Capita

Capita H1 2026 Results

August 2026

"Better Capita" is re-writing the BPO playbook supporting a fundamentally changed investment proposition

To view this video online please visit: **https://capita.wistia.com/medias/vaq1akf6qt/**

CEO
Adolfo Hernandez

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H1 2026 Results Summary - Group

Continued progress and delivery to becoming the leading AI-enabled business services partner

Adjusted revenue: £906.4m
H1 2025: £892.2m

Adjusted operating profit: £32.2m
H1 2025: £47.1m

Adjusted operating margin: 3.6%
H1 2025: 5.3%

Free cash flow, excluding business exits: £3.5m
H1 2025: £25.2m

BETTER

Technology

- Continued idea origination and innovation throughout organisation with **Group's AI Catalyst Lab**
- First European BPO to **launch Storefront on AWS Marketplace**
- **Launch of Forward Deployment Orchestrator** with Salesforce Forward Deployment Engineer programme
- **500** AI agents live across Group; increasing productivity

Efficiencies

- **£250m annualised cost savings** delivered **by the end of 2025**
- £40m annualised savings to be delivered by the end of 2027; as at 30 June **action taken to deliver £8m annualised savings**
- Embedded cost conscious culture as we move to next phase of transformation journey

Delivery

- **KPI performance** maintained around **90%***
- **Total contract value £1bn; £24bn unweighted sales pipeline**
- Agreed and completed **sale of private sector contact centre business** – allowing significant strategic simplification
- **CSPS remediation** plan underway

Company

- Increased data & AI training, upskilling colleagues and building AI literacy
- Launched phase 2 on "Celebrate!" recognition platform, including financial recognition
- Continue to embed culture change activity
- **Positive free cash flow** expected to be delivered in 2027

*excluding Civil Service Pension Scheme

H1 2026 Results Summary

Capita Public Service

80% of Group revenues

Best Total Contract Value (TCV) won performance in H1 since 2021, secured contracts with value of £801m

KPI performance maintained around **90%**

cNPS improvement in four consecutive years to +37 points

100% renewal rate delivered in the first half

Strong start to July with Transport for London contract renewal with TCV of £425m

Celebrated 5 year partnership delivering Royal Navy training

Using AI agents across the division to drive efficiency and quality services e.g. on Troubles Permanent Disablement Payment Scheme

Pension Solutions

12% of Group revenues

Total Contract Value won up over 100% in the first half of the year

94% KPI performance across division (excluding CSPS)

CSPS remediation plan underway

99% win rate in first half, up from 94% in the prior year

22 Triennial Valuations completed for clients

Positive engagement with Hartlink Online Platform

Over 7 million scheme members served

Delivered **99 communication projects** for clients

Capita has undergone significant transformation to unlock value…

Done

Ongoing

Future growth

Future state operating model

Innovation & ways of working to launch and scale solutions

Cost & EBITDA transformation to fund the journey

Comprehensive cost out program transforming how we operate, organise and deliver

Delivered annualised cost savings of £250m and **built transformation muscle** supporting continuous discipline

Generate free cash flow

CAIPO org **systematically deploying tech – hyperscaler partners;** AI Catalyst Lab, AI Catalyst stack, combined with Human in the Loop

Launching and scaling first AI solutions with customers

People strategy to support vision - increased accountability, innovative culture, sales effectiveness

Developing a future state operating model:

- Simplified
- Agile
- Automated

Blueprint for Capita's agentification (*internally & customers)*

Transform how BPO operates in public and private sector

Trusted sovereign partner to regulated & public industries in capturing benefits from Agentic AI

Positive free cash flow, before business exits, in 2027

Well progressed in vision to be the first AI led BPO

Highest ever Group cNPS; improving win rates & £24bn unweighted pipeline

Now a leaner organisation with platform to deliver

…and significant simplification of the Group which continued in H1 2026

Now focused on two structural growth markets – **Public Sector** (80% of Group revenue) and **Pension Solutions** (12% of Group revenue)

Closed book Life & Pensions

- Announced **final client** agreement reached December 2025
- Continued progress in hand back and transition activities

Private sector contact centre disposal

- Announced March 2026; **completed 31 July**
- Allows Group to focus on complex, differentiated middle and back-office services in public & regulated markets
- Doubling down on **large growing** markets

Organisational and cost simplification

- Unlocked significant savings as we simplify the Group
- **£250m** savings now delivered
- Private sector contact centre disposal - on track to deliver £40m annualised across 2026 and 2027; of which action taken to deliver **£8m**

Financial Review

H1 2026 Performance

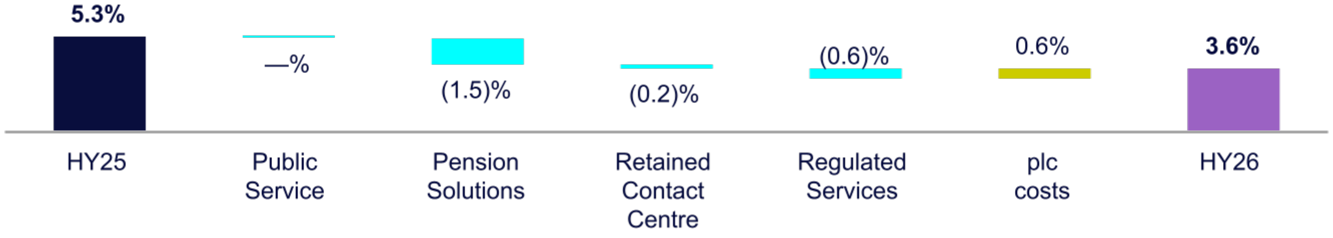
All figures included within this presentation are on an adjusted basis unless otherwise stated

CFO
Pablo Andres

Financial highlights

£m	HY26	HY25	Change
Revenue	**906.4**	892.2	1.6%
Operating profit	**32.2**	47.1	(31.6)%
Operating margin	***3.6%***	*5.3%*	*(170)bps*
Profit before tax (PBT)	**12.5**	29.1	(57.0)%
Earnings per share (EPS) (pence)	**13.4**	(6.1)	n/a
EBITDA	**59.5**	73.9	(19.5)%
Operating cash flow	**56.9**	82.9	(31.4)%
Cash conversion	***95.6%***	*112.2%*	*(16.6)%*
Free cash flow	**3.5**	25.2	(86.1)%
Net debt[1]	**(499.7)**	(412.2)	(87.5)
Net financial debt (pre-IFRS 16)	**(200.4)**	(87.0)	(113.4)

Operating margin bridge



1. Net debt includes £200m of financial debt, £299m IFRS 16 leases, and excludes £94m lease receivable asset

Margin reduction driven by pensions remediation costs

Revenue growth in Public Service and Pension Solutions, partially offset by a decline in Regulated Services driven by the non-repeat of a £19m prior year contract exit benefit, and a marginal decline in retained Contact Centre

