Capita plc

Half Year Results 2026

Continued strategic progress and in line full year financial performance guidance

Adolfo Hernandez, Chief Executive Officer, said:

"We have made demonstrable progress in the first half of the year as we continue to transform Capita into an AI-enabled business services partner. We have strengthened our operational platform and simplified the Group significantly through the disposal of our private sector contact centre business which will allow us to focus our efforts in structurally growing and resilient markets.

We secured almost £1 billion of contract wins, while continuing to invest in our people and AI capabilities. The progress we have made across our strategic priorities gives us confidence that we are building a stronger, more focused business for the future.

While the operational challenges on the Civil Service Pension Scheme remain our immediate priority, we are confident that we have the right processes, technology and leadership in place to achieve service levels and deliver for members.

Looking ahead, our focus is on maintaining our momentum by accelerating the adoption of AI across our operations, delivering further efficiencies, converting our strong pipeline into sustainable growth and continuing to strengthen cash generation."

Setting the foundations for the future

- Secured £998m of Total Contract Value (TCV) in H1 2026, 15% ahead of the prior year. Strongest TCV performance in Public Service since 2021
- Major wins including Synergy Business Process Services, Army Collective Training Service and a significant renewal in Pension Solutions. Strong start to second half of the year with £425m renewal with Transport for London signed in July
- Book to bill of 1.1x, strong performance in Public Service, delivering 1.1x, before the impact of Transport for London renewal
- Pipeline strengthened materially, with an unweighted pipeline of approximately £24.4bn (December 2025: £18.6bn), reflecting demand for our service delivery and technology-enabled transformation
- Completed the disposal of the private sector contact centre business, simplifying operations, creating further cost savings opportunities and margin improvement
- Maintained strong operational performance, with Group KPI delivery remaining strong
- Expanded use of AI agents internally and across client contracts, supporting productivity, service quality and operational efficiency improvements
- Continued investment in colleagues, AI skills and leadership capability, internal mobility increased to 41%, up 11% from the prior year
- Financial flexibility through an increased £325m revolving credit facility to June 2029, with the option for two additional one-year extensions, and issuance of $55m US private placement notes

Key financial highlights

- Adjusted revenue[1] increased 1.6% to £906.4m (H1 2025: £892.2m)
    - Growth in Public Service (+2.4%) and Pension Solutions (+24.7%), partially offset by a decline in Regulated Services as expected as we withdraw from this business, and a marginal decline in the retained Contact Centre business
- Adjusted operating profit[1] declined 31.6% mainly due to additional costs incurred on the Civil Service Pension Scheme contract, as previously announced, partly offset by savings delivered through the 2025 cost reduction programme
- Decline in adjusted operating cash conversion[1] due to the above reduction in adjusted operating profit[1], continued investment in CSPS, mobilisation costs on the Synergy Business Process Services contract, prior year favourable timing and completion of a major Public Service contract programme

Strategic priorities for H2 2026/FY Outlook

- Continue Civil Service Pension Scheme service recovery and backlog reduction
- Accelerate AI adoption and agentification across client and internal operations
- Deliver further simplification and efficiency benefits following the contact centre disposal
- Convert a strong sales pipeline into future revenue growth
- Outline refreshed strategic ambitions, medium-term financial targets and capital allocation priorities at the Group's Capital Market Event on 4 November
- Expect the Group to deliver positive free cash flow, excluding business exits, in 2027

Financial highlights - continuing operations	30 June 2026	30 June 2025[2]	YoY change
Revenue	**£948.3m**	£960.5m	(1.3)%
Adjusted revenue[1]	**£906.4m**	£892.2m	1.6%
Operating profit	**£25.9m**	£18.4m	40.8%
Operating margin[1]	***2.7%***	*1.9%*	*80bps*
Adjusted operating profit[1]	**£32.2m**	£47.1m	(31.6)%
Adjusted operating margin[1]	***3.6%***	*5.3%*	*(170)bps*
EBITDA[1]	**£56.7m**	£49.3m	15.0%
Adjusted EBITDA[1]	**£59.5m**	£73.9m	(19.5)%
Profit before tax	**£4.1m**	£1.7m	141.2%
Adjusted profit before tax[1]	**£12.5m**	£29.1m	(57.0)%
Basic (loss)/earnings per share	**(3.60)p**	(13.59)p	(73.5)%
Adjusted basic/(loss) earnings per share[1]	**13.38p**	(6.09)p	n/a
Operating cash flow[1]	**£35.5m**	£67.7m	(47.6)%
Operating cash flow excluding business exits[1]	**£56.9m**	£82.9m	(31.4)%
Adjusted operating cash conversion[1]	***95.6%***	*112.2%*	*(16.6)%*
Free cash flow[1]	**£(23.6)m**	£1.1m	n/a
Free cash flow excluding business exits[1]	**£3.5m**	£25.2m	(86.1)%
Net debt[1]	**£(499.7)m**	£(412.2)m	£(87.5)m
Net financial debt (pre-IFRS 16)[1]	**£(200.4)m**	£(87.0)m	£(113.4)m

1. Definitions and calculations of non-IFRS measures (alternative performance measures) can be found in the Appendix.
2. 2025 comparatives have been re-presented from those previously published to reflect the private sector contact centre business as a discontinued operation (refer to note 8.3).

Investor presentation
A presentation for institutional investors and analysts hosted by Adolfo Hernandez, CEO and Pablo Andres, CFO, will be held at 09:00am BST, Tuesday 4 August 2026. This will be held in the Novotel, 3 Kingdom Street, Paddington London W2 6BD. A live webcast will also be available (www.capita.com/investors) and will subsequently be available on demand. The presentation slides will be published on our website at 07:00am and a full transcript will be available the next working day.

Webcast link:
https://webcast.openbriefing.com/capita-hy26/

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Chief Executive Officer's review

Overview

We continue to make demonstratable and clear progress against our vision to become an AI-enabled business services partner. This is a pivotal year for our transformation agenda. We are building on foundations laid over the past two years, across a number of strategic initiatives to accelerate delivery and with measurable outcomes for all stakeholders.

At the start of this year, we outlined our strategic initiatives for 2026 as simplification at scale, digital and AI-enabled transformation, cost and performance discipline and continuing our focus and investment on people and culture. We have made clear progress against these as we continue our transformation to a Better Capita, centred around four strategic themes; better technology, better delivery, better efficiencies and better company.

In March, we announced the disposal of the Group’s private sector contact centre business which completed on 31 July 2026. This transaction will allow Capita to significantly streamline its operations and investments and will be value accretive as we unlock overhead reduction and remove complexity from the Group.

Better technology sits at the centre of our transformation. We are moving and evolving in line with the dynamic technology environment and the changing business process outsourcing and pension administration markets which continue to show significant opportunities for growth. Our sector knowledge and process expertise gives us a unique placement and the competitive advantage to deliver complex business solutions which standalone technology providers cannot provide.

It was recently estimated by Boston Consulting Group that 70% of the value in AI comes from people and process knowledge which is a key strength of the Group. We orchestrate processes and solutions, built on data with our trusted teams and domain knowledge operating across a number of environments, including regulated industries.

Our transformation and our technology strategy is driving **better delivery** and in the first six months of 2026 we have maintained KPI performance around 90% across the Group, excluding performance on the Civil Service Pension Scheme.

We recognise that the service delivered on the Civil Service Pension Scheme has not been good enough since the transition in December 2025. We have the processes, automation and technology in place to work through the backlog and achieve service levels and we remain committed to working through the backlog as quickly as possible, protecting members, and ensuring new cases are processed within contractual service times.

As previously announced, reflecting our continued efforts on this contract, and the impact to some services delivered in our pensions business, including the higher margin pension consulting business and delays in delivery of cost efficiency savings, in 2026 we expect a £25m - £40m adjusted operating profit impact and a £35m - £50m free cash flow impact, post wider Group mitigating actions.

The Group has made significant progress in driving **better efficiencies** and in 2025 we reached our target of delivering £250m annualised cost savings. The contact centre disposal will allow us to deliver an additional £40m of annualised cost savings which will be delivered by the end of 2027 as we further streamline the business.

In June, the Group extended and increased its revolving credit facility (RCF) to £325m, extending the expiry date of the facility from December 2027 to June 2029 (including the option for two additional one-year extensions). In July the Group issued $55m of US private placement notes, valued at £41m, net of swaps, with an average coupon rate of 7.54%.

As part of these transactions, the Group also completed an amendment to the Group’s interest cover covenant to within a range of 3.0x and 3.5x (from 4.0x) through the remaining term. This provides the Group with further optionality and flexibility on its transformation journey.

Colleagues continue to be at the heart of everything we do, and we are building a **better company** where colleagues are building meaningful and long-lasting careers, across all levels of the organisation. I’d like to thank colleagues for their continued dedication and hard work through the Group’s transformation and business improvement journey.

There remain a number of challenges we face as a Group, but we are excited about the opportunity ahead and within the markets which we operate in. We are a trusted partner of the UK government and believe our skills and expertise remain very aligned with the new government. We are looking forward to further progress in the second half and the Group’s Capital Market Event on 4 November where we will outline our future strategic ambition, medium-term financial targets and refreshed capital allocation priorities.

Better technology

Since 2024, we have exponentially increased the use of technology across the Group, scaling the use of AI and automation across core operations, improving productivity, decision-making and service quality. This year, our emphasis has pivoted from experimentation to adoption and, we are now embarking on agentification, building AI agents who are powering smarter and faster ways of working.

We have nearly 500 agents now in use across the Group driving contract and internal efficiencies. For example on our contract with the Troubles Permanent Disablement Payment Scheme in Northern Ireland, we have developed three agentic agents, who support clinical assessors as part of the delivery solution, driving a high quality and more efficient service.

In the first six months of this year, we have continued to build relationships and see benefits from our technology partnerships. In March, we announced a multi-year agreement with Snowflake, the AI Data Cloud Company, who are providing the Data Management and Intelligence layer within the Group’s AI Catalyst Stack across our client facing operations, and achieved Snowflake’s Select Partner status. This partnership allows us to embed standardised insight, governance cadence and measurable performance targets into the remaining contact centre operations in our contract portfolio.

In April, we were the first European BPO company to launch a storefront on AWS Marketplace, allowing customers to easily find and procure 20 of Capita’s solutions, reducing complexity and accelerating time to value. In June, we expanded our Salesforce collaboration which will deliver Agentforce, Salesforce's platform for deploying autonomous AI agents to automate customer service, sales and business processes and MuleSoft, integration and API management platform to clients across defence, education and other regulated industry clients.

Internally, the Group's AI Catalyst Lab continues to be our innovation engine for AI solutions. Since inception, we have had over 750 ideas submitted for review, 25 taken into production and 10 now live for clients and internally. We've also built an AI agent, Catalyst Lab Idea Evaluation Expert (CLIVE), which streamlines the process of capturing and evaluating innovation ideas.

As reported in a study by McKinsey this year, less than one in ten organisations have scaled agentic AI in any single function due to difficulty in measuring the benefits. We recently launched the Group's Forward Deployment Orchestrator (FDO) to help clients run AI-enabled processes safely and effectively after go-live, with a clear focus on adoption, performance and measurable operational results in the middle and back-office services. The FDO will help organisations scale AI beyond the pilot stage.

We continue to use Capita as client zero as we drive efficiencies internally before rolling these out to drive client efficiencies. Following the rollout of colleague IT support services, we are now partnering with Databricks to drive superior finance analytics to create a more agile, efficient and data driven finance function. We are also transforming our legal case handling through AI, creating a front door for colleagues across the organisation to help colleagues get the right legal support first time with more consistent tracking and workflow.

Security remains a key priority in our technology journey. This year, we evolved our Responsible AI Principles and introduced an AI Charter framework to ensure AI is deployed ethically, safely, and transparently, for both internal use and client delivery. This is supported by our AI Platform Guardrails and Executive-level governance through the AI, Cloud and Data Governance Council and enables responsible AI adoption at pace.

Better delivery

Our delivery this year has remained strong with an average KPI performance across the Group around 90%, excluding the Civil Service Pension Scheme.

Operational highlights across the Group so far this year include:

- Delivering an AI-led customer service with a major customer, deploying Capita Contact.AI to utilise WhatsApp as a customer service channel, handling 12,000 conversations a month with 92% of these resolved by AI with no human intervention
- At the Fire Service College, we have rolled out virtual reality training to a number of fire stations, scaling existing training used at the Fire Service College and developed with firefighters to expand its reach
- In Public Service, Capita supported updated Cleaner Vehicle Discount arrangements for Transport for London including fully automating the allocation of discounts making the process easier and more efficient for users
- Also in Public Service, we have seen success with Microsoft Co-pilot enablement as a service with a number of local councils providing rapid deployments for services including using inbox.AI to improve the efficiency and management of inboxes
- In Pension Solutions, so far this year we have served over 9 million members and excluding the Civil Service Pension Scheme, completed 1.5 million cases with a quality score of 97%

We recognise that the service delivered on the Civil Service Pension Scheme has not been good enough since the transition in December 2025. We have the processes, automation and technology in place to work through the backlog and we remain committed to working through the backlog as quickly as possible.

On the contract in Public Service which was suspended by agreement in 2025, we continue to seek to achieve an appropriate resolution with the client. Elsewhere, detailed discussions in relation to the Royal Mail Pension Scheme are ongoing. In the meantime we will continue to work with all parties to ensure continuity and a smooth handover in line with the Cabinet Office's future alternative arrangements.

Better efficiencies

In 2025, we successfully met our target with actions taken to deliver £250m of annualised cost savings. Following the announcement for the disposal of the private sector contact centre business, we outlined our intention to deliver an additional £40m of annualised cost savings across 2026 and 2027 as a result of the operational simplification opportunity this disposal provided.

As at 30 June 2026, we have taken actions that will deliver £8m of annualised cost savings, with an associated cash cost to achieve of £1.9m. These savings have been delivered through people and procurement savings. Although the phasing of the cost savings in the first half was lower than expected in the Pension Solutions business due to our continued focus on the Civil Service Pension Scheme contract, we remain on track to deliver these savings by the end of 2027.

As part of the private sector contact centre disposal, the Group has retained three currently underutilised properties which have an associated lease liability of c. £65m and lease cost of c. £10m, per annum. There is a significant opportunity for the Group to deliver material cost savings from these leases and we are making good progress in our discussions to date.

Better company

Across 2026, our focus has been building on the strong foundations laid in recent years to become a better company. Our colleagues and their sector knowledge and process expertise are a critical part of delivering services to our clients. Last year, we launched a refreshed set of values which are shaping our culture and guiding Capita's strategic direction.

As Capita transforms we are building a high-performance organisation, upskilling colleagues, equipping them with tailored training and development required to deliver change in the changing environment we operate within. Our AI Academy partnerships are delivering high-quality training through applied learning, and we continue to expand their reach. We now have 561 colleagues enrolled in AI apprenticeship programmes with Multiverse and QA, and 112 colleagues have completed their apprenticeships. Our internal mobility was 41%, up 11% from 2025, as we focus our support in building meaningful and long-lasting careers across Capita.

The Group's 12 months attrition was unchanged at 17% as at the end of June, having fallen from over 30% in 2024. We expect this to reduce following the completed sale of the private sector contact centre business, which previously experienced higher levels of attrition. In the second half of the year, and as we look forward to 2027, we will continue to invest in leadership capability, data, AI & growth skills, strengthen change execution, and embed a performance culture that values accountability, collaboration and continuous improvement.

Technology is improving the agility of our internal people function. This year the people function built and developed a people hub agent to support functional colleagues to deliver efficient outcomes on HR and people related queries. The use of this agent will be grown in the second half of the year and into 2027.

Looking ahead to the second half of 2026, we will be refreshing the Group's wellbeing strategy and launching AI accreditations at scale through our successful growth academy.

