2025 Half Year Results

August 2025

H1 2025 results video

To view this video online please visit: https://capita.wistia.com/medias/kemzfjyvj7

CEO
Adolfo Hernandez

Disclaimer

This presentation and any oral information or accompanying materials provided in connection with it (together, the “Materials”) have been prepared solely for informational purposes for the shareholders of Capita plc (“Capita”), and not for any other purpose or for any other person.

Neither Capita, nor any of its affiliates, and none of their respective Directors, officers, employees, agents and advisers, makes any representation or warranty, express or implied, in relation to the accuracy or completeness of the information contained in the Materials, or accepts or assumes any responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) to any person in respect of them save as would arise under English law. The Materials are based on the knowledge and information available to Capita’s Directors at the date it was prepared and therefore facts stated and views expressed may change after that date.

Certain statements contained within the Materials may constitute forward-looking statements for the purposes of applicable securities laws regarding Capita’s business, financial position and results of operations, the current expectations, beliefs or opinions of the management of Capita and/or statements concerning risks and uncertainties relating to Capita’s business. Forward-looking statements may be identified by the words "anticipate", "believe", "intend", "estimate", "expect", “may”, “would be”, “seek”, “target” and words of similar meaning. Although Capita’s Directors believe the expectations reflected in such forward-looking statements are reasonable, those statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur and which may cause actual results and developments to differ materially from those expressed, projected or implied by those forward-looking statements and/or forecasts.

Forward-looking statements and forecasts are not guarantees of future performance and the actual outcome of the matters referred to in any such forward-looking statements and/or forecasts may differ materially from those made in or suggested by the forward-looking statements and/or forecasts contained in the Materials. No representation or warranty is made that any of the forward-looking statements or forecasts will come to pass or that any forecast results will be achieved, or as to the reasonableness of any such forward-looking statements or forecasts. You are cautioned not to place any reliance on such statements or forecasts. The forward-looking and other statements and forecasts speak only to the belief of Capita’s Directors as at the date of the Materials.

Neither Capita, nor any of its affiliates, and none of their respective Directors, officers, employees, agents and advisers, undertakes or accepts any obligation or responsibility to prepare or release any update of, or revisions to, any forward-looking statement, forecast, opinion (which are subject to change without notice) or any other information or statement contained in the Materials, or to correct any inaccuracies in the Materials which may become apparent.

No statement in the Materials is intended as a profit forecast or a profit estimate and no statement in the Materials should be interpreted as such, or to mean that earnings per Capita share for the current or future financial years would necessarily match or exceed the historical published earnings per Capita share.

The Materials do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or any other securities in Capita or any other company.

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

Positive operational momentum across our key strategic pillars

Our vision

The trusted outsourcing partner, innovating to deliver quality services by combining the best people, AI, and technology to drive superior results and create outstanding experiences for our customers

1
Our strategic pillars

BETTER

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

2
How we get there

Cost Transformation | **Sales Effectiveness** | **Product and Innovation** | **Technology Foundations** | **Operating Model** | **High Performance Organisation**

3
Our Values

Customer first, always

Fearless **innovation**

Achieve together

Everyone is **valued**

H1 2025 Summary

Improving operational momentum, conviction in delivery of H2 financial performance

BETTER

Technology

- **Launch of Capita AI Catalyst Lab**, delivering efficiencies and innovative customer solutions
- Step change in **customer interest in AI/agentic AI** solutions
- **£4.4bn unweighted pipeline** higher technology underpin
- 15% average handling time reduction delivered by AgentSuite

Efficiencies

- **£190m annualised** cost savings delivered at 30 June; £205m delivered 31 July
- Reinvesting to **future proof** business
- On **track to deliver £250m** by December 2025
- **Maintaining our cost consciousness** as we become a leaner organisation

Delivery

- Wins with EANI, Royal Navy, PCSE, Southern Water; **+17% TCV won at £1.1bn**
- **Book to bill improved to 0.9x**, strong performance in Capita Public Service at 1.1x

Company

- **10 point improvement in eNPS in mid year survey; employment engagement consistent at 63% (2024: 64%)**
- **Refreshed values launch**, building a cost disciplined high performance organisation

Financial Review

2025 Half Year Performance

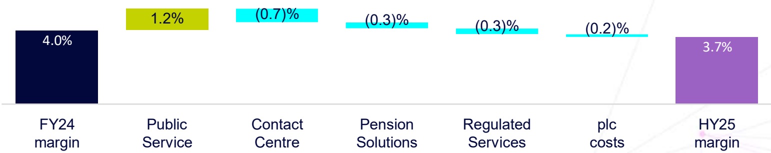
All figures included within this presentation are on an adjusted basis unless otherwise stated

CFO
Pablo Andres

Financial highlights

£m	HY25	HY24	Change
Revenue	**1,154.8**	1,198.6	(3.7)%
Operating profit	**42.6**	54.5	(21.8)%
Operating margin	***3.7%***	*4.5%*	*(80)bps*
Profit before tax (PBT)	**22.6**	31.9	(29.2)%
Earnings per share (EPS) (pence)	**21.6**	33.1	(34.7)%
EBITDA	**80.2**	102.4	(21.7)%
Operating cash flow	**55.9**	50.8	10.0%
Free cash flow	**(26.1)**	(52.5)	50.3%
Net debt[1]	**(412.2)**	(521.9)	21.0%
Net financial debt (pre-IFRS 16)	**(87.0)**	(166.4)	47.7%

Operating margin bridge



1. Net debt includes £87m of financial debt, £325m IFRS 16 leases, and excludes £94m lease receivable asset

Improvement in operating and free cash flow

Revenue decline primarily due to Contact Centre declines more than offsetting good performance in Capita Public Service

Operating profit decline reflects revenue trends noted above, profit reduction in Regulated Services, reinvestment in the business, timing of Group's pay award and increase in National Insurance, partly offset by benefit from ongoing cost reduction programme

Free cash flow reflects no pension deficit contributions in the period, insurance receipt in respect of the 2023 cyber incident and decrease in net lease payments, partly offset by increase in costs to deliver the cost reduction programme

Net financial debt (pre-IFRS 16) reduction includes the benefit from Capita One disposal proceeds in the second half of 2024

Share premium cancellation and share consolidation completed

£250m RCF extended to 31 December 2027 and £94m equivalent US private placements notes issued

