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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

23 November 2026

Capita plc (Capita)

Notice of Board Changes, Update on Trading, Financial Position and Proposed Equity Raise

Capita is today providing an update on changes to its Board, its trading for 2026, the Civil Service Pension Scheme contract and its outlook, including near-term contract headwinds.

To address the short-term balance sheet weakness that these factors create, Capita plans to recapitalise the business to allow it to move forward onto a more stable foundation and unlock the inherent significant value in the Group.

Key points:

- The Board and Adolfo Hernandez have agreed that Adolfo will step down as Chief Executive Officer and as a member of the Board with immediate effect. Chief Financial Officer, Pablo Andres, will take on the role of Chief Executive Officer and Gemma Bate-Williams, currently Group Financial Controller, has been appointed Chief Financial Officer
- Significant progress has been made in the Group's transformation and strategic simplification, with a clear plan in place to deliver long-term improvements in the Group's financial performance
- The Group is expecting a material recovery in profitability from 2028 onwards, reflecting the stability of the Group's revenue base from the total contract value secured in 2026, no material contracts being up for renewal in the near term and the strength of its order book
- Adjusted operating profit[1] and free cash flow excluding business exits[2] for full year 2026 are expected to be in line with prior guidance, with net debt impacted by business exit payments and the impact of adverse timing on disposal related intercompany payments and a legal claim
- Full year 2027 is expected to be impacted by additional costs in relation to the Civil Service Pension Scheme contract, and short-term contract headwinds (including as a result of the Group's updated view of no extensions on major contract exits), with adjusted operating profit[1] expected to be £85m - £95m lower than previously expected
- As a result of this revised view on trading, the Group is proposing the launch of an equity raise of approximately £190m in the first half of 2027, which the Board has determined is necessary to reduce leverage and to allow the business to move forward from a more stable foundation

- The Board has appointed a Sponsor and a Global Coordinator of the proposed equity raise
- Capita's largest shareholder, Oasis Management Company Ltd, which holds an interest of 15.2% in Capita's shares, and which has a nominee director on the Board, is supportive of the Group's balance sheet recapitalisation and intends to participate in the equity raise at least in line with its pro rata entitlement
- This equity raise will be subject to the support of the Group's financial creditors, with whom Capita also intends to engage. Capita will seek certain limited amendments to its financing arrangements in order to facilitate the Group's balance sheet recapitalisation (including through the provision of additional covenant headroom)
- The completion of these steps will strengthen the Group's balance sheet, putting Capita on a more stable footing which the Board believes, will unlock the inherent significant value in the Group
- In addition, the Board continues to look at all options available to the Group to deliver improved stakeholder value
- The Board is highly confident in the long-term opportunity which exists for the Group in the structurally resilient and growing markets which the Group serves

Board Changes

Capita today announces that the Board and Adolfo Hernandez have agreed that Adolfo will step down as Chief Executive Officer and as a member of the Board. Chief Financial Officer, Pablo Andres will take on the role of Chief Executive Officer. Gemma Bate-Williams, currently Group Financial Controller, having held a number of finance positions across Capita including Divisional Financial Director, has been appointed Chief Financial Officer. All of these changes will take place with immediate effect with Adolfo Hernandez remaining available to the business until 31 December 2026 to ensure an orderly transition.

Over the past three years under Adolfo's leadership, Capita has reset its strategy and repositioned as an AI-enabled business process services company, building an AI-led operating model with partners including Microsoft, AWS and Salesforce.

Both the Board and Adolfo believe this is the right time for an orderly leadership change to drive the next phase of Capita's transformation.

David Lowden, Chairman, said: *"On behalf of the Board, I would like to thank Adolfo for his hard work and success in advancing Capita's transformation. He took on a complex business, reset its strategy, built a strong new leadership team and repositioned the Company as an AI-enabled services business.*

"While considerable progress has been made, there remains more to do. In particular, to remediate the Civil Service Pension Scheme contract. This is our number one priority alongside rebuilding trust with the government as one of our key customers.

"We have every confidence in Pablo's ability to build on the foundations Adolfo has established, and to lead Capita through the next phase of its transformation.

