



# Full Year Results

March 2025

**CEO**  
Adolfo Hernandez



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Recapping our strategic themes: a better Capita

# BETTER

**Technology**

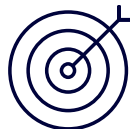
**Efficiencies**

**Delivery**

**Company**



**Improved  
financial  
performance**



**Clarity on  
what Capita  
is famous for**



**Workforce  
equipped for  
change**



**Delivering value to  
customers, employees  
and shareholders**

# Financial Review

## Performance & Insights 2024

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

**CFO**

Pablo Andres



## Financial highlights

£m	2024	2023	Change
Revenue	<b>2,369.1</b>	2,575.8	(8.0)%
Operating profit	<b>95.9</b>	90.9	5.5%
Operating margin	<b>4.0%</b>	3.5%	+50bps
Profit before tax (PBT)	<b>50.0</b>	40.9	22.2%
Earnings per share (EPS) (pence)	<b>2.1</b>	(0.2)	n/a
EBITDA	<b>186.1</b>	196.5	(5.3)%
Operating cash flow	<b>72.0</b>	82.7	(12.9)%
Free cash flow	<b>(122.3)</b>	(123.6)	1.1%
Net debt <sup>1</sup>	<b>(415.2)</b>	(545.5)	23.9%
Net financial debt (pre-IFRS 16)	<b>(66.5)</b>	(182.1)	63.5%

1. Net debt includes £66m of financial debt, £349m IFRS 16 leases, and excludes £96m lease receivable asset

## +50bps operating margin improvement

Revenue decline reflects impact of prior year contract losses, cessation of lower margin service lines and reduction in volumes in Contact Centre telecommunications vertical

Operating profit increase reflects benefit from ongoing cost reduction programme, including c.£90m of in year cost savings, more than offsetting revenue trends noted above and non-repeat of £34m one-offs from 2023

Operating cash flow reflects impact of mobilisation delays and a more sustainable approach to working capital management

Free cash outflow includes end of pension deficit payments, end of cyber remediation costs and £45m investment in delivering £140m of annualised savings ahead of schedule

Net financial debt (pre-IFRS 16): EBITDA ratio 0.5x at 31 December 2024 benefiting from Capita One and Fera disposal proceeds

## Adjusted to reported profit reconciliation

£m	2024	2023	Change
<b>Adjusted profit before tax</b>	<b>50.0</b>	<b>40.9</b>	9.1
Business exits	170.9	(23.2)	194.1
Impairment of goodwill	(75.1)	(42.2)	(32.9)
Cyber incident	(1.0)	(25.3)	24.3
Amortisation and impairment of acquired intangibles	(0.2)	(0.2)	-
Revaluation of non-designated FX contracts	(0.1)	(2.2)	2.1
Cost reduction programme	(27.9)	(54.4)	26.5
<i>Redundancy and other</i>	(30.5)	(23.3)	(7.2)
<i>Property</i>	2.6	(31.1)	33.7
<b>Reported profit/(loss) before tax</b>	<b>116.6</b>	<b>(106.6)</b>	223.2

## Reported profit boosted by business exits

Business exits principally reflects sale of Capita One and Fera during the year

Goodwill impairment relates to Contact Centre business

Prior year impairment related to businesses being sold

Cyber incident represents costs net of insurance receipts received in the year

Incurred £27.9m of costs in relation to cost reduction programme

## Divisional overview

£m	Public Service		Contact Centre		Pension Solutions		Regulated Services		plc		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	1,387.2	1,399.9	650.9	797.6	179.0	170.3	152.0	208.0	-	-	2,369.1	2,575.8
Operating profit/(loss)	89.1	69.6	(5.9)	(4.0)	28.1	25.9	12.6	33.1	(28.0)	(33.7)	95.9	90.9
Operating margin	6.4%	5.0%	(0.9)%	(0.5)%	15.7%	15.2%	8.3%	15.9%	-	-	4.0%	3.5%
EBITDA	125.6	111.4	34.3	44.0	34.1	31.2	18.4	39.9	(26.3)	(30.0)	186.1	196.5
Operating cash flow	92.1	88.5	0.1	20.9	33.3	21.9	(13.7)	(5.7)	(39.8)	(42.9)	72.0	82.7
Cash conversion	73.3%	79.4%	0.3%	47.5%	97.7%	70.2%	(74.5)%	(14.3)%	(151.3)%	(143.0)%	38.7%	42.1%

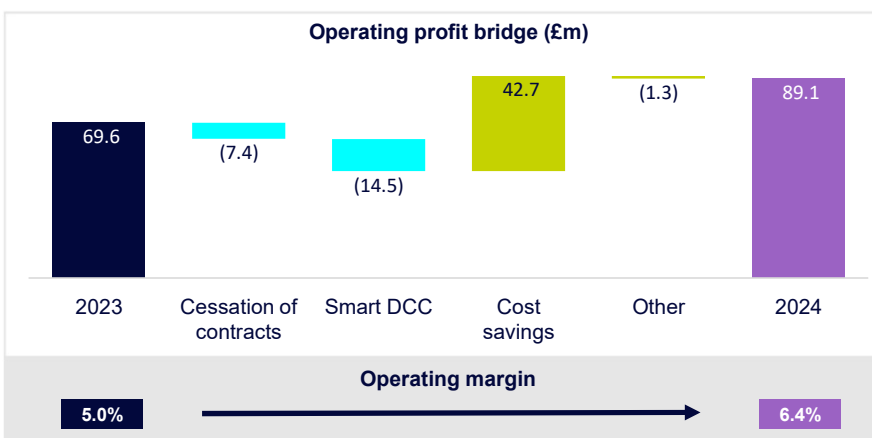
### Key items by division:

- **Public Service** – revenue broadly stable with prior year. Improved margin through cost savings, despite a £15 million profit impact in Smart DCC driven by non-repeat of project work concluded in 2023 and the 2023/2024 price control determination by Ofgem. Cash flow reflects delayed mobilisation on two contracts and a more sustainable approach to working capital management
- **Contact Centre** – reflects prior year contract losses and lower volumes in the telecommunications vertical, partially offset by progress on cost savings. 2023 includes the one-off benefit from the Virgin Media O2 contract transition including deferred income release and a one-off cash flow benefit from payment phasing
- **Pension Solutions** – making progress with new logo clients, efficiencies and improved operational leverage
- **Regulated Services** – primarily reflects the closed book Life & Pensions business, which we have made good progress exiting from, with only one customer left to agree an exit. 2023 operating profit included a £24m one-off from a commercial settlement and operating cash flow included a one-off receipt on contract termination
- **plc** – includes reduction in non-recourse trade receivables financing arrangements at end of 2024