Elsewhere, the Group is supporting small and medium enterprises (SMEs) across the UK, building a supply chain which is agile and innovative while allowing SMEs to thrive. Capita now has around 10,000 SMEs across the Group ecosystem with c. 35% of supplier spend with SMEs.

Growth

In the first six months of 2026, the Group secured contracts with a Total Contract Value (TCV) of £998.1m, up from £870.8m in the same period in 2025, with the best H1 TCV performance in Public Service since 2021. The In Year Revenue associated with these contracts is £274.1m, down 15% from the prior year, reflecting the transition period associated with wins, including Synergy which is expected to go live in the second half of 2027.

There were material wins with new scopes with the Department for Work & Pensions delivering project Synergy and the Army Collective Training Service and a significant renewal in our Pension Solutions business with a TCV of £137m.

The win rate across all opportunities increased slightly to 84% from 82% in 2025 with a strong performance in renewals and expansions of scope – we saw a 100% renewal rate in the first half and 98% win rate in expansions of scope.

The Group's book to bill ratio was 1.1x, up from 1.0x in the first six months of 2026, with a strong performance across both Public Service and Pension Solutions at 1.1x and 1.8x respectively.

As at 30 June 2026, the Group had an unweighted pipeline of £24.4bn (31 December 2025: £18.6bn). This increase reflects the strong inflow of high-quality opportunities, supported by improved sales execution and increasing demand for our technology-enabled solutions in the large, growing and resilient markets in which we operate. A significant proportion of this pipeline relates to opportunities within our Public Sector division. For the second half of the year, based on the opportunities which are expected to close to between 1 July 2026 and 31 December 2026, the Group's weighted pipeline stood at over £1bn, demonstrating significant opportunity.

At the start of July, the Group secured a five year renewal with Transport for London, delivering the Road User Charging and Ultra Low Emission Zone schemes with a TCV of £425m.

Material opportunities for second half of the year and into 2027 include opportunities with the Home Office, Ministry of Defence and Department for Work & Pensions.

The Group's order book at 30 June 2026 was £4,010.9m, up 6.5% from £3,765.3m as at 31 December 2025, reflecting £1,000.6m of wins, including Synergy Business Process Services which is due to go live in the second half of 2027, offset by £711.2m of revenue recognised and £43.8m from contract terminations.

Strategic simplification

In March 2026, we announced the disposal of the Group's private sector contact centre business for consideration of £1 with potential future consideration of up to £61.5m, payable from 2027 to 2030, based on the future performance and cash availability of the disposed entity. The sale completed on 31 July and the fair value of the contingent consideration at the date of disposal has been estimated at £9m.

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.

The transition for the remaining closed book Life & Pensions clients, as announced in December 2025, remains on track. We expect the migrations for these contracts to be completed across five years to 2030. This is a major part of the Group's manage for value strategy and will eliminate the average annual cash loss of £20m from these contracts.

Financial results - revenue and profit

Adjusted revenue[1] increased 1.6% to £906.4m, reflecting growth in Public Service and Pension Solutions, partly 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 the retained Contact Centre business.

Reported revenue reduced 1.3% to £948.3m, reflecting the aforementioned movements, and the reduction in revenue from contracts in closed book Life & Pensions as we exit this business.

Adjusted operating profit[1] reduced 31.6% to £32.2m. The reduction reflected the additional costs incurred on the Civil Service Pension Scheme contract in Pension Solutions, and the non-repeat of a £6m benefit from the prior year contract exit in Regulated Services; partly offset by the benefit from the cost reduction programme in 2025.

The Group delivered an adjusted operating margin[1] of 3.6%, compared to 5.3% in the comparative period.

Reported operating profit increased to £25.9m, reflecting the above movements and costs associated with business exits of £1.5m, costs associated with the simplification programme of £4.1m and the 2023 cyber incident of £0.7m.

Financial results - free cash flow and net debt

Operating cash flow excluding business exits[1] was £56.9m, down 31.4% compared to the first half of 2025 reflecting the adjusted operating profit[1] movement above, the continued investment in the Civil Service Pension Scheme, mobilisation costs associated with the newly won Synergy contract and the unwind of favourable timing and the completion of a major contract milestone in the prior year in Public Service.

Free cash flow excluding business exits[1] was £3.5m (2025: £25.2m), reflecting the flow through of the decrease in operating cash flow excluding business exits[1], an increase in capital expenditure and interest/tax paid, partly offset by a reduction in net capital lease payments.

Free cash outflow[1] was £23.6m, reflecting the above movements and £27.1m free cash outflow from business exits in the first half of the year.

Net financial debt (pre IFRS 16) was £200.4m, an increase of £57.0m since 31 December 2025, reflecting the free cash outflow[1] in both the second half of 2025 and the first half of 2026, and the cash outflow of the private sector contact centre business presented as a discontinued operation.

Net debt, including IFRS 16 was £499.7m.

Full year outlook

For the full year, we expect adjusted revenue[1] for the Group and Public Service to be broadly flat. We expect growth in Pension Solutions which will offset declines in the retained Contact Centre business and Regulated Services.

We expect a reduction in adjusted operating margin[1] reflecting the additional costs incurred as a result of the Civil Service Pension Scheme contract and residual overheads as the business transitions to a simpler operating model following the private sector contact centre disposal.

Based on the additional costs incurred, we expect free cash flow excluding business exits[1] to be an outflow of between £35m - £50m, reflecting the increased costs associated with the Civil Service Pension Scheme contract, post the wider mitigating actions being taken across the Group.

We are excited about the future and the opportunities which exist in the growing and resilient markets which we operate in. We look forward to further updating the market on the strategic priorities and future financial targets for the Group at our Capital Market Event on 4 November.

1.Definitions and calculations of non-IFRS measures (alternative performance measures) can be found in the Appendix
2. Gartner

Divisional performance review

The following divisional financial performance is presented on an adjusted revenue[1] and adjusted operating profit[1] basis. Reported profit is not included, because the Board assesses divisional performance on adjusted results. The basis of preparation of the adjusted figures and KPIs is set out in the Alternative Performance Measures (APMs) summary in the appendix to this statement.

Public Service

Public Service is the number one strategic supplier of Software and IT Services (SITS)[2] and business process services (BPS) to the UK Government. We are a trusted partner to the government, delivering complex solutions and vital services across a variety of sectors and government departments.

The division is structured around three market verticals: Local & Regional Partnerships, Central Government and Defence & National Preparedness.

Markets and growth drivers

Digital BPS continues to be an area of strong growth, aligned to the Government's ambition to improve productivity and reduce backlogs while modernising citizen services using technology and AI-enabled delivery.

The Public Interest Test, which takes effect April 2027, is principally a procurement policy change the impact of which will emerge gradually through future sourcing decisions rather than existing contracts. New Public Procurement Statements place greater emphasis on impact to the British economy, whole-life value, service quality, resilience and delivery capability, areas in which Capita's complex, technology-enabled operating models and capability are well aligned.

Our colleagues in the Public Service division have deep sector process knowledge and domain expertise which, alongside our technology partnerships strategy, means the division delivers effective and efficient public services.

As we continue to increase our adoption and implementation of AI delivery methods, we are utilising an outcome-led model and we continue to see success in delivering and driving the implementation of a number of the Government's priorities. For example delivering health assessments and defence and national resilience services.

Operational performance

In the first six months of 2026, the division's average KPI performance was consistent with the same period in the prior year at around 90%. This is building on the division's strong customer net promotor score (cNPS) performance at year end of +37 points, which was the fourth annual increase in cNPS.

Delivery highlights so far this year include:

- Public Service maintained its long-standing Armed Forces Covenant commitments through the first half of 2026, sustaining support for serving personnel, reservists, veterans and their families
- In our contract delivering the Troubles Permanent Disablement Payment Scheme (TPDPS), Clinical Assessors are being supported by three AI agents, across knowledge, report quality and managing incoming emails. These agents are improving consistency, quality and efficiency of delivery
- Through our Westminster contract partnership we continued to deliver measurable social value under the Social Value Model framework, including a donation to Caxton Youth supporting disabled children and young people in the local community
- The Gas Safety Register launched a student engagement trial to support future gas engineers, helping students navigate the path to Gas Safe registration through practical guidance and industry access
- On our contract to deliver the Disabled Students' Allowance, we continue to provide integrated support to over 30,000 disabled students, improving access and success in higher education

On the contract which was suspended by agreement in 2025, we continue to seek to achieve an appropriate resolution with the client.

Growth

The division secured contracts with a TCV of £800.7m in the first six months of 2026, up 0.7% from the same period in 2025, and delivering its best TCV performance in H1 since 2021. There were material wins including Synergy Business Process Services and the Army Collective Training Service, both of which are material new scopes for the division.

These wins delivered a divisional book to bill of 1.1x (2025: 1.1x) with the divisional win rate maintained at 81%. The division performed strongly in securing new and expanded scopes with a win rate of 80% and 98% respectively. The division also maintained its strong renewal rate of 100%.

The In Year Revenue associated with wins in the first half was £217m (2025: £291m), with the go-live and associated revenue recognition on the material Synergy Business Process Services contract expected to commence in the second half of 2027.

We continue to grow the pipeline as we see benefits from our refreshed growth strategy and sustain efforts to identify high quality opportunities across all markets we operate in. Since 31 December 2025, the total unweighted pipeline has grown to £23.5bn from £17.8bn, demonstrating the material opportunity ahead for Public Service. The division's weighted pipeline as at 30 June 2026 sits at £2.1bn, up slightly from £2bn at the end of December.

We had a strong start to the second half of 2026, securing contracts with Transport for London with a TCV of £425m and UK Health Security Agency with a TCV of £36m. There are material opportunities for second half of the year with the Home Office, Ministry of Defence and Department for Work & Pensions.

The order book at 30 June 2026, was £2,941m (31 December 2025: £2,720m), with revenue recognised in the first half more than offset by the benefit of contract wins, including Synergy Business Process Services and Army Collective Training Service.

Divisional financial summary	2026	2025	% change
Adjusted revenue[1] (£m)	**729.2**	711.8	2.4%
Adjusted operating profit[1] (£m)	**57.7**	57.2	0.9%
Adjusted operating margin[1] (%)	***7.9%***	*8.0%*	
Adjusted EBITDA[1] (£m)	**73.9**	72.3	2.2%
Operating cash flow excluding business exits[1] (£m)	**37.3**	52.2	(28.5)%
Order book (£m) (comparative at 31 December 2025)	**2,940.8**	2,720.1	8.1%
Total contract value secured (£m)*	**800.7**	794.8	0.7%

Adjusted revenue[1] saw growth of 2.4% to £729.2m, reflecting the benefit from increased volumes in the Local & Regional Partnerships transactional business and on the Disabled Students Allowance contract, growth in the Transport for London contract, including the Silvertown Tunnel, partly offset by the flow through of prior year contract losses and lower recoveries on the Smart DCC contract.

Adjusted operating profit[1] was broadly similar at £57.7m delivering an adjusted operating margin of 7.9%. The operating profit performance reflects revenue growth and savings delivered by the cost reduction programme in 2025, partly offset by flow through of prior year contract losses, lower cost recoveries on the Smart DCC contract, continued investment in AI, hyperscalers and data capabilities, contract mobilisation costs, and an increase in the allocation of central functions costs as a consequence of the reduction in adjusted operating profit[1] in Pension Solutions.

Operating cash flow excluding business exits[1] was £37.3m, down from £52.2m in the prior period. The decrease reflected the prior year completion of a major contract milestone, the unwind of favourable timing of receipts in 2025, and mobilisation costs on the Synergy Business Process Services contract.

Outlook

We expect adjusted revenue[1] to be broadly flat, reflecting the impact of previously announced losses and timing of the benefit of contract wins in 2026, which commence in the second half of 2027. For the year as a whole, we expect adjusted operating profit[1] to be consistent with the prior year.

Contact Centre – not included within the transaction perimeter

This division now comprises the retained elements of the Contact Centre division following the sale of the private sector services which was announced in March 2026.

This includes a number of contracts, including the Group's long standing BBC contract, delivering the administration and collection of the TV licence and a number of other public sector contracts. This division also includes a number of commercial service arrangements related to previously executed disposals.

The operational performance in the retained contracts of this division across the year has remained consistent.

Going forwards the retained contracts will be re-presented within other segments of the Group. We will provide further detail on the future operating segments of the Group and proforma data as part of the Group's Capital Market Event later this year.

Divisional financial summary	2026	2025	% change
Adjusted revenue[1] (£m)	**67.1**	71.4	(6.0)%
Adjusted operating profit[1] (£m)	**1.2**	3.3	(63.6)%
Adjusted operating margin[1] (%)	***1.8%***	*4.6%*	
Adjusted EBITDA[1] (£m)	**4.5**	8.0	(43.8)%
Operating cash flow excluding business exits[1] (£m)	**43.8**	44.0	(0.5)%
Order book (£m) (comparative at 31 December 2025)	**430.9**	473.6	(9.0)%
Total contract value secured (£m)	**—**	—	—

Adjusted revenue[1] reduced 6.0% to £67.1m, reflecting the impact of lower project work and the accounting impact of the extension of a major contract.

Adjusted operating profit[1] reduced to £1.2m reflecting flow through of lower revenue and continued investment in AI, hyperscalers and data capabilities, and higher allocation of central functions costs, partly offset by savings delivered through the cost reduction programme in 2025.

Operating cash flow excluding business exits[1] was £43.8m with a cash conversion of 973% driven by the usual phasing of significant cash receipts from a customer that delivers inflows for the year in the first half.

Outlook

We expect a low single digit adjusted revenue[1] reduction in the retained Contact Centre business reflecting the impact of project work and accounting impact of the extension of a major contract, with a small reduction in adjusted operating margin[1] reflecting this revenue reduction.

Pension Solutions

Pension Solutions is our pension administration and consulting business, with a focus on defined benefit schemes. It administers over 400 private and public sector pension schemes based in the UK, servicing over 7 million scheme members.

Pension Solutions also provides consulting services including expert advisory, actuarial, investment communications and transformation services, helping pension scheme stakeholders manage risk, achieve strategic objectives and enhance member outcomes to its clients via its 500 expert pension consultants, which accounts for around one-third of its revenue.

Markets and growth drivers

The pension industry is shifting towards an end-to-end digital experience with users looking for 24/7 service offering, driven by increased automation and self-service options.

Changing legislation and regulatory requirements within the UK pension market is growing demand on data and remediation services, particularly within our consulting business.

We have been investing in our digital pensions platform and in 2025 went live with our Digital Pension Solutions tool with a number of further client roll outs planned in 2026 and 2027. This tool in the long term will allow us to deliver digitally-enabled pension administration at significant scale, allowing members a flexible service and will act as a differentiator for our Pension Solutions business.

Operational performance

The division's average KPI performance in the first six months of 2026 was 94%, excluding the Civil Service Pension Scheme contract, similar to the 95% performance in the same period in 2025.

In December 2025, Pension Solutions started to administer the Civil Service Pension Scheme. We recognise that as a result of operational issues, our performance has not been good enough since the contract began and we are sorry for the distress and inconvenience experienced by impacted members. We have the processes, automation and technology in place to work through the backlog. We remain committed to working through the backlog as quickly as possible, protecting members, and ensuring new cases are processed within contractual service times.

Elsewhere within the division, the Pension Solutions team have served over 7 million scheme members, worked on over 22 Triennial Valuations for clients across the first half of the year and delivered c. 100 communication projects for our clients.

The division's Hartlink Online Platform has seen positive engagement in the first half of the year with over 115,000 registrations and more than 880,000 logins as members continue with self service activities. Using the self service functionality of the tool we've seen more than 110,000 personal detail updates and more than 63,000 retirement online views.

Growth

So far in the first six months of 2026, Pension Solutions has secured contracts with a TCV of £196.7m up 161.2% from the prior year. The In Year Revenue associated with these wins was £57m, up from £30m in the first six months of 2025. Overall the division's book to bill was 1.8x, up from 0.9x in 2025.

