

26 March 2026

Sale of private sector contact centre business to focus on public sector and pensions businesses

Capita plc

Capita plc (Capita) today announces that it has agreed to sell its private sector contact centre¹ business to Inspirit Capital. This is a continuation of the strategic simplification of the Group, focusing on areas where we deliver complex, differentiated middle and back-office services in large growing markets where demand for technology-enabled transformation is accelerating.

This transaction is an important milestone for the Group and will allow Capita to significantly streamline its operations and investments. This provides the Group with tangible opportunity to accelerate its margin expansion and free cash flow generation, while leveraging current capabilities to further increase growth.

This transaction will be value accretive and will unlock a material overhead reduction as we remove further complexity from the Group. The Group expects to deliver approximately 200bps improvement in adjusted operating margin by 2027 (against the 2025 Group adjusted operating margin of 5.2%). We will be taking actions to deliver annualised savings of c. £40m, across 2026 and 2027. The anticipated associated cash cost to achieve these savings is £20m. We continue to expect the Group to deliver positive free cash flow, before the impact of business exits, in 2026.

The transaction perimeter differs from the previously reported contact centre business due mainly to the exclusion of retained public-sector contracts and allocated Group costs (see appendix for perimeter breakdown).

In recent years, Capita has made good progress in improving and modernising the foundations of the primarily front office facing private sector contact centre business, resolving the structural challenges that the business faced. It is therefore the right time for the business to move forward and continue to build on this progress under different ownership. We look forward to working with Inspirit Capital to support a successful transition and handover for our customers and colleagues.

We will hold an investor update on 17 June 2026 to provide further detail on the future market opportunity for Capita, and refreshed forward looking financial targets and approach to capital allocation as we continue our journey to become the first AI-led business processing outsourcer, built on the foundations of two successful businesses in Capita Public Service and Pension Solutions.

Transaction Highlights:

- Sale of Capita’s private-sector contact centre business to Inspirit Capital for:
 - £1 with £6.5m cash retained in the business upon completion for normal working capital purposes
 - In addition, potential contingent consideration payable to Capita up to a cap of £61.5m, expected to be paid in 2027 and 2028; with £50.0m based on future financial performance of the disposed business and £11.5m based on cash availability
 - Value sharing alignment if net proceeds are realised by Inspirit Capital from any change in ownership within five years of completion
- Perimeter included within transaction: 2025 adjusted revenue £398.1m, 2025 adjusted operating loss including overhead allocations £34.9m (see below for reconciliation between previously reported 2025 financial performance and transaction perimeter)
- Total net lease benefit of £26.2m, including £18.1m lease liability from operational properties included in the transaction and £8.1m lease liability that is fully sublet
- The Group will retain only three currently underutilised properties which represent a lease liability of 2025: c. £65m and an associated lease cost c. £10m per annum with future opportunity to deliver significant costs savings from these leases
- c. £25m of Group costs previously allocated to the business will remain with the Group, more than offset by the c. £40m of annualised savings to be delivered across 2026 and 2027 from the simplification programme announced today
- Expected transaction, transitional restructuring and separation costs in 2026 of approximately £20m
- Completion is expected before the Group’s half year results in August, subject to regulatory approval

Adolfo Hernandez, Chief Executive Officer, Capita said:

“We are extremely pleased to have reached agreement with Inspirit Capital for the sale of our private sector contact centre business as we continue Capita’s strategic journey. As disclosed previously, we have seen tangible results from the improvements we have made to the business.

However, we believe that the private sector contact centre business is best placed to succeed for the long-term under new ownership and we’re pleased to have found a partner to deliver incremental benefits for both parties with the onward progress of the business.

In Inspirit Capital we have found a new owner of the business with the potential to enable that long-term success.

The sale of the private sector contact centre business further simplifies the Group and will enhance our margin expansion. It enables us to focus on Public Service and Pension Solutions and invest in our technology capabilities to improve our differentiation. This will enhance value creation in markets where technology-enabled transformation is accelerating and where Capita has deep expertise and strong demand.”

Will Stamp, Founding Partner at Inspirit Capital, commented:

"Inspirit is pleased to announce the pending acquisition of Capita's private sector contact centre business. We believe the tenure and strength of Capita's private sector contact centre business's customer relationships give the business a leading position in the industry and a unique platform from which to exploit new technology and opportunities in the sector. It is an exciting time for the business, with the impressive transformation Capita has started well underway, and the chance to capitalise on its strengths under new ownership."

Investor presentation:

A webcast hosted by Adolfo Hernandez, CEO and Pablo Andres, CFO, will be held at 09:00am UK time, 26 March 2026. To receive the invite for the webinar, please contact irteam@capita.co.uk. The webcast will subsequently be available on demand along with the presentation slides and transcript.

Barclays Bank PLC, acting through its Investment Bank ('Barclays') is acting as sole financial advisor to Capita on the transaction.

Appendix:

Perimeter breakdown based on 2025 Group results:

| £m | Adjusted performance as reported externally | Transaction perimeter ^a | Impact of retained contracts ^b | Retained group costs and leases ^c | Total retained by Capita |
|-------------------------|---|------------------------------------|---|--|--------------------------|
| Revenue | 536.7 | 398.1 | 138.6 | - | 138.6 |
| Operating profit/(loss) | (17.0) | (34.9) | 17.9 | (36.4) | (18.5) |
| Operating cash flow | 6.7 | (16.4) | 23.1 | (33.1) | (10.0) |

- a. Including overhead allocation
- b. A small number of UK public sector related contracts, which were previously reported within Capita Experience under the Contact Centre operating segment, are excluded from the transaction and will remain within the Group
- c. Group costs of £25.3m which were previously allocated to the Contact Centre business are also excluded, together with £11.1m of leases

For more information, please contact:

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About Capita plc

Capita is a modern outsourcer, helping clients across the public and private sectors run complex business processes more efficiently, creating better consumer experiences. Operating across eight countries supporting primarily UK and European clients with

people-based services underpinned by market-leading technology. We play an integral role in society - our work matters to the lives of the millions of people who rely on us every day.

Notes to editor:

1. Capita's contact centre business, which sits within the Group's Capita Experience division, serves customers in the UK, Ireland, Germany and Switzerland, with services delivered across these geographies and also in, South Africa and Bulgaria, supported by Capita's teams in India and Poland. The private sector Contact Centre business is a well-established business that delivers services mainly across the front office with some middle and back office to private sector companies.
2. We will publish detailed pro-forma information outlining the financial impact of this transaction in due course.

About Inspirit:

Inspirit Capital is a London-based investment firm that focuses on acquiring businesses that are no longer core to their parent company's strategic objectives and require a different ownership structure to achieve their full potential. Inspirit manages capital on behalf of a blue-chip institutional investor base and specialises in complex corporate carve-outs.

Important Notice

Barclays, which is authorised by the Prudential Regulation Authority ('PRA') and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for Capita and no one else in connection with the transaction that this announcement relates to and will not be responsible to anyone other than Capita for providing the protections afforded to clients of Barclays nor for providing advice in relation to the transaction or any other matter referred to in this announcement.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). Upon publication via a Regulatory Information Service, this inside information is now considered to be in the public domain.