"The Board remains confident in Capita's long-term prospects, however we recognise the near-term financial challenges and the need to take decisive action to strengthen our financial position. We are therefore proposing an equity raise to reduce leverage and put the business on a stronger, more stable financial footing. We believe these steps will unlock the inherent significant value in the Group and we will continue to look at all options available to deliver improved stakeholder value."

Adolfo Hernandez added: *"It has been a privilege to lead Capita through this phase of its transformation. Three years ago we set out to turn Capita into a technology led, AI-enabled business services company. I am proud of the groundwork we have laid and the progress we have made under my leadership. Of course, within that I recognise that we have not delivered the service that members of the Civil Service Pension Scheme deserve. I am nevertheless overall especially proud of the contribution our people make every day to public services relied on by millions of citizens.*

"I remain confident in Capita's future and wish Pablo and everyone across the business every success as they take the Company forward."

Pablo Andres, Chief Executive Officer, said:

"As I step into this role, significant progress has been made in transforming Capita into a simpler, more focused and efficient business, with strong foundations in place for sustainable long-term growth. Our operational performance across the wider Group remains strong, and we are seeing the benefits of our technology strategy and cost efficiencies.

"While additional costs associated with the Civil Service Pension Scheme contract and short-term contract headwinds will impact our financial performance in 2027, we are making good progress with an agreed recovery plan now in place and remain focused on addressing these challenges, remediation of this contract is a key priority for me.

"The proposed equity raise will help strengthen our financial position and provide a more stable platform for the next phase of our journey. With a strong order book, an increasingly resilient revenue base and significant opportunities in the growing markets we serve, we remain confident in the underlying strength of the business and expect to deliver a material recovery in profitability from 2028 onwards."

Business Update

Since 2024, the Group has made significant progress in its transformation into an AI-enabled business services partner. Following a period of strategic simplification and resetting the Group's cost base, Capita is now a simpler, more efficient and more focused business, delivering market-leading and essential services to the public sector and to the pensions administration and consulting markets, where trust, process expertise and effective governance matter.

As a major supplier of essential services to the UK public sector, Capita is well placed to support a focus on improving productivity and delivering better outcomes for citizens. Across

the Group's existing contract portfolio and the solutions being developed for future contracts, the Group is seeing growth in the application of AI and agentic AI, which, alongside its process expertise, allows the Group to improve its productivity, service quality and efficiency.

The recently announced expansion of the UK Government's challenge-led procurement creates further opportunity for Capita as buying decisions focus on proven outcomes and move away from rigid specification-based procurement processes. Since 2024, Capita has put in place the building blocks to pivot towards an outcome-based model combining technology modernisation and AI adoption built using its deep sector process knowledge, human-in-the-loop judgement and AI Charter framework to ensure that AI is deployed ethically, safely and transparently.

The Group has material positions in its focused market facing verticals across Central Government, Defence & National Preparedness, Local & Regional Partnerships and Pension Solutions. While delivery on the Civil Service Pension Scheme contract has been challenging and its remediation is a key focus for the Group, the Group's wider operational performance across its diverse contract portfolio has remained strong. The Group has consistently met over 90% of its KPIs and the Group's contract margins are improving as it sees the benefits of its technology strategy and delivery of cost efficiencies.

The Group has a substantial pipeline of opportunities in these verticals of £18.3bn, providing significant runway for future growth. In the ten months to October 2026, the Group has won contracts with a value of £1.6bn[4], higher than the total contract value won in both full year 2024 and 2025[4].

2026 Outlook

In the ten months to October 2026, the Group has delivered an adjusted revenue[3] decline of 0.6% driven by a strong revenue performance in the Pension Solutions and Central Government verticals, with a solid performance in Defence & National Preparedness which was offset by contract hand backs within the Local & Regional Partnerships vertical.

For the full year 2026, the Group expects to deliver an adjusted revenue[3] reduction of 3% reflecting the impact of phasing from known contract losses at the end of 2026, with the Group's adjusted operating profit[1] and free cash flow excluding business exits[2] guidance unchanged.

Net debt (pre IFRS 16) at 31 December 2026 is expected to be in the region of £300m, due to the impact of business exit payments and adverse timing on disposal related intercompany payments and a legal claim, both of which are expected to benefit 2027.

Update on Civil Service Pension Scheme contract

Capita recognises that further service improvement is required on the Civil Service Pension Scheme contract and the Group is making good operational progress to deliver the standards that scheme members and the UK Government rightly deserve.