Material wins in the first half of the year included a client renewal worth £137m and a four year extension with the Environment Agency with a TCV of £14m. Pension Solutions saw a win rate of 99% across all opportunities in 2026, up from 94% in the prior year.

As at 30 June, the division's unweighted pipeline was £0.5bn with a £164m unweighted pipeline for the second half year, with a mix of renewals and expansions of scope. There are material opportunities in the second half of the year and into 2027 with the majority being new customers or expansions of scope.

The divisional order book at 30 June 2026 stood at £530.9m, up 14.1% from 31 December 2025, reflecting the division's strong TCV performance which more than offset revenue recognised in the first half of the year.

Divisional financial summary	2026	2025	% change
Adjusted revenue[1] (£m)	**107.4**	86.1	24.7%
Adjusted operating (loss)/profit[1] (£m)	**(3.6)**	9.7	n/a
Adjusted operating margin[1] (%)	***(3.4)%***	*11.3%*	
Adjusted EBITDA[1] (£m)	**2.0**	13.3	(85.0)%
Operating cash flow excluding business exits[1] (£m)	**5.4**	9.3	(41.9)%
Order book (£m) (comparative at 31 December 2025)	**530.9**	465.1	14.1%
Total contract value secured (£m)	**196.7**	75.3	161.2%

Adjusted revenue[1] grew 24.7% to £107.4m, reflecting the impact of the Civil Service Pension Scheme contract and increased volumes on existing contracts.

Adjusted operating loss[1] of £3.6m reflects additional costs incurred on the Civil Service Pension Scheme contract as operational issues are resolved, and lower consulting volumes due to redeployment of resources to the Civil Service Pension Scheme contract, partly offset by lower allocation of central functions costs as a consequence of the reduction in adjusted operating profit.

Operating cash flow excluding business exits[1] was £5.4m a decrease from £9.3m in the prior year due to additional costs on the Civil Service Pension Scheme contract. The improved operating cash conversion reflects receipt of a 2025 delayed milestone payment.

Outlook

Reflecting the growth from the annualisation of the Civil Service Pension Scheme, we expect Pension Solutions to deliver mid-teen adjusted revenue[1] growth. Reflecting the additional costs incurred as a result of the Civil Service Pension Scheme contract and remediation, we expect the division to make an adjusted operating loss[1] in 2026.

Regulated Services

The Regulated Services division comprises our Mortgage Software business which, as previously announced, we are managing for value.

Following a contract termination in the first half of the prior year, this business now includes a small number of remaining contracts.

Divisional financial summary	2026	2025	% change
Adjusted revenue[1] (£m)	**2.7**	22.9	(88.2)%
Adjusted operating profit[1] (£m)	**0.5**	5.6	(91.1)%
Adjusted operating margin[1] (%)	***18.5%***	*24.5%*	
Adjusted EBITDA[1] (£m)	**0.5**	6.0	(91.7)%
Operating cash flow excluding business exits[1] (£m)	**1.5**	5.0	(70.0)%
Order book (£m) (comparative at 31 December 2025)[3]	**108.3**	106.5	1.7%
Total contract value secured (£m)	**0.7**	0.7	—%

Adjusted revenue[1] decreased 88.2% to £2.7m reflecting the non-repeat of the £19m contract termination in the prior year.

Adjusted operating profit[1] was £0.5m, a decrease of 91.7%, reflecting the non-repeat of a £6m benefit from a termination fee received from the contract exit in the Mortgage Software business in the prior year.

Operating cash flow excluding business exits[1] was £1.5m, down from £5.0m in the prior year due to the one-off £6m termination fee received from the contract exit in our Mortgage Software business in the prior year.

Outlook

We expect the adjusted revenue trends to continue in the second half with the division broadly breakeven in 2026.

1. Refer to alternative performance measures in the appendix
2. TechMarketView
3. Both 2026 and the 2025 comparative include the closed book Life & Pensions business whose financial results are reported within business exits

Chief Financial Officer's review

Financial highlights - continuing operations	30 June 2026	30 June 2025[2]	YoY change
Revenue	**£948.3m**	£960.5m	(1.3)%
Adjusted revenue[1]	**£906.4m**	£892.2m	1.6%
Operating profit	**£25.9m**	£18.4m	40.8%
Operating margin[1]	***2.7%***	*1.9%*	*80bps*
Adjusted operating profit[1]	**£32.2m**	£47.1m	(31.6)%
Adjusted operating margin[1]	***3.6%***	*5.3%*	*(170)bps*
EBITDA[1]	**£56.7m**	£49.3m	15.0%
Adjusted EBITDA[1]	**£59.5m**	£73.9m	(19.5)%
Profit before tax	**£4.1m**	£1.7m	141.2%
Adjusted profit before tax[1]	**£12.5m**	£29.1m	(57.0)%
Basic (loss)/earnings per share	**(3.60)p**	(13.59)p	(73.5)%
Adjusted basic earnings/(loss) per share[1]	**13.38p**	(6.09)p	n/a
Operating cash flow[1]	**£35.5m**	£67.7m	(47.6)%
Operating cash flow excluding business exits[1]	**£56.9m**	£82.9m	(31.4)%
Adjusted operating cash conversion[1]	***95.6%***	*112.2%*	*(16.6)%*
Free cash flow[1]	**£(23.6)m**	£1.1m	n/a
Free cash flow excluding business exits[1]	**£3.5m**	£25.2m	(86.1)%
Net debt[1]	**£(499.7)m**	£(412.2)m	£(87.5)m
Net financial debt (pre-IFRS 16)[1]	**£(200.4)m**	£(87.0)m	£(113.4)m

1. Definitions and calculations of non-IFRS measures (alternative performance measures) can be found in the Appendix.
2. 2025 comparatives have been re-presented from those previously published to reflect the private sector contact centre business as a discontinued operation (refer to note 8.3).

Overview

The adjusted revenue[1] growth of 1.6% reflected growth in Public Service and Pension Solutions, partly offset by a decline in Regulated Services, driven by the non-repeat of a £19m prior year contract exit benefit, and a small decline in the retained Contact Centre business. The reduction in adjusted operating profit[1] reflected the additional costs incurred on the Civil Service Pension Scheme contract in Pension Solutions, and the non-repeat of a £6m benefit from the prior year contract exit in Regulated Services; partly offset by the benefit from the cost reduction programme in 2025. Adjusted basic earnings per share[1] increased reflecting the decrease in adjusted profit before tax[1] and the adjusted income tax credit of £2.6m compared to the prior year charge of £35.7m.

Revenue decreased 1.3% as the growth in adjusted revenue[1] was more than offset by the reduction in the revenue of those businesses which the Group is exiting, primarily the closed book Life & Pensions business. Operating profit increased to £25.9m reflecting the reduction in adjusted operating profit[1] detailed above, more than offset by lower costs to deliver the simplification programme in 2026 than the costs to deliver the cost reduction programme in the prior year (2026: £4.1m; 2025: £16.5m). Profit before tax of £4.1m (2025: profit £1.7m), reflected the increase in operating profit detailed above, partly offset by an increase in net finance costs reflecting higher average net debt. The lower basic loss per share of 3.60p (2025: loss 13.59p) reflected the increase in profit before tax and the lower income tax charge of £9.3m in the current period (2025: charge £17.0m).

The decrease in operating cash flow excluding business exits[1] and adjusted operating cash conversion[1] reflected the reduction in adjusted operating profit[1], continued investment in the Civil Service Pension Scheme contract, mobilisation on the Synergy Business Process Services contract, prior year favourable timing and completion of a major contract milestone in Public Service.

Free cash flow excluding business exits[1] in the six months ended 30 June 2026 was an inflow of £3.5m (2025: inflow £25.2m), reflecting the flow through of the decrease in operating cash flow excluding business exits[1], and increases in net capital expenditure, and interest and tax paid, partly offset by a decrease in the capital element of lease rental payments, and a decrease in the cash outflow from the costs to deliver the cost reduction programme. The decrease in free cash flow[1] reflects the above decrease in free cash flow excluding business exits[1] and an increased cash outflow from business exits.

Following the announcement in March 2026 that the Group had agreed to sell its private sector contact centre business, which is primarily front-office facing, the business met the criteria to be presented as a discontinued operation and as held-for-sale. The sale completed on 31 July 2026. This transaction unlocks a material overhead reduction as further complexity is removed from the Group as it will focus on complex, differentiated middle and back-office services going forward. We have commenced our simplification programme as the disposal separation activities continue, and as at 30 June 2026, we have taken action which will deliver £8m of annualised cost savings, against our target to deliver £40m of annualised cost savings by the end 2027, with an associated cost to achieve the full savings of c.£20m.

Liquidity as at 30 June 2026 was £350.7m, made up of £278.0m of undrawn committed revolving credit facility (RCF) and £72.7m of unrestricted cash and cash equivalents net of overdrafts. 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 $55m of US private placement loan notes, valued at £41m, net of swaps, with an average coupon rate of 7.54%. The notes rank pari passu with the Group's existing senior indebtedness. This provides the Group further optionality on its transformation journey. The RCF was £47.0m drawn at 30 June 2026 (31 December 2025 undrawn). The increase in net debt and net financial debt (pre-IFRS 16)[1] since 30 June 2025 reflects the free cash outflow[1] in both the second half of 2025 and the first half of 2026, and the cash outflow of the private sector contact centre business presented as a discontinued operation.

Financial review

Adjusted results

Capita reports results on an adjusted basis to aid understanding of business performance. The Board has adopted a policy of disclosing separately those items that it considers are outside the underlying operating results for the particular period under review and against which the Group's performance is assessed internally. In the Board's judgement, these items need to be disclosed separately by virtue of their nature, size and/or incidence for users of the financial statements to obtain an understanding of the financial information and the underlying in-period performance of the business.

In accordance with the above policy, the trading results of business exits, along with the non-trading expenses (including the income statement charges in respect of major cost reduction programmes) and gain or loss on disposals, have been excluded from adjusted results. To enable a like-for-like comparison of adjusted results, the 2025 comparatives have been re-presented to exclude business exits in the second half of 2025 and the first six months of 2026. As at 30 June 2026, the primary business that met this threshold and was classified as business exits and therefore excluded from adjusted results in both 2026 and 2025 was closed book Life & Pensions.

Reconciliations between adjusted and reported operating profit and profit before tax on a continuing basis, and free cash flow excluding business exits, are provided on the following pages and in the notes to the financial statements.

During the year, the Board approved a plan to dispose of the Group's private sector contact centre business, which formed a major part of the Contact Centre segment. The sale completed on 31 July 2026, following the period end. For H1 2026, the net results of the private sector contact centre business are presented as a discontinued operation in the Group income and cash flow statements, for which the comparatives have been re-presented. The assets and liabilities of the private sector contact centre business disposal group are presented separately in the Group balance sheet as held-for-sale. For further details, refer to notes 8.3 and 8.4.

Adjusted revenue

Adjusted revenue[1] bridge by division	Public Service £m	Capita Experience: Contact Centre £m	Capita Experience: Pension Solutions £m	Capita Experience: Regulated Services £m	Total £m
Six months ended 30 June 2025	711.8	71.4	86.1	22.9	892.2
Net increase/(reduction)	17.4	(4.3)	21.3	(20.2)	14.2
Six months ended 30 June 2026	**729.2**	**67.1**	**107.4**	**2.7**	**906.4**

Adjusted revenue[1] increased 1.6% and was impacted by the following:

- ***Public Service* (2.4% growth):** benefit from increased volumes in Local & Regional Partnerships transactional business and on the Disabled Students Allowance contract, growth in the Transport for London contract, including the Silvertown Tunnel programme, partly offset by the flow through of prior year contract losses and lower recoveries on the Smart DCC contract;
- ***Experience:***
  - **Contact Centre (6.0% reduction)**: reflected lower project work and the accounting impact of the extension of a major contract;
  - **Pension Solutions (24.7% growth)**: impact of the Civil Service Pension Scheme contract and increased volumes on our existing contracts; and
  - **Regulated Services (88.2% reduction)**: non-repeat of the £19m one-off benefit from a contract exit in the Mortgage Software business in the prior year.

Order book

The Group's consolidated order book was £4,010.9m at 30 June 2026 (31 December 2025: £3,765.3m). Additions from contract wins, scope changes and indexations in 2026 (£1,000.6m), including 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, were offset by the reduction from revenue recognised in the period (£711.2m), and contract terminations (£43.8m), including the Royal Mail Pension Scheme in Pension Solutions.

Adjusted operating profit

Adjusted operating profit[1] bridge by division	Public Service £m	Capita Experience: Contact Centre £m	Capita Experience: Pension Solutions £m	Capita Experience: Regulated Services £m	Capita plc £m	Total £m
Six months ended 30 June 2025	57.2	3.3	9.7	5.6	(28.7)	47.1
Net growth/(reduction)	0.5	(2.1)	(13.3)	(5.1)	5.1	(14.9)
Six months ended 30 June 2026	**57.7**	**1.2**	**(3.6)**	**0.5**	**(23.6)**	**32.2**

Adjusted operating profit[1] decreased in the six months ended 30 June 2026 driven by the following:

- ***Public Service:*** reflects revenue growth and savings delivered by the cost reduction programme in 2025, partly offset by flow through of prior year contract losses, lower cost recoveries on the Smart DCC contract, continued investment in AI, hyperscalers and data capabilities, contract mobilisation costs, and an increase in the allocation of central functions costs as a consequence of the reduction in adjusted operating profit[1] in Pension Solutions;
- ***Experience:***
  - **Contact Centre:** reflects the flow through of lower revenue, and continued investment in AI, hyperscalers and data capabilities, and higher allocation of central functions costs, partly offset by savings delivered through the cost reduction programme in 2025;

  - **Pension Solutions:** reflects additional costs incurred on the Civil Service Pension Scheme contract as operational issues are resolved and lower consulting volumes due to redeployment of resources to the Civil Service Pension Scheme contract, partly offset by lower allocation of central functions costs as a consequence of the reduction in adjusted operating profit[1];
  - **Regulated Services:** £6m benefit from termination fee received from the contract exit in the Mortgage Software business in the prior year; and
- ***Capita plc*****:** 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.

Adjusted profit before tax
Adjusted profit before tax[1] reduced to £12.5m (2025: £29.1m), reflecting the above decrease in adjusted operating profit and an increase in net finance costs included within adjusted profit (2026: £19.7m; 2025: £18.0m).

Adjusted tax credit
The adjusted income tax credit for the period was £2.6m versus a charge of £35.7m in the comparative period, primarily as a result of an increase in deferred tax asset recognition that is attributable to the adjusted results in 2026.

Operating cash flow excluding business exits[1]

		Capita Experience				
Operating cash flow excluding business exits[1] by division	**Public Service £m**	**Contact Centre £m**	**Pension Solutions £m**	**Regulated Services £m**	**Capita plc £m**	**Total £m**
Six months ended 30 June 2025	52.2	44.0	9.3	5.0	(27.6)	82.9
Net reduction	(14.9)	(0.2)	(3.9)	(3.5)	(3.5)	(26.0)
Six months ended 30 June 2026	**37.3**	**43.8**	**5.4**	**1.5**	**(31.1)**	**56.9**
Operating cash conversion[1] six months ended 30 June 2025	*72.2%*	*550.0%*	*69.9%*	*83.3%*	*107.4%*	*112.2%*
Operating cash conversion[1] six months ended 30 June 2026	***50.5%***	***973.3%***	***270.0%***	***300.0%***	***145.3%***	***95.6%***

The decrease in operating cash flow excluding business exits[1] and operating cash conversion[1] in 2026 driven by the following:

- ***Public Service:*** decrease reflected prior year completion of a major contract milestone, the unwind of favourable timing of receipts in 2025, and mobilisation costs on the Synergy Business Process Services contract;
- ***Experience:***
  - **Contact Centre:** operating cash conversion[1] was driven by the usual phasing of significant cash receipts from a customer that delivers inflows for the year in the first half;
  - **Pension Solutions:** decrease in operating cash flow excluding business exits[1] reflected the additional costs on the Civil Service Pension Scheme contract. The improved operating cash conversion reflects receipt of a 2025 delayed milestone payment;
  - **Regulated Services:** termination fee received from the contract exit in our Mortgage Software business in the prior year; and
- ***Capita plc*****:** increase reflected the repayment of the non-recourse trade receivables financing arrangement during 2026 and timing of supplier payments, partly offset by the benefit from the cost reduction programme.

