

18 May 2026

Capita plc

Trading for the 4 months to 30 April 2026 – good progress across all strategic priorities

Ahead of our Annual General Meeting today, we are providing an update on trading for the 4 months to 30 April 2026.

Adolfo Hernandez, Chief Executive Officer, Capita said:

“We have made positive progress in the first four months of the year, with adjusted Group revenue¹ up 2.9% compared to the same period last year, in line with expectations. We have had positive and deep engagement with Inspirit, the purchaser of the private sector contact centre business and expect the sale to complete ahead of the H1 results in early August.

We are now planning to hold our investor update after the summer once the contact centre disposal has completed to ensure the separation is fully underway. We continue to make excellent progress against our other strategic objectives to deliver a better Capita, with innovation both internally and for clients, including the launch of Storefront, providing customers with access to the company’s AI, data and digital services via AWS Marketplace.

We remain fully focussed on delivering the administration of the Civil Service Pension Scheme under the project improvement plan with the Cabinet Office.”

Financial update

The Group’s adjusted revenue¹ performance, was in line with expectations with growth of 2.9% compared to the same period in 2025, benefitting from phasing of some contracts, particularly in Capita Public Service.

Capita Public Service (81% of Group revenue) grew 5.8% with revenue benefitting from increased volumes on contracts in Central Government and the one-off benefit from higher volumes on a contract in Northern Ireland. These more than offset the impact of prior year contract hand backs which will continue through 2026.

Retained Contact Centre business performance (7% of Group revenue) reduced 7.0% due to some reductions in volumes and project work.

Pension Solutions (12% of Group revenue) delivered 23.4% growth, reflecting the annualised impact of the Civil Service Pension Scheme contract and higher volumes from the Teachers’ Pension Scheme contract which Capita was advised in 2023 would be transferred to another provider. We expect to transition to the new provider within the next 12 months.

Regulated Services, which now only comprises our Mortgage Software business, had revenue of just £2m, a reduction of 91.4%, due to the non-repeat of a £19m one-off benefit from a contract exit in the prior year.

Strategic progress

Across 2026, we have continued with our transformation to become the first AI-led business process outsourcer (BPO). This year we became the first European BPO to launch Storefront on AWS Marketplace, providing customers with access to the company’s AI, data and digital services via AWS Marketplace Storefront so customers can easily find and procure Capita solutions, reducing procurement complexity.

We are increasing the level of technology underpin in our contract delivery. On one contract with a large local council using AWS Customer Connect AI voice agents, based on testing to date, we expect to see up to 95% of routine enquiries automated and up to 35% increases in agent productivity, allowing our colleagues to focus on complex cases.

In the Pension Solutions business, we are focused on resolving the known challenges on the Civil Service Pension Scheme. We have a plan with the Cabinet Office and remain committed to delivering the plan, in spite of the challenging environment and nature of the backlog inherited. We continue to focus on improving the call centre and back-office operations, resolving urgent cases as well as improving wider case resolution times.

In Capita Public Service operational performance continues to be strong with average KPI performance over 90% in the first four months of 2026.

Total contract value won by the Group in the first four months of 2026 was over £750m, up 20% from the same period in the prior year. Contracts won or extended included the Synergy Business Process Services contract in Capita Public Service, a material new scope for the Group, and a material renewal in our Pension Solutions business.

Outlook

For the full year, we continue to expect low to mid-single digit revenue growth in Capita Public Service and expect mid-teen revenue growth in our Pension Solutions business. We continue to expect a decline in Regulated Services driven by non-repeat of one-offs in the Mortgage Software business.

On 26 March 2026, we announced the sale of our private sector contact centre business; we continue to make good progress on this. The business continues to perform in line with expectations for all metrics and saw revenue decline by 14.6%, reflecting the continued impact of known losses in the business.

The sale is an important milestone for the Group and will allow Capita to significantly streamline its operations and investments. We are making good progress with the transaction, regulatory submissions by the buyer have been made as planned and we are awaiting those approvals.

The sale will accelerate our margin expansion and free cash flow generation, while allowing us to focus on leveraging current capabilities to further increase growth. The transaction will be value accretive and will unlock a material overhead reduction as we remove further complexity from the Group.

As previously announced, we are 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.

Capita's H1 2026 results will be announced on 4 August 2026.

Notes:

1. Adjusted revenue = revenue on a like-for-like basis, excluding the impact of the recently announced sale of the private sector contact centre business.

For more information, please contact:

Investor enquiries:

Helen Parris
Director of Investor Relations
Email: IRteam@capita.co.uk

Stephanie Little
Head of Investor Relations
Email: IRteam@capita.co.uk

Media enquiries

Email: media@capita.co.uk

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.