Operating profit reduction reflects the additional costs incurred on the CSPS contract and non-repeat of £6m benefit from 2025 contract exit fee, partly offset by savings delivered through the cost reduction programme in 2025

Profit before tax decreased due to lower operating profit and higher finance costs from higher average net debt

Decline in cash conversion due to continued investment in CSPS, contract mobilisation costs, prior year favourable timing and completion of a major contract milestone within Public Service

Free cash flow reflects the flow through of reduction in profits and lower cash conversion

Net financial debt (pre-IFRS 16): EBITDA ratio 1.6x at 30 June 2026

Adjusted to reported reconciliation

£m	HY26	HY25	Change
Adjusted profit before tax	**12.5**	**29.1**	**(16.6)**
Business exits	(2.1)	(10.9)	8.8
Simplification programme	(4.1)	-	(4.1)
Cost reduction programme	-	(16.5)	16.5
Net finance (expense) / income	(1.5)	3.0	(4.5)
Cyber incident	(0.7)	(3.0)	2.3
Reported profit before tax (continuing operations)	**4.1**	**1.7**	**2.4**

Lower costs associated with the 2025 cost reduction programme

Business exits includes costs related to the disposal of the private sector contact centre business

Incurred £4m of costs in relation to the ongoing simplification programme in 2026

Net finance costs reflect our hedging valuation movements

Capita Public Service (80% of Group revenue)

£m	HY26	HY25	Change
Revenue	**729.2**	711.8	2.4%
Operating profit	**57.7**	57.2	0.9%
Operating margin	*7.9%*	*8.0%*	*(10)bps*
EBITDA	**73.9**	72.3	2.2%
Operating cash flow	**37.3**	52.2	(28.5)%
Cash conversion	*50.5%*	*72.2%*	*(21.7)%*

Steady growth in revenue

Revenue +2.4%

Increased volumes in Local & Regional Partnerships transactional business and on the Disabled Students Allowance contract

Growth in the Transport for London contract, including Silvertown Tunnel programme

Partly offset by the flow through of prior year contract losses and lower recoveries on the Smart DCC contract

Operating margin (10)bps

Increase of cost allocation due to pensions profit reduction impacting margin by 0.5%

Flow through of prior year contract losses and lower cost recoveries on the Smart DCC contract

Annualisation of cost savings initiatives from the prior year

Other includes continued investment in AI, hyperscalers and data capabilities, and timing of insurance recoveries

EBITDA and cash conversion

Cash conversion reduction reflects, timing of cash receipts on a large contract milestone, unwind of favourable timing of receipts in 2025 and mobilisation costs on the Synergy Business Process Services contract

Capita Experience – Pension Solutions (12% of Group revenue)

£m	HY26	HY25	Change
Revenue	**107.4**	86.1	24.7%
Operating profit	**(3.6)**	9.7	n/a
Operating margin	*(3.4)%*	*11.3%*	*(1,470)bps*
EBITDA	**2.0**	13.3	(85.0)%
Operating cash flow	**5.4**	9.3	(41.9)%
Cash conversion	*270.0%*	*69.9%*	*200.1%*

Operating (loss) / profit bridge

Operating margin

Significant remediation of the Civil Service Pension Scheme contract

Revenue +24.7%

Impact of the CSPS contract

Increased volumes on our existing contracts

Operating loss £(3.6)m

Additional costs on the CSPS contract as we resolve the operational issues

Other includes lower consulting volumes due to redeployment of resources to CSPS contract

Partially offset by lower cost allocations driven by reduction in profits

EBITDA and cash conversion

Flow through of additional costs on the CSPS contract

Cash conversion includes investment in CSPS, offset by the receipt of a 2025 delayed milestone payment and favourable timing on working capital

Capita Experience – Retained Contact Centre (7% of Group revenue)

£m	HY26	HY25	Change
Revenue	**67.1**	71.4	(6.0%)
Operating profit	**1.2**	3.3	(63.6)%
Operating margin	*1.8%*	*4.6%*	*(280)bps*
EBITDA	**4.5**	8.0	(43.8)%
Operating cash flow	**43.8**	44.0	(0.5)%
Cash conversion	*973.3%*	*550.0%*	*423.3%*

Reduced margins driven by revenue headwinds

Revenue (6.0)%

Reduction in revenue reflects lower project work and the accounting impact of the extension of a major contract

Operating profit (63.6)%

Flow through of lower revenue

Other includes continued investment in AI, hyperscalers and data capabilities, and higher cost allocations

Partly offset by savings delivered through the cost reduction programme in 2025

EBITDA and cash conversion

Cash conversion driven by the usual receipt profile on a major contract

Cash flow

£m	HY26	HY25
EBITDA	**59.5**	**73.9**
Net deferred income and CFA	32.8	61.3
Other working capital (including AR and AP)	(37.5)	(45.3)
Non-cash and other adjustments	2.1	(7.0)
Operating cash flow	**56.9**	**82.9**
Operating cash conversion	**95.6%**	**112.2%**
Simplification programme	(1.9)	-
Cost reduction programme	(2.1)	(15.4)
Cyber incident	(1.5)	1.1
Cash generated from operations excluding business exits	**51.4**	**68.6**

Reduced cash driven by pensions and year end timing of cash flows

Operating cash flow impacted by reduced EBITDA and lower inflow in net deferred income and CFA.

High conversion in first half driven by the usual receipt profile on a major contract

Reduced deferred income and CFA reflecting timing of cash receipts on a major contract milestone, unwind of favourable timing of receipts at year end and ongoing investment in CSPS and Synergy contracts

Non-cash and other adjustments include movement in provisions and non-cash items

£2m incurred on the recently announced simplification programme

Cash flow and net debt movement

£m	HY26	HY25
Cash generated from operations excluding business exits	**51.4**	**68.6**
Net capital expenditure	(15.4)	(13.0)
Interest paid	(20.2)	(18.8)
Tax (paid) / received	(0.9)	0.9
Net capital lease payments	(11.4)	(12.5)
Free cash flow excluding business exits	**3.5**	**25.2**

£m	HY26	FY25
Net financial debt (pre-IFRS 16)	**(200.4)**	**(143.4)**
Lease liability	(299.3)	(318.2)
Net debt	**(499.7)**	**(461.6)**
Lease receivable	93.9	96.6
Net debt including lease receivable	**(405.8)**	**(365.0)**