Cash generated from operations and free cash flow

Adjusted operating profit to free cash flow excluding business exits[1]	**30 June 2026 £m**	30 June 2025 £m
Adjusted operating profit[1]	**32.2**	47.1
Add: depreciation/amortisation and impairment of property, plant and equipment, right-of-use assets and intangible assets	27.3	26.8
Adjusted EBITDA[1]	**59.5**	73.9
Working capital	(4.7)	16.0
Non-cash and other adjustments	2.1	(7.0)
Operating cash flow excluding business exits[1]	**56.9**	82.9
Adjusted operating cash conversion[1]	**96%**	112%
Simplification programme	(1.9)	—
Cost reduction programme	(2.1)	(15.4)
Cyber incident	(1.5)	1.1
Cash generated from operations excluding business exits[1]	**51.4**	68.6
Net capital expenditure	(15.4)	(13.0)
Interest/tax paid	(21.1)	(17.9)
Net capital lease payments	(11.4)	(12.5)
Free cash flow excluding business exits[1]	**3.5**	25.2

The working capital outflow is principally driven by a lower net inflow from deferred income and contract fulfilment assets, reflecting continued investment in the Civil Service Pension Scheme contract, mobilisation costs on the Synergy Business Process Services contract, prior year favourable timing and completion of a major contract milestone in Public Service. Non-cash and other adjustments include movement in provisions, and amendments and early termination of leases.

Cash generated from operations excluding business exits[1] reflects the above and the reduction in adjusted operating profit[1], partly offset by a decrease in the cash outflow from the costs to deliver the cost reduction programme. Although the programme was concluded at the end of 2025, the cash outflow in the period represents costs to deliver the savings that were accrued or provided for at the end of 2025 and settled in the first half of 2026.

Free cash flow excluding business exits[1] for the six months ended 30 June 2026 was an inflow of £3.5m (2025: inflow £25.2m), reflecting the flow through of the decrease in cash generated from operations excluding business exits[1], an increase in net capital expenditure with the continued investment in contract delivery with new technology solutions and cyber capabilities, and an increase in interest and tax paid, partly offset by a decrease in the capital element of lease rental payments as the Group continued to rationalise its property estate. The increase in interest and tax paid reflected higher average net debt, and timing of net tax payments.

Reported results (continuing operations)

Adjusted to reported profit
As noted above, to aid understanding of our underlying performance, adjusted operating profit[1] and adjusted profit before tax[1] exclude a number of specific items, including the amortisation and impairment of acquired intangibles and goodwill, the impact of business exits, the impact of the simplification programme and the 2023 cyber incident, and in the prior year, the impact of the cost reduction programme.

Adjusted[1] to reported results bridge

	Operating profit/(loss)		Profit/(loss) before tax	
	30 June 2026 £m	30 June 2025 £m	**30 June 2026 £m**	30 June 2025 £m
Adjusted[1]	**32.2**	47.1	**12.5**	29.1
Net finance (expense)/income	**—**	—	**(1.5)**	3.0
Business exits	**(1.5)**	(9.2)	**(2.1)**	(10.9)
Simplification programme	**(4.1)**	—	**(4.1)**	—
Cost reduction programme	**—**	(16.5)	**—**	(16.5)
Cyber incident	**(0.7)**	(3.0)	**(0.7)**	(3.0)
Reported (continuing operations)	**25.9**	**18.4**	**4.1**	**1.7**

Business exits
Business exits include the effects of businesses that have been sold or exited during the period and the results of businesses held-for-sale at the reporting date. In accordance with our policy, the trading results of these businesses, along with the non-trading expenses and gain on disposal, were included in business exits and therefore excluded from adjusted results. To enable a like-for-like comparison of adjusted results, the 2025 comparatives have been re-presented to exclude businesses classified as business exits from 1 July 2025 to 30 June 2026.

At 30 June 2026 business exits primarily comprised the closed book Life & Pensions business, following the Group reaching agreement in December 2025 for the remaining two legacy evergreen contracts, with its last client, Royal London, to be transitioned back.

Further detail of these business exits is provided in note 8.1 to the condensed consolidated financial statements.

Simplification programme
The sale of the private sector contact centre business, which is primarily front-office facing, enables the Group to unlock a material overhead reduction as further complexity is removed as the Group will focus on complex, differentiated middle and back-office services going forward. Actions are being taken to deliver annualised savings of approximately £40m across 2026 and 2027. The anticipated associated cash cost to achieve these savings is c.£20m. A charge of £4.1m has been recognised in the six months ended 30 June 2026 for the costs to deliver the simplification programme. This primarily comprises redundancy cost incurred to deliver a reduction in headcount.

Cost reduction programme
The Group initiated a multi-year cost reduction programme in November 2023 with, following subsequent extensions, a final target of annualised savings of £250m. These savings were achieved by the end of 2025 and no further expenses to deliver this cost reduction programme are expected (30 June 2025: charge of £16.5m).

Cyber incident
A charge of £0.7m has been recognised in the six months ended 30 June 2026 in relation to the March 2023 cyber incident (2025: charge of £3.0m, which was net of insurance receipts).

Further detail of the specific items charged in arriving at reported operating profit and profit before tax for 2026 is provided in note 4 to the condensed consolidated financial statements.

Reported tax charge
The reported income tax charge for the period of £9.3m reflects the impact of other non-underlying costs which more than offset the deferred tax asset recognised in the period. The comparative period income tax charge of £17.0m reflected the impact of excluding business exits from the 2025 profit forecast, which would increase the amount of deferred tax asset recognised.

Free cash flow[1] to free cash flow excluding business exits[1]

	30 June 2026 £m	30 June 2025 £m
Free cash flow[1]	**(23.6)**	1.1
Business exits	**27.1**	24.1
Free cash flow excluding business exits[1]	**3.5**	25.2

Free cash flow[1] was lower than free cash flow excluding business exits[1] reflecting the free cash outflows from business exits.

Discontinued operation

In March 2026, the Group agreed to sell its private sector contact centre business to Inspirit Capital and the disposal completed on 31 July 2026. As at 30 June 2026 this business was deemed to have met the threshold to be treated as held-for-sale and presented as a discontinued operation. With this sale, the Group exits the majority of its front-office operations to focus on complex, differentiated middle and back-office services. The comparatives have been re-presented to show the discontinued operation separately from continuing operations.

The loss after tax of the discontinued operation for the six months ended 30 June 2026 was £40.1m (2025: profit of £7.9m), and the net cash outflow from operating activities was £20.0m (2025: £25.3m outflow).

The perimeter of the discontinued operation comprises the legal entities being sold, adjusted for any trade, assets, or employees that have been moved in or out of these entities prior to completion of the sale, the historical impairment of goodwill associated with the business being sold, and the amortisation of related acquired intangible assets.

The discontinued operation also includes right-of-use asset impairment losses of £22.0m related to the planned lease surrender of legacy contact centres, whose leases remain with the Group following the completion of the disposal of the private sector contact centre business.

Also included in expenses of the discontinued operation for the six months ended 30 June 2026 are impairment losses of £53.7m for the write-down of the disposal group to the lower of its carrying amount and its fair value less costs to sell.

Further detail on the discontinued operation can be found in note 8.3 to the condensed consolidated financial statements.

Movements in net debt

Net debt at 30 June 2026 was £499.7m (31 December 2025: £461.6m). The increase in net debt over the six months ended 30 June 2026 reflects the free cash outflow noted above and the drawing on the RCF, partly offset by lease rental payments in the period. Net debt does not include finance lease receivables, which at 30 June 2026 were £93.9m (31 December 2025: £96.6m) reflecting the successful sub-letting of property the Group is not using.

Net debt	30 June 2026 £m	31 December 2025 £m
Opening net debt	**(461.6)**	(415.2)
Cash movement in net debt	**(20.7)**	(19.0)
Non-cash movements	**(17.4)**	(27.4)
Closing net debt	**(499.7)**	(461.6)
Remove closing IFRS 16 impact	**299.3**	318.2
Net financial debt (pre-IFRS 16)	**(200.4)**	(143.4)
Cash and cash equivalents net of overdrafts	**116.0**	125.3
Financial debt net of swaps	**(316.4)**	(268.7)
Net financial debt/adjusted EBITDA[1] (both pre-IFRS 16)	**1.6x**	1.0x
Net debt (post-IFRS 16)/adjusted EBITDA[1]	**3.3x**	2.5x

Net financial debt (pre-IFRS 16) increased by £57.0m to £200.4m at 30 June 2026, resulting in a net financial debt to adjusted EBITDA (both pre-IFRS 16) ratio of 1.6x. Over the medium term, the Group is targeting a net financial debt to adjusted EBITDA[1] (both pre-IFRS 16) ratio of ≤1.0x. The Group was compliant with all debt covenants at 30 June 2026.

Capital and financial risk management

Financial instruments used to fund operations and to manage liquidity comprise USD and GBP private placement loan notes, revolving credit facility (RCF), leases and overdrafts.

Available liquidity[1]	30 June 2026 £m	31 December 2025 £m
Revolving credit facility	**325.0**	250.0
Less: drawing on the revolving credit facility	**(47.0)**	—
Undrawn committed facilities	**278.0**	250.0
Cash and cash equivalents net of overdrafts	**116.0**	125.3
Less: restricted cash	**(43.3)**	(45.9)
Available liquidity[1]	**350.7**	329.4

In February 2026, the Group entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the Group's existing £250m revolving credit facility (RCF). 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 $55m of US private placement loan notes, valued at £41m, net of swaps, with an average coupon rate of 7.54%. The notes rank pari passu with the Group's existing senior indebtedness. This provides the Group further optionality on its transformation journey. Refer to the Appendix for details on the covenants. The RCF was £47.0m drawn at 30 June 2026 (31 December 2025: undrawn).

At 30 June 2026, the Group had a total of £17.8m (31 December 2025: £24.6m) invoices sold under non-recourse trade receivables financing facilities, including £11.1m (31 December 2025: £17.2m) attributable to the UK facility and £6.7m (31 December 2025: £7.4m) attributable to the German contract-specific facility. Both facilities provide an economically favourable rate versus the RCF.

At 30 June 2026, the Group had £116.0m (31 December 2025: £125.3m) of cash and cash equivalents net of overdrafts, and £267.4m (31 December 2025: £266.4m) of private placement loan notes and fixed-rate bearer notes.

Going concern

The Board closely monitors the Group's funding position throughout the year, including compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. In addition, to support the going concern assumption the Board conducts a robust assessment of the projections, considering also the committed facilities available to the Group.

Under the base case scenario, the disposal of the private sector contact centre business and the material overhead reduction it enables as further complexity is removed from the Group, facilitates growth in profit and cash flow over the medium term. The phasing of the overhead reduction in 2026 and 2027, the consideration from the disposal being contingent and receivable from January 2027 onwards, coupled with the operational issues with the Civil Service Pension Scheme contract and the impact this has had on the wider Pension Solutions business, post actions being taken across the wider Group to offset some of the impact (primarily the acceleration of the aforementioned overhead reduction into 2026), has reduced the forecast revenue, profit and cash flow in 2026. When combined with available committed facilities, the Group remains able to manage scheduled debt repayments (with no need for future refinancing of these repayments throughout the going concern period). The base case financial forecasts demonstrate liquidity headroom and compliance with all debt covenant measures throughout the going concern period to 31 December 2027.

The Board has considered risks to the projections under a severe but plausible downside scenario, and the mitigations, under the direct control of the Group, that could be implemented to ensure there is sufficient headroom when assessing the Group's future compliance with its debt covenants in a severe but plausible downside scenario.

Taking these considerations into account, the Group's financial forecasts, in a severe but plausible downside scenario, before taking account of any covenant waiver or amendment, demonstrate sufficient liquidity headroom throughout the going concern period to December 2027, but potentially insufficient headroom when assessing compliance with debt covenant measures in the short term. This was not the case when assessing the severe but plausible downside scenario for the purposes of the 31 December 2025 consolidated financial statements due to combination of events in 2026 detailed further above. The Group's financial forecasts, in a severe but plausible downside scenario demonstrate sufficient headroom when assessing compliance with debt covenant measures beyond the short term.

The Group maintains regular dialogue with its lenders, and the Board is confident that any temporary waiver or amendment could be obtained, if required. The Board recognises that any debt covenant waiver or amendment would require lender approval and is therefore outside the direct control of the Group. Accordingly, this gives rise to a material uncertainty, as defined by accounting standards, relating to events and circumstances which may cast significant doubt about the Group's ability to continue as a going concern and to realise assets and discharge its liabilities in the normal course of business.

The Board's assessment in set out in more detail in note 1 to the condensed consolidated financial statements.

Pensions

The latest formal valuation for the Group's main defined benefit pension scheme (the HPS), was carried out as at 31 March 2023. This identified a statutory funding surplus of £51.4m. No deficit contributions are currently payable to the HPS. However, the funding position will be assessed as part of the ongoing formal actuarial valuation as at 31 March 2026, at which point any future contribution requirements will be reviewed.

The valuation of scheme liabilities (and assumptions used) for funding purposes (the actuarial valuation) are specific to the circumstances of each scheme. It differs from the valuation and assumptions used for accounting purposes, which are set out in IAS 19 and shown in these condensed consolidated financial statements. The main difference is in assumption principles being used based in the different regulatory requirements of the valuations. Management estimates that at 30 June 2026 the net asset of the HPS on a funding basis (i.e. the funding assumption principles adopted for the full actuarial valuation at 31 March 2023 updated for market conditions at 30 June 2026) was approximately £66m (31 December 2025: net asset £80.0m) on a technical provisions basis.

The net defined benefit pension position of all reported defined benefit schemes for accounting purposes increased from a surplus of £29.1m at 31 December 2025 to a surplus of £42.7m[2] at 30 June 2026. The main reasons for this movement are the increase in the discount rate (driven by an increase in corporate bond yields) partially offset by a slight increase in expected future inflation which have led to a decrease in the value of the liabilities. This has been offset by a corresponding decrease in the value of the assets and allowance for actual inflation over the period.

Balance sheet

Consolidated net assets were £5.6m at 30 June 2026 (31 December 2025: net assets £41.8m).

The decrease predominantly reflects the total loss for the period of £45.3m, partially offset by the actuarial gain on defined benefit pension schemes of £9.7m recognised directly in other comprehensive income in the six months ended 30 June 2026.

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1. Refer to alternative performance measures in the appendix
2. This excludes the funding position of the schemes that will transfer as part of the sale of the private sector contact centre business, which had a deficit of £3.3m and are included within the disposal group liabilities held-for-sale as at 30 June 2026.

Forward looking statements

This half year results statement is prepared for and addressed only to the Company's shareholders as a whole and to no other person. The Company, its Directors, employees, agents and advisors accept and assume no liability to any person in respect of this trading update except as would arise under English law. Statements contained in this trading update 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.

This document and any materials distributed in connection with it may include forward-looking statements, beliefs, opinions or statements concerning risks and uncertainties, including statements with respect to Capita's business, financial condition and results of operations. Those statements, and statements which contain the words "anticipate", "believe", "intend", "estimate", "expect", "aim", "plan", "target", "project", "will", "may", "should", "forecast" or the negatives of these terms and words of similar meaning, reflect Capita's Directors' beliefs and expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and which may cause results and developments to differ materially from those expressed or implied by those statements and forecasts.

