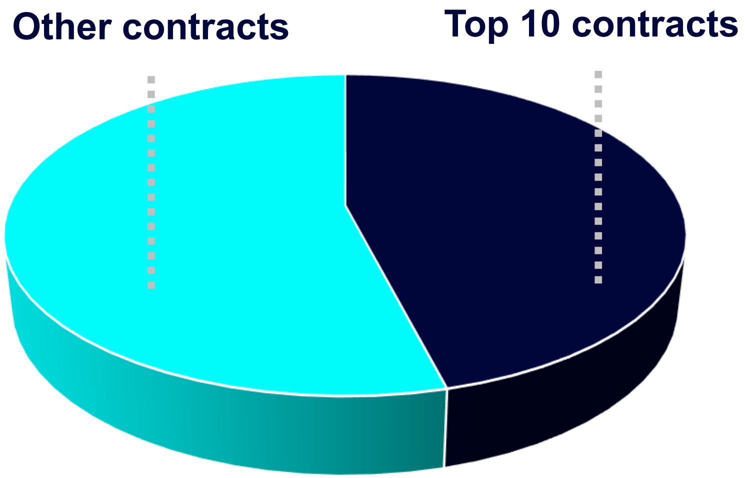
Pipeline opportunities for 2026

Transport for London
NHS England Primary Care Support England
British Gas
Major renewal in Pensions worth £137m
Department for Work & Pensions

Better Delivery

Revenue well diversified on loyal customer base

Group revenue distribution 2025

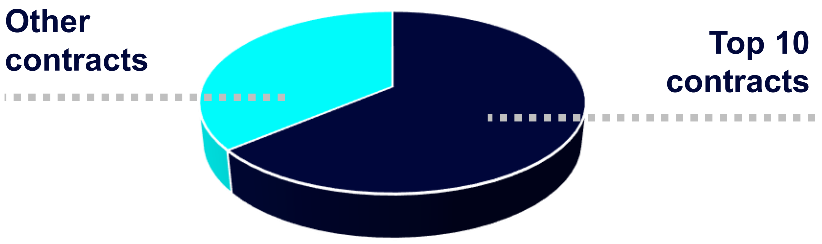


Within top 10 contracts, 70% are relationships held for over 10 years

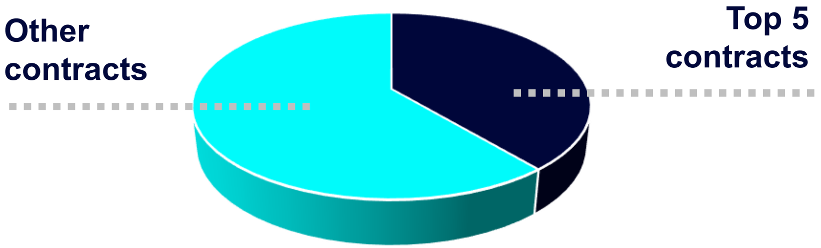
Broad based contract portfolio with sector strengths and expertise

High % contract renewal – contract length not a strong indicator of actual relationship time – reality is many customers for many years