Adjusted to reported reconciliation

£m	HY25	HY24	Change
Adjusted profit before tax	**22.6**	**31.9**	(9.3)
Business exits	(7.3)	36.4	(43.7)
Cyber incident	(3.0)	0.4	(3.4)
Amortisation and impairment of acquired intangibles	(0.1)	(0.1)	-
Revaluation of non-designated FX contracts	1.7	(0.4)	2.1
Cost reduction programme	(23.4)	(8.2)	(15.2)
Redundancy and other	*(21.1)*	*(11.0)*	*(10.1)*
Property	*(2.3)*	*2.8*	*(5.1)*
Reported (loss)/profit before tax	**(9.5)**	**60.0**	(69.5)

Reported loss reflects cost of the cost reduction programme

Business exits include the Group's Mortgage Services business and costs related to business exits. HY24 credit reflects the gain on disposal of the Fera business (£38.1m)

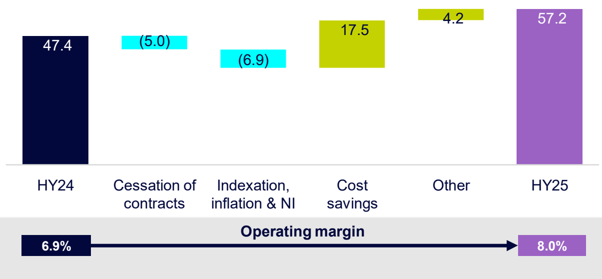
Cyber incident represents costs net of insurance receipts

Incurred £23m of costs in relation to the ongoing cost reduction programme

Capita Public Service

£m	HY25	HY24	Change
Revenue	**711.8**	685.6	3.8%
Operating profit	**57.2**	47.4	20.7%
Operating margin	8.0%	6.9%	+110bps
EBITDA	**72.3**	66.9	8.1%
Operating cash flow	**52.2**	49.2	6.1%
Cash conversion	*72.2%*	*73.5%*	

Operating profit bridge (£m)



Strong growth in revenue and margin

Revenue +3.8%

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

Continued expanded scope with the Royal Navy Training contract and extension of Primary Care Support England

Flow through of contracts lost in previous years including in Local Public Service and Electronic Monitoring Service and lower volumes in the Learning business

Operating margin 8.0%

Flow through of higher revenue partially offset by timing of pay award and £3m impact of National Insurance increase

Significant savings from our cost reduction programme, partially offset by continued reinvestment in technology offerings

Other includes positive impact from net wins and losses

EBITDA and cash conversion

Flow through of improved operating profit and EBITDA

Capita Public Service (62% Group revenues)

Achievements in H1 2025…

Execution

Royal Navy School of Maritime Engineering Go Live

KPI performance consistent at 94%

Growth

Phase one of new operating model implemented

Total contract value (TCV) won up 53%, nearly £800m TCV won in H1

Strategy/Go-to-Market aligned with government policy on AI

Win rate across all opportunities improved to 81%, from 39% in prior year

Delivery

Implemented operating model to improve service excellence

Boosted our reputation as an innovative and reliable supplier

Developed the CPS Social Value Strategy

Successful testing of internal agentic capabilities

Efficiency

Built capabilities services team

Consolidated and optimised divisional growth function

Expanded use of AI for internal use

Technology

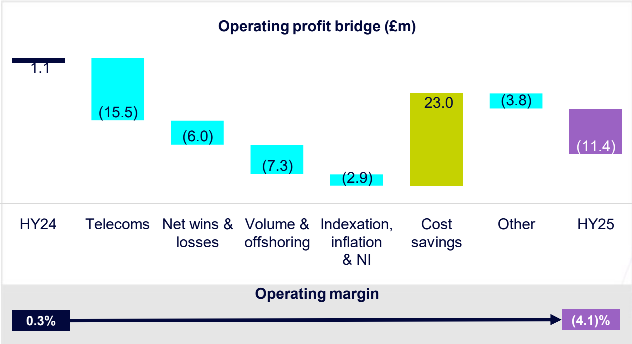
Several examples from Capita AI Catalyst Lab live across the Division

Silvertown and Blackwall tunnel scheme go live with Transport for London

Aged debt go live with Appian, exploring opportunities with additional Local Councils

Capita Experience – Contact Centre

£m	HY25	HY24	Change
Revenue	**277.4**	346.2	(19.9)%
Operating loss	**(11.4)**	1.1	n/a
Operating margin	(4.1)%	0.3%	(440)bps
EBITDA	**4.8**	21.4	(77.6)%
Operating cash flow	**21.4**	13.3	60.9%
Cash conversion	*445.8%*	*62.1%*	



Positive impact of cost savings programme offset by continued revenue headwinds

Revenue (19.9)%

Revenue reduction reflects previously announced contract losses, expected annualised impact of subdued volumes mainly within the Telecommunications vertical, and other volume reductions including offshoring

Operating loss £11.4m

Flow through of revenue decline and lower volumes mainly within Telecommunications vertical

Impact of net losses and volume reductions, including initial costs of offshoring and National Insurance rise

Partly offset by savings from the cost reduction programme

Other includes unrecovered property costs from offshoring

EBITDA and cash conversion

EBITDA reduction reflects operating loss

Operating cash flow improvement driven by timing of cash receipts on two major contracts

Contact Centre (24% Group revenues)

Achievements in H1 2025…

Execution

Leaner delivery model introduced

Six Sigma Adoption – data driven methodology to improve processes

Omnichannel engagement rising leading to reduced volumes in some areas

KPI performance of 91%

Growth

Launched nine offerings targeting industry expansion

Further work required to replenish pipeline opportunities with targeted larger sized opportunities

Renewal rate 84%, 100% in the UK (H1 2024 81%)

Delivery

800 FTE across 4 clients transferred to global delivery centre in South Africa

Continued growth in nearshore operations in Bulgaria and offshore operations in South Africa

South Africa customer satisfaction score 4/5

Efficiency

AI-driven gamification with Centrical across 4,600+ agents, enhancing productivity, 10% average handling time reduction seen on one client