Reduced cash generated from operations mostly driven by pensions

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

Increased interest paid reflects higher net debt during 2026

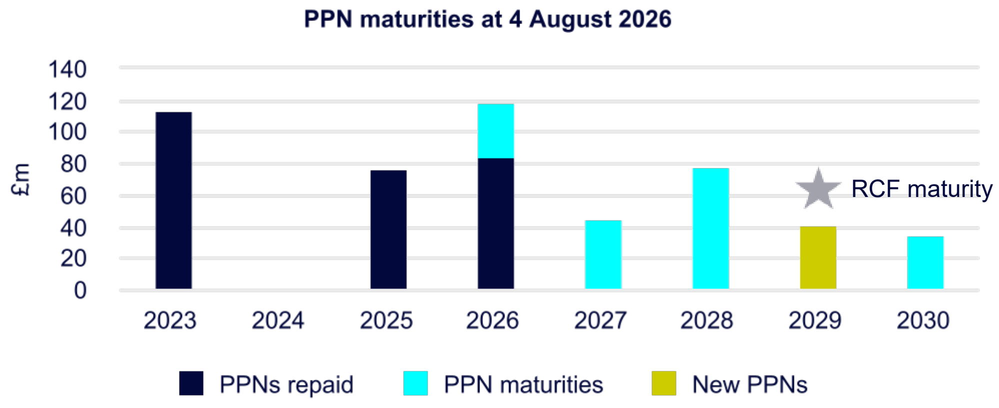
Tax paid driven by timing differences

Net debt includes £200m of financial debt, £299m IFRS 16 leases, and excludes £94m lease receivable asset

Lease liability includes £15m related to the private sector contact centre business classified as discontinued operations

Liquidity & net debt

£m	HY26	FY25
Revolving credit facility (RCF)	**325.0**	**250.0**
Less: drawing on committed facilities	**(47.0)**	**-**
Available committed facilities	**278.0**	**250.0**
Net cash less restricted cash	72.7	79.4
Total liquidity	**350.7**	**329.4**



PPNs are net of swaps

RCF increased and extended, strengthening liquidity

In June 2026, the Group extended and increased its RCF to £325m, replacing the previous RCF (£250m) and additional committed facility (£75m), and extending the expiry date of the facility to June 2029 (including the option for two additional one-year extensions)

In July 2026, the Group issued £41m equivalent of US private placement loan notes maturing in July 2029, and repaid £84m of maturities

Net financial debt to EBITDA ratio (both pre-IFRS 16): 1.6x at 30 June 2026 (31 December 2025: 1.0x)

Order book[1] bridge

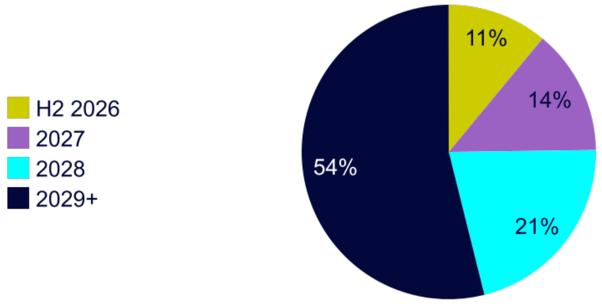
Relevant to approximately 76% of H1 revenue

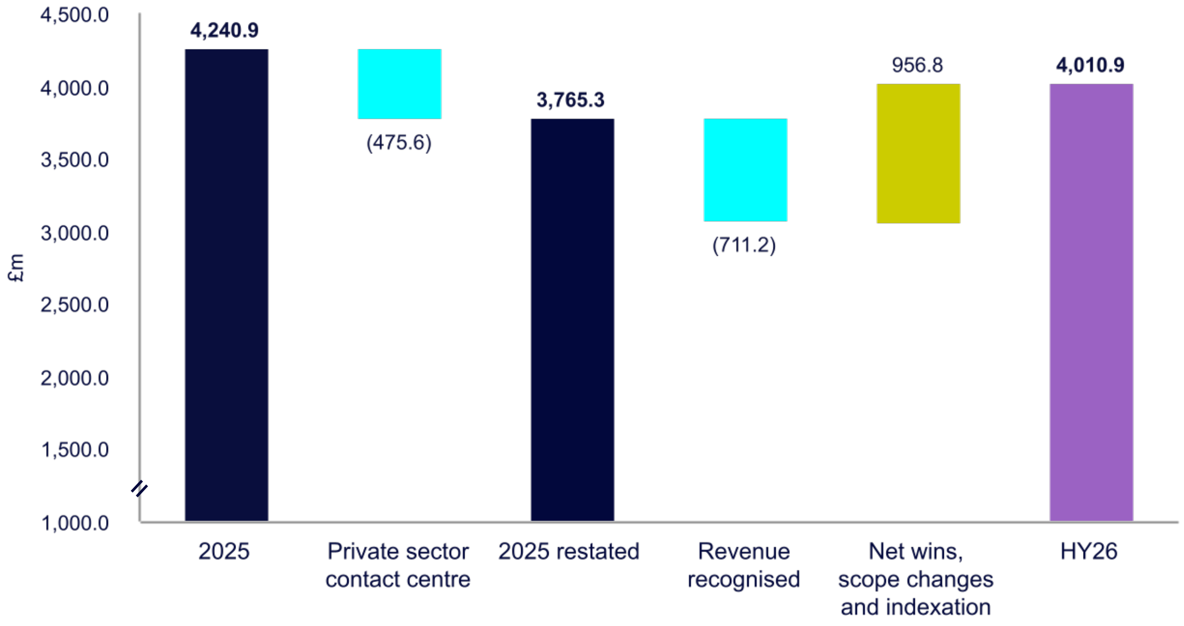
Additions in HY26 include wins of the Synergy Business Process Services and Army Collective Training System contracts, a renewal with a major client within Pension Solutions, and expanded scope on the Primary Care Support England contract

Regulated Services includes the closed book Life & Pensions contracts, the results of which are presented within business exits

Private sector contact centre is excluded as it meets the criteria of discontinued operations

Forward profile of net wins, scope changes and indexation[2]





HY26 Order book by Division

£m	Public Service		Pension Solutions		Contact Centre		Regulated Services		Total	
	HY26	FY25	HY26	FY25	HY26	FY25	HY26	FY25	HY26	FY25
Order book	**2,940.8**	2,720.1	**530.9**	465.1	**430.9**	473.6	**108.3**	106.5	**4,010.9**	3,765.3

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
2. Excludes Transport for London win worth £425m over five years which was contracted in July 2026

2026 outlook, in line with expectations

Revenue	• Expect revenue to be broadly flat overall
Operating margin	• In line with previous guidance. Reduction in margin reflecting additional costs on the CSPS contract and residual overheads as the business transitions to a simpler operating model
Free cash flow	• Free cash outflow before impact of business exits of between £35m – £50m, reflecting increased costs associated with the CSPS contract, post mitigating actions across the Group • Strong cash flow performance in Public Service
Net debt	• Increase reflecting free cash outflow and outflows associated with disposal of private sector contact centre business and closed book Life & Pensions hand backs

CEO
Adolfo Hernandez

Resilient structural growth markets in which we have leading positions...