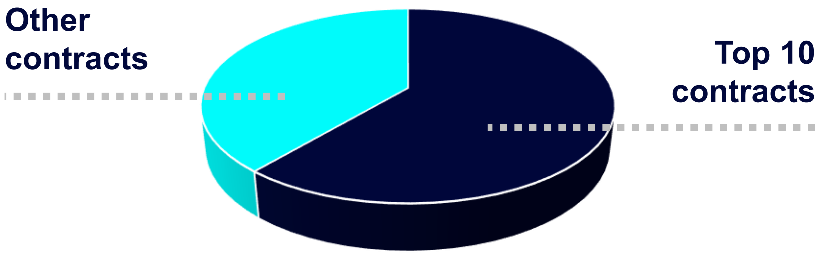
Public Service revenue distribution



Pension Solutions revenue distribution

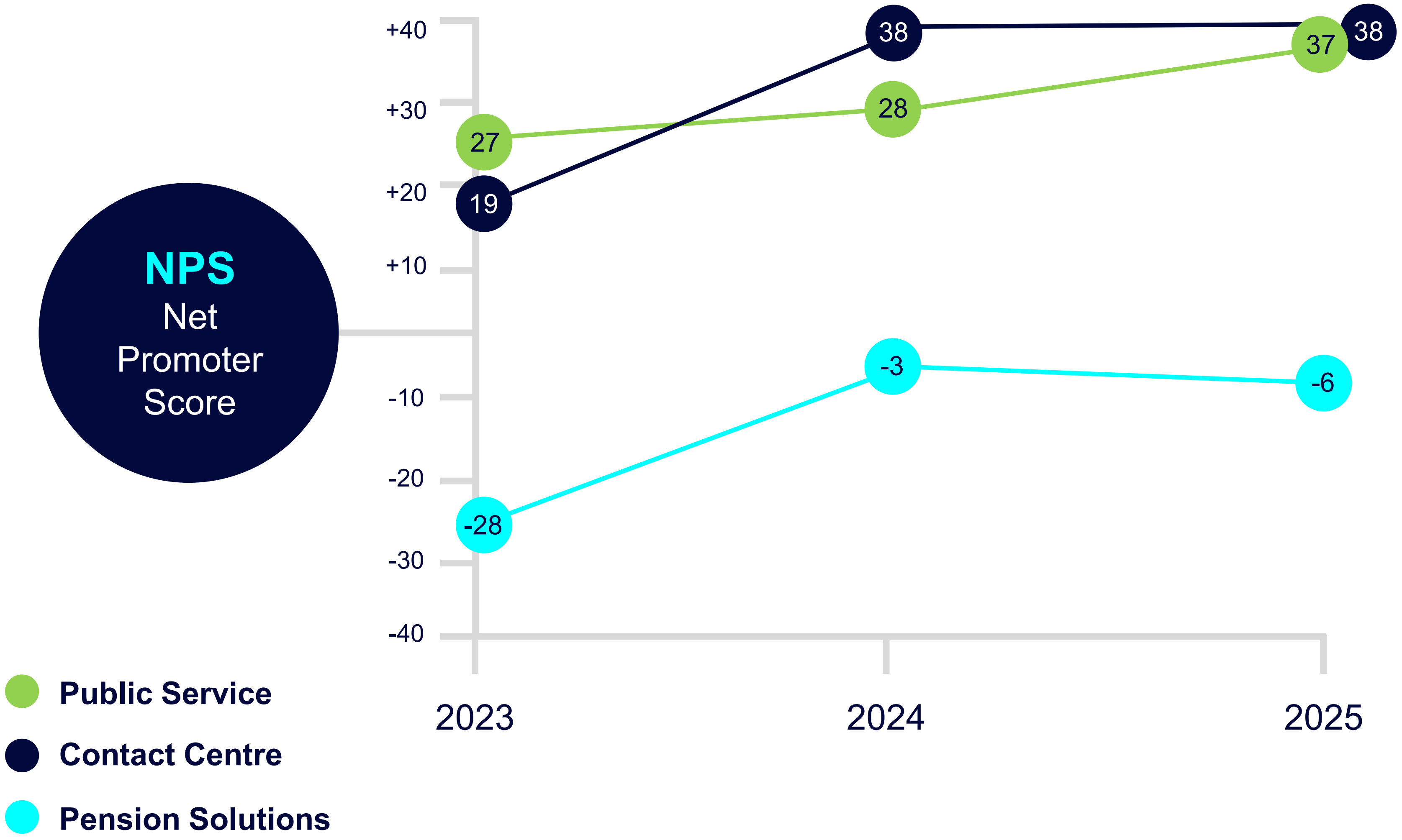


Contact Centre revenue distribution



Better Delivery

Improving our customer sentiment supports future growth



Key drivers:

- Strengthened value proposition and offerings around innovation and leverage of AI/Data solutions with hyperscalers
- Renewed focus and streamlined customer processes
- Expert domain knowledge on customer processes
- Organisational simplification putting customers closer to delivery

Civil Service Pension Scheme Recovery

Clearing backlog and expect to be back to normalised performance levels by end of June

December 2025

Capita assumed administration of the Civil Service Pension Scheme, one of the largest pension schemes in the UK and highly complex

January 2026

Service inherited in a distressed operational state;

86,000
Open cases

12,000
members owed payments

c.20 million
lines of corrupt data

February 2026

Joint recovery plan implemented prioritising cases with the highest potential member detriment

c.300
combined Cabinet Office and Capita surge staff deployed

March 2026

By end February, multiple case groups returned to / are approaching **normalised performance levels**