15% reduction in average handling time with client utilising AgentSuite

40+ agents created in our Capita AI Catalyst Lab

Technology

AI solutions used by 30 clients, with over 6,000 colleagues

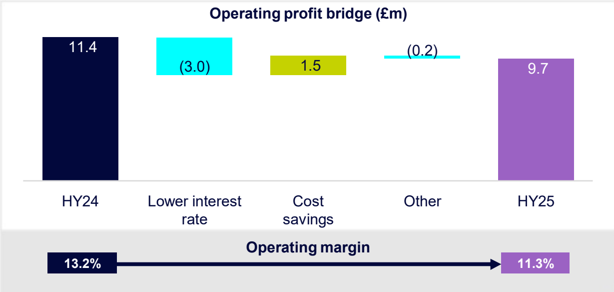
Launch of Snowflake proof of concept with two clients

Sanas Noise Cancellation utilised by over 3,400 colleagues

Symtrain proof of concept with two clients to improve agent onboarding

Capita Experience – Pension Solutions

£m	HY25	HY24	Change
Revenue	**86.1**	86.4	(0.3)%
Operating profit	**9.7**	11.4	(14.9)%
Operating margin	11.3%	13.2%	(190)bps
EBITDA	**13.3**	15.1	(11.9)%
Operating cash flow	**9.3**	22.3	(58.3)%
Cash conversion	*69.9%*	*147.7%*	



Stable revenue, operating profit impacted by lower interest rates

Revenue (0.3)%

Broadly in line with the prior period

Operating margin 11.3%

Impact of lower interest rate partly offset by benefit from cost savings

EBITDA and cash conversion

Cash conversion reduction reflects mobilisation and upfront implementation costs for digital investment on Civil Service Pension Scheme

Pension Solutions (7% Group revenues)

Achievements in H1 2025…

Execution

Key contract renewed with large multinational

Digital Mover secured new wins with Southern Water and Aviva

KPI performance 95%

Growth

£0.5bn orderbook until end of 2035

Total contract value increased 88% year on year to £75m

Strong pipeline of opportunities in H2 2025 and 2026

Delivery

Successful proof of concept of automating actuarial calculations

Future proofing service delivery including expanded use of Global Delivery Model

Efficiency

Operational efficiencies delivered

>100,000 members signed up to digital first

15 generative AI Copilot agents, including ‘MyPensionsBuddy’ in development to support colleagues

Technology

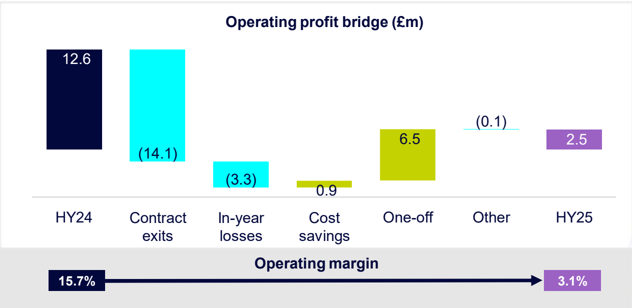
Collaborating with Microsoft Gold Partner on Digital tech stack

Award for Innovation in Technology at the 2025 European Pensions Awards

Data analysis and cleanse capability focused on outcomes for the end data user, with targeted activity creating maximum impact for our clients

Capita Experience – Regulated Services

£m	HY25	HY24	Change
Revenue	**79.5**	80.4	(1.1)%
Operating profit	**2.5**	12.6	(80.2)%
Operating margin	3.1%	15.7%	(1260)bps
EBITDA	**4.5**	15.9	(71.7)%
Operating cash flow	**(8.1)**	(9.5)	14.7%
Cash conversion	(180.0)%	(59.7)%	



Continued progress on exits

Revenue (1.1)%

Reflects previously announced contract exits and additional in-year losses

Offset by £19m one-off benefit from a contract exit in Mortgage Software business

Operating profit (80.2)%

Flow through of contract exits, including £10m benefit in prior year and in-year losses

£6m net benefit from termination fee received from the contract exit in Mortgage Software business in HY25

EBITDA and cash conversion

Improvement in operating cash flow reflects termination fee received from the contract exit in Mortgage Software business

Cash flow

£m	HY25	HY24
EBITDA	**80.2**	**102.4**
Net of deferred income and CFA	56.7	40.3
Other working capital (including AR and AP)	(68.5)	(71.5)
Non-cash and other adjustments	(12.5)	(20.4)
Operating cash flow	**55.9**	**50.8**
Operating cash conversion	***70%***	***50%***
Pension deficit contributions	-	(6.3)
Cyber incident	1.1	(6.4)
Cost reduction programme	(21.5)	(19.7)
Cash generated from operations excluding business exits	**35.5**	**18.4**

Good cash conversion

Net of deferred income and CFA reflects the timing of cash receipts on two major contracts and the non-recurrence of several one-off deferred income releases in HY24, both within Contact Centre

Other working capital reflects movements in trade receivables broadly offsetting movements in trade payables

Non-cash and other adjustments includes movement in provisions, and amendments and early termination of leases in the prior year

Final pension deficit contributions paid in 2024

Cost reduction programme outflow reflects slower than expected phasing of costs incurred in the period

Cash flow and net debt movement

£m	HY25	HY24
Cash generated from operations excluding business exits	**35.5**	**18.4**
Net capital expenditure	(15.2)	(21.2)
Interest/tax paid	(22.8)	(22.6)
Net capital lease payments	(23.6)	(27.1)
Free cash flow excluding business exits	**(26.1)**	**(52.5)**
Business exits	(5.2)	82.8
Other cash flows and non-cash movements	34.3	(6.7)
Movement in net debt	**3.0**	**23.6**
Closing net debt	**(412.2)**	**(521.9)**

£m	HY25	FY24
Net financial debt (pre-IFRS 16)	**(87.0)**	**(66.5)**
Lease liability	(325.2)	(348.7)
Net debt	**(412.2)**	**(415.2)**
Lease receivable	93.6	95.7
Net debt including lease receivable	**(318.6)**	**(319.5)**

Improved free cash flow performance

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

Interest/tax paid in HY25 reflects reduced interest cost of c.£3m from lower leverage, offset by timing of withholding tax refunds

Reduction in net capital lease payments from ongoing property portfolio rationalisation

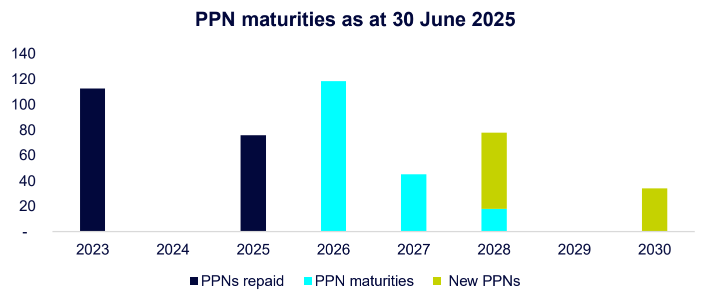
Business exit cash flows in HY24 reflects the receipt of Fera disposal proceeds