# Capita Public Service

£m	2024	2023	Change
Revenue	1,387.2	1,399.9	(0.9)%
Operating profit	89.1	69.6	28.0%
Operating margin	6.4%	5.0%	+140bps
EBITDA	125.6	111.4	12.7%
Operating cash flow	92.1	88.5	4.1%
Cash conversion	73.3%	79.4%	



## Strong margin progress from cost reduction programme

### Revenue (0.9)%

Cessation of contracts in Local Public Service and flow through of contracts lost in previous years

Delayed mobilisations of two contracts won in 2023 and more focused bidding

Reduction in project work and price control determination on Smart DCC

Partially offset by additional volumes in our Transport for London contract and benefit from indexation

### Operating profit 28.0%

Strong improvement reflects implementation of cost reduction programme

Partially offset by flow through of previously announced contract losses and the impact in Smart DCC from project work concluded in 2023 and the 2023/24 price determination by Ofgem

### EBITDA and cash conversion

Cash conversion impacted by the delayed mobilisations and a more sustainable approach to working capital management

## Capita Experience – Contact Centre

£m	2024	2023	Change
Revenue	650.9	797.6	(18.4)%
Operating loss	(5.9)	(4.0)	(47.5)%
Operating margin	(0.9)%	(0.5)%	(40)bps
EBITDA	34.3	44.0	(22.0)%
Operating cash flow	0.1	20.9	(99.5)%
Cash conversion	0.3%	47.5%	

## Reduced overheads with continued investment in technology

### Revenue (18.4)%

Reflects one-off benefit from Virgin Media O2 contract transition in 2023 and prior year contract losses

Lower volumes in our telecommunications vertical which we expect to remain subdued in 2025

### Operating loss £1.9m decline

Non-repeat of 2023 one-off benefit of £10m

Flow through of revenue decline and lower volumes within our telecommunications vertical

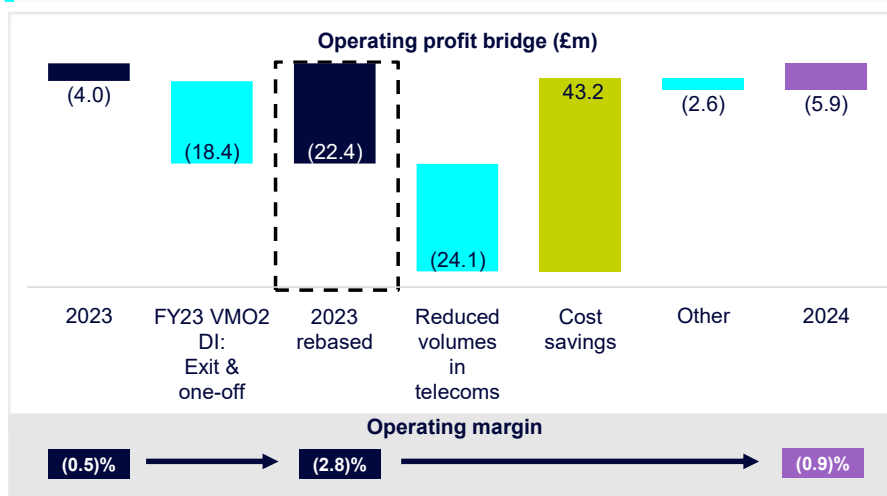
Reduced overheads but continued investment in technology

Offset by an underlying margin improvement from lower overheads, including reduced property footprint, from delivery of the cost reduction programme

### EBITDA and cash conversion

Operating cash flow reduced reflecting the decline in EBITDA

2023 also includes benefit of payment phasing on new Virgin Media O2 contract which did not reoccur in 2024



## Capita Experience – Pension Solutions

£m	2024	2023	Change
Revenue	179.0	170.3	5.1%
Operating profit	28.1	25.9	8.5%
Operating margin	15.7%	15.2%	+50bps
EBITDA	34.1	31.2	9.3%
Operating cash flow	33.3	21.9	52.1%
Cash conversion	97.7%	70.2%	

### Strong revenue, profit and cash flow improvements

#### Revenue 5.1%

Growth reflects volume increases across a number of clients, including Pension Insurance Corporation (PIC), and benefit of indexation

#### Operating profit 8.5%

Improved profit driven by savings from the cost reduction programme, and volume growth

#### EBITDA and cash conversion

Improvement in cash conversion driven by improved billing cycles



## Capita Experience – Regulated Services

£m	2024	2023	Change
Revenue	152.0	208.0	(26.9)%
Operating profit	12.6	33.1	(61.9)%
Operating margin	8.3%	15.9%	(760)bps
EBITDA	18.4	39.9	(53.9)%
Operating cash flow	(13.7)	(5.7)	(140.4)%
Cash conversion	(74.5)%	(14.3)%	

### Significant progress made on closed book L&P hand backs with one client remaining to agree exit

#### Revenue (26.9)%

Reflects contract exits and volume reductions as we look to exit this business

Prior year revenue includes the one-off benefit from commercial settlement

#### Operating profit (61.9)%

Agreed exit of three clients with the transition resulting in reduced operating profit in 2024

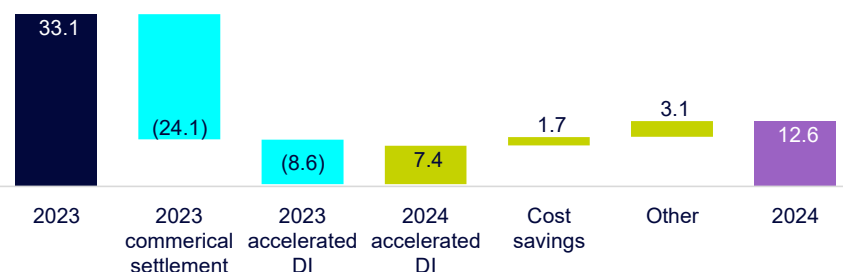
2023 & 2024 benefit from accelerated deferred income releases

Non-repeat of 2023 commercial settlement (£24m)

#### EBITDA and cash conversion

Decline in cash conversion reflects decline in operating cash flow due to the one-offs in prior year, including a receipt on contract termination

Operating profit bridge (£m)