IT-enabled Services (ITeS)/BPO market

2030 market size in £

Total Addressable Market (TAM):

c. £155bn Broader UK Public Sector Services (BPO and ITeS) and Regulated Industry (BPO and ITeS)

Serviceable Addressable Market (SAM): c. £50bn

Core: £15bn with high maturity of service offering

Pensions market

Total Addressable Market (TAM):

£5bn+

UK DB Pensions Revenue Pool

Serviceable Addressable Market (SAM):

c £2.75bn

Core:

£0.85bn

mid / large DB admin & consulting spend

IT-enabled services/BPO market growth rate to 2030, SAM

4.5%

Pensions market growth rate to 2030, SAM

5.0%

Source: Gartner; Oxygen; OC&C 2025; BCG analysis

We are the No 1 strategic supplier to UK government (Public Service: 80% of Group revenue)

Strong competitive positioning in the UK

UK No.1 strategic supplier of SITS[1] & BPS[1] to UK Government

Barriers to entry/part of the Capita "moat":

- Deep public sector domain expertise
- Multi-decade experience running complex/ end-to-end, regulated operations at scale
- Upfront transformation investment, revenue profit and cash flow builds over time
- Long duration contracts

£1.5bn annual revenue in 2025

£23.5bn pipeline of opportunities today

c.8% adjusted operating margin

Differentiated value-creating AI opportunity

- New Prime Minister agenda - increased scrutiny of old style basic outsourcing creates an opportunity for Capita – the public sector needs to boost productivity and we are a trusted partner for AI enabled service reform, devolution delivery and workforce productivity
- We understand public-sector operations better than tech firms, while **applying AI more effectively** than traditional outsourcers
- Consultants help governments design transformation. **Capita helps governments run transformed services**

Not building AI from scratch, acting as an orchestrator integrating existing best-in-class technology:

- Internally/client zero proven-AI deployment at scale
- Outcome-accountability commercial model
- UK-onshore delivery aligned with government's stated preference

Public Service revenue split by vertical:

1. Source: TechMarketView

Capita's alignment with UK Government's agenda

Government priority	Government's first initiatives	Capita Public Service propositions / existing contracts
Radical devolution of powers	Empowering mayors & combined authorities; rewiring Whitehall delivery to the regions; regional shared services	Local Public Service delivery; Revenues & Benefits; AI-led shared services (Catalyst Stack); Driving productivity
Affordable housing surge	Biggest council housebuilding since the post-war era on public land; cutting the housing-benefit bill; faster land release	Planning & place; Housing Benefit / Revenues & Benefits
Skills & Employability	Parity for technical/vocational routes; guaranteed youth work placements; reducing NEETs; 16–18 free bus travel	Capita Learning / apprenticeships; Employability; Flexible working schemes with DfE, NEETS
A leaner, higher-productivity state	"Good growth" & regeneration; more delivery for less; automating high-volume public services	AI-led BPO driving productivity; Intelligent document & mailroom processing
Welfare reform & social care	Reforming assessments & conditionality; more support into work; substantial social-care change	Functional Assessment Service; Into-work / Employability; Agentic AI
Defence, resilience & Buy British	Fully funding the Defence Investment Plan; Buy British / social-value weighting; national resilience	National Programmes; Royal Navy training; ACTS; Defence resilience & recruitment support

A simplified Group: what we offer

Capabilities delivering more predictable outcomes

AI & Automation enablement

Driving smarter outcomes through AI-powered BPO innovation

Citizen Services

Frictionless citizen engagement that builds trust and satisfaction

Assessment Services

Streamlining case-based assessments, collections and disbursement

Workforce Services

Creating future ready public service teams

Operational Services

Freeing organisations to focus on core service delivery through efficient, compliant operations

Pension Administration

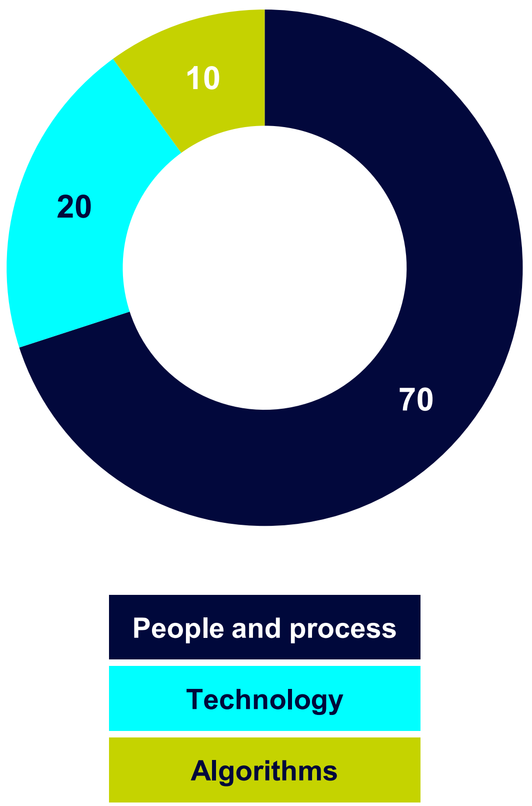
Pension administration and consulting services; focused on defined benefit schemes