The Group has now agreed a recovery plan for the Civil Service Pension Scheme contract with the Cabinet Office. As a result of the implementation of that recovery plan, the Group expects additional costs from the Civil Service Pension Scheme contract in 2027 to be between £15m - £25m.

Capita is pleased to report that progress is being made as part of the recovery plan. As per the latest Civil Service Pension Scheme taskforce update published on 12 November 2026, 99.8% of all calls were answered, of which 79.9% were answered within 30 seconds. Productivity is at its highest level since the contract transition in December 2025, and the majority of new BAU cases are being actioned on time with around two-thirds of them sitting at 30 days or less. Work by a dedicated team on the c. 32,000 oldest and most complex cases is moving them closer to resolution.

2027 Guidance

The Group expects 2027 to be a transitional year financially, reflecting the additional Civil Service Pension Scheme contract costs referenced above, as well as the exit of two major contracts which are now no longer expected to be extended, in the Defence & National Preparedness and Pension Solutions verticals. In 2027, the Group expects a profit impact of approximately £40m from these contract exits.

This year the Group has seen challenging market conditions in its Local & Regional Partnerships vertical. The Group has a strong pipeline of opportunities in this business but reflecting these short-term challenges, the Group expects a profit impact of approximately £20m in 2027 from some contract losses and a lower conversion of opportunities than previously expected.

Further, the Group also expects a lower conversion of its near-term contract pipeline, outside of its Local & Regional Partnerships vertical, which is expected to impact the adjusted operating profit[1] for 2027 by approximately £10m.

Reflecting the above factors, the Group now expects to deliver adjusted revenue[3] of between £1.6bn - £1.65bn and a free cash outflow, excluding business exits[2] of between £50m - £60m.

Balance Sheet Recapitalisation

While the Group has made significant operational progress in the last few years, there are a number of actions the Board believes are needed for the Group to navigate the challenges it is facing in the near-term.

To provide funding through the short-term challenges and to reduce leverage, the Group is announcing its intention to raise approximately £190m by way of an equity raise. The Board has appointed a Sponsor and a Global Coordinator of the proposed equity raise, which is anticipated to be launched and completed in the first half of 2027.

The Group's largest shareholder, Oasis Management Company Ltd, has indicated its intention to support and participate in the equity raise, at least in line with its pro rata entitlement.

Reflecting the Group's revised outlook set out above, and the impact on its existing financing, the Group will be undertaking discussions with its financial creditors to seek certain limited amendments to its financing arrangements in order to facilitate the Group's balance sheet recapitalisation (including through the provision of additional covenant headroom).

The Board believes that the balance sheet recapitalisation is essential to strengthen the Group's financial position, reduce leverage and provide liquidity and covenant headroom to support delivery of its business plan, putting Capita on a more stable footing to unlock the inherent significant value in the Group.

The Board will also continue to look at all options available to the Group to deliver improved stakeholder value, including determining the right portfolio configuration going forward.

Lazard is acting as Capita's financial adviser in respect of the balance sheet recapitalisation. Linklaters LLP is providing legal advice in respect of the balance sheet recapitalisation.

Outlook for 2028 and beyond

The Board is highly confident that the Group's profit will recover in 2028 and beyond, reflecting the strength of the business, the foundations put in place in recent years, and the strong total contract value secured so far in 2026.

The Group expects to deliver adjusted revenue[3] of between £1.65bn and £1.7bn in 2028 with further adjusted revenue[3] growth expected in 2029. In 2028 the Group expects its adjusted operating profit margin to improve by over 350 basis points, returning to a mid to high single digit adjusted operating profit margin in the longer term. Further adjusted operating profit margin improvements from 2028 are expected to be driven by resolution of recent issues which will improve the financial performance of the Pension Solutions business, growth in the Public Sector business from contracts already secured and the annualised impact of cost savings.

The Group expects to deliver positive free cash flow excluding business exits[2], from 2028, which will be supported by operational recovery and lower net financing costs following the proposed recapitalisation.

The Board also believes that the balance sheet recapitalisation will allow Capita to reduce its covenant leverage under its financing arrangements in the medium-term, and is targeting covenant leverage of below 2.0x from 2028 to support Capita's strategic objectives and a more stable footing in the medium to long term.