Operating margin



## Cash flow

£m	2024	2023
<b>EBITDA</b>	<b>186.1</b>	<b>196.5</b>
Net of deferred income and CFA	(51.9)	(80.8)
Other working capital (including AR and AP)	(53.7)	(26.9)
Non-cash and other adjustments	(8.5)	(6.1)
<b>Operating cash flow</b>	<b>72.0</b>	<b>82.7</b>
<b>Operating cash conversion</b>	<b>39%</b>	<b>42%</b>
Pension deficit contributions	(6.3)	(30.0)
Cyber incident	(5.0)	(20.1)
Cost reduction programme	(44.5)	(6.1)
<b>Cash generated from operations excluding business exits</b>	<b>16.2</b>	<b>26.5</b>

## Operating cash conversion consistent with prior year

Net of deferred income and CFA reflects net unwind of DI in 2024. 2023 included accelerated releases as we exit our closed book Life & Pensions contracts

Other working capital reflects more sustainable approach to working capital management and non-repeat of payment phasing on Virgin Media O2 contract in 2023

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

Operating cash conversion slightly declined as a result of the more sustainable approach to working capital management

Final pension deficit contributions paid in H1 2024

Cost reduction outflow reflects costs incurred in delivering £140m annualised savings by end of 2024

## Cash flow and net debt movement

£m	2024	2023
<b>Cash generated from operations excluding business exits</b>	<b>16.2</b>	<b>26.5</b>
Net capital expenditure	(49.5)	(52.6)
Interest/tax paid	(41.3)	(45.1)
Net capital lease payments	(47.7)	(52.4)
<b>Free cash flow excluding business exits</b>	<b>(122.3)</b>	<b>(123.6)</b>
Business exits	258.0	50.3
Other cash flows and non-cash movements	(5.4)	10.2
<b>Movement in net debt</b>	<b>130.3</b>	<b>(63.1)</b>
<b>Closing net debt</b>	<b>(415.2)</b>	<b>(545.5)</b>

## Net debt improvement driven by disposal proceeds

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

Reduction in net capital lease payments from ongoing property rationalisation, partly offset by inflation linked rent increases

Net cash flows on business exits reflect receipt of Capita One and Fera disposal proceeds, business exit cash flows and deferred consideration received

Other cash flows and non-cash movements primarily reflect non-cash movement in lease liabilities from our new contact centre in South Africa and head office

Net debt includes £66m of financial debt and £349m of IFRS 16 lease debt. It does not include sublet lease receivables arising from the portfolio rationalisation programme of £96m

## Liquidity & net debt

£m	2024	2023
<b>Revolving credit facility (RCF)</b>	<b>250.0</b>	<b>260.7</b>
Less: drawing on committed facilities	-	-
<b>Available committed facilities</b>	<b>250.0</b>	<b>260.7</b>
Net cash less restricted cash	147.2	21.6
<b>Total liquidity</b>	<b>397.2</b>	<b>282.3</b>

## Strong liquidity position

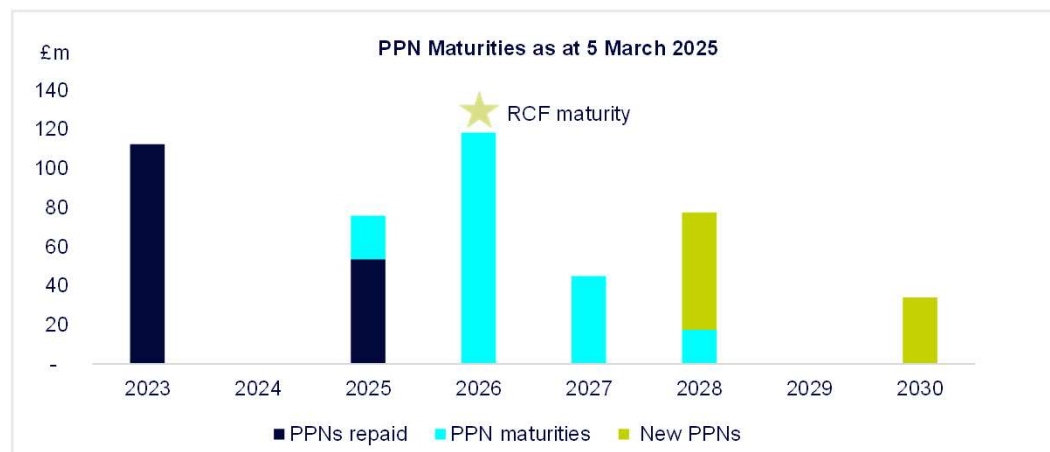
RCF committed to 31 December 2026 and undrawn at year end (2023: undrawn)

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

Net financial debt (pre-IFRS 16) reduced £116m since 2023

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

Net debt:EBITDA at end of 2025 <1.0x



PPNs are net of swaps

# 2025 outlook



## Revenue

- **Group:** expect revenue to be broadly flat overall, based on following expected movements:
  - **Public Service:** low to mid-single digit revenue growth driven by annualised benefit of new contracts
  - **Contact Centre:** high-single digit revenue reduction, reflecting previously announced contract losses and subdued volumes within the telecommunications vertical
  - **Pension Solutions:** mid-single digit revenue growth driven by growth with existing clients
  - **Regulated Services:** expect to see a continued revenue decline as we hand back contracts



## Operating margin

- **Group:** modest improvement overall due to good underlying improvement offset by losses in Regulated Services:
  - **Public Service & Contact Centre:** margin improvement in both driven by continued cost savings and revenue growth in Public Service
  - **Pension Solutions** margin expected to remain stable with **Regulated Services** expected to see a decline in margin given ongoing exit



## Free cash flow

- Free cash outflow before impact of business exits of between £45m – £65m, with an improved cash conversion of 55% to 65%
- £55m outflow to deliver the cost reduction programme
- Free cash flow positive from the end of 2025



## Net debt

- Reflecting free cash outflow, net financial debt expected to increase
- Reduced lease liability from continued property rationalisation programme



## Phasing

- Revenue reduction expected in H1 reflecting volume reductions in Contact Centre
- Margin benefit from cost saving programme weighted to H2
- Profile of cash costs for cost reduction programme heavily weighted to H1, benefit seen in H2



## Other

- Subject to relevant approval:
  - Share premium cancellation to continue the simplification and optimisation of our balance sheet
  - Share consolidation of existing ordinary shares at a ratio of 15 for 1



## CEO Update

“

**We have an ambitious plan to drive further transformation and improvements to Capita for the new opportunities the market brings”**

**CEO**  
Adolfo Hernandez



The Capita logo, featuring a stylized 'C' icon followed by the word 'Capita' in a sans-serif font.