No representation is made that any of those statements or forecasts will come to pass or that any forecast results will be achieved. You are cautioned not to place any reliance on such statements or forecasts. Those forward-looking and other statements speak only as at the date of this trading update. Save as required by applicable law or regulation, Capita undertakes no obligation to release any update of, or revisions to, any forward-looking statements, opinions (which are subject to change without notice) or any other information or statement contained in this trading update. Furthermore, past performance cannot be relied on as a guide to future performance.

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted 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.

Nothing in this document is intended to constitute an invitation or inducement to engage in investment activity. This document does not constitute or form part of any offer for sale or subscription of, or any solicitation of any offer to purchase or subscribe for, any securities nor shall it, or any part of it, nor the fact of its distribution form the basis of, or be relied on in connection with any contract, commitment or investment decision in relation thereto. This document does not constitute a recommendation regarding any securities.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group and its approach to internal control and risk management are set out on pages 79 to 85 of the 2025 Annual Report and Accounts, which is available on the Group's website at www.capita.com/dam/documents/investors/2025-annual-report/Capita-annual-report-2025.pdf.

The Executive Risk and Ethics Committee (EREC) have considered the principal risks and uncertainties of the Group and have determined that those reported in the 2025 Annual Report and Accounts remain materially the same for the remaining half of the financial year, with two exceptions noted. The Cyber security and Data governance and data privacy risk, as reported in the 2025 Annual Report and Accounts, have been combined into a single risk for Cyber security and data privacy, refer to risk 6 in the table below. In addition, a new Failure of suppliers risk has been added, refer to risk 9 in the table below, in accordance with our commitment made in 2025 Annual Report and Accounts. The principal risk profile is shown below.

Risk title		Risk description
1	Profitable growth	Attract new customers and retain existing customers on appropriate commercial terms
2	Contract compliance	Deliver services to customers in accordance with contractual and legal obligations
3	AI adoption and governance	Strategic and operational exposure from inadequate AI adoption and governance
4	People attraction and retention	Attract, develop, engage and retain the right talent
5	Financial stability and resilience	Our ability to maintain financial resilience and achieve financial targets
6	Cyber security and data privacy	Protect our systems, networks and programs from unauthorised use and access
7	Environment, social and governance (ESG)	Comply with regulatory and contractual requirements to drive a purpose driven organisation with the right focus on governance
8	Safety and health	Protect the safety and health of all Capita's employees and manage our duty of care to them, the people we work with and those affected by our acts and omissions
9	Failure of suppliers	Continuity of service from suppliers who provide critical services

Statement of Directors' responsibilities

The Board of directors confirms, to the best of its knowledge, that these condensed consolidated financial statements have been prepared in accordance with IAS 34 as adopted for use in the UK and that the Half Year Management Report includes a fair review of the information required by Rules 4.2.7 and 4.2.8 of the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority.

The names and functions of the Board of directors of Capita plc are listed on the Group website at www.capita.com/about-us/our-leadership.

By order of the Board

Adolfo Hernandez	**Pablo Andres**
Chief Executive Officer	**Chief Financial Officer**
3 August 2026	**3 August 2026**

Condensed consolidated income statement

For the six months ended 30 June 2026

	Notes	30 June 2026 £m	30 June 2025 £m[1]
Continuing operations			
Revenue	3	**948.3**	960.5
Cost of sales		**(774.0)**	(774.7)
Gross profit		**174.3**	185.8
Administrative expenses		**(148.4)**	(167.4)
Operating profit	3	**25.9**	18.4
Losses on financial assets	8.1	**—**	(0.4)
Finance income	5	**4.3**	8.0
Finance costs	5	**(26.1)**	(24.3)
Profit before tax		**4.1**	1.7
Income tax charge	6	**(9.3)**	(17.0)
Loss from continuing operations		**(5.2)**	(15.3)
Discontinued operation			
(Loss)/profit from discontinued operation	8.3	**(40.1)**	7.9
Total loss for the period		**(45.3)**	(7.4)
Attributable to:			
Owners of the Company		**(44.5)**	(7.5)
Non-controlling interests		**(0.8)**	0.1
		(45.3)	(7.4)
(Loss)/earnings per share	7		
Continuing: – basic		**(3.60)p**	(13.59)p
– diluted		**(3.60)p**	(13.59)p
Total operations: – basic		**(37.21)p**	(6.62)p
– diluted		**(37.21)p**	(6.62)p

Adjusted operating profit	4	**32.2**	47.1
Adjusted profit before tax	4	**12.5**	29.1
Adjusted basic earnings/(loss) per share	7	**13.38p**	(6.09)p
Adjusted diluted earnings/(loss) per share	7	**13.38p**	(6.09)p

1. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 (refer to note 8.3).

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2026

	Notes	30 June 2026 £m	30 June 2025 £m
Total loss for the period		**(45.3)**	(7.4)
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to the income statement			
Actuarial gain/(loss) on defined benefit pension schemes - continuing operations		**9.7**	(4.0)
Actuarial gain on defined benefit pension schemes - discontinued operation		**—**	0.6
Tax effect on defined benefit pension schemes - continuing operations		**(2.5)**	1.0
Tax effect on defined benefit pension schemes - discontinued operation		**—**	(0.2)
Gain on fair value of investments - continuing operations		**0.1**	—
Items that will or may be reclassified subsequently to the income statement			
Exchange differences on translation of foreign operations - continuing operations		**(1.2)**	(2.0)
Exchange differences on translation of foreign operations - discontinued operation		**0.7**	(0.4)
Gain/(loss) on cash flow hedges - continuing operations		**3.1**	(20.0)
Cash flow hedges recycled to the income statement - continuing operations		**(0.4)**	9.8
Tax effect on cash flow hedges - continuing operations		**(0.7)**	2.6
Other comprehensive income/(expense) for the period net of tax		**8.8**	(12.6)
Total comprehensive expense for the period net of tax		**(36.5)**	(20.0)
Attributable to:			
Owners of the Company		**(35.7)**	(20.1)
Non-controlling interests		**(0.8)**	0.1
		(36.5)	(20.0)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated balance sheet

At 30 June 2026

	Notes	30 June 2026 £m	31 December 2025 £m
Non-current assets			
Property, plant and equipment		**48.1**	57.5
Intangible assets		**82.5**	97.6
Goodwill		**300.1**	300.1
Right-of-use assets		**111.3**	158.5
Contract fulfilment assets	2	**223.2**	233.3
Financial assets	11	**95.9**	98.1
Deferred tax assets		**156.2**	128.7
Employee benefits	13	**43.6**	33.7
Trade and other receivables		**9.9**	11.4
		1,070.8	1,118.9
Current assets			
Financial assets	11	**8.0**	6.8
Income tax receivable		**1.0**	3.5
Disposal group assets held-for-sale	8.4	**79.2**	—
Trade and other receivables		**331.1**	350.2
Cash and cash equivalents	11	**266.4**	264.1
		685.7	624.6
Total assets		**1,756.5**	1,743.5
Current liabilities			
Overdrafts	11	**152.2**	138.8
Trade and other payables		**345.7**	405.7
Disposal group liabilities held-for-sale	8.4	**97.0**	—
Income tax payable		**4.6**	3.5
Deferred income		**382.8**	373.6
Lease liabilities	11	**31.0**	39.5
Financial liabilities	11	**210.8**	119.5
Provisions	10	**69.0**	70.9
		1,293.1	1,151.5
Non-current liabilities			
Trade and other payables		**12.0**	13.9
Deferred income		**3.4**	6.5
Lease liabilities	11	**253.1**	278.7
Financial liabilities	11	**113.9**	159.8
Deferred tax liabilities		**6.6**	6.6
Provisions	10	**67.9**	80.1
Employee benefits	13	**0.9**	4.6
		457.8	550.2
Total liabilities		**1,750.9**	1,701.7
Net assets		**5.6**	41.8
Capital and reserves			
Share capital	12	**37.5**	37.2
Share premium	12	**20.7**	20.7
Employee benefit trust shares	12	**(2.8)**	(1.6)
Capital redemption reserve		**1.8**	1.8
Other reserves		**(13.6)**	(15.1)
Retained (deficit)/earnings		**(31.6)**	4.4
Equity attributable to owners of the Company		**12.0**	47.4
Non-controlling interests		**(6.4)**	(5.6)
Total equity		**5.6**	41.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2026

	Share capital £m	Share premium £m	Employee benefit trust shares £m	Capital redemption reserve £m	Retained (deficit)/ earnings £m	Other reserves £m	Total attributable to the owners of the parent £m	Non-controlling interests £m	Total equity £m
At 31 December 2024	35.2	1,145.5	(0.3)	1.8	(972.8)	(9.5)	199.9	(4.2)	195.7
Total (loss)/profit for the period	—	—	—	—	(7.5)	—	(7.5)	0.1	(7.4)
Other comprehensive expense	—	—	—	—	(2.6)	(10.0)	(12.6)	—	(12.6)
Total comprehensive (expense)/income for the period	—	—	—	—	(10.1)	(10.0)	(20.1)	0.1	(20.0)
Share-based payment	—	—	—	—	2.9	—	2.9	—	2.9
Share premium cancellation[1]	—	(1,145.5)	—	—	1,145.5	—	—	—	—
Exercise of share options under employee long-term incentive plans	—	—	0.8	—	(0.8)	—	—	—	—
Shares issued	0.1	—	(0.1)	—	—	—	—	—	—
Parent company shares purchased	—	—	(0.4)	—	—	—	(0.4)	—	(0.4)
At 30 June 2025	35.3	—	—	1.8	164.7	(19.5)	182.3	(4.1)	178.2
At 31 December 2025	**37.2**	**20.7**	**(1.6)**	**1.8**	**4.4**	**(15.1)**	**47.4**	**(5.6)**	**41.8**
Total loss for the period	**—**	**—**	**—**	**—**	**(44.5)**	**—**	**(44.5)**	**(0.8)**	**(45.3)**
Other comprehensive income	**—**	**—**	**—**	**—**	**7.3**	**1.5**	**8.8**	**—**	**8.8**
Total comprehensive (expense)/income for the period	**—**	**—**	**—**	**—**	**(37.2)**	**1.5**	**(35.7)**	**(0.8)**	**(36.5)**
Share-based payment	**—**	**—**	**—**	**—**	**2.1**	**—**	**2.1**	**—**	**2.1**
Exercise of share options under employee long-term incentive plans (note 12)	**—**	**—**	**0.9**	**—**	**(0.9)**	**—**	**—**	**—**	**—**
Shares issued (note 12)	**0.3**	**—**	**(0.3)**	**—**	**—**	**—**	**—**	**—**	**—**
Parent Company shares purchased (note 12)	**—**	**—**	**(1.8)**	**—**	**—**	**—**	**(1.8)**	**—**	**(1.8)**
At 30 June 2026	**37.5**	**20.7**	**(2.8)**	**1.8**	**(31.6)**	**(13.6)**	**12.0**	**(6.4)**	**5.6**

1. Following shareholder approval at the Company's 2025 Annual General Meeting on 28 April 2025 and subsequent sanctioning by the High Court of England and Wales on 10 June 2025, the Company cancelled its share premium account. The effect of this capital reduction was to increase the distributable reserves of the Company through a transfer to retained earnings.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated cash flow statement

For the six months ended 30 June 2026

	Notes	**30 June 2026 £m**	30 June 2025 £m
Cash generated from continuing operations	9	**30.0**	53.4
Cash used by discontinued operation	8.3	**(17.5)**	(22.6)
Total cash generated from operations		**12.5**	30.8
Income tax paid		**(3.6)**	(3.2)
Income tax received		**1.0**	0.6
Interest received		**3.4**	4.0
Interest paid		**(24.1)**	(24.1)
Net cash (outflow)/inflow from operating activities		**(10.8)**	8.1
Cash flows from investing activities			
Purchase of property, plant and equipment		**(4.1)**	(3.3)
Purchase of intangible assets		**(16.2)**	(12.9)
Proceeds from sale of property, plant and equipment, and intangible assets		**—**	1.0
Disposals of investments at FVTPL		**—**	0.4
Capital element of lease rental receipts		**2.3**	2.1
Net cash flow on disposal of business exits	8.2	**(0.5)**	(0.6)
Net cash outflow from investing activities		**(18.5)**	(13.3)
Cash flows from financing activities			
Purchase of Parent Company shares by the Employee Benefit Trust		**(0.5)**	(0.4)
Capital element of lease rental payments		**(22.9)**	(25.7)
Proceeds on issue of private placement loan notes		**—**	93.4
Gain from cross currency swaps		**—**	0.8
Repayment of private placement loan notes		**—**	(89.0)
Proceeds from cross-currency interest rate swaps		**—**	13.1
Proceeds from other finance		**—**	0.2
Proceeds from credit facilities		**47.0**	—
Debt financing arrangement costs		**(2.4)**	(0.5)
Net cash inflow/(outflow) from financing activities		**21.2**	(8.1)
Decrease in cash and cash equivalents		**(8.1)**	(13.3)
Cash and cash equivalents at the beginning of the period		**125.3**	191.4
Effect of exchange rates on cash and cash equivalents		**(1.2)**	1.5
Cash and cash equivalents at 30 June		**116.0**	179.6
Cash and cash equivalents comprise:			
Cash		**266.4**	334.1
Overdrafts		**(152.2)**	(154.5)
Cash, net of overdrafts, included in disposal group assets and liabilities held-for-sale	8.4	**1.8**	—
Total		**116.0**	179.6

Cash generated from operations excluding business exits	9	**51.4**	68.6
Free cash flow excluding business exits	9	**3.5**	25.2

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

For the six months ended 30 June 2026

1.1 Corporate information

Capita plc (the 'Company' or the 'Parent Company') is a public limited liability company incorporated in England and Wales whose shares are publicly traded.

These condensed consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as 'the Group').

These condensed consolidated financial statements were authorised for issue by the Board of directors (the 'Board') on 3 August 2026.

These condensed consolidated financial statements are presented in British pounds sterling and all values are rounded to the nearest tenth of a million (£m) except where otherwise indicated.

1.2 Basis of preparation, judgements and estimates, and going concern

(a) Basis of preparation

These unaudited condensed consolidated financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, and with IAS 34 Interim Financial Reporting under UK-adopted International Accounting Standards (UK-IFRS).

These condensed consolidated financial statements have been prepared by applying the same accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2025.

The Group has considered the impact of new, and amendments to, reporting standards which are effective from 1 January 2026 and concluded that they were either not applicable, or not material, to these condensed consolidated financial statements.

The Group is in the early stages of its assessment for all other standards, amendments and interpretations that have been issued by the International Accounting Standards Board (IASB) but are not yet effective, with the exception of IFRS 18 *Presentation and Disclosure of Financial Statements*. The Group will adopt the standard for the reporting period ending 31 December 2027. The impact of the standard on the Group, although well progressed, remains on-going and it is not yet practical to quantify the effect of IFRS 18 on the consolidated financial statements.

These condensed consolidated financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2025 have been delivered to the Registrar of Companies. The auditor has reported on those accounts and its opinion was (i) unqualified, (ii) did not include any matters to which the auditor drew attention by way of emphasis of matter without modifying its opinion, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

These condensed consolidated financial statements have been reviewed by the Group's auditor pursuant to the Auditing Practices Board guidance on the Review of Interim Financial Information.

(b) Adjusted results

IAS 1 *Presentation of Financial Statements* permits an entity to present additional information for specific items to enable users to better assess the entity's financial performance.

The Board has adopted a policy to separately disclose those items that it considers are outside the underlying operating results for the particular period under review and against which the Group's performance is assessed internally. In the Board's judgement, these need to be disclosed separately by virtue of their nature, size and/or incidence for users of the condensed consolidated financial statements to obtain a proper understanding of the financial information and the underlying performance of the Group.