Other cash flows and non-cash movements primarily reflect non-cash movement in lease liabilities

Net debt includes £87m of financial debt and £325m of IFRS 16 lease debt. It does not include sublet lease receivables arising from the property portfolio rationalisation programme of £94m

Liquidity & net debt

£m	HY25	FY24
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	133.7	147.2
Total liquidity	**383.7**	**397.2**



Strong liquidity position

RCF extended in July to 31 December 2027 and amended to include a £50m accordion option, undrawn at half year (HY24: undrawn)

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

Net financial debt to EBITDA ratio (both pre-IFRS 16): 0.8x at 30 June 2025 (HY24: 1.1x)

PPNs are net of swaps

2025 outlook – Group outlook unchanged

Revenue

- **Group:** expect revenue to be broadly flat overall, based on following expected movements:
  - **Public Service**: guidance upgraded to mid-single digit revenue growth driven by annualised benefit of new contracts and strong H1 performance
  - **Contact Centre**: mid-teen revenue reduction (from high single digit reduction) reflecting continued volume reductions mainly in Telecommunications vertical, impact of losses and offshoring activities
  - **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:
  - **Public Service**: margin improvement driven by continued cost savings and revenue growth
  - **Contact Centre**: margin reduction reflecting revenue headwinds and slower than expected phasing of in year cost savings
  - **Pension Solutions** margin expected to remain stable with **Regulated Services** expected to see a decline in margin given ongoing exits

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

CEO
Adolfo Hernandez

Market Backdrop: AI creating new opportunities

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

- Growing technology and AI adoption requirements
- Public Sector focus on AI to deliver better services & front-line productivity
- Private Sector focus on efficiencies & better customer engagement
- Skills challenge for adoption
- 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

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

Our service line positioning

	Star Positions	Transformation Potential	Manage for Value
Actions/ Options:	• Repeat and expand positions/win share • Continued focus on operational excellence	• Tech-enablement & automation • Partner with hyperscalers	• Optimising delivery • Delivery through partners • Radical transformation • Exploring exits
Example Service Lines	Training Modernisation	Contact Centre	Networks
	Low Emission Zone Delivery	Back Office Transformation	IT Managed Services
	Fire Prevention & Response	Risk Assessments	Closed Book L&P, Mortgages
	Pensions Administration	Revenues & Benefits	Standalone Software

Maintaining our strong delivery and growth   Further improvement to be made

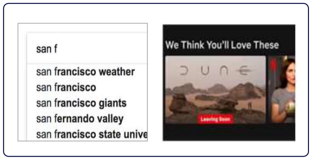
Progress with Manage for Value

Manage for Value	Status	Implementation
Standalone Software	✓ Capita One disposal **completed** in September 2024, **c. £180m net disposal proceeds** achieved	✓
Mortgages	✓ Sale announced December 2024, completion expected Q3 2025	In progress
Networks	✓ Adopting AWS Cloud WAN and Software Defined WAN on our journey towards a fully cloud-native enterprise	In progress
IT Managed Services	✓ Migrated internal IT/HR to ServiceNow as customer zero. Now starting migration to customers	In progress
Closed book Life & Pensions	One remaining closed book Life & Pensions client; transition agreements signed for all other clients	In progress

Agentic AI: an enabler of efficiency and growth

Predictive AI

Perform specific tasks by learning from data, e.g. to predict values or identify correlations



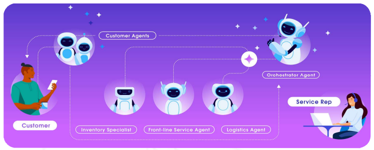
Generative AI

Human-like ability to **create new variations using existing content**, e.g. Large Language Models (LLMs), AI image generation

Copilot
Gemini
ChatGPT

Autonomous & Agentic AI

Human-like ability to **plan tasks and perform actions** by selecting and using multiple LLMs and GenAI tools



Products include:

AgentSuite – CallSight	**AgentSuite – AgentAssist** **Capita Accelerate** **CapitaContact**	**Agentforce** **Amazon Bedrock** **Microsoft Copilot Studio** **ServiceNow AI Agent Orchestrator**

What does this mean for Capita?

- Leverage Capita domain knowledge and experience is key
- Build strong AI enabled propositions
- Contract centric data and automation
- Orchestrate agents and humans

Source: Salesforce x Capita presentation; BCG experience

Where we are playing in the emerging AI value chain

Agents

BPO processes

Governance

Capita

- Mapping customer business processes
- Use best-available Agentic delivery if possible
- Recruit, develop & manage humans in the loop
- Provide security, data and governance
- Deliver a managed outcome

Applications	Oracle, Salesforce, Amazon Connect, ServiceNow, SAP; sanas, GetVocal, centrical	**~$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

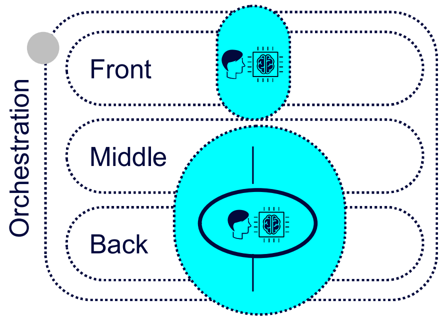
800 other agentic AI startups worldwide

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

Real opportunity to extend use of AI across Capita

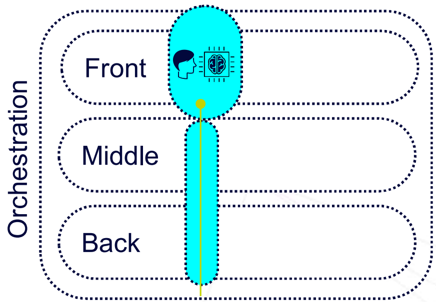
Capita starting to harness AI to orchestrate workflows end-to-end…