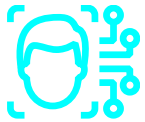
Capita

## Our vision

To be the trusted partner for our clients, delivering exceptional outcomes through our approach of combining people, process and technology to deliver complex business processes at scale

## BPS Market Evolution 2024-2026

Significant opportunity to continue to leverage technology going forwards, with Capita an early mover on market developments



- 1 Empowering clients through responsible applied AI**  
Leverage deep industry expertise and decades of trust to apply AI responsibly



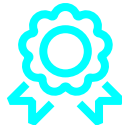
- 2 Driving operational excellence at scale**  
Transform traditional BPO model by integrating AI-driven automation, delivering measurable value to clients



- 3 Partnering for innovation**  
Leverage leading hyperscalers and technology partners, ensuring Capita remains an agile leader



- 4 Leading the shift to 'Service-as-Software'**  
Redefine service delivery by applying AI to streamline ops and creating scalable and intelligent solutions



- 5 Becoming the best implementor of Human-in-the-Loop AI**  
Balance AI with human expertise to maximise impact, ensuring trust and accountability



- 6 Building a scalable AI-driven future**  
Develop a seamless AI onboarding platform and drive long-term, scalable transformation

**CAPITA MOVING AT SPEED**

## Also, over the past year...

“ AI isn’t something... of the future, over the next hill. It’s the present. It’s already here... And (can) **radically improve our public services**”

- Keir Starmer (Prime Minister)

“ As we move into a new era of opportunities created by **AI**, we must take a realistic view of **how much more we have to do to create a modern digital government and reform public services**”

- Peter Kyle, MP (Secretary of State for Science, Innovation and Technology)

“ The **potential of AI to transform public services is enormous**... we have to do things differently, and AI presents a unique opportunity to kick-start this revolution”

- Feryal Clark, MP (Minister for AI and Digital)

“ We **will harness the power of technologies like AI to transform the speed and accuracy of diagnostics services**, saving potentially thousands of lives”

- Labour Manifesto 2024



### Selected Government commitments

- **NHS ‘Fit for the Future Fund’** of c.£171m per year to purchase latest AI tech and provide better patient experience
- New **Digital Centre of Government within Department for Science, Innovation and Technology** with Incubator of AI (i.AI) division to coordinate AI adoption across departments
- “**Humphrey**” **AI Suite** of AI tools to streamline civil service ops, aiming to reduce admin burdens and enhance decision-making processes
- **9 AI courses launched on Civil Service Learning** to bolster civil servants understanding of AI, its ethics and practical applications within government ops
- **AI Playbook for the UK Government** with practical guidance for civil servants on using AI safely, effectively, and securely
- **Reforms to procurement** to accommodate for AI solutions such as Light-Touch Procurement model for developing prototypes and pilots

## Recapping our strategic themes: a BETTER Capita

# BETTER

**Technology**

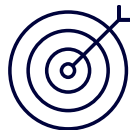
**Efficiencies**

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**Improved  
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**Clarity on  
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is famous for**



**Workforce  
equipped for  
change**



**Delivering value to  
customers, employees  
and shareholders**

## BETTER Technology

Creating the right organisation to focus on our products and innovation

Overseen by Chief AI and Product Officer, Sameer Vuyyuru



1

### **Delivering customer – centric value**

Adapting hyperscaler solutions with our unique perspective on our customer processes



2

### **Empowering teams**

Enabling innovation at all layers of the organisation. Creating a culture of rapid experimentation, testing and launch



3

### **Outcome-based technology**

Focused on creating business outcomes using best-in-breed technology from our partners



4

### **Proximity to customer**

Ensuring our product teams are never more than two roles away from the end customer



5

### **Security and Governance as a priority**

Our overriding principle – we act as custodians of our customers' trust

# BETTER Technology

## Our hyperscaler relationships



### Achievements so far...

- Using Amazon Connect to build AI enabled business outcomes
- Launched **AI Catalyst Labs**, a central hub to discover, evaluate, and accelerate AI-driven transformation
- **Launched AgentSuite** which is improving Contact Centre efficiency and delivery



### Looking forwards...

- **Microsoft Copilot** scale up the 1.5k users (5k users in 2025) delivering savings in 2025 and building go to market capability
- Partnership **in place now** to modernise existing platforms and networks with a **re-platforming in the cloud** to drive agility
- **Adoption of ServiceNow** in both internal and external engagements for legacy IT Managed services
- Working with **Salesforce to identify high-impact AI automation** opportunities across Capita's business units
- Ensure alignment with Salesforce's AI and automation capabilities, leveraging Einstein AI & Agentforce



We're thrilled to be trailblazing innovative solutions with Capita, such as its new recruitment-as-a-service business powered by Agentforce. With our strategic partnership, we are helping Capita unlock new opportunities and unleash digital labour to achieve greater market flexibility, speed, and business transformation for future growth. Capita are setting the example of creating a single unified platform on Salesforce, by architecting a lead to cash process, leveraging sales, service and becoming one of the largest users of RCA and b2b commerce in EMEA.

Capita are using the unified platform to not only create a true 360 degree view of their clients but also their suppliers.