In general, the Board believes that alternative performance measures (APMs) are useful for investors because they provide further clarity and transparency about the Group's financial performance and are closely monitored by management to evaluate the Group's operating performance to facilitate financial, strategic and operating decisions. Accordingly, these items are also excluded from the discussion of divisional performance. Refer to the appendix for further details of the Group's APMs. Those items which relate to the ordinary course of the Group's operating activities remain within adjusted results.

The Board has limited the items excluded from the adjusted results to: business exits; impairment of goodwill; certain net finance expense/income; the costs associated with the cyber incident in March 2023; and the costs associated with the Group wide restructuring programmes, such as the simplification programme announced in the first half of 2026 following the announcement of the sale of the private sector contact centre business and the cost reduction programme that concluded at the end of 2025.

The Board considers free cash flow, and cash generated from operations excluding business exits, after deducting the capital element of lease payments and receipts, to be APMs because these metrics provide a more representative measure of the sustainable cash flow of the Group.

While the Board considers APMs to be helpful to the reader, it notes that APMs have certain limitations, including the exclusion of significant recurring and non-recurring items, and may not be directly comparable with similarly titled measures presented by other companies.

A reconciliation between reported and adjusted operating profit and profit before tax is provided in note 4, and a reconciliation between reported and free cash flow excluding business exits and cash generated from operations is provided in note 9.

(c) Judgements and estimates

These condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles which require the Board to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the presented periods. Although these judgements and assumptions are based on the Board's best knowledge of the amounts, events or actions, actual results may differ.

The significant judgements and assumptions made by the Board in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2025, except for the impairment of goodwill in respect of the Contact Centre group of cash generating units (CGUs) as the remaining goodwill in respect of this CGU was impaired at 31 December 2025.

Judgements
The key areas where significant accounting judgements have been made and which have the most significant effect on the amounts recognised in these condensed consolidated financial statements, are summarised below and set out in more detail in the related note:
- Contract accounting (note 2) - revenue recognition;
- Capitalisation of contract fulfilment assets (note 2); and
- Adoption of the going concern basis of preparation (note 1.2(d)).

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are summarised below and set out in more detail in the related note. The Group based its assumptions and estimates on parameters available when these condensed consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are incorporated into the assumptions when they occur:
- Contract accounting (note 2) - impairment of contract fulfilment assets, carrying value of onerous contract provisions and variable consideration to be recognised;
- Deferred tax asset recognition (note 6);
- Carrying value of closed book Life & Pensions business exit provision (note 10);
- Carrying value of claims and litigations provisions (note 10); and
- Measurement of defined benefit pension obligations (note 13).

(d) Going concern
In determining the appropriate basis of preparation of these condensed consolidated financial statements for the six months ended 30 June 2026, the Board is required to consider whether the Group can continue in operational existence for the foreseeable future. The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, sensitivities and mitigations, as set out below.

Accounting standards require that 'the foreseeable future' for going concern assessment covers a period of at least twelve months from the date of approval of the condensed consolidated financial statements. The Board has considered the period from the date of approval of these condensed consolidated financial statements to 31 December 2027 ('the going concern period'), which aligns with a year end and a covenant test date for the Group.

The base case financial forecasts used in the going concern assessment are derived from financial projections for 2026-2027 as approved by the Board in March 2026 and subsequently updated for new funding arrangements (outlined below), the disposal of the private sector contact centre business and trading conditions.

The going concern assessment considers the Group's sources and uses of liquidity and covenant compliance throughout the period under review. In June 2026, the Group entered into a £325m revolving credit facility (RCF) with a three year tenor and two one year extension options with a subset of the existing lenders, replacing the existing £250m RCF and £75m additional committed financing facility. In July 2026, the Group issued $55m of US private placement loan notes, maturing in July 2029, valued at £41.2m net of swaps, with a coupon rate of 7.54%. The notes rank pari passu with the Group's existing senior indebtedness. Refer to the Appendix for further details of the Group's debt covenants.

Financial position at 30 June 2026
As at 30 June 2026 the Group had net debt[1] of £499.7m (31 December 2025: £461.6m), net financial debt (pre-IFRS 16)[1] of £200.4m (31 December 2025: £143.4m), available liquidity[1] of £350.7m (31 December 2025: £329.4m) and was in compliance with all debt covenants.

Board assessment

Base case scenario

Under the base case scenario, the disposal of the private sector contact centre business and the material overhead reduction it enables as further complexity is removed from the Group, facilitates growth in profit and cash flow over the medium term. The phasing of the overhead reduction in 2026 and 2027, the consideration from the disposal being contingent and receivable from January 2027 onwards, coupled with the operational issues with the Civil Service Pension Scheme contract and the impact this has had on the wider Pension Solutions business, post actions being taken across the wider Group to offset some of the impact (primarily the acceleration of the aforementioned overhead reduction into 2026), has reduced the forecast revenue, profit and cash flow in 2026. When combined with available committed facilities, the Group remains able to manage scheduled debt repayments (with no need for future refinancing of these repayments over the going concern period).

The most material sensitivities to the base case are the risk of not delivering the planned revenue growth, the overhead reduction being delayed or not delivered, progress to resolve the operational issues with the Civil Service Pension Scheme being slower than planned, and the delay or non-delivery of the aforementioned committed actions.

The base case projections used for going concern assessment purposes reflect business disposals completed up to the date of approval of these condensed consolidated financial statements (including the disposal of the private sector contact centre business which completed on 31 July 2026).

The base case financial forecasts demonstrate liquidity headroom and compliance with all debt covenant measures throughout the going concern period to 31 December 2027.

Severe but plausible downside scenario

In considering severe but plausible downside scenarios, the Board has taken account of the potential adverse financial impacts resulting from the following risks:

- revenue growth falling materially short of plan;
- targeted cost savings delayed or not delivered;
- progress to resolve the operational issues with the Civil Service Pension Scheme contract being slower than planned;
- unforeseen operational issues leading to contract losses and cash outflows;
- increased interest rates;
- unavailability of the Group's non-recourse trade receivables financing facility; and
- unexpected financial costs linked to unexpected one-off incidents.

The likelihood of simultaneous crystallisation of the above risks at a sufficiently material magnitude is considered by the Board to be low. Nevertheless, there may be scenarios where a combination of the above risks crystallise and the Group would need to take action to ensure there is sufficient headroom when assessing the Group's future compliance with its debt covenants. In its assessment of going concern, the Board has considered the mitigations, under the direct control of the Group, that could be implemented including, but not limited to, further reduction (or removing in full) bonus and incentive payments, reducing discretionary spend and reductions or delays in capital investment.

Taking these considerations into account, the Group's financial forecasts, in a severe but plausible downside scenario, before taking account of any covenant waiver or amendment, demonstrate sufficient liquidity headroom throughout the going concern period to December 2027, but potentially insufficient headroom when assessing compliance with debt covenant measures in the short term. This was not the case when assessing the severe but plausible downside scenario for the purposes of the 31 December 2025 consolidated financial statements due to the combination of events in 2026 detailed further above. The Group's financial forecasts, in a severe but plausible downside scenario demonstrate sufficient headroom when assessing compliance with debt covenant measures beyond the short term.

The Group maintains regular dialogue with its lenders, and the Board has confidence that any temporary waiver or amendment could be obtained, if required.

Material uncertainty

The Board recognises that any debt covenant waiver or amendment would require lender approval and is therefore outside the direct control of the Group. Accordingly, this gives rise to a material uncertainty, as defined by accounting standards, relating to events and circumstances which may cast significant doubt about the Group's ability to continue as a going concern and to realise assets and discharge its liabilities in the normal course of business. These condensed consolidated financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Adoption of going concern basis

Notwithstanding the material uncertainty described above, the Board has concluded that it remains appropriate to adopt the going concern basis in preparing these condensed consolidated financial statements. In reaching this conclusion, the Board has considered the Group's financial forecasts and the mitigating actions available to the Group should the severe but plausible downside scenario materialise, including the potential for a debt covenant waiver or amendment. Accordingly, the Board has concluded that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2027.

1. Definitions and calculations of non-IFRS measures (alternative performance measures) can be found in the appendix.

2 Contract accounting

At 30 June 2026, the Group had the following results and balance sheet items related to long-term contracts:

	Note	**30 June 2026 £m**	30 June 2025[1] £m	31 December 2025 £m
Long-term contractual revenue	3	**749.6**	792.0	
Contract fulfilment assets (non-current)		**223.2**		233.3
Accrued income		**113.0**		145.7
Deferred income		**386.2**		380.1
Onerous contract provisions		**65.1**		71.6

1. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 (refer to note 8.3).

Background

The Group operates diverse businesses. The majority of the Group's revenue is from contracts greater than two years in duration (long-term contractual), representing 79.0% of Group revenue for the six months ended 30 June 2026 (30 June 2025: 82.5%).

Recoverability of contract fulfilment assets and completeness of onerous contract provisions

Management first assesses whether contract assets are impaired and then further considers whether an onerous contract exists. For half and full year reporting, the Audit and Risk Committee specifically reviews the material judgements and estimates, and the overall approach to this assessment in respect of the Group's major contracts, including comparison against previous forecasts.

The major contracts are rated by management according to their financial risk profile, which is linked to the level of uncertainty over future assumptions. The major contracts that the Audit and Risk Committee review for half year reporting, are those in the high or medium rated risk categories, and at the full year, those contracts material by virtue of their size relative to the Group are also reviewed if not already identified through the above indicators.

An assessment of which contracts are major contracts is performed twice a year. Other contracts are reported to the Audit and Risk Committee as deemed appropriate. These contracts are collectively referred to as 'major contracts' in the remainder of this note.

In the following paragraphs, the amounts disclosed for the current period are only in respect of those major contracts that the Audit and Risk Committee have reviewed (ie at half year this is only those major contracts which are in the high or medium risk categories) and are within the continuing operations of the Group. The prior period amounts in relation to major contracts have been re-presented to reflect the discontinued operation otherwise they are as previously presented, and as such reflect the major contracts reviewed by the Audit and Risk Committee for that period end. The prior period amounts are therefore not directly comparable to the those disclosed for the current period.

The major contracts contributed £238.2m (30 June 2025: £271.7m) or 26% (30 June 2025: 31%) of Group reported revenue. Non-current contract fulfilment assets as at 30 June 2026 were £223.2m (31 December 2025: £233.3m), of which £47.8m (31 December 2025: £66.4m) relates to major contracts with ongoing transformational activities. The remainder relates to contracts post-transformation and includes non-major contracts.

As noted above, the major contracts, both pre- and post-transformation, are rated according to their financial risk profile. For those that are in the high and medium rated risk categories the associated non-current contract fulfilment assets were, in aggregate, £70.8m at 30 June 2026 (31 December 2025: £60.4m). The recoverability of these assets is dependent on no significant adverse change in the key contract assumptions arising. The balance of deferred income associated with these contracts was £59.7m at 30 June 2026 (31 December 2025: £57.7m) and is forecast to be recognised as performance obligations continue to be delivered over the life of the respective contracts. Onerous contract provisions associated with these contracts were £60.7m at 30 June 2026 (31 December 2025: £66.5m) and primarily relate to the contracts with Royal London in the closed book Life & Pensions business (refer to note 10).

Following these reviews, and reviews of smaller contracts across the business, non-current contract fulfilment asset impairments of £nil (30 June 2025: £0.9m) were identified and recognised within adjusted cost of sales of which £nil (30 June 2025: £nil) relates to non-current contract fulfilment assets added during the period. Additionally, a net onerous contract provision release of £0.8m (30 June 2025: net increase of £8.0m) was identified and excluded from adjusted cost of sales in respect of the closed book Life & Pensions business (refer to note 8.1).

Given the quantum of the relevant contract assets and liabilities, and the nature of the estimates noted above, management has concluded it is reasonably possible, that outcomes within the next financial year may be different from management's current assumptions and could require a material adjustment to the carrying amounts of contract assets and onerous contract provisions. However, as noted above, £47.8m of non-current contract fulfilment assets relate to major contracts with ongoing transformational activities; and £70.8m of non-current contract fulfilment assets and £60.7m of onerous contract provisions relate to major contracts in the highest and medium rated risk category. Due to the level of uncertainty, combination of variables and timing across numerous contracts, it is not practical to provide a quantitative analysis of the aggregated judgements that are applied, and management do not believe that disclosing a potential range of outcomes on a consolidated basis would provide meaningful information to a user of the financial statements. Due to commercial sensitivities, the Group does not specifically disclose the amounts involved in any individual contract.

Certain long-term contracts in transformation have key milestones during the next twelve months and an inability to meet these key milestones could lead to reduced profitability and a risk of impairment of the associated contract assets. These include the Civil Service Pension Scheme and the BBC.

3 Revenue and segmental information

The Group's operations are managed separately according to the nature of the services provided, with each segment representing a strategic business offering a different package of client outcomes across the markets the Group serves. Capita plc is a reconciling item and not an operating segment. Inter-segmental pricing is based on set criteria and is either charged on an arm's length basis or at cost.

The tables below present revenue and segmental profit for the Group's operating segments as reported to the Chief Operating Decision Maker ('CODM'). The Group comprises two trading divisions: Capita Public Service and Capita Experience. Capita Public Service goes to market through three subdivisions: Local and Regional Partnerships; Defence and National Preparedness; and Central Government, however, the CODM views these subdivisions as one operating segment. Capita Experience also comprises three subdivisions: Contact Centre; Pension Solutions; and Regulated Services; the CODM reviews the operating results for each of these three subdivisions separately, and therefore each subdivision is an operating segment.

The private sector contact centre business ceased to be reported to the CODM when it became a discontinued operation (refer to note 8.3), and as such is no longer included in the following revenue and segmental information (previously within the Contact Centre segment). Comparative information has been re-presented to reflect the discontinued operation and certain related income and costs that have been moved to business exits, and businesses exited in the second half of 2025 and the first half of 2026 (refer to note 8.1).

Revenue

Adjusted revenue, excluding results from businesses exited in both periods (adjusting items), was £906.4m (30 June 2025: £892.2m), an increase of 1.6% (30 June 2025: an increase of 5.4%).

			Capita Experience					
Six months ended 30 June 2026	Notes	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	Total adjusted £m	Adjusting items £m	Total reported £m
Continuing operations								
Long-term contractual		**571.8**	**57.2**	**78.8**	**2.7**	**710.5**	**39.1**	**749.6**
Short-term contractual		**89.5**	**2.3**	**28.6**	**—**	**120.4**	**2.8**	**123.2**
Transactional (point-in-time)		**67.9**	**7.6**	**—**	**—**	**75.5**	**—**	**75.5**
Total segment revenue		**729.2**	**67.1**	**107.4**	**2.7**	**906.4**	**41.9**	**948.3**
Trading revenue		**738.6**	**67.1**	**107.5**	**2.7**	**915.9**	**—**	**915.9**
Inter-segment revenue		**(9.4)**	**—**	**(0.1)**	**—**	**(9.5)**	**—**	**(9.5)**
Total adjusted segment revenue		**729.2**	**67.1**	**107.4**	**2.7**	**906.4**	**—**	**906.4**
Business exits – trading		**—**	**—**	**—**	**—**	**—**	**42.9**	**42.9**
Inter-segment revenue		**—**	**—**	**—**	**—**	**—**	**(1.0)**	**(1.0)**
Total segment revenue		**729.2**	**67.1**	**107.4**	**2.7**	**906.4**	**41.9**	**948.3**

			Capita Experience					
Six months ended 30 June 2025[1]	Notes	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	Total adjusted £m	Adjusting items £m	Total reported £m
Continuing operations								
Long-term contractual		589.3	59.4	60.8	21.7	731.2	60.8	792.0
Short-term contractual		75.2	4.5	25.3	—	105.0	7.5	112.5
Transactional (point-in-time)		47.3	7.5	—	1.2	56.0	—	56.0
Total segment revenue		711.8	71.4	86.1	22.9	892.2	68.3	960.5
Trading revenue		720.7	75.6	87.4	22.9	906.6	—	906.6
Inter-segment revenue		(8.9)	(4.2)	(1.3)	—	(14.4)	—	(14.4)
Total adjusted segment revenue		711.8	71.4	86.1	22.9	892.2	—	892.2
Business exits – trading		—	—	—	—	—	68.5	68.5
Inter-segment revenue		—	—	—	—	—	(0.2)	(0.2)
Total segment revenue		711.8	71.4	86.1	22.9	892.2	68.3	960.5

1. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 (refer to note 8.3).