Capita Public Services



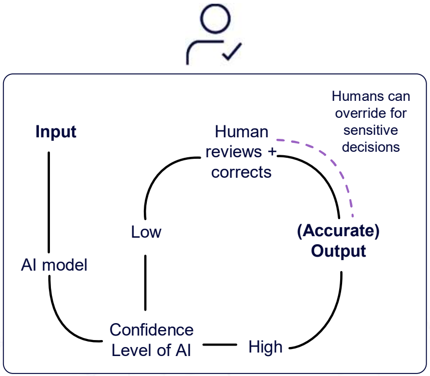
- Continue to deliver repeatable end to end AI enabled solutions
- In some clients, use strength in front office and extend to middle/back office

Capita Experience
(Contact Centre and Pension Solutions)



- Pursue front office excellence whilst in some cases connecting with back office

…with human-in-the-loop essential



Source: MIT

Key: denotes indicative size

AI in the Front/Middle/Back Office examples

Front Office

AgentSuite now live on six clients, driving reductions in handling time and improved customer satisfaction scores

Health Assessment Advisory Services (HAAS), proof of concept developed to automate transcriptions of assessment to check quality and accuracy

Middle Office

Discount verification system for Transport for London's new tolling scheme, providing an AI-powered discount verification, automating 29 fraud checks, reducing processing time from up to 5 days for a manual check to 1 minute

Back Office

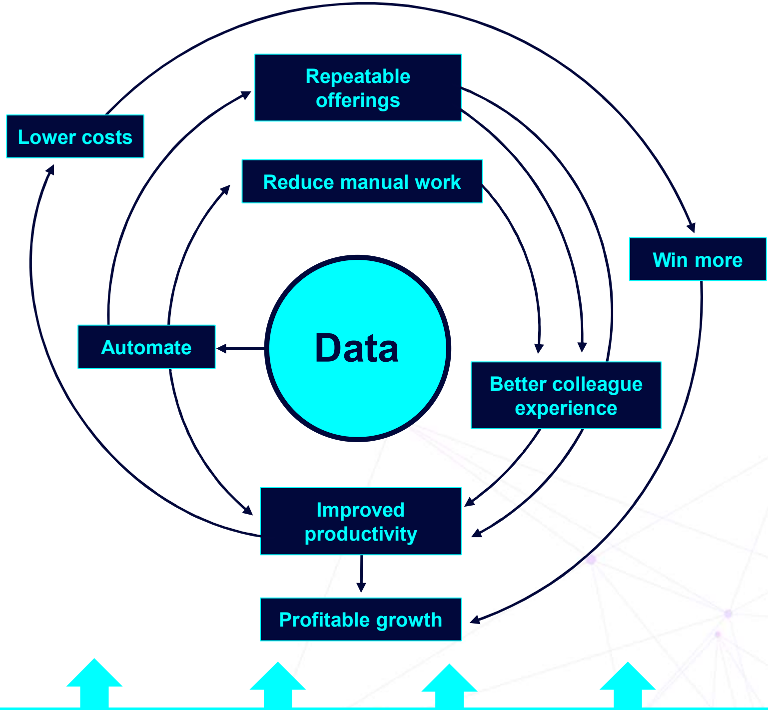
Appian aged debt tool helping councils collect aged Council Tax debt
Exploring use of tool for other areas of Council debt

Southern Water | Department for Work & Pensions

TRANSPORT FOR LONDON

LONDON BOROUGH OF BEXLEY

Significant opportunity for AI in Capita's future



Built on a foundational layer of our process knowledge, our colleagues' expertise and our hyperscaler partners

BETTER Technology
Building our hyperscaler relationships

Achievements to date…

Over 260,000 monthly Copilot actions in July (up from 150,000 in June), reduces manual effort, improves compliance, and unlocks new operational intelligence

Leveraging **ServiceNow to modernise delivery of services with 25,000 colleagues** across all geographies. Agentification and process efficiency undertaken across key functional areas and modernise Capita as client zero

Salesforce partnership - **uncovered 212 use cases, primarily agentic AI**

Looking forwards…

Continue ServiceNow deployment focusing on **agentic AI** across internal and external IT service management

EMEA launch partner **for AWS Process to Agent** differentiating Capita in the BPO and digital services market as a leader in AI-driven transformation)

Co-develop AI enabled BPO products for citizen support assessments and case management, and local government shared services

Launch our **Microsoft Copilot offering for government**, leveraging Capita's experience as customer zero

"As a key government partner, Capita is using Copilot to deliver better experiences for citizens. This includes streamlining a customer FAQ experience using a conversational UI and implementing an AI-augmented document processing system for a local government body using Microsoft Azure AI Foundry. This will streamline application handling processing time from 5 days to just under a minute"

Darren Hardman, Microsoft CEO UK & Ireland
at London Tech Week

Link to full speech:
https://www.youtube.com/watch?v=1n5o1fjJeJc&t=1205s

BETTER Technology
Capita AI Catalyst Lab

The Capita AI Catalyst Lab has initiated deep dive into 12 workflow areas including:
- customer service
- knowledge management
- training
- operational support

Agents now embedded across Microsoft and Salesforce platforms. Further hyperscaler AI solutions planned for H2

Over 70 agents created and launched, 300 ideas submitted to the Catalyst Lab since inception

Expanded Catalyst Lab remit to **drive AI-enabled transformation for customers**, focusing on Capita's core BPO service offerings

An internal Innovation Agent, built on Salesforce Agentforce, to provide a digital twin consultant for Capita colleagues to test ideas for AI in H2

Example: AI Automated Recruitment

Moved from concept to live deployment **within a short timeframe**

Over 19,000 candidates have been successfully processed using at least one element of Capita's broader AI-enhanced including technology from (Agentforce powered by Salesforce and Workday's HiredScore AI)

Approximately 10% of candidate journeys now begin on the Agentforce platform. Thousands of candidates have engaged with Agentforce since launch

Comprehensive data audit capabilities allowing tracking of candidate interactions

Human-in-the-loop principles have been maintained on all AI-assisted recruitment decisions

By end of 2025, nearly 100% of all applicants will be initially directed to Agentforce

Second half releases planned: *AI-based applicant pre-screening, automated scheduling, and inbound & outbound applicant correspondence processing*

The solution has allowed for faster applicant shortlisting, and improved recruiter productivity. It is quicker for our talent team to get shortlists together, and we have a huge pool of candidates at our fingertips."