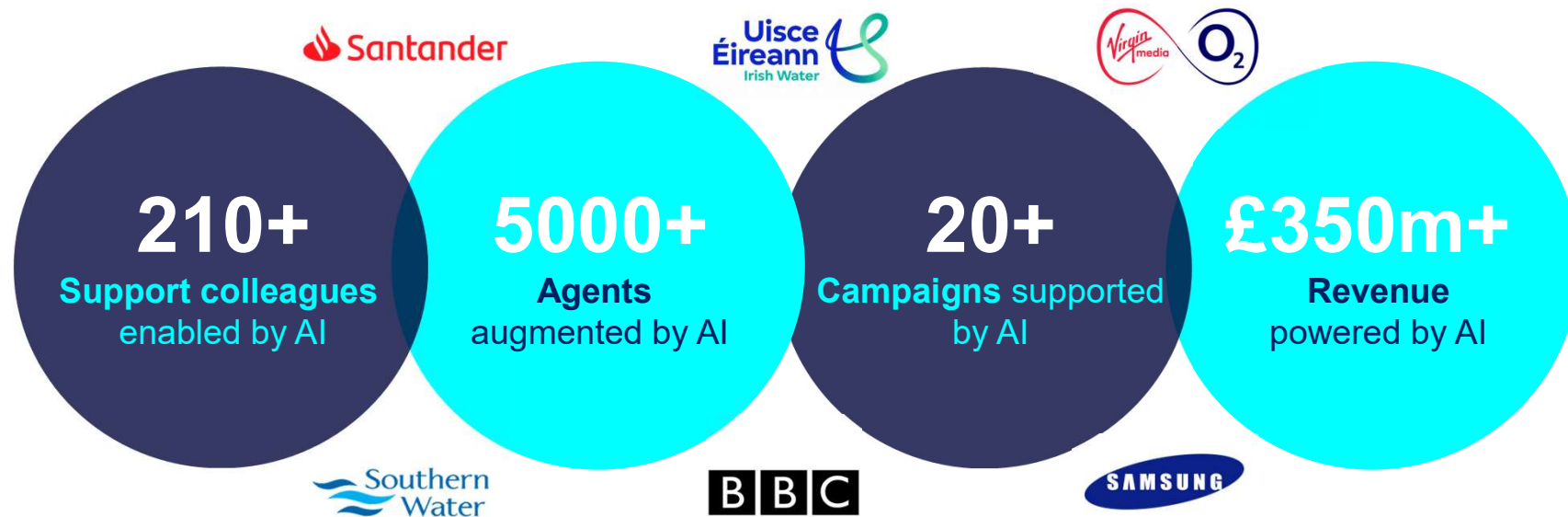
The relationship with Capita is a testimony to true partnership and pioneering new technology for joint success"

**CEO, Salesforce UK & Ireland – Zahra Bahrololoumi**

## BETTER Technology AI in Contact Centre



**We're seeing a shift in customer satisfaction** that's improving through the way we monitor and ask customers about their experience. We're seeing a much greater benefit from the adviser perspective.”  
– Head of Customer Service – Southern Water



Creating a positive impact across:

cNPS and Customer satisfaction

+

Wellbeing and balance

+

Innovation

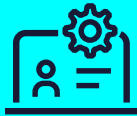
+

Productivity



## BETTER Technology

### AI in Public Service



#### Appian in Local Public Service

Collaborating with Appian to develop an innovative solution for managing aged debt in Local Authorities

Leverages Appian's powerful automation platform to streamline debt recovery processes, reducing the admin burden, improving cash flow, improving financial health and sustainable public services



#### Digital Consent and PEXT in Army Recruiting

Recently developed candidate Digital Consent capability for defence recruitment allowing same day returns

Working with iGPR enables the digital request of a Primary Healthcare Record to be issued to all GP surgeries in England. Median return time improves from 29.6 days to 12 days. All UK recruits will benefit from 3 March 2025. Number of other applications for the technology

# BETTER Technology

## AI in Pension Solutions

### Market trends:

- Increased member demand for a seamless user experience
- 24/7 offering
- Changes in legislation provide future opportunity

### 2024 achievements:

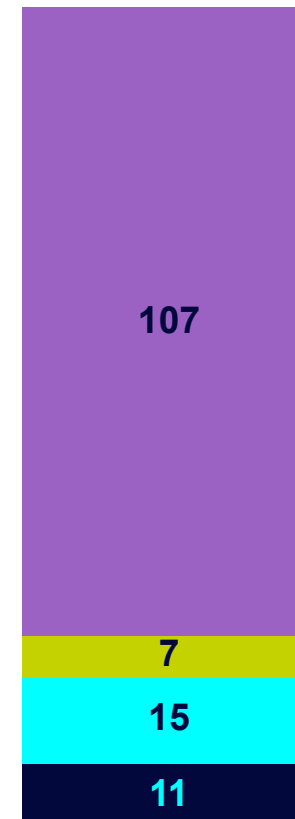
- 1.3 million members with access to our online portal
- 'Digital Mover' will ensure our 6 million members keep up to date at all times with their pensions
- Digitised all member records in 2024
- 137% increase in online engagement in initial digital first operating move



## BETTER Efficiencies

Capita is becoming a more cost competitive company

- ✓ +50bps improvement in operating margin
- ✓ £140m annualised cost savings now delivered
- ✓ Announced in December the increase in target to up to £250m to be delivered by December 2025
- ✓ £50m reinvestment across 2025
- ✓ 2024 cost to achieve: £45m
- ✓ £55m cost to achieve expected in 2025
- ✓ Maintaining cost discipline to ensure pricing competitiveness remains a key focus