April – June 2026

CSPS expected to return to service level standards for members by end of June

Better Company

Responsible Business underpinned by refreshed values

63%

employee engagement
(2024: 64%)

260,000

hours colleague training completed across the Group

+11

point improvement in employee net promoter score to -22

445

enrolled and completing AI apprenticeships with Multiverse

Launched Capita 500 leadership programme

Group 12-month voluntary attrition at 17% (2024: 22%)

Our values:

1. **Customer first, always**
   We prioritise our customers in everything we do, working hard to exceed their expectations with exceptional service

2. **Fearless innovation**
   We love bold ideas and adopt the best solutions to continuously improve, working at pace to serve our customers and communities better

3. **Achieve together**
   We believe in the power of collaboration and being open, working together, holding each other to account to reach our shared goals

4. **Everyone is valued**
   We create a welcoming and inclusive environment where everyone feels valued and empowered to succeed

Purpose

Creating better outcomes

Vision

Capita - the leading AI enabled Business Process Outsourcer

Strategy

Unlocking Value Together

- **Better Technology**
- **Better Efficiencies**
- **Better Delivery**
- **Better Company**

Strategic initiatives

- Technology and AI Driven Transformation
- Financial Strength and Value Creation
- Operational Efficiency and Cost Discipline
- Strategic Growth and Market Positioning
- Responsible Business
- People, Culture and Capability

Values

- **Customer** first, always
- Fearless **innovation**
- **Achieve** together
- Everyone is **valued**

Q&A

Capita

Appendix

2026 modelling assumptions

Depreciation & amortisation	Broadly in line with 2025. Total charge c.3.5% - 4% of revenue
P&L interest	Broadly in line with 2025
Working capital	Broadly in line with 2025
Non-cash and other adjustments	Reduction from 2026, reflecting non repeat of one-offs in 2025
Cash tax	Broadly in line with 2025
Net capital lease payments	Continued reduction in 2026 reflecting reductions in property footprint. Interest on lease liabilities included in both P&L and cash interest
Capex	Reduced investment reflecting our hyperscaler and cloud-based strategy Total spend: £40m to £50m
Cash interest	Broadly in line with 2025

Divisional overview

£m	Public Service		Contact Centre		Pension Solutions		Regulated Services		plc		Group	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Revenue	**1,450.0**	1,387.2	**536.7**	650.9	**187.0**	179.0	**25.8**	8.6	**-**	-	**2,199.5**	2,225.7
Operating profit/(loss)	**121.0**	89.1	**(17.0)**	(5.9)	**29.9**	28.1	**5.4**	1.3	**(25.8)**	(28.0)	**113.5**	84.6
Operating margin	*8.3%*	*6.4%*	*(3.2)%*	*(0.9)%*	*16.0%*	*15.7%*	*20.9%*	*15.1%*	-	-	*5.2%*	*3.8%*
EBITDA	**152.2**	125.6	**16.3**	34.3	**37.4**	34.1	**5.7**	1.3	**(23.6)**	(26.3)	**188.0**	169.0
Operating cash flow	**135.0**	92.1	**6.7**	0.1	**18.4**	33.3	**3.5**	(2.9)	**(23.9)**	(39.8)	**139.7**	82.8
Cash conversion	*88.7%*	*73.3%*	*41.1%*	*0.3%*	*49.2%*	*97.7%*	*61.4%*	*(223.1)%*	*(101.3)%*	*(151.3)%*	*74.3%*	*49.0%*

Key items by division:

- **Public Service** – revenue and profit growth driven by new and expanded contracts. Profit also reflects savings from the cost reduction programme offset by continued reinvestment in technology and £9m impact of National Insurance increase. Cash flow reflects favourable timing on receipts at year-end
- **Contact Centre** – reflects lower volumes and offshoring primary within the Telecommunications vertical and contract losses, partially offset by progress on cost savings. Improved cash conversion due to timing of key receipts and phasing of supplier invoicing. Cashflow includes c.£20m outflow on under-utilised properties and c.£8m outflow from German business
- **Pension Solutions** – benefit from indexation and extensions on our existing contracts, as well as savings delivered through the cost reduction programme, partially offset by reduced interest income. Cash flow reflects investment in Civil Service Pension Scheme (CSPS) and cash conversion reduction reflects investment in CSPS and timing of milestone payment
- **Regulated Services** – now excludes closed book Life & Pensions business following the exit agreed with Royal London. Improvements driven by a one-off benefit from a contract exit
- **plc** – improvement in profit reflects c.£5m one-off gain related to a sublease extension. Operating cash flow reflects savings made from the cost reduction programme and lower repayments against the non-recourse trade receivables financing arrangements during 2025