Resourcing Partner – Capita Recruitment

Link to Salesforce keynote 'Become an Agentforce Company':
https://www.salesforce.com/plus/experience/world_tour/series/best_of_agentforce_world_tour_london_2025/episode/episode-s1e1

BETTER Technology

Capita AI Catalyst Lab – Agentic AI proof of concepts examples

Multi-Agent Orchestration

Assessments and Quality Assessment (CPS Customer)

- Multi-agent ecosystem using intelligent automation and autonomous AI Agents communicating seamlessly
- Dynamic task handovers and collaborative problem-solving streamline the end-to-end process
- Reduced assessment time and rework with accelerated decision making

AI in the Field

Review Agent for Fire Risk (Fire Service College)

- Agentic workflow allowing field agents to submit assessments > 40 pages
- Agent reviews submissions, validates versus standards, gives feedback and recommendations
- Dramatically reduces review time, uplifts quality of customer-facing assessments and maintains output consistency

Multi-Agent Front Office AI

Customer Service Productivity (Pensions)

- Categorises incoming customer queries, source and topic. Agent drafts responses automatically
- Agent 1 handles source and topic classification, Agent 2 drafts responses
- Human in the loop review and approval pre-sending
- Reduces manual triage and response time, potential for full autonomy in responses

BETTER Efficiencies
Continued progress on cost savings

- On track to deliver £250m annualised savings by December 2025
- Expect total cash costs to achieve savings across 2025 of £55m
- £22m cash costs to achieve in first half
- Savings creating space for reinvestment in our technology offerings
- Maintaining cost discipline to ensure pricing competitiveness remains a key focus

£205m

annualised savings at 31 July 2025

BETTER Efficiencies

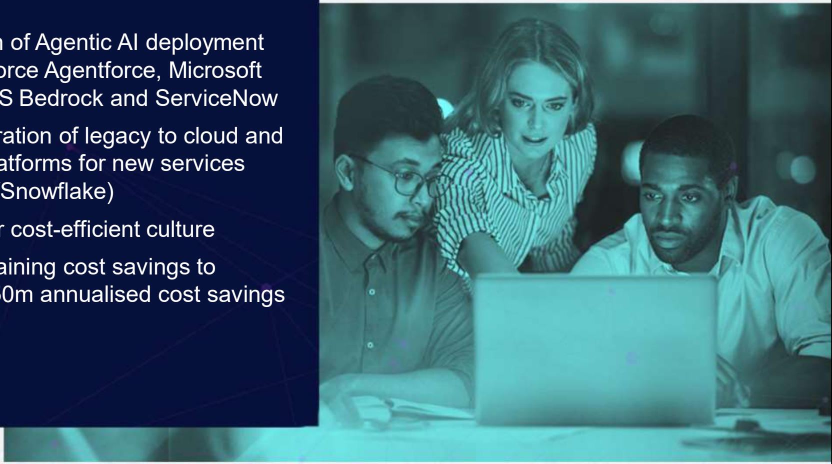
How does AI help drive and embed cost efficiencies and culture?

Fixing the basics:

- New EOS platform investment is eliminating manual order processing
- Improving our shared service centres to optimise internal processes
- Transitioned 25,000 colleagues' IT/HR service platforms to ServiceNow
- Build of new Enterprise Data Platform for integrated reporting, quality, management information

Priorities for H2:

- Process mapping, review and automation
- Acceleration of Agentic AI deployment from Salesforce Agentforce, Microsoft Copilot, AWS Bedrock and ServiceNow
- Further migration of legacy to cloud and new data platforms for new services (Databricks/Snowflake)
- Maintain our cost-efficient culture
- Deliver remaining cost savings to achieve £250m annualised cost savings



BETTER Delivery
Improving on Sales Effectiveness

Total contract value secured in H1
up 17%
at £1,044m

Win rate across all opportunities increased to
77%
up from 48% H1 2024

Unweighted pipeline with higher technology underpin
£4.4bn

Group book to bill improved to
0.9x
(H1 2024: 0.7x)

	Capita Public Service	Contact Centre	Pension Solutions
Opportunities won in H1 2025 including	Royal Navy; NHS England Primary Care Support England	Bord Gáis Energy; Southern Water	Severn Trent WONDERFUL ON TAP
Pipeline opportunities for H2 2025 and 2026	Ministry of Defence; Department for Work & Pensions; Home Office	Samsung; ScottishPower	PIC

BETTER Company

Customer first, always

We prioritise our customers in everything we do, working hard to exceed their expectations with exceptional service

Fearless **innovation**

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

Achieve together

We believe in the power of collaboration and being open, working together, holding each other to account to reach our shred goals

Everyone is **valued**

We create a welcoming and inclusive environment where everyone feels valued and empowered to succeed

We innovate boldly, to grow better together…

+10 point

improvement Employee net promoter score in H1 25 versus FY24

Culture transformation programme to build a high performance organisation and cost conscious programme

63%

(2024: 64%) Employee engagement

BETTER Company
People vs Digital Agents

Our human in the loop concept is a key part of our transformation:

- **For all of our internal projects and contract portfolio**
- **Improving customer outcomes by using best resource for the task**
- **Augmenting and amplifying employees**

Upskilling colleagues:

- **240 employees completing Multiverse apprenticeships**
- **c. 5,000 colleagues involved in AI, Technology and Data Academies**
- **Over 10,000 digital learnings courses completed by colleagues**

Understand Analyse Report

Create Search Enrich

Decide Execute

Digital Agents

People

Review

Validate Verify Decide

Empathise Escalation Reassure

BETTER Company
Responsible and Ethical AI

Our AI commitments:

- Uphold human governance and safety
- Protect privacy and fairness
- Ensure transparency and accountability
- Adhere to ethical and regulatory standards
- Commit to security

We are a **trusted supplier** delivering services to the UK Government and regulated industries

Our Generative AI oversight Committee ensures human overview of critical decisions and we are providing continuous training on the responsible use of AI

All Capita AI must adhere to the Group's AI principles:

- **Inclusive**
- **Trustworthy**
- **Transparent**
- **Accountable**
- **Secure**
- **Governed**
- **Adaptive**

Recapping – our waves of change as we adapt to changing markets

Impact

Cost transformation
to fund the journey

On track to deliver **£250m annualised cost savings**

Building cost conscious culture

To generate cash to **invest to future proof the Group**

Innovation & Ways of working
to launch and scale solutions

Launch and scale first AI solutions (AgentSuite) with customers while setting up AI and Product organisation to systematically deploy disruptive technology