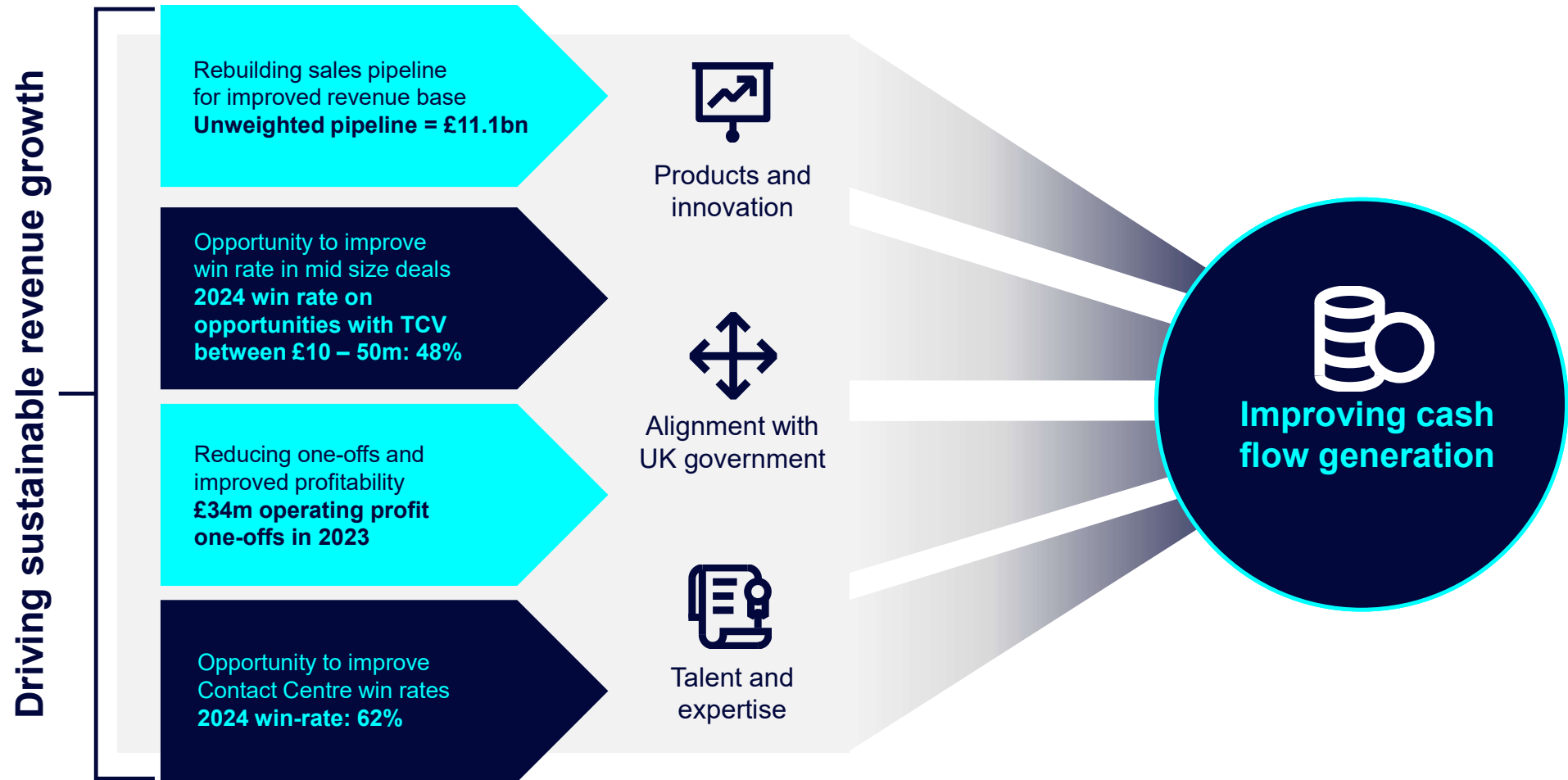
### £140m

annualised savings  
now actioned across  
a number of areas

- Organisational Simplification
- Offshoring
- Procurement
- Real Estate Rationalisation

## BETTER Efficiencies

Focusing on cash flow and revenue growth



## BETTER Delivery

Improving contract win rates is a key focus

Continue to deliver for clients – cNPS improved to

**+28 points**

Up 12 points from 2023

Significant opportunity to increase

**18% win rate**

on new and expanded scopes

Renewal rate

**strong at 92%**

**Opportunities won in 2024 including**

**Pipeline opportunities for 2025**



Opportunities now won

### Capita Public Service



Ministry of Defence



Department for Work & Pensions



Transport for London



Home Office



NHS England

Primary Care Support England



### Contact Centre



European telco providers



### Pension Solutions



# BETTER Delivery

## Examples of clients re-won with a better solution



### Client A

**Indicative financials**  
Revenue: £20m

- Initial tender in 2023
- Contract retender completed in 2024
- During retender, we reduced costs with new technology in back office processes including:
  - New scheduling tool
  - Field service tool to improve report writing and inspection outcomes process
  - New payment options including Apple Pay and Google Pay
  - Website improvements to enable more self service
- Capita successful during retender



### Client B

**Indicative financials**  
Revenue: £20m

- Transformation challenged but operational delivery maintained
- 2023 - financially loss making contract
  - Contract notice given to client given our unsustainable losses
  - Contract renegotiated
- 2024 – partnership renewed
- Significant reset of contract with offshoring
- Central gamification platform now live – incentivises agents and provides performance insight for managers
- Returned to profit
- Award winning contract for customer service delivery
- On future roadmap for AgentSuite technology

## BETTER Delivery

Progress with manage for value

### Manage for value business areas

### Status

Standalone Software		Capita One disposal <b>completed</b> in September 2024, c. <b>£180m net disposal proceeds</b> achieved
Mortgages Services		Sale announced December 2024, completion expected Q2 2025
Closed Book L&P (within Regulated Services)		One remaining client; transition agreements signed for all other clients
Networks Managed Services		Exploring partnership options
IT Managed Services		Leveraging ServiceNow to modernise the delivery of these services for our customers and internally

## BETTER Company – our people

**9,000 members**  
across our seven  
Employee Network  
Groups

**68% inclusion  
index**  
(2023: 77%)

**26% internal  
mobility**  
(2023: 19%)

**Gender balance of  
all management:**  
Male: 52%  
Female 48%

**Employee net  
promoter score -33**  
(2023: -4)

**64% employee  
engagement**  
(2023: 67%)

**Ranked 36 out of 400 on  
Forbes Best Place for  
Women to Work list**

**12 month voluntary  
employee attrition c.22%**

**Hybrid working  
model**

**2,700 employees** welcomed via our virtual global induction programme

**Female representation in  
succession plans for senior  
leadership roles at 52%**

**1,580 employees  
undertaking e-learning via  
Data and AI learning hub**

## 2024 People Initiatives

- Leadership programme and playbook launched
- Senior leadership team meetings
- Increased newsletters and colleague communications
- Town halls through all levels of the organisation
- Group culture initiative launched



## BETTER Capita 2024 - Year in Review

BETTER:

### Technology

- Built on and developed our hyperscaler relationships
- Developed AgentSuite – Live at two clients with further expansion planned in 2025

### Efficiencies

- £140m annualised cost savings now delivered, **target increased** to up to £250m
- **Building a leaner** organisation, contract efficiencies, reducing third party spending, property rationalisation, support function efficiency

### Delivery

- cNPS increased to **+28points** (2023: +16points)
- Re-designed technology operating model for **improved delivery** and efficiencies
- Maintaining pricing discipline and service levels

### Company

- **Launched** leadership playbook
- Launched pulse surveys and **increased level of internal communications**

## Heading into 2025:

Strategy in action delivering positive FCF from end of year

**Leading** market positions / critical supplier to government

**Broad** portfolio of AI reference cases

**Solid** track record of land and expand and growing existing contracts

Strong customer net promoter score  
**+28 points**

**Bridging the gap** between hyperscalers and end clients

Becoming **more cost effective** to increase profitability

### 2025 Strategic Priorities:

- **Cost transformation**
- **Sales effectiveness**
- **Product & innovation**
- **Technology foundations**
- **Operating model**
- **High performance organisation**