Supported by technology and delivered by skilled, experienced people

Secure, digital-first solutions powering public service innovation

Our position in value chain and business model

Value in AI services



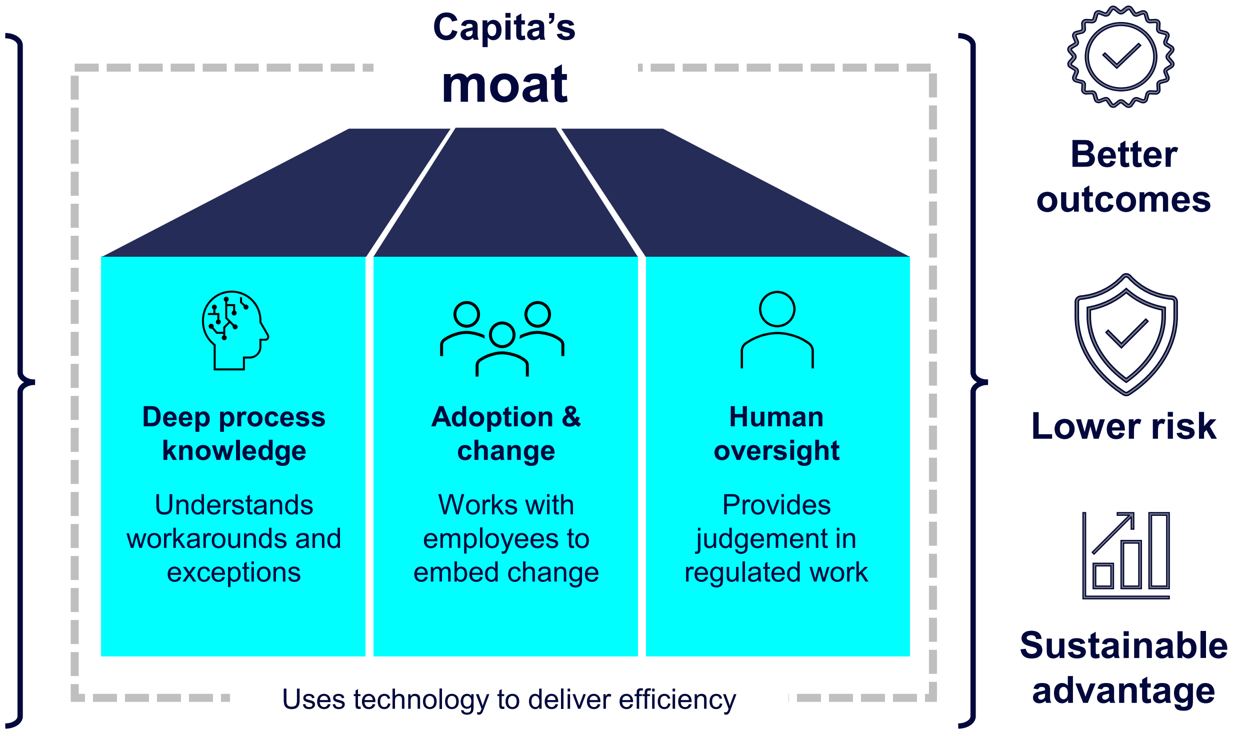
Source: BCG view

Capita's value chain

Point AI solutions cover a narrow part of the stack

- **Applications**
- **AI models**
- **Infrastructure**

Our moat is knowing how processes really work



Technology + **Operational knowledge** **Human oversight** = **Better outcomes**

Capita has been investing for over 2 years to be ready to win

Our strategy is aligned with the market shift to governed, outcome-led human-agent operations

The key now is commercial conversion

Market evolution

1. **2024: AI disruption anxiety**
   Fear that agents would displace outsourced service work

2. **2024-2025: Provider productisation**
   Platforms, vertical models and accelerators launched across the market

3. **2025: Orchestration reality**
   Point agents alone are not enough; end-to-end process design matters

4. **2026: Human-agent operating model**
   Governed AI + people + automation becomes the expected model

Market evolution: *from point tools to governed, outcome-led human-agent operations*

Capita journey

Jun 2024	Jul 2024	Feb 2025	Jun 2025	Oct 2025	Mar 2025	Jul 2026
AI strategy at CMD CapitaContact with AWS	Launch of AgentSuite	AI Catalyst Lab	200+ AI use cases	AI Catalyst Stack	AI-led BPO narrative; active agents and AI-enabled ops	Forward Deployed Orchestrator (FDO)

Capita moved broadly in step with the market, building capabilities as the operating model evolved

Capita future

1. **Aligned with market direction**
   - Moved from augmentation to orchestration
   - Public narrative evolved in line with the wider market

2. **Built real operating assets**
   - AI Catalyst Lab, Stack and AgentSuite are concrete capabilities
   - Not just commentary: packaged tools and operating methods

3. **Human-in-the-loop is the expected model**
   - FDO matches buyer expectations for governance, outcomes and accountability
   - Avoids the failed pure-replacement story

4. **Strength in complex regulated process**
   - Capita is concentrating middle and back-office work
   - This is where orchestration, domain depth and accountability matter most

The investment in efficiency and technology is helping better delivery and building a growth platform

Total contract value won in H1

£1bn

Strongest performance in Public Service since 2021

Unweighted pipeline

£24.4bn

Pipeline continues to increase as we review opportunity sets

KPI performance maintained around

90%

Maintaining our delivery record

Win rate across all opportunities

84%

Up from 82% in H1 2025

2026 wins

Major renewal in Pensions worth

£137m

Department for Work & Pensions

*revenue commencement expected H2 2027

Staffordshire County Council

ROYAL NAVY

ARMY BE THE BEST

Pipeline opportunities for H2 2026 and 2027

Transport for London * £425m secured in July

UK Health Security Agency * £36m secured in July

NHS England

Primary Care Support England

ROYAL NAVY

Ministry of Defence

HSE

Civil Service Pension Scheme has brought some near-term challenges

Summary of key performance metrics as at 26 July

Key challenges

- Large (1.7m members) and highly complex, signed in 2023
- Service inherited in a distressed operational state
- Backlog greater, older and more complex than expected
- Compounded by delays in automation
- Data completeness

Progress

- Payroll working from start (Over £5.2bn paid to date)
- Doubled operational FTE, bolstered by both Capita and Cabinet Office surge resource
- Automation and other technology now in place, with c.10,000 portal hits per week

Member Service

- Retirement journey improved, average handling time for payment processing increasingly improving
- Automation delivered for quotes and payments (c.36,000 quote cases completed since end March)

Resolution

- Executing on a draft remediation plan
- Further service improvements expected over coming weeks driven by additional automation, and upskilling
- Learnings will be applied to future public sector pension propositions

Automation and capacity improvements:

Ill-health

Average workable cases remain broadly in line with normalised target levels

Death in service

Capacity is 172% higher than March; cases closed > than incoming

Payments

Capacity is 234% higher than March

Retirement quotes

Since June, quote capacity is 50% higher than March

Supported by our technology, hyperscaler partners and operational excellence

New Capita AI & Product Office team investing since 2025:

AI Catalyst stack

Integrated platform leveraging hyperscaler partner technology

AI Catalyst lab

Innovation engine to drive change throughout organisation

Partner achievements:

aws

- First European BPO to launch on Storefront with 20 outcome led products
- Amazon Connect Service Delivery accreditation achieved

- Achieved Snowflake Select Partner status
- Agreement to modernise data infrastructure

- Microsoft Solutions Partner designation renewed (Data & AI, Digital & App Innovation, Infrastructure and Security)
- Significant growth in Co-pilot actions, 575k monthly interactions with 46,000 assisted hours
- 5 Microsoft Marketplace listings deployed

salesforce

- Progressed to Select partner status
- Strategic Collaboration Agreement to deliver Agentforce and MuleSoft Integration

- Strong progress in building analytics layer into Finance & Operations
- Early adoption internally

Using Capita internally as client zero - AI/Tech is delivering operational efficiency, workforce readiness and scalable AI adoption