Capita Experience – Regulated Services (1% of Group revenue)

£m	2025	2024	Change
Revenue	**25.8**	8.6	200.0%
Operating profit	**5.4**	1.3	315.4%
Operating margin	*20.9%*	*15.1%*	*580bps*
EBITDA	**5.7**	1.3	338.5%
Operating cash flow	**3.5**	(2.9)	n/a
Cash conversion	*61.4%*	*(223.1)%*	*n/a*

One remaining business, Mortgage Software, being managed for value

Revenue +200.0%

Increase in revenue reflects a £19m one-off benefit arising from a contract exit

Operating profit £5.4m

£6m net benefit from termination fee received from contract exit

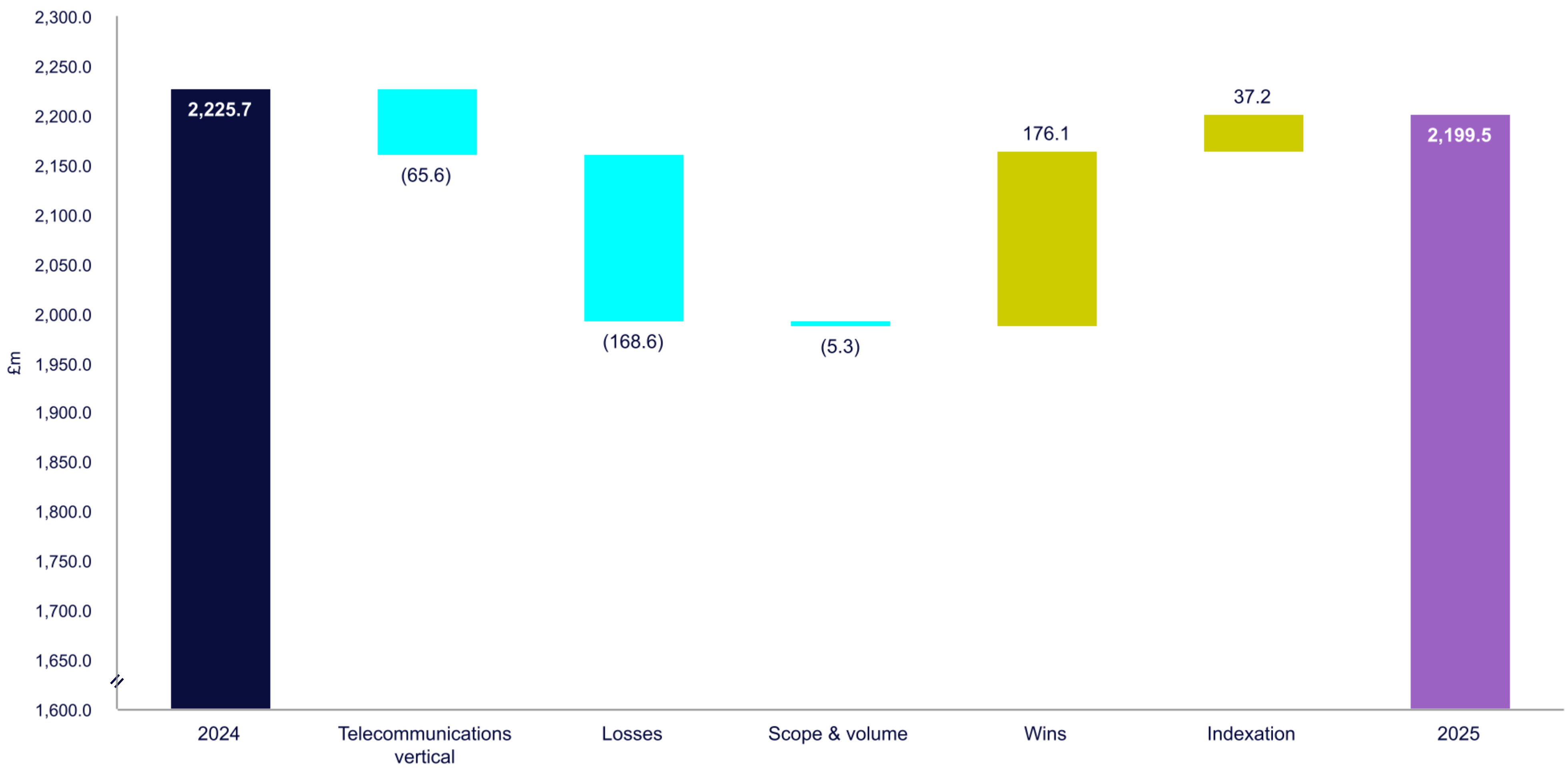
Savings delivered through the cost reduction programme