Develop hyperscaler relationships

Invest in Future Growth
through Agentic AI

Transform way BPO operates in public and private sector

Trusted sovereign partner to UK in capturing benefits from Agentic AI

H1 summary and H2 priorities:

H1 Summary:

- Growing engagement from clients in AI solutions
- Strong in growing markets and in which Capita has a right to win
- Launch of Capita AI Catalyst Lab
- Strong performance in Capita Public Service
- Building a better company for and with our colleagues
- Improving our data management maturity to deliver industry leading AI solutions

H2 Priorities:

- Improving financial performance in Contact Centre
- Resolving remaining Manage for Value businesses
- Focus on delivering remaining cost savings
- Future proofing the business with our reinvestment
- Maintaining contract and commercial discipline
- Building on our refreshed values and culture

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 (unchanged from previous assumptions)

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

Divisional overview

£m	Public Service		Contact Centre		Pension Solutions		Regulated Services		plc costs		Group	
	HY25	**HY24**	**HY25**	**HY24**	**HY25**	**HY24**	**HY25**	**HY24**	**HY25**	**HY24**	**HY25**	**HY24**
Revenue	**711.8**	685.6	**277.4**	346.2	**86.1**	86.4	**79.5**	80.4	**-**	-	**1,154.8**	1,198.6
Operating profit/(loss)	**57.2**	47.4	**(11.4)**	1.1	**9.7**	11.4	**2.5**	12.6	**(15.4)**	(18.0)	**42.6**	54.5
Operating margin	*8.0%*	*6.9%*	*(4.1)%*	*0.3%*	*11.3%*	*13.2%*	*3.1%*	*15.7%*	*-*	*-*	*3.7%*	*4.5%*
EBITDA	**72.3**	66.9	**4.8**	21.4	**13.3**	15.1	**4.5**	15.9	**(14.7)**	(16.9)	**80.2**	102.4
Operating cash flow	**52.2**	49.2	**21.4**	13.3	**9.3**	22.3	**(8.1)**	(9.5)	**(18.9)**	(24.5)	**55.9**	50.8
Cash conversion	*72.2%*	*73.5%*	*445.8%*	*62.1%*	*69.9%*	*147.7%*	*(180.0)%*	*(59.7)%*	*128.6%*	*145.0%*	*69.7%*	*49.6%*

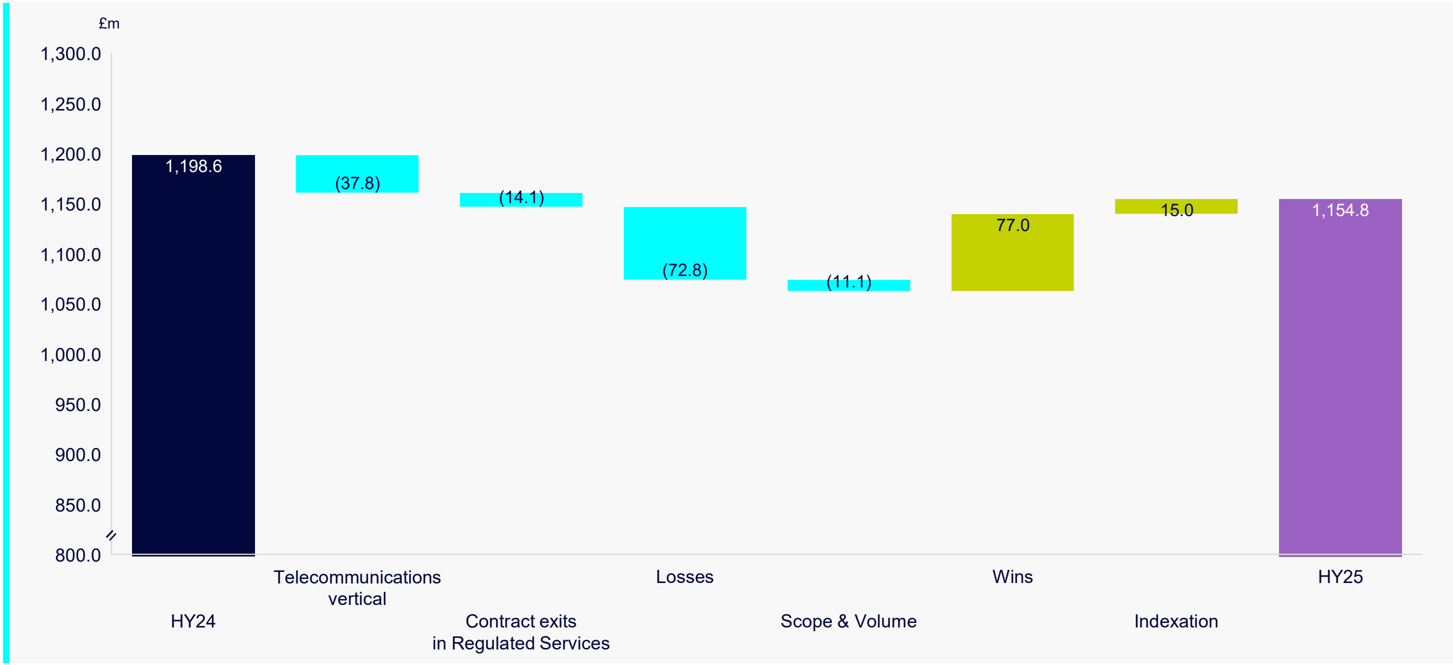
Key items by division:

- **Public Service** – revenue growth reflects contract wins and expanded scope on existing contracts. Improved margin reflects higher revenue, significant cost savings from the cost reduction programme, partially offset by reinvestment, timing of pay awards and impact of the National Insurance increase. Cash flow reflects improvement in EBITDA
- **Contact Centre** – revenue and profit reduction reflects previously announced contract losses and the subdued volumes primarily within the Telecommunications vertical. Cash flow reflects timing of cash receipts on two major contracts
- **Pension Solutions** – revenue broadly in line with the prior period. Profit impacted by lower interest rate partly offset by benefit from cost savings. Cash conversion reduction reflects mobilisation and upfront implementation costs for digital investment on Civil Service Pension Scheme
- **Regulated Services** – revenue reflects previously announced contract exits and additional in-year losses offset by £19m one-off benefit from a contract exit in HY25. Profit reflects the flow through of contract exits, including £10m benefit in prior year, in-year losses and £6m benefit from termination fee received from the contract exit in HY25. Cash flow improvement reflects termination fee received on the contract termination in Mortgage Software business
- **plc costs** – reduced operating loss and cash outflow reflects the benefit from the cost reduction programme. Improved cash flow also reflects the timing of supplier payments