**Reiterating medium-term targets:**

**Operating (EBIT) margin:**  
6-8%

**Free cash flow:**  
to become positive from the end of 2025 onwards. Operating cash conversion of 65% to 75%

**Revenue:**  
low - mid single digit % revenue growth p.a.



# Q&A

Capita

Appendix

## 2025 modelling assumptions

<b>Depreciation &amp; amortisation</b>	➤ Broadly in line with 2024. Total charge c.3.5% of revenue
<b>P&amp;L interest</b>	➤ Broadly in line with 2024
<b>Working capital</b>	➤ Reduced working capital outflow
<b>Non-cash and other adjustments</b>	➤ Broadly in line with 2024
<b>Cash tax</b>	➤ Broadly in line with 2024
<b>Net capital lease payments</b>	➤ Continued reduction in 2025 reflecting reductions in property footprint. Interest on lease liabilities included in both P&L and cash interest
<b>Capex</b>	➤ Broadly in line with 2024 reflecting investment in digital offerings Total spend: £50m to £60m
<b>Cash interest</b>	➤ Broadly in line with 2024

## Leading indicators on journey to reaching medium-term targets

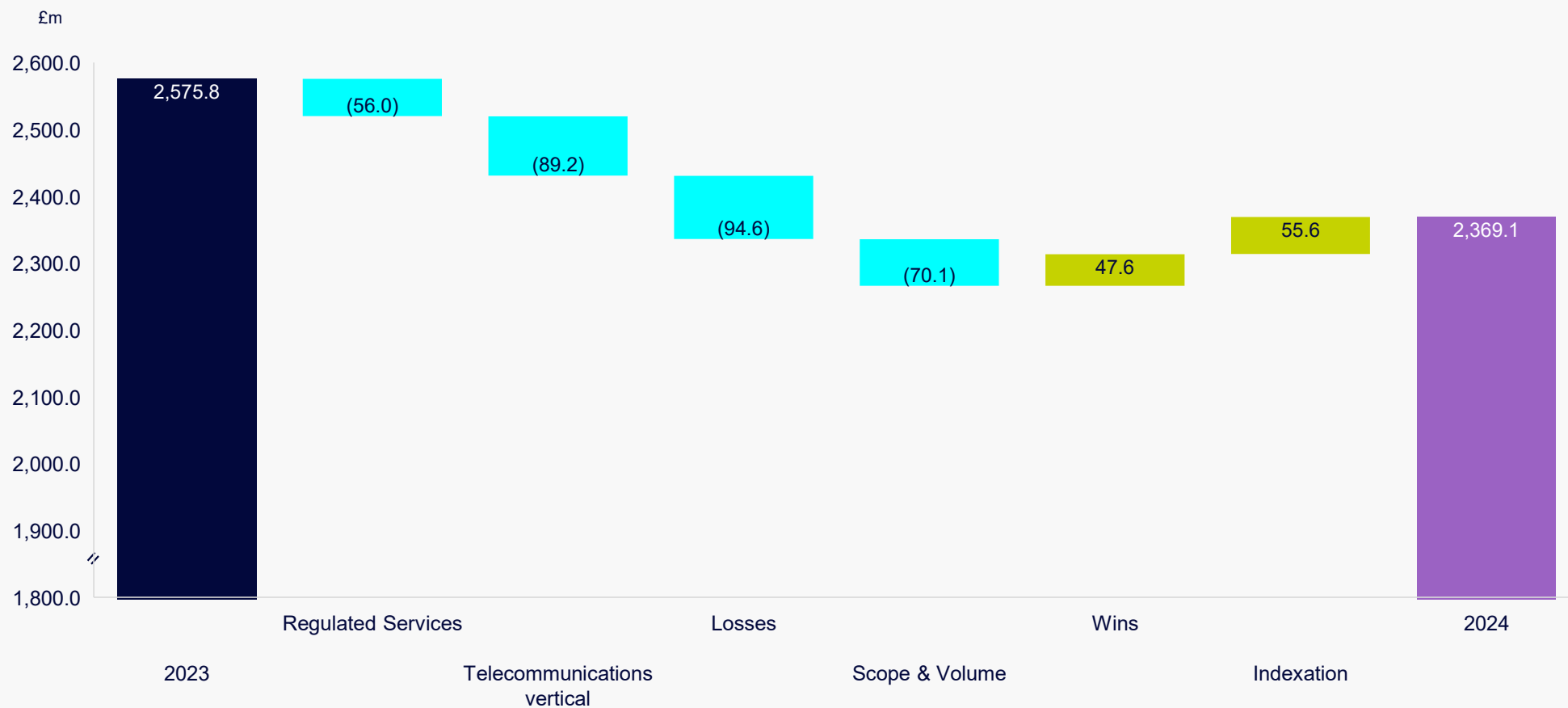
Leading Indicators	FY24	FY23
Group and divisional overheads as a percentage of revenue	10.5%	10.7%
Percentage of overall adjusted revenue from contracts where gen AI has been deployed	8.3%	N/A
Recurring repeat adjusted revenue from existing customers	84.7%	N/A
Customer net promoter score	+28 Capita Public Service +28 Capita Experience	+27 Capita Public Service +9 Capita Experience
Service delivery KPI performance expressed as a percentage	94% Capita Public Service 93% Contact Centre 94% Pension Solutions 98% Regulated Services	94% Capita Public Service 93% Contact Centre 86% Pension Solutions 92% Regulated Services
Employee engagement	64%	67%
Gender balance of senior management	30% female	40% female
Ethnic minority percentage of all managers	12%	14%
Supplier payment percentage within 60 days	92%	99%
Carbon intensity ratio – total gross tonnes CO <sub>2</sub> e (market based - scope 1, 2 and business travel)	13,597	22,644