Area	Metric	Progress as at end July 2026
AI-powered assessments & alignment platform (Assure Hub) and voice-based training companion	AI-led workforce assessment, training and upskilling	• Supports assessment and training for **2,000+ specialists** for a large health assessment client. Generated **~788 quizzes** and delivered **~8,000 assessment questions** • Completed **17,000+ minutes** of assessment activity • Quiz creation now takes **under one minute** at approx. **£0.0005 per quiz**, significantly reducing 2 days of specialist effort • Voice-based training builds learner confidence and engagement- a safer space to ask questions without fear of judgement
Real-time quality & compliance assistant	Agent support, compliance adherence and quality improvement	• Developed a real-time AI assistant that gives colleagues in-the-moment guidance before work reaches review stages. Building on existing quality assurance capabilities that reduced reported quality issues by **86%**, the solution improves quality, consistency and compliance at the point of delivery
AI Registry Proves AI internally before market launch, reducing implementation risk and accelerating client adoption	Scale / internal AI readiness & upskilling	• **497** AI agents deployed across **12 capability categories**, supporting thousands of employee interactions across knowledge retrieval, workflow automation, content generation and analytics. Creates a scalable AI operating capability across Capita

NEW Forward Deployment Orchestrator

Orchestrating best in class technology and measurable benefits of AI

MIT 2025 study of enterprise generative AI found that 95% of organisations see no measurable impact on business"

"McKinsey reported fewer than one in ten organisations have scaled AI agents in any single function

Launching Forward Deployment Orchestrator

Value Creation

1. Observe
Process intelligence on how systems work

2. Deploy
Design and build operating model with agent-enabled workflows

3. Orchestrate
Compose people, agents and platforms

4. Operate
Run and own outcome

The process:

1. Intake & capture
2. Triage
3. Data enrichment
4. Routing
5. Assessment
6. Decision
7. Human Review
8. Action & output

Better company

Responsible business, driven by our values

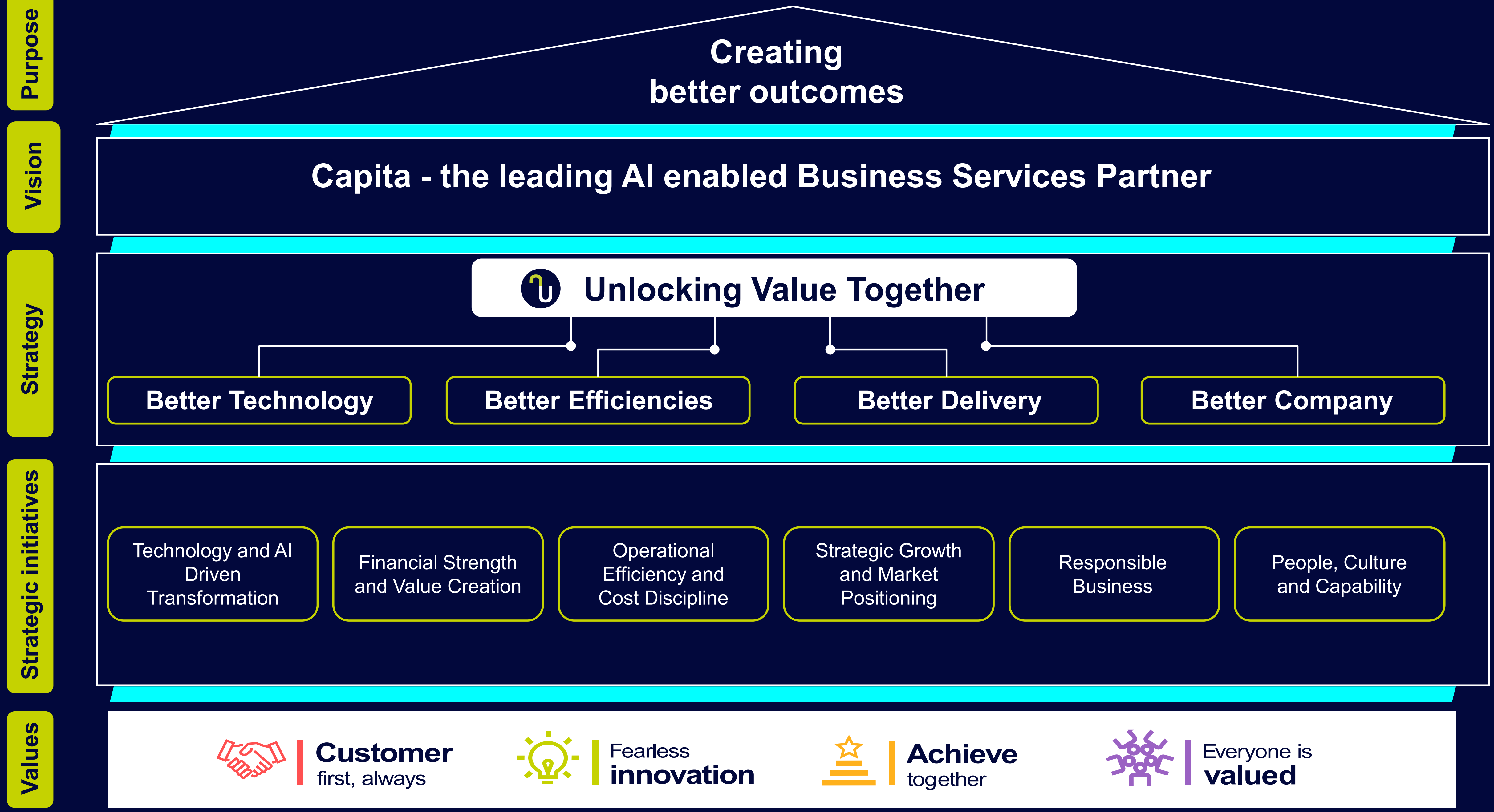
Responsible AI Principles & Charter	30,838 completed instances of AI and Data learning through live virtual sessions, self-led digital content, and hyperscaler learning	Group attrition at 17%

Case Study: Employability

Capita delivers a range of employability programmes designed to support people and take positive steps towards employment:

- Supporting young people through work experience
- 100 paid work experience placements with clients Department for Work & Pensions and Transport for London
- Building skills and confidence for those facing complex barriers
- 91 young people supported through digital employability pilot
- Military spouses talent pool launched
- Local initiatives supporting local communities

Driving an improvement in financial performance



Capita

Appendix

Capita 2030 | We are addressing key AI adoption blockers in public sector

Transformation Challenges · Commercial Challenges · Adoption Levers

Key adoption blockers	Activity to date	In the future
Legacy IT & Data Silos **Digital Skills Gap**	• Digital Transformation in contract activity • Legacy integration thought leadership • Internal training rollout for AI tools • Learning Services development of AI training content • Development of the multi agency data sharing proposition	• Proposition rationalisation and re-development to demonstrate AI benefits • Align to Group AI upskilling programme showing demand volumes to move to wider implementation • External rollout of AI training proposition
Traditional bid requirements **Change control restrictions** **Understanding AI commercials**	• Continuous commercial shaping through client workshops and thought leadership • Managing changing commercial terms through renewal / rebid negotiations	• Expand talent & skills programme • Explore contract lifecycle management systems • Development of standard contract libraries • Improving small to medium contract process management
Target areas of highest concern **Fragmented Dep't co-ordination** **Ethical Concerns**	• Continuing thought leadership, AI innovation workshops, demonstration of capabilities with Cabinet Office • Targeting pain-points for current contracts across Group • Set up new Account Management Function • Developed through transparent business cases, customer zero activity & client co-creation through innovation workshops	• Continue Sales upskilling through to deepen product & commercial knowledge • Expand Account Management best practice to target client pain-points • Expand proposition and market development activity for specific pain-points • Continued case studies to demonstrate AI in action for good

Forward Deployment Orchestrator benefits

Commercial conversion has started: live client economics

92%

of conversations resolved end to end by AI

UK broadcaster WhatsApp channel: 12,000+ conversations a month, handling time down from 29 to 14 minutes. Industry best practice runs at 70 to 90%

80%

first-time resolution, a 2.5x uplift

Local government Contact.AI deployment, live January 2026, with the containment rate doubled

Under 1 minute

to clear a straightforward regulated application, from 4 days

On a client in central government, an AI operator runs 26 authenticity checks with a full audit trail. It clears within defined rules or refers to a person

Up to 6.5 hrs

saved on complex tax cases

HMRC automation unified data across 20+ systems and 18m cases a year, with 105 FTE redeployed to higher-value casework

43%

cut in candidate screening time

Capita recruitment, 1,000+ hours saved in the first four months

Example: AI-Led Customer Service on WhatsApp

Large UK Broadcaster deploying Capita Contact.AI to run WhatsApp as a customer service channel. It now handles over 12,000 conversations a month, with the majority resolved without a human agent.

92%

Resolved by AI

entirely automated; 70–90% is the industry best-practice range

4.33/5

Customer Effort Score

82% rated 4–5 of 5

52%

Lower handling time

Average Handling Time down from 29 min to 14 min from Apr to May 2026

12,000+

Conversations / month

supported by a team of 95 FTEs

How it fits: Capita Contact.AI

Capita Contact.AI is an AI-led, omnichannel contact centre solution spanning voice, chat, email and messaging, built on Amazon Connect. WhatsApp is one of its messaging channels. The same platform extends to voice and web chat under one operating model.

PLATFORM CHANNELS

Voice | Chat | **Messaging**

Deployment shown: WhatsApp messaging channel.

2026 modelling assumptions

Depreciation & amortisation	Total charge c.3.5% of revenue
P&L interest	Low to mid-single digit increase compared to 2025, in line with average net debt increase
Working capital	In line with previous guidance
Non-cash and other adjustments	In line with previous guidance
Cash tax	In line with previous guidance
Net capital lease payments	Continued reduction in 2026 reflecting reductions in property footprint. Interest on lease liabilities included in both P&L and cash interest
Capex	Reduced investment reflecting our hyperscaler and cloud-based strategy Total spend: £30m to £40m
Cash interest	Low to mid-single digit increase compared to 2025, in line with average net debt increase

2026 outlook, in line with expectations

Revenue

- Public Service: broadly flat revenue, reflecting impact of previously announced losses and contract wins in 2026 which commence in the second half of 2027
- Retained Contact Centre: low single digit revenue reduction, reflecting impact of lower project work and the accounting impact of the extension of a major contract
- Pension Solutions: mid-teen growth, as previously expected
- Regulated Services: decline driven by non-repeat of prior year one-off benefit in the Mortgage Software business

Operating margin

- Public Service: operating profit consistent with the prior year; operating margin maintained at c.8%
- Retained Contact Centre: margin reduction reflecting the above mentioned revenue reduction
- Pension Solutions: operating loss reflecting additional costs associated with the CSPS contract and remediation
- Regulated Services: expected to be broadly breakeven

Free cash flow

- Free cash outflow before impact of business exits of between £35m – £50m, reflecting increase costs associated with the CSPS contract, post mitigating actions across the Group
- Strong cash flow performance in Public Service

Net debt

- Increase reflecting free cash outflow and outflows associated with disposal of private sector contact centre and closed book Life & Pensions hand backs

Divisional overview

£m	Public Service		Pension Solutions		Contact Centre		Regulated Services		plc		Group	
	HY26	HY25	HY26	HY25	HY26	HY25	HY26	HY25	HY26	HY25	HY26	HY25
Revenue	**729.2**	711.8	**107.4**	86.1	**67.1**	71.4	**2.7**	22.9	**-**	-	**906.4**	892.2
Operating profit/(loss)	**57.7**	57.2	**(3.6)**	9.7	**1.2**	3.3	**0.5**	5.6	**(23.6)**	(28.7)	**32.2**	47.1
Operating margin	*7.9%*	*8.0%*	*(3.4)%*	*11.3%*	*1.8%*	*4.6%*	*18.5%*	*24.5%*	*-%*	*-%*	*3.6%*	*5.3%*
EBITDA	**73.9**	72.3	**2.0**	13.3	**4.5**	8.0	**0.5**	6.0	**(21.4)**	(25.7)	**59.5**	73.9
Operating cash flow	**37.3**	52.2	**5.4**	9.3	**43.8**	44.0	**1.5**	5.0	**(31.1)**	(27.6)	**56.9**	82.9
Cash conversion	*50.5%*	*72.2%*	*270.0%*	*69.9%*	*973.3%*	*550.0%*	*300.0%*	*83.3%*	*145.3%*	*107.4%*	*95.6%*	*112.2%*

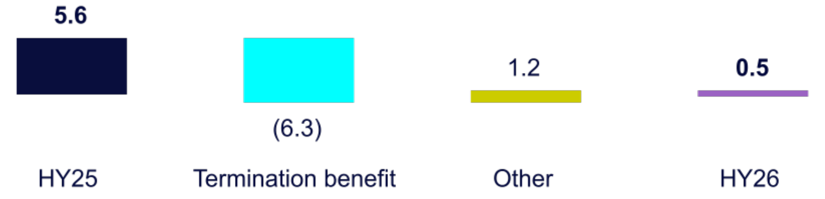
Key items by division:

- **Public Service** – small increase in revenue year-on-year. Slight reduction in margin reflecting flow through of prior year contract losses, lower cost recoveries on the Smart DCC contract, continued investment in AI, hyperscalers and data capabilities, and an increase in the allocation of central functions costs as a consequence of the reduction in operating profit in Pension Solutions, partly offset by savings from the cost reduction programme. Operating cash flow impacted by prior year completion of a major contract milestone, unwind of favourable timing of receipts in 2025 and mobilisation costs
- **Pension Solutions** – increased revenue reflecting the CSPS contract. Operating loss in 2026 driven by additional costs associated with the CSPS contract, partly offset by lower allocation of central functions costs as a consequence of the reduction in operating profit. Decrease in operating cash flow reflected the additional costs on the CSPS contract. The improved operating cash conversion reflects receipt of a 2025 delayed milestone payment
- **Retained Contact Centre** – revenue reduction reflecting impact of lower project work and accounting impact of extending a major contract. Reduced margins driven by flow through impact of revenue, continued investment in AI, hyperscalers and data capabilities and higher cost allocations, partially offset by cost savings. Increased cash conversion driven by usual phasing of significant cash receipts from a customer
- **Regulated Services** – overall reduction in financial performance driven by non-repeat of one-off benefit in 2025 arising from a contract exit
- **plc** – operating profit benefits from the cost reduction programme. Note that the central functions costs that were allocated to the private sector contact centre business within the Contact Centre segment have been reallocated to the Capita plc segment. These stranded costs are being addressed as part of the £40m cost saving programme by the end of 2027. The reduction in operating loss reflects savings delivered by the cost reduction programme, together with benefits realised from lease modifications. Increase in operating cash outflow reflects the repayment against the non-recourse trade receivables financing arrangement and timing of supplier payments

Capita Experience – Regulated Services (0.3% of Group revenue)

£m	HY26	HY25	Change
Revenue	**2.7**	22.9	(88.2)%
Operating profit	**0.5**	5.6	(91.1)%
Operating margin	*18.5%*	*24.5%*	*(600)bps*
EBITDA	**0.5**	6.0	(91.7)%
Operating cash flow	**1.5**	5.0	(70.0)%
Cash conversion	*300.0%*	*83.3%*	*216.7%*

Operating profit bridge



Operating margin

Includes one remaining business, Mortgage Software, being managed for value

Revenue (88.2)%

Non-repeat of £19m one-off benefit in 2025 arising from a contract exit

Operating profit £0.5m

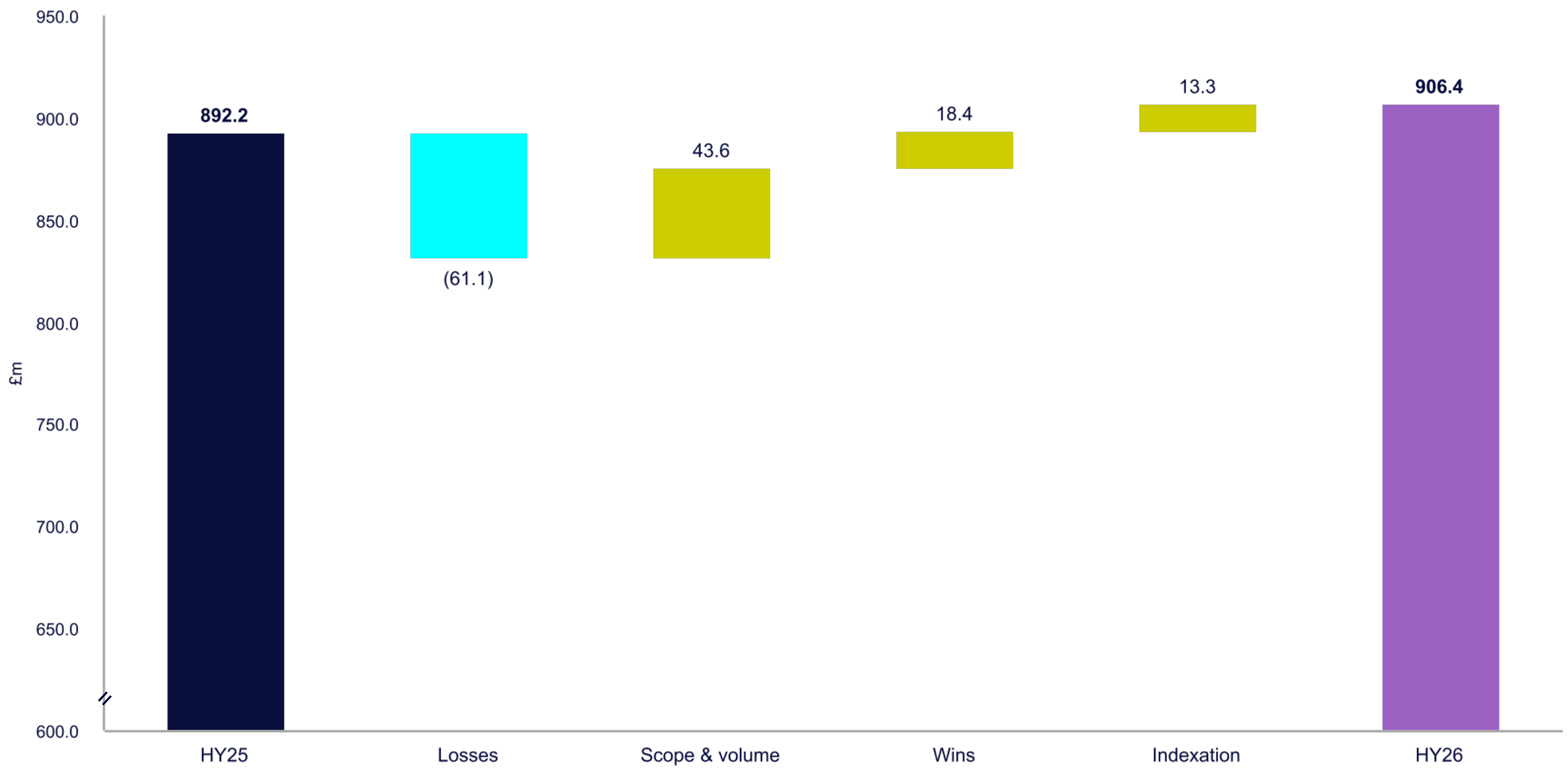
Non-repeat of £6m net benefit from termination fee received from 2025 contract exit

Partly offset by savings delivered through the cost reduction programme in 2025

EBITDA and cash flow

EBITDA and operating cash flow largely reflects flow through of profits

Revenue bridge by driver



Capita AI Catalyst Stack - “Process First” Agentification Engine

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

Users: Contact Centres | Ops teams | Exec MI | Portals | Mobile | Partner APIs

Process Observability (capture, mining, conformance, ROI)

- **BPO Delivery** Better execution (SLAs, Playbooks)
- **Capita Internal** Continuous improvement
- **Public Sector OaaS** Observability-as-a-Service (Discovery, Evidence, ROI)

Evidence | Patterns | KPIs | Events

Low-code Agents | Workflows | Templates | Guardrails

Pro-code Custom Agents | Workflows | Templates | Guardrails

APIs/Events | Feedback/telemetry | Agent Actions

Orchestration & Integration MCP | A2A | API Mesh | Connectors

Data Management & Intelligence Lakehouse | Pipelines | Semantic Layer

Cross-Cutting: Identity • Sec/Gov • FinOps (policies, RBAC, audit, data residency, cost controls)

- **Data/Signals** (desktop, logs, RPA, ERP/CRM, tickets, voice/text)
- **Cloud Foundations** (network, landing zones, KMS)

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