The Group has a total unweighted pipeline of opportunities of £18.3bn, with a significant bias to new scopes of work. Taken with the stability provided by the absence of renewals coming due for material contracts in 2028 or 2029, this order book strength provides a solid base for revenue expectations in these years. 60% of the 2028 revenue guidance is already secured, compared to 50% of the 2026 revenue guidance secured at the same point in 2024.

Notes:

1. Adjusted operating profit excludes businesses in the process of being exited, primarily the closed book Life & Pensions business, and the divested private sector contact centre business. It also excludes the costs to deliver the savings from the simplification programme, costs and insurance receipts relating to the cyber incident in 2023, and any impairments of goodwill.
2. Free cash flow excluding business exits excludes the cash flow impact of the items excluded from adjusted operating profit[1], net capital expenditure, net interest paid, net tax paid, and net capital lease payments.
3. Adjusted revenue excludes businesses in the process of being exited, primarily those in the closed book Life & Pensions business and the divested private sector contact centre business.
4. Total contract value won figures exclude the divested private sector contact centre business.

Analyst and investor conference call:

Pablo Andres, CEO, and Gemma Bate-Williams, CFO, will host a conference call at 08.00 GMT today.

Monday, November 23, 2026, 08:00 AM GMT
Registration Link:
Register Now

https://www.netroadshow.com/events/login/1PeTHmohOQ3ec36IOV2JUgEiwpyBAuCgYLm9I

Pablo Andres Biography

Pablo Andres has served as Capita's Chief Financial Officer since August 2024, having joined the Board in July 2024. He has been responsible for the Group's financial strategy and policy, implementing a framework of business controls to support Capita's transformation and sustainable growth.

Pablo has extensive experience as a senior finance leader across a range of industries. Prior to joining Capita, he was Group CFO of Ventient Energy, a pan-European renewable energy company. Previously, he was Group Financial Controller of G4S plc from 2013 to 2020 and CFO of London Stansted Airport from 2011 to 2013. He has also held senior finance roles at BAA and Ferrovial, having started his career at Arthur Andersen/Deloitte in Spain, where he worked between 1996 and 2005.

Pablo was also a Non-Executive Director of GreenSquareAccord Group from 2022 to 2026, serving as Chair of its Audit and Risk Committee and Treasury Committee.

Gemma Bate-Williams Biography

Gemma Bate-Williams has over 25 years' experience at Capita, having joined the Group as a graduate in 2001. During this time, she has seen the business through various stages of its corporate evolution and transformation, developing a deep understanding of the Group.

Gemma has held a number of senior finance leadership positions across the business, most recently serving as Group Financial Controller, having previously been Divisional Finance Director for Capita's Public Service division. Gemma also holds several Capita subsidiary directorships including Smart DCC, Capita Holdings Limited, Capita Health Holdings Limited, Capita Insurance Services Holdings Limited and Capita Property and Infrastructure Holdings Limited.

Gemma is a UK Certified Chartered Accountant and has a proven track record in driving financial performance and strategy, overseeing financial control, and providing commercial leadership.

There is no further information in relation to Gemma Bate-Williams' appointment that is required to be disclosed pursuant to UK Listing Rule 6.4.8R.

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About Capita plc

Capita is an AI-enabled business services partner. We work with organisations across the public and private sectors, helping them deliver better, more efficient services. Every day, millions of people rely on services we support across central and local government and regulated industries. We combine technology, data and AI with the expertise and judgement of our people to help clients solve complex challenges and deliver better outcomes for the people and communities they serve.

Inside Information

The information contained within this announcement is deemed by Capita to constitute inside information as stipulated under the Market Abuse Regulation (EU) No 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018). On the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

The person responsible for arranging the release of this announcement on behalf of Capita is Amanda Whalley, Company Secretary.

Cautionary statements

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The information in this announcement is subject to change. Nothing in this announcement should be interpreted as a term or condition of the proposed equity raise.

This announcement contains unaudited information based on management accounts, as well as assumptions about future events and forward-looking statements (within the meaning of the securities laws of certain jurisdictions) that are based on current expectations or beliefs. Such forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements appear in a number of places throughout this announcement and include statements regarding the Group’s intentions, beliefs or current expectations concerning, amongst other things, its results in relation to operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance and the Group's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if the Group's results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

Capita undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.

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