EBITDA and cash conversion

Improvement in operating cash flow reflects termination fee received from contract exit

Cash impact of savings delivered through the cost reduction programme

Revenue bridge by driver

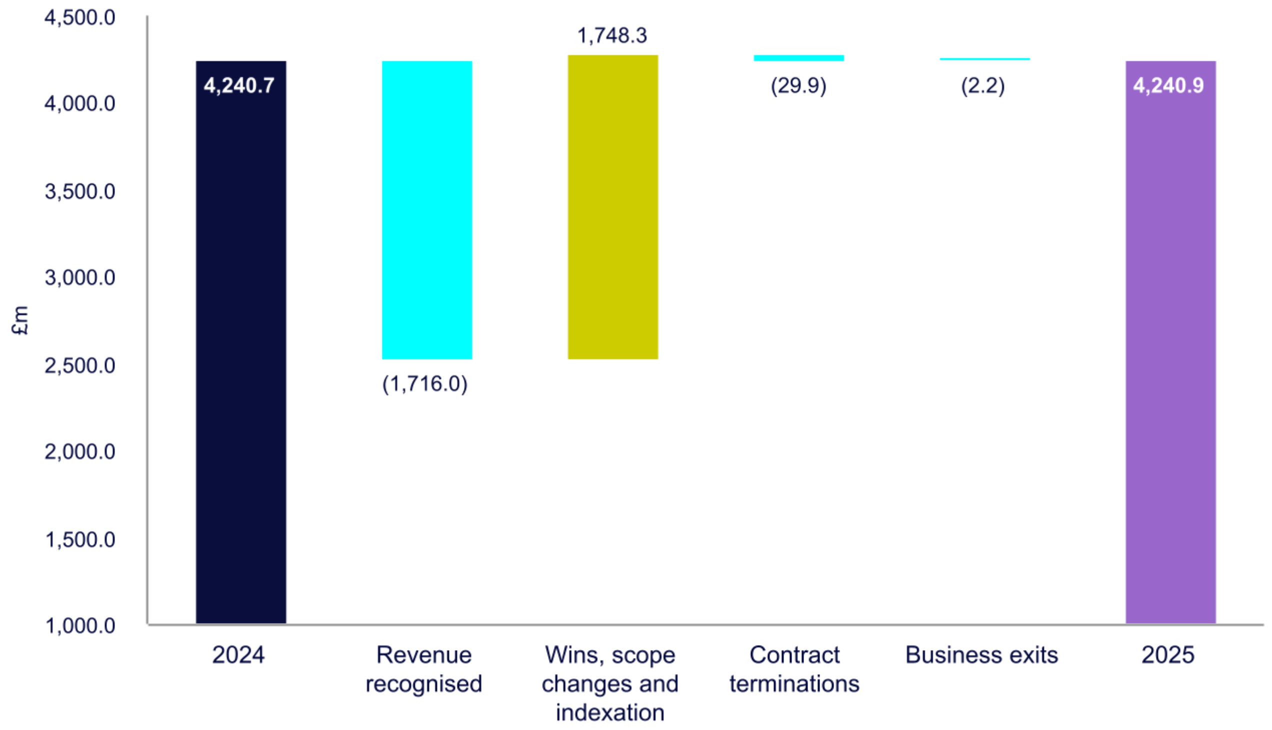


Order book[1] bridge

Relevant to approximately 78% of revenue base

Additions in 2025 include contract extensions with the BBC in Contact Centre, Education Authority Northern Ireland, Primary Care Support England, and expanded scope on the Royal Navy Training contract within Public Service, and extension of Royal Mail Statutory Pension Scheme contract in Pension Solutions

Terminations primarily represent a contract exit within Regulated Services



1. Order book represents the consideration which the Group will be entitled to receive from customers when the Group satisfies the remaining performance obligations in the contracts. Excludes non-contracted volumetric revenue and scope changes, contract extensions (unless pre-priced), revenue from frameworks and transactional businesses

Better Efficiencies

£250m cost savings achieved by the end 2025

£250m

annualised cost savings now delivered

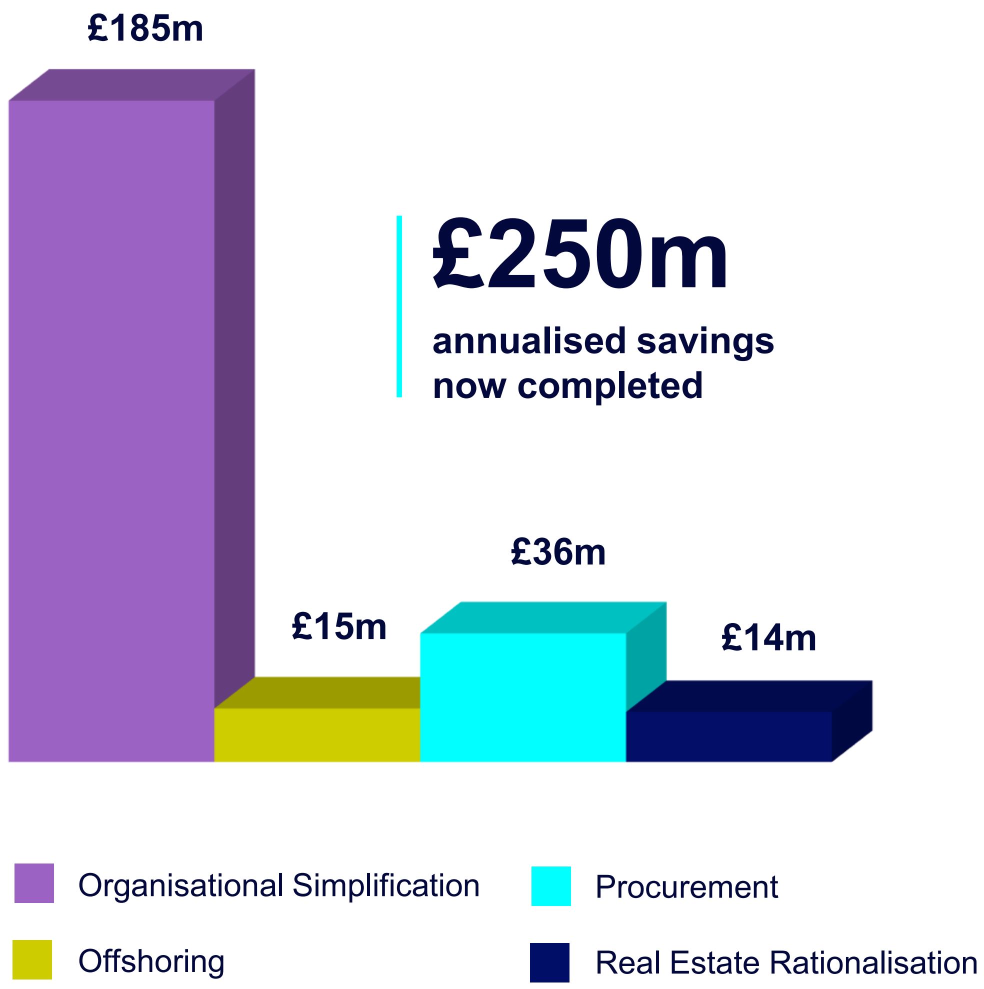
+140bps

improvement in operating margin in 2025

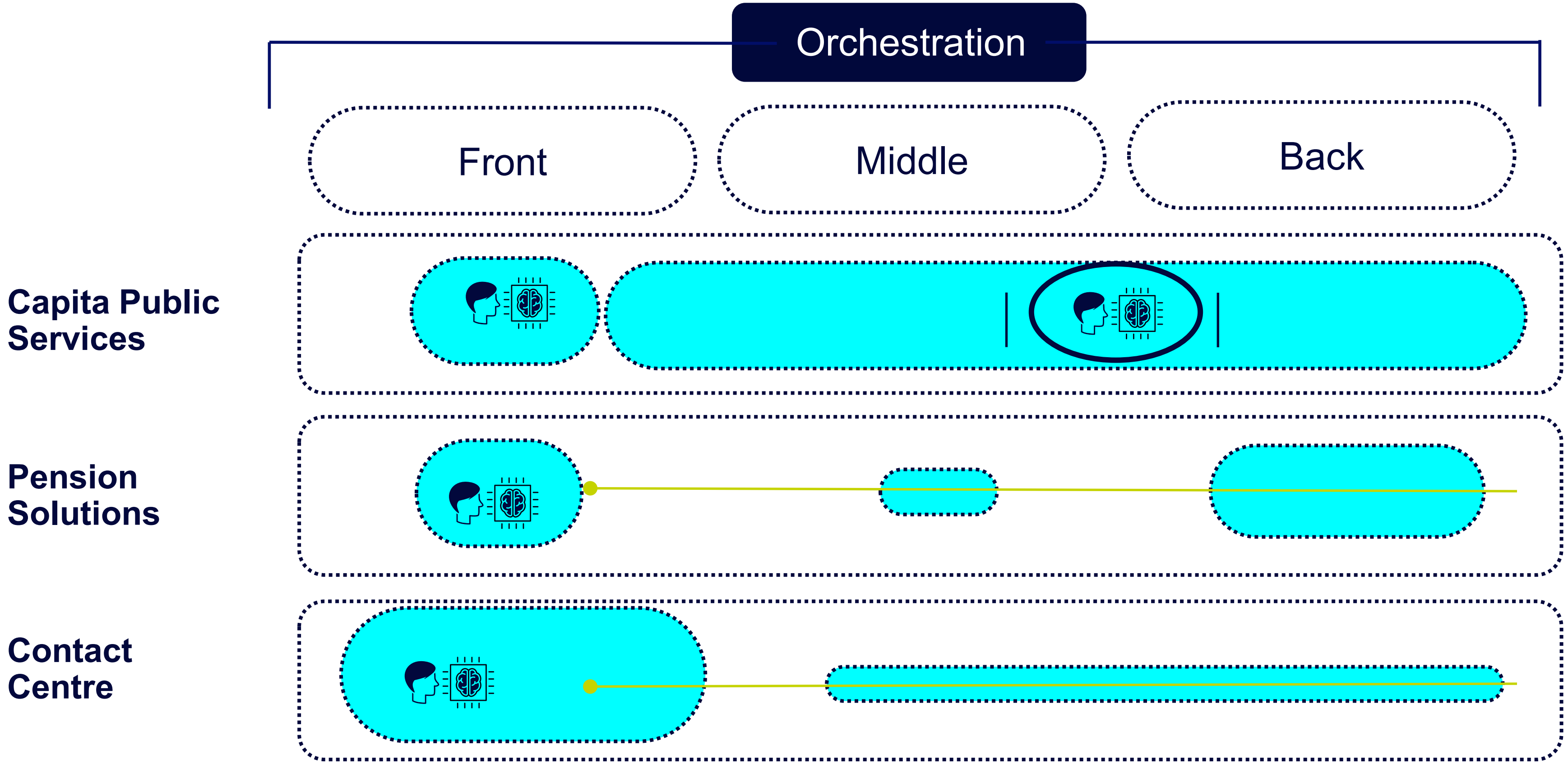
Savings continue to create space for reinvestment in our **technology offerings**

Maintaining cost discipline to ensure pricing competitiveness remains a **key focus**

Impact to date partly offset by contract losses and **lower volumes**



Deep understanding of customer's business processes
Strength in delivery across front/middle/back office



Using strength in front office with strong extension to middle and back office

Delivering high value administration and consulting services across front / middle and back office

Strongest in the front office, with value offering

Key: denotes indicative size

Case Study: NORA and GRACE

Two agents deployed in tandem to support frontline assessments and governance.
Together, they reduced report time from 60 to 10 minutes while maintaining 97% compliance.

NORA – Clinical Copilot

- Supports c1,500 frontline staff with over 300 daily interactions.
- Automates triage, documentation, and evidence validation for clinical assessments.
- Reduces manual effort and improves consistency in reporting.
- Selected for pilot in a major transformation programme due to its measurable impact.