## Divisional operating cash flow

£m	Public Service		Contact Centre		Pension Solutions		Regulated Services		Capita plc		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Operating profit/(loss)</b>	<b>89.1</b>	<b>69.6</b>	<b>(5.9)</b>	<b>(4.0)</b>	<b>28.1</b>	<b>25.9</b>	<b>12.6</b>	<b>33.1</b>	<b>(28.0)</b>	<b>(33.7)</b>	<b>95.9</b>	<b>90.9</b>
Depreciation, amortisation and impairment	36.5	41.8	40.2	48.0	6.0	5.3	5.8	6.8	1.7	3.7	90.2	105.6
<b>EBITDA</b>	<b>125.6</b>	<b>111.4</b>	<b>34.3</b>	<b>44.0</b>	<b>34.1</b>	<b>31.2</b>	<b>18.4</b>	<b>39.9</b>	<b>(26.3)</b>	<b>(30.0)</b>	<b>186.1</b>	<b>196.5</b>
Net of deferred income and CFA	(9.1)	(26.1)	(27.3)	(27.6)	1.4	(3.5)	(16.9)	(23.6)	-	-	(51.9)	(80.8)
Other working capital	(22.3)	(2.9)	(12.2)	10.5	0.1	(4.9)	(9.7)	(15.8)	(9.6)	(13.8)	(53.7)	(26.9)
Non-cash and other movements	(2.1)	6.1	5.3	(6.0)	(2.3)	(0.9)	(5.5)	(6.2)	(3.9)	0.9	(8.5)	(6.1)
<b>Operating cash flow</b>	<b>92.1</b>	<b>88.5</b>	<b>0.1</b>	<b>20.9</b>	<b>33.3</b>	<b>21.9</b>	<b>(13.7)</b>	<b>(5.7)</b>	<b>(39.8)</b>	<b>(42.9)</b>	<b>72.0</b>	<b>82.7</b>

- Reduction in depreciation reflects continued progress on our property estate exits
- Net reduction in deferred income / CFA as expected
- Increase in other working capital driven by payment phasing on the Virgin Media O2 contract which did not reoccur in 2024 and a more sustainable approach to working capital management

## Revenue bridge by driver





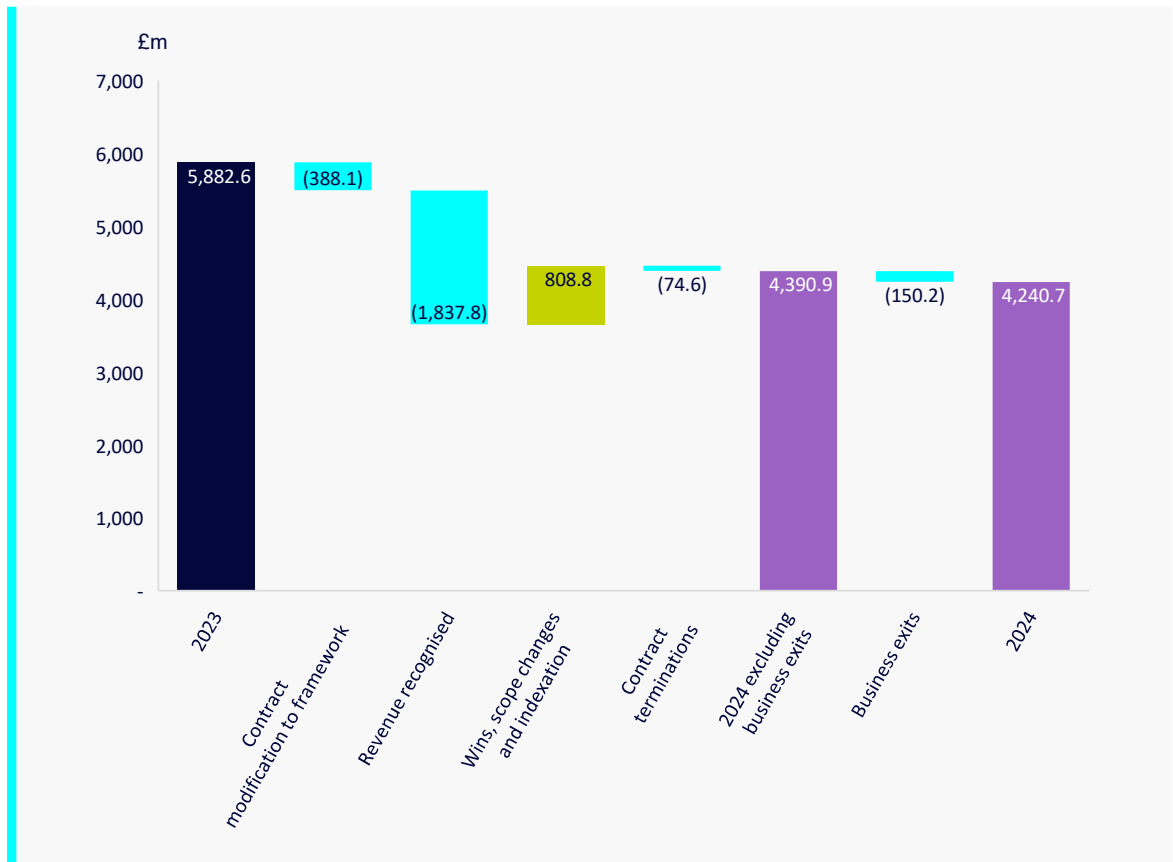
## Order book<sup>1</sup> bridge

### Relevant to approximately 80% of revenue base

Two European telecommunications contract extensions in Contact Centre were framework contracts, which are excluded from the order book. This resulted in a de-recognition from the order book of £388m

Additions in 2024 include expanded scope on Royal Navy Training contract within Public Service and extension of Royal Mail Statutory Pension Scheme in Pension Solutions

Terminations primarily represent a contract exit within our closed book Life & Pensions business in 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 Company

### Capita Employee Network Groups (ENGs)

**As part of our DEI strategy we have seven ENG's with 9,000 active members, each with an Executive Team sponsor:**

**Family, Multi-faith, Rainbow Alliance, Embrace** (which includes the BEN chapter), **Gender, CAN** (ability network) and **Cancer**

Aims include:

1. Improving data declaration rates on Workday
2. Improving their reach and participation globally (currently very UK centric)
3. Working with People function to review processes, policy etc.

Each ENG also has a 2025 plan including celebrating large scale global events (Pride, International Women's Day, Black History Month etc.)

**We helped improve their platform so they now take part in:**

Monthly forums with the Chief People Officer, one ENG attends People Leadership Team meetings per month; meet with Adolfo on a schedule basis

- Bi-annual forums with the independent non-executive director for employee engagement on the Board

**81%** of colleagues were positive about being able to be themselves at work



## Better company – 2025 Culture Focus



## Glossary of terms

Term	Definition
Win rate	Win rate is the proportion by value of contracts won as a proportion of those we bid for
Operating cash conversion	Calculated as operating cash flow excluding business exits divided by adjusted EBITDA
Weighted pipeline	The probability of winning an opportunity multiplied by the total TCV of that opportunity