Leading indicators on journey to reaching medium-term targets – further update to be provided at FY25 results

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_2e (market based - scope 1, 2 and business travel)	13,597	22,644

Revenue bridge by driver

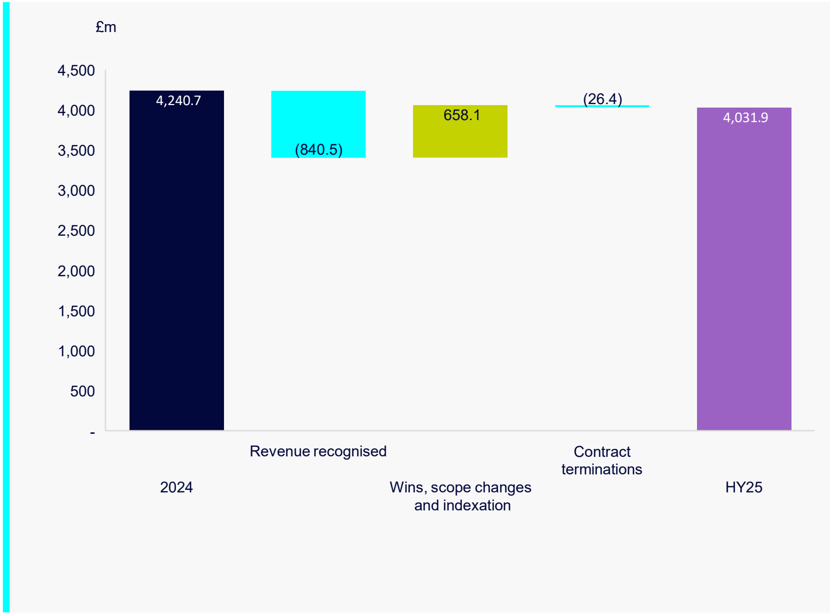


Order book[1] bridge

Relevant to approximately 76% of revenue base

Additions in 2025 include renewals with the Education Authority Northern Ireland, Primary Care Support England, and expanded scope on our Royal Navy Training contract, all within Public Service

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

We are actively responding against five key market trends that are impacting the overall customer experience (CX) landscape – technology key to address these changing needs

Capita's Response to Key Trends

		Capita's Activities to Address Trend			
		Technology	Offshoring	Talent	Commentary
Increasing Emphasis on Cost Competitiveness	Competitors continue to scale offshore delivery (eg a competitor increased offshore revenue share from 52% in FY22 to 58% in FY24)	✓	✓	✓	Offshore penetration up 15% in back-office support functions, with strategic **investments in South Africa & Bulgaria** Driving further cost efficiency through **targeted AI deployment** & partnerships
Greater Value in Technology Partnerships	CC operators are investing in GenAI partnerships to transform operations (eg a competitor committed €100m for partnerships with AI providers in 2025)	✓			Partnership with Parloa to **embed AI / automation into CX delivery** - & hyperscalers (eg AWS) to improve go to market
Rise of Digital-first CX	Omnichannel engagement is rising - AI chatbot usage in retail jumped 42% YoY (January 2025 vs January 2024), with retailers reporting higher AI-driven sales	✓			Collaborating with partners like SnapCall to deliver AI-enabled, **seamless omnichannel engagement** (voice, chat, self-service)
Industry Verticalisation	CXM providers are developing tailored solutions for industries eg digital claim management solutions for insurance providers streamlining claim processes	✓		✓	Deploying **industry-specific AI tools** (e.g. ParcelLab, CollectSure) & tailoring training to deepen domain expertise
Continued Work from Home Adoption	Hybrid / remote working has persisted post-Covid as a key lever for attracting top talent eg a competitor enabled 50% of its workforce to operate remotely by September 2022	✓		✓	Partnerships with Microsoft, AWS, etc supported **roll-out of a virtual-first hybrid model**, with tech investments enabling remote recruitment & onboarding

Source: Management Information, Centrical, OC&C analysis

Hence over the last 18 months we have been deploying a range of innovative AI technology and tooling to support transforming our service delivery

Overview of Capita's Innovative customer experience AI Tools

		Overview	Benefits						Examples
			Lower AHT	Higher FCR & CSAT	Sales Uplift	Fewer Calls	Lower Training Costs	Lower Wrap Time	
Agent Augmentation	**AgentAssist**	Real-time agent co-pilot offering response suggestions	✓	✓				✓	• Initial client has reduced its **average handling time (AHT) by 15%**
Agent Augmentation	**AgentConvert**	Agent offering service to sales recommendations			✓				• One client **sales rose 25%** in week 2 of the trial
Agent Augmentation	**CallSight**	Analytics tool that evaluates post-call data		✓					• Pilot suggests improved first call resolution (FCR) & customer satisfaction (CSAT)
Agent Augmentation	**CollectSure**	Predictive analytics to personalise debt collection	✓		✓				• Client in utility space **improved its collection rates** in March 2025 after implementation in February
Agent Engagement	symtrain	AI-powered simulation tool accelerating advisor training					✓		• *Under proof of concept* - **Accelerated agent onboarding** & faster time to proficiency
Agent Engagement	centrical	Gamification & coaching within the agent's workflow	✓		✓				• Client in utility sector achieved **10% AHT reduction,** & smart meter bookings rose from 14% to 19%
Virtual Agents	parloa	AI agent to handle repetitive voice & chat interactions	✓	✓		✓			• *Under proof of concept* – Allows agents to focus on more complex tasks **automating repetitive requests**
Call and Service Enhancement	sanas	AI system to neutralise accents & enhance voice call clarity	✓	✓					• Extent of benefits under review but delivered customer satisfaction uplift & reduction in AHT at competitor
Call and Service Enhancement	parcelLab	Post-purchase experience platform	✓			✓			• *Under proof of concept* – **Reduces incoming inquiries** by providing regular delivery updates
Call and Service Enhancement	SnapCall	Voice and video comms integrating into website / app	✓	✓					• *Under proof of concept* – **Smoother end-customer support** experience on web and mobile platforms

Source: Management Information, Centrical, OC&C analysis

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