GRACE – Governance & Review Agent

- Operates as a quality assurance layer.
- Reviews outputs from NORA for compliance, completeness, and escalation triggers.
- Flags anomalies, missing data, or policy breaches before submission.
- Ensures that agent-generated content meets regulatory and contractual standards.

How They Work Together

Input → **Generate** → **Validation** → **Oversight** → **Outcome**

- **Input**: Frontline teams instigate NORA
- **Generate**: **NORA** drafts clinical report
- **Validation**: **GRACE** reviews for Compliance
- **Oversight**: Human in the loop oversight
- **Outcome**: Approved or flagged for escalation

Expected Impact Highlights

Efficiency: 6,000+ reports annually now reviewed with full coverage (vs. 10% previously).

Quality: Avoided penalties due to improved accuracy and completeness.

Scalability: Architecture supports multi-agent orchestration for future expansion.

Trust: Embedded governance builds confidence in AI-generated outputs.

Case Study: SAFE Agent

Enabled 100% audit coverage and improved compliance across 6,000 annual FRAs.
Saved up to 2,000 practitioner hours per year through automated checks and feedback.

Problem Statement

- Inconsistent quality and variable outcomes in Fire Risk Assessments (FRAs).
- Manual, time-consuming processes impact efficiency and consistency.
- Practitioner experience varies, risking compliance and quality.
- High assessment volumes increase risk of delays and penalties.

Solution

- AI-powered agent automates compliance checks and structured feedback.
- Delivers up-to-date, standards-aligned guidance to practitioners.
- Standardises grading and improvement suggestions.
- Enables full audit coverage without extra overhead.

How It Works

Input → **Upload** → **Validation** → **Oversight** → **Outcome**

Input: Fire Safety Practitioner initiates a Fire Risk Assessment (FRA)

Upload: Practitioner uploads the completed FRA to the SAFE Agent

Validation: SAFE checks against compliance and technical standards

Oversight: Report is generated for the FRA practitioner to review

Outcome: Assessment approved, improved, or escalated

Expected Impact Highlights

Coverage: 100% audit coverage and improved compliance.

Consistency: Consistent, high-quality assessments across all submissions.

Efficiency: Saves up to 2,000 practitioner hours annually.

Trust: Builds customer confidence through robust assurance.

Case Study: Procurement Agents

Delivered rapid first-line query resolution for inbound procurement requests, reducing turnaround time and improving service responsiveness. Absorbed significant demand from core teams, freeing capacity for strategic priorities and enhancing overall operational efficiency.

Problem Statement

- High inbound procurement queries create workload pressure.
- Manual query handling slows response and efficiency.
- Complex sourcing and onboarding processes cause inconsistency.
- Fleet and mileage queries delay operational readiness.
- Professional services engagement lacks clarity and standardisation.

Solution

- AI-powered agents provide instant, first-line query resolution, with case escalation via Salesforce.
- Streamlines sourcing, onboarding, and Source-to-Pay guidance.
- Delivers accurate, policy-aligned answers for fleet and mileage queries.
- Simplifies engagement with professional services and contingent labour.
- Centralised and standardised responses using trusted knowledge sources.

How It Works

Input → **Analyse & Respond** → **Assist** → **Escalate** → **Outcome**

Input: Employees submit procurement, fleet, or professional services queries to the AI agents.

Analyse & Respond: Interprets queries, retrieves relevant policy guidance, and delivers instant, accurate answers aligned to standards.

Assist: Guides users through sourcing, onboarding, mileage claims, or supplier engagement steps

Escalate: Guides employees to log a Salesforce case for follow-up when no answer is available.

Outcome: Frees up procurement teams to focus on strategic priorities while improving query turnaround.

Impact Highlights

Coverage: Handles a broad range of procurement, fleet, and professional services queries with seamless escalation via Salesforce for unresolved queries.

Consistency: Delivers standardised, policy-aligned responses across all interactions.

Efficiency: Reduces manual workload and speeds up query resolution, freeing team capacity.

Trust: Improves confidence by providing accurate guidance backed by internal policies.

Glossary of terms

Term	Definition
Book to bill	This is the ratio of TCV sold in the year / external revenue
Operating cash conversion	Calculated as operating cash flow excluding business exits divided by adjusted EBITDA
Win rate	Win rate is the proportion by value of contracts won as a proportion of those we bid for