Order book

The tables below show the order book for each segment, categorised into long-term contractual (contracts with length greater than two years) and short-term contractual (contracts with length less than two years). The length of the contract is calculated from the service commencement date. The figures present the aggregate amount of the currently contracted transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied. Revenue expected to be recognised upon satisfaction of these performance obligations is as follows:

		Capita Experience			
Order book 30 June 2026	**Capita Public Service £m**	**Contact Centre £m**	**Pension Solutions £m**	**Regulated Services £m**	**Total £m**
Long-term contractual	**2,891.9**	**430.9**	**517.5**	**108.2**	**3,948.5**
Short-term contractual	**48.9**	**—**	**13.4**	**0.1**	**62.4**
Total	**2,940.8**	**430.9**	**530.9**	**108.3**	**4,010.9**

		Capita Experience			
Order book 31 December 2025[1]	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	Total £m
Long-term contractual	2,686.7	473.6	450.9	106.5	3,717.7
Short-term contractual	33.4	—	14.2	—	47.6
Total	2,720.1	473.6	465.1	106.5	3,765.3

The table below shows the expected timing of revenue to be recognised from long-term contractual orders at 30 June 2026:

		Capita Experience			
Time bands of expected revenue recognition from long-term contractual orders	**Capita Public Service £m**	**Contact Centre £m**	**Pension Solutions £m**	**Regulated Services £m**	**Total £m**
< 1 year	**762.8**	**91.6**	**96.2**	**60.9**	**1,011.5**
1–5 years	**1,736.8**	**339.3**	**253.3**	**47.3**	**2,376.7**
> 5 years	**392.3**	**—**	**168.0**	**—**	**560.3**
Total	**2,891.9**	**430.9**	**517.5**	**108.2**	**3,948.5**

Prior year comparative information is not presented for the expected timing of revenue recognition because it is a forward looking disclosure and therefore management does not believe that such disclosure provides meaningful information to a user of these condensed consolidated financial statements.

The order book represents the consideration that the Group will be entitled to receive from customers when the Group satisfies its remaining performance obligations under the contracts. However, the total revenue that will be earned by the Group will also include non-contracted volumetric revenue, future indexation linked to an external metric, new wins, scope changes and anticipated contract extensions. These elements have been excluded from the figures in the tables above because they are not contracted. Additionally, revenue from contract extensions is also excluded from the order book unless the extensions are pre-priced whereby the Group has a legally binding obligation to deliver the performance obligations during the extension period. The total revenue related to pre-priced extensions included in the tables above amounted to £94.1m (31 December 2025: £157.7m[2]). The amounts presented do not include orders for which neither party has performed, and each party has the unilateral right to terminate a wholly unperformed contract without compensating the other party.

Of the £3.9 billion (31 December 2025: £3.7 billion[1]) revenue to be earned on long-term contracts, £1.0 billion (31 December 2025: £3.0 billion[2]) relates to major contracts. This amount excludes revenue that will be derived from frameworks (transactional, ie point-in-time, contracts), non-contracted volumetric revenue, non-contracted scope changes and future unforeseen volume changes from these major contracts, which together are anticipated to contribute an additional £0.3-0.5 billion (31 December 2025: £0.3-0.5 billion[2]) of revenue to the Group over the life of these contracts.

Deferred income

The Group's deferred income balances solely relate to revenue from contracts with customers. Revenue recognised in the reporting period that was included in the deferred income balance at the beginning of the period was £283.8m (30 June 2025: £357.3m[1]; 31 December 2025: £406.9m[1]).

Movements in the deferred income balances were driven by transactions entered into by the Group in the normal course of business during the six months ended 30 June 2026, with no accelerated revenue recognised within the period (30 June 2025: £13.4m primarily related to early terminations of contracts in the Regulated Services business).

1. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 (refer to note 8.3).Both 2026 and the 2025 comparatives include contracts within business exits, primarily the closed book Life & Pensions business within Regulated Services.
2. The prior period amounts in relation to major contracts have been re-presented to reflect the discontinued operation, otherwise they are as previously presented and as such reflect the major contracts reviewed by the Audit and Risk Committee for that period end (refer to note 2). The prior period amounts are therefore not directly comparable to the those disclosed for the current period.

Segmental profit

The tables below present profit/(loss) of the Group's operating segments. For segmental reporting, the costs of central functions have been allocated to the segments using appropriate drivers such as adjusted revenue, adjusted profit or headcount.

Comparative information has been re-presented to reflect the discontinued operation (refer to note 8.3) and certain related income and costs that have been moved to business exits, and businesses exited in the second half of 2025 and the first half of 2026 (refer to note 8.1). 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.

Six months ended 30 June 2026	Notes	Capita Public Service £m	Capita Experience: Contact Centre £m	Capita Experience: Pension Solutions £m	Capita Experience: Regulated Services £m	Capita plc £m	Total adjusted £m	Adjusting items £m	Total reported £m
Continuing operations									
Adjusted operating profit/(loss)	4	**57.7**	**1.2**	**(3.6)**	**0.5**	**(23.6)**	**32.2**	**—**	**32.2**
Simplification programme	4	**(1.8)**	**(0.2)**	**(0.2)**		**(1.9)**		**(4.1)**	**(4.1)**
Business exits – trading	8	**—**	**—**	**—**	**—**	**—**	**—**	**0.1**	**0.1**
Total trading result		**55.9**	**1.0**	**(3.8)**	**0.5**	**(25.5)**	**32.2**	**(4.0)**	**28.2**
Non-trading items:									
Business exits – non-trading	8						**—**	**(1.6)**	**(1.6)**
Other adjusting items	4						**—**	**(0.7)**	**(0.7)**
Operating profit/(loss)							**32.2**	**(6.3)**	**25.9**
Interest income	5								**4.3**
Interest expense	5								**(26.1)**
Profit before tax									**4.1**
Supplementary information									
Depreciation and amortisation		**16.2**	**3.3**	**5.6**	**—**	**2.2**	**27.3**	**3.5**	**30.8**
Non-current contract fulfilment assets utilisation, impairment and derecognition		**31.4**	**2.8**	**2.8**	**0.1**	**—**	**37.1**	**—**	**37.1**
Net onerous contract provisions[1]		**—**	**—**	**—**	**—**	**—**	**—**	**(0.8)**	**(0.8)**

1. Net of additions, releases, the unwinding of discount, and changes in the discount rate in respect of onerous contract provisions.

Six months ended 30 June 2025[2]	Notes	Capita Public Service £m	Capita Experience: Contact Centre £m	Capita Experience: Pension Solutions £m	Capita Experience: Regulated Services £m	Capita plc £m	Total adjusted £m	Adjusting items £m	Total reported £m
Continuing operations									
Adjusted operating profit/(loss)	4	57.2	3.3	9.7	5.6	(28.7)	47.1	—	47.1
Cost reduction programme	4	(7.1)	(2.1)	(1.1)	(1.1)	(5.1)	—	(16.5)	(16.5)
Business exits – trading	8	—	—	—	—	—	—	(7.8)	(7.8)
Total trading result		50.1	1.2	8.6	4.5	(33.8)	47.1	(24.3)	22.8
Non-trading items:									
Business exits – non-trading	8						—	(1.4)	(1.4)
Other adjusting items	4						—	(3.0)	(3.0)
Operating profit/(loss)							47.1	(28.7)	18.4
Interest income	5								8.0
Interest expense	5								(24.3)
Share of results in associates and losses on financial assets									(0.4)
Profit before tax									1.7
Supplementary information									
Depreciation and amortisation		14.7	4.5	3.6	0.3	3.0	26.1	3.9	30.0
Impairment of property, plant and equipment, intangible assets, right-of-use assets and goodwill		0.4	0.2	—	0.1	—	0.7	0.2	0.9
Non-current Contract fulfilment assets utilisation, impairment and derecognition		28.4	3.4	2.3	13.0	—	47.1	—	47.1
Net onerous contract provisions[1]		—	—	—	—	—	—	8.0	8.0

2. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 (refer to note 8.3).

4 Adjusted operating profit and adjusted profit before tax

The Board has adopted a policy to disclose separately those items that it considers are outside the underlying operating results for the particular period under review and against which the Group's performance is assessed internally. In the Board's judgement, these need to be disclosed separately by virtue of their nature, size and/or incidence, for users of these condensed consolidated financial statements to obtain a proper understanding of the financial information and the underlying performance of the Group.

In general, the Board believes that alternative performance measures (APMs) are useful for investors because they provide further clarity and transparency about the Group's financial performance and are closely monitored by management to evaluate the Group's operating performance to facilitate financial, strategic and operating decisions. Accordingly, these items are also excluded from the discussion of divisional performance. Those items which relate to the ordinary course of the Group's operating activities remain within adjusted profit.

The items excluded from adjusted profit are discussed further below.

		Operating profit		Profit before tax	
	Notes	**30 June 2026 £m**	30 June 2025 £m[1]	**30 June 2026 £m**	30 June 2025 £m[1]
Reported continuing operations		**25.9**	18.4	**4.1**	1.7
Net finance expense/(income)	5	**—**	—	**1.5**	(3.0)
Business exits expense	8	**1.5**	9.2	**2.1**	10.9
Simplification programme		**4.1**	—	**4.1**	—
Cost reduction programme		**—**	16.5	**—**	16.5
Cyber incident expense		**0.7**	3.0	**0.7**	3.0
Adjusted		**32.2**	47.1	**12.5**	29.1

1. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 (refer to note 8.3) and certain related income and costs that have been moved to business exits, and businesses exited in the second half of 2025 and the first half of 2026 (refer to note 8.1). This has resulted in adjusted operating profit increasing from £42.6m to £47.1m and adjusted profit before tax increasing from £22.6m to £29.1m.
2. Adjusted operating profit of £32.2m (30 June 2025: £47.1m) was generated on adjusted revenue of £906.4m (30 June 2025: £892.2m) resulting in an adjusted operating margin of 3.6% (30 June 2025: 5.3%).
3. The tax impact of the profit before tax adjusting items is a £11.9m charge (30 June 2025: £18.7m credit).

Net finance expense: the net finance expense excluded from adjusted profits relates to movements in the mark-to-market value of forward foreign exchange contracts to cover anticipated future costs and therefore have no equivalent offsetting transaction in the accounting records.

Business exits: the trading result of businesses that have been sold, exited during the period, or are in the process of being sold or exited in accordance with the Group's strategy, and the gain or loss on disposals are excluded from the Group's adjusted results. Note 8.1 provides further detail regarding which income statement line items are impacted by business exits.

Simplification programme: the sale of the private sector contact centre business, which is primarily front-office facing, enables the Group to unlock a material overhead reduction as further complexity is removed as the Group will focus on complex, differentiated middle and back-office services going forward. Actions are being taken to deliver annualised savings of approximately £40m across 2026 and 2027. The anticipated associated cash cost to achieve these savings is c.£20m. A charge of £4.1m has been recognised in the six months ended 30 June 2026 for the costs to deliver the simplification programme. This primarily comprises redundancy cost incurred to deliver a reduction in headcount.

Cost reduction programme: the Group initiated a multi-year cost reduction programme in November 2023 with, following subsequent extensions, a final target of annualised savings of £250m. These savings were achieved by the end of 2025. A charge of £16.5m was recognised in the prior half year for the costs to deliver the cost reduction programme and the cumulative cost recognised since the commencement of the cost reduction programme was £99.4m. Since the targeted savings were delivered by the end of 2025, no further expenses to deliver this cost reduction programme are expected beyond the end of 2025.

Cyber incident: the Group has incurred exceptional costs associated with the March 2023 cyber incident. These costs include specialist professional fees, recovery and remediation costs and investment to reinforce Capita's cyber security environment, and penalty from the Information Commissioner's Office (ICO). A charge of £0.7m, has been recognised in the six months ended 30 June 2026 (30 June 2025: charge of £3.0m (net of insurance receipts)). Cumulatively the net costs incurred total £42.9m and the charge for the current period is included within administrative expenses. Further insurance receipts are anticipated but do not meet the criteria for recognition at 30 June 2026. Refer to note 10 provisions and contingent liabilities.

Refer to note 9 for the cash flow impact of the above.

5 Net finance costs

The table below shows the composition of net finance costs, including those excluded from adjusted profit:

	Notes	**30 June 2026 £m**	30 June 2025 £m[3]
Finance income			
Interest income included in adjusted profit			
Interest on cash		**(0.2)**	(0.5)
Interest on finance lease assets		**(2.7)**	(2.7)
Net interest income on defined benefit pension schemes	13	**(0.9)**	(1.0)
Total interest income included in adjusted profit		**(3.8)**	(4.2)
Interest income included in business exits			
Interest on cash		**(0.5)**	(0.7)
Net interest income on defined benefit pension schemes		**—**	(0.1)
Total interest income included in business exits		**(0.5)**	(0.8)
Other finance income excluded from adjusted profit			
Non-designated foreign exchange forward contracts – change in mark-to-market value		**—**	(1.7)
Fair value hedge ineffectiveness[2]		**—**	(1.3)
Total finance income excluded from adjusted profit		**(0.5)**	(3.8)
Total finance income		**(4.3)**	(8.0)
Finance costs			
Interest expense included in adjusted profit			
Private placement loan notes[1]		**9.9**	9.3
Bank loans and overdrafts		**4.3**	3.0
Cost of non-recourse trade receivables financing	11	**1.1**	1.2
Interest on finance lease liabilities		**8.2**	8.7
Total interest expense included in adjusted profit		**23.5**	22.2
Interest expense included in business exits			
Trading interest expense			
Interest on finance lease liabilities		**0.5**	0.9
Discount unwind on provisions		**0.6**	1.2
Total trading business exit interest expense		**1.1**	2.1
Other finance costs excluded from adjusted profits			
Non-designated foreign exchange forward contracts - change in mark-to-market value		**0.7**	—
Fair value hedge ineffectiveness[2]		**0.8**	—
Total finance costs excluded from adjusted profit		**2.6**	2.1
Total finance costs		**26.1**	24.3
Total net finance costs		**21.8**	16.3

1. Private placement loan notes comprise US dollar and British pound sterling private placement loan notes.
2. Fair value hedge ineffectiveness arises from changes in currency basis, and the movement in a provision for counterparty risk associated with the swaps.
3. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 and businesses exited in the second half of 2025 and the first half of 2026 (refer to note 8.1 and note 8.3).

6 Income tax

	30 June 2026			30 June 2025[1]		
	Total reported £m	**Included in adjusted profit £m**	**Excluded from adjusted profit £m**	Total reported £m	Included in adjusted profit £m	Excluded from adjusted profit £m
Tax (charge)/credit	**(9.3)**	**2.6**	**(11.9)**	(17.0)	(35.7)	18.7

1. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 (refer to note 8.3).

Excluding discrete items, the adjusted income tax charge for the six month period is £3.7m (2025: charge of £4.3m) and has been calculated by applying management's best estimate of the full year effective tax rate of 29.6% (estimated using full year profit projections excluding any discrete items) to the adjusted profit before tax for the six months to 30 June 2026. The effective adjusted tax rate, excluding discrete items, is higher than the standard UK rate of 25% mainly due to items not deductible, deferred tax not recognised on current period losses and overseas taxes. The adjusted tax credit on discrete items for the six months is calculated separately, and relates to a prior year adjustment credit of £0.2m (2025: charge of £0.2m), and the change in estimate of deferred tax assets of £6.0m credit (2025: £30.3m charge), resulting in the total adjusted tax credit, including discrete items, of £2.6m (2025: charge of £35.7m), on adjusted profit before tax of £12.5m (2025: profit of £29.1m).

Excluding discrete items, the reported tax charge of £4.5m (2025: charge of £4.3m) reflects the £0.8m tax impact on adjusting items relating to overseas taxes on business exits, the non-deductibility of some business exit costs, and any deductible costs increasing unrecognised timing differences. The reported tax charge on discrete business exit and other adjusting items is £11.1m (2025: £18.7m credit), resulting in the total reported tax charge, including discrete items, of £9.3m (2025: charge of £17.0m), on a reported profit before tax of £4.1m (2025: profit of £1.7m).

During the period, the Group entered into an agreement to dispose of its private sector contact centre business, which is presented as a discontinued operation in these condensed consolidated financial statements (refer to note 8.3). The results of the discontinued operation include a tax credit of £36.7m. This includes a £37.7m credit arising from the recognition of an additional deferred tax asset from improved forecast profitability. In particular, the removal of the forecast losses for the UK business (including risk adjustments) and the benefit of costs savings from the simplification programme (refer to note 4), that are delivered directly as a consequence of the disposal. Based on the Group's current assessment, any gain arising on disposal is expected to qualify for the Substantial Shareholding Exemption.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The recoverability of deferred tax assets is supported by the deferred tax liabilities against which the reversal can be offset and the expected level of future profits in the countries concerned. The recognition of deferred tax assets has been based on the latest financial projections for 2026-2028, using a long-term growth rate of 1.6% and a reducing probability factor applied to future profits, consistent with the approach in recent years. This assessment results in a change in the accounting estimate of deferred tax, adjusted and reported, of £32.6m credit relating to an increase in taxable profits in the assessment model, mainly as a result of improved forecast profitability from the sale of private contact centres.

Unrecognised temporary differences have reduced by £466.1m, of which £335.5m is in respect of the discontinued operation, resulting in unrecognised temporary differences as at 30 June 2026 of £567.8m (31 December 2025: £1,033.9m).

The estimated full year effective tax rate of 29.6% includes an income tax charge of £0.1m (2025: charge of £0.2m) related to Pillar Two income taxes. This charge relates to estimated Pillar Two top-up taxes on profits earned in Ireland and Poland.

The Group has an open and positive working relationship with HMRC, has a designated customer compliance manager, and is committed to prompt disclosure and transparency in dealings with HMRC and overseas tax authorities. The Group does not have a complex tax structure, supported by the legal structure simplification from the entity rationalisation programme. The Group does not pursue aggressive tax avoidance activities and has a low-risk rating from HMRC. The Group has operations in a number of countries outside the UK. All Capita operations outside the UK are trading operations and pay the appropriate local taxes on these activities. Further detail, regarding Capita's tax strategy can be found on the Capita website (www.capita.com/about-us/codes-policies-and-principles).

7 Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

		30 June 2026			30 June 2025		
		Continuing operations p	**Discontinued operation[1] p**	**Total operations p**	Continuing operations p	Discontinued operation[1] p	Total operations p
Basic (loss)/earnings per share	– reported	**(3.60)**	**(33.61)**	**(37.21)**	(13.59)	6.97	(6.62)
	– adjusted	**13.38**			(6.09)		
Diluted (loss)/earnings per share	– reported	**(3.60)**	**(33.61)**	**(37.21)**	(13.59)	6.97	(6.62)
	– adjusted	**13.38**			(6.09)		

1. Further detail on the discontinued operation can be found in note 8.3.

The following tables show the earnings and share data used in the basic and diluted earnings/(loss) per share calculations:

		30 June 2026			30 June 2025		
	Notes	**Continuing operations £m**	**Discontinued operation[1] £m**	**Total £m**	Continuing operations £m	Discontinued operation[1] £m	Total £m
Reported profit/(loss) before tax for the period		**4.1**	**(76.8)**	**(72.7)**	1.7	(11.2)	(9.5)
Income tax (charge)/credit	6	**(9.3)**	**36.7**	**27.4**	(17.0)	19.1	2.1
Reported (loss)/profit for the period		**(5.2)**	**(40.1)**	**(45.3)**	(15.3)	7.9	(7.4)
Less: Non-controlling interest		**0.9**	**(0.1)**	**0.8**	(0.1)	—	(0.1)
Total (loss)/profit attributable to shareholders		**(4.3)**	**(40.2)**	**(44.5)**	(15.4)	7.9	(7.5)
Adjusted profit before tax for the period	4	**12.5**			29.1		
Income tax credit/(charge)	6	**2.6**			(35.7)		
Adjusted profit for the period		**15.1**			(6.6)		
Less: Non-controlling interest		**0.9**			(0.3)		
Adjusted profit/(loss) attributable to shareholders		**16.0**			(6.9)		

1. Further detail on the discontinued operation can be found in note 8.3.

	30 June 2026 thousands	30 June 2025 thousands
Weighted average number of ordinary shares (excluding Employee Benefit Trust shares) for basic earnings per share	**119,594**	113,286
Dilutive potential ordinary shares:		
Employee share options	**393**	3,036
Weighted average number of ordinary shares (excluding Employee Benefit Trust shares) adjusted for the effect of dilution	**119,987**	116,322

At 30 June 2026, 393,285 share options (2025: 3,036,497) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. Under IAS 33 *Earnings per Share*, potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

The earnings per share figures are calculated based on earnings attributable to ordinary equity holders of the Parent Company, and therefore exclude non-controlling interest. The earnings per share are calculated on a total reported and an adjusted basis. The earnings per share for business exits and specific items are reconciling items between total reported and adjusted basic earnings per share.

Details of transactions involving ordinary shares or potential ordinary shares between the balance sheet date and the date on which these condensed consolidated financial statements were authorised for issue, are included in note 12.

8 Business exits, discontinued operation, and disposal group assets and liabilities held-for-sale

8.1 Business exits

Business exits are businesses that have been sold, exited during the period, or are in the process of being sold or exited in accordance with the Group's strategy. Except for the sale of the private sector contact centre business (refer to note 8.3), none of these business exits meet the definition of 'discontinued operations' as stipulated by IFRS 5 *Non-current assets held-for-sale and discontinued operations*, which requires disclosure and comparatives to be re-presented where the relative size of a disposal or business closure is significant.

However, the trading results of these businesses, non-trading expenses, and any gain/loss on disposal, have been excluded from adjusted results. To enable a like-for-like comparison of adjusted results, the 30 June 2025 comparatives have been re-presented to exclude businesses classified as business exits from 1 July 2025 to 30 June 2026.

Business exits at 30 June 2026

Business exits at 30 June 2026 primarily comprised the following:

Closed book Life & Pensions business:

The Group is in the process of exiting the closed book Life & Pensions business and has entered into a number of transition agreements for the contracts in this business, some of which are onerous, which are being migrated over the coming years. The business has been presented as a business exit since the end of 2025.

Mortgage servicing business:

This business was held-for-sale at 30 June 2025, and its sale was completed on 13 October 2025.

Capita Scaling Partner:

In 2024 the Group decided to exit its corporate venture business, Capita Scaling Partner. The Capita Scaling Partner business manages the Group's investments in start-up and scale-up companies. The Group will seek to maximise value from the Capita Scaling Partner investments, which at 30 June 2026 had an aggregate carrying value of £3.9m, including loans receivable by Capita of £0.7m. To facilitate this, an external third party is engaged to manage the disposal process for the Group's remaining investments.

Transitional services provided to the private sector contact centre business:

In March 2026, the Group agreed to sell its private sector contact centre business to Inspirit Capital. This disposal meets the definition of a discontinued operation (refer to note 8.3).

Prior to its expected disposal, the private sector contact centre business received certain services from the Group, including in respect of operational resources and IT, HR and other shared services. Following disposal, the Group will continue to provide these services to the disposed business under transitional service arrangements. Income and costs arising from the provision of these services pre- and post-disposal will be recognised within business exits, given the services are expected to reduce over time, or transfer to the disposed business as it establishes standalone capabilities.

Business exits income statement

	30 June 2026			30 June 2025		
Income statement	**Trading £m**	**Non-trading £m**	**Total £m**	Trading £m	Non-trading £m	Total £m
Revenue	**41.9**	**—**	**41.9**	68.3	—	68.3
Cost of sales	**(31.5)**	**—**	**(31.5)**	(56.9)	—	(56.9)
Gross profit	**10.4**	**—**	**10.4**	11.4	—	11.4
Administrative expenses	**(10.3)**	**(1.6)**	**(11.9)**	(19.2)	(1.4)	(20.6)
Operating profit/(loss)	**0.1**	**(1.6)**	**(1.5)**	(7.8)	(1.4)	(9.2)
Losses on financial assets	**—**	**—**	**—**	—	(0.4)	(0.4)
Finance income	**0.5**	**—**	**0.5**	0.8	—	0.8
Finance costs	**(1.1)**	**—**	**(1.1)**	(2.1)	—	(2.1)
(Loss)/profit before tax	**(0.5)**	**(1.6)**	**(2.1)**	(9.1)	(1.8)	(10.9)
Income tax (charge)/credit	**(0.8)**	**(11.1)**	**(11.9)**	—	18.7	18.7
(Loss)/profit after tax	**(1.3)**	**(12.7)**	**(14.0)**	(9.1)	16.9	7.8

Trading revenue and costs represent the trading performance of the above businesses up to the point of being disposed or exited.

Trading expenses primarily comprise payroll costs of £22.8m (30 June 2025: £52.5m) and information technology costs of £13.1m (30 June 2025: £18.0m).

Non-trading administrative expenses comprise: project costs of £1.1m (30 June 2025: £1.7m); other expenses of £0.9m (30 June 2025: £nil) and other income of £0.4m (30 June 2025: £0.3m).

Business exit cash flows

Businesses exited and being exited had an operating cash outflow of £21.4m (30 June 2025: cash outflow of £15.2m).

8.2 Net cash flow on disposal of business exits

No disposals were completed during the six months ended 30 June 2026, or in the comparative six month period ending on 30 June 2025.

During the period there was a cash outflow of £0.5m (30 June 2025: £0.6m outflow) for the payment of disposal related services in respect of prior period disposals.

8.3 Discontinued operation

As stipulated by IFRS 5 *Non-current assets held-for-sale and discontinued operations, a discontinued* operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group, and which: i) represents a separate major line of business or geographical area of operations; ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operation; or iii) is a subsidiary acquired exclusively with the view to resale. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When the operation is classified as a discontinued operation, the comparative consolidated income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

Discontinued operation at 30 June 2026

In March 2026, the Group agreed to sell its 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, there is potential contingent consideration payable to Capita up to a cap of £61.5m, receivable from 2027 to 2030; with £50.0m based on future financial performance of the disposed business and £11.5m based on future cash availability. The sale completed on 31 July 2026.

As at 30 June 2026 the private sector contact centre business was deemed to have met the threshold to be treated as held-for-sale (refer to note 8.4), and as such also meets the definition of a discontinued operation. With this sale, the Group exits the majority of its front-office operations to focus on complex, differentiated middle and back-office services. The private sector contact centre business was not previously classified as held-for-sale or as a discontinued operation. The comparatives have been re-presented to show the discontinued operation separately from continuing operations.

Results of the discontinued operation

	30 June 2026 £m	30 June 2025 £m[1]
Revenue	**172.1**	199.3
Expenses	**(248.9)**	(210.5)
Loss before tax from discontinued operations	**(76.8)**	(11.2)
Income tax credit	**36.7**	19.1
(Loss)/profit after tax from discontinued operations	**(40.1)**	7.9
Attributable to:		
Owners of the Company	**(40.2)**	7.9
Non-controlling interests on discontinued operations	**0.1**	—
	(40.1)	7.9

The perimeter of the discontinued operation comprises the legal entities being sold, adjusted for any trade, assets, or employees that have been moved in or out of these entities prior to completion of the sale, the historical impairment of goodwill associated with the business being sold, and the amortisation of related acquired intangible assets.

The discontinued operation has historically received certain services from the Group, including in respect of operational resources and IT, HR and other shared services. Following disposal, the Group will continue to provide these services to the disposed business under transitional service arrangements. The results of the discontinued operation include only those revenues and costs that are directly attributable to the disposed business. Costs relating to these Group services are not included within discontinued operations and are retained within continuing operations and disclosed within business exits (refer to note 8.1).

Following disposal, the Group will continue to provide and receive services from the disposed business under commercial service arrangements. Services to be provided include licensing, and printing and postal services, while services received will include contact centre support. Income and costs arising from the provision of services under these arrangements post disposal will be recognised in continuing operations.

The discontinued operation expenses include right-of-use asset impairment losses of £22.0m related to the planned lease surrender of legacy contact centres, whose leases remain with the Group following the completion of the disposal of the private sector contact centre business.

Also included in expenses of the discontinued operation for the six months ended 30 June 2026 are impairment losses of £53.7m for the write-down of the disposal group to the lower of its carrying amount and its fair value less costs to sell. These losses have been allocated to the non-current assets in the disposal group that are in the scope of the measurement requirements of IFRS 5 *Non-current assets held-for-sale and discontinued operations* and the prepayments in the disposal group, resulting in these balances being impaired in full.

The income tax credit of £36.7m for the period ended 30 June 2026 reflects additional deferred tax asset recognised from improved forecast profitability which is as a direct result of the private sector contact centre business disposal. In particular, the removal of the forecast losses for the UK business (which included risk adjustments) and the benefit of cost savings from the simplification programme (refer to note 4), that are delivered directly as a consequence of the disposal. The comparative period income tax credit of £19.1m reflects the impact of the private sector contact centre disposal in the same manner as in 2026, which increases the deferred tax asset recognised.

Net cash outflow of the discontinued operation

	30 June 2026 £m	30 June 2025 £m
Cash used by discontinued operation	**(17.5)**	(22.6)
Net cash outflow from operating activities	**(20.0)**	(25.3)
Net cash outflow from investing activities	**(3.6)**	(2.0)
Net cash outflow from financing activities	**(4.5)**	(4.3)
Net cash outflow	**(45.6)**	(54.2)

8.4 Disposal group assets and liabilities held-for-sale

The Group classifies a non-current asset (or disposal group) as held-for-sale if its carrying amount will be recovered principally through a sale transaction instead of continued use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification. Based on the above requirements, individual businesses will only reach the criteria to be treated as held-for-sale where the disposal is seen to be highly probable and expected to complete within the following twelve months.

Disposal group assets and liabilities held-for-sale at 30 June 2026

At 30 June 2026 the Group's private sector contact centre business was deemed to have met the threshold to be treated as held-for-sale (refer to note 8.3). At 31 December 2025, no businesses were deemed to have met the threshold.

	30 June 2026 £m
Trade and other receivables	**24.4**
Accrued income	**31.2**
Cash and cash equivalents	**20.4**
Income tax receivable and deferred tax assets	**3.2**
Disposal group assets held-for-sale	**79.2**
Trade and other payables	**4.5**
Other taxes and social security	**10.0**
Accruals	**22.2**
Deferred income	**16.4**
Overdraft	**18.6**
Lease liabilities	**15.2**
Financial liabilities	**0.3**
Income tax payable and deferred tax liabilities	**0.3**
Provisions	**6.2**
Employee benefits	**3.3**
Disposal group liabilities held-for-sale	**97.0**

9 Cash flow information

	Note	30 June 2026 Reported £m	30 June 2026 Excluding business exits[1] £m	30 June 2025 Reported £m[3]	30 June 2025 Excluding business exits[1] £m
Cash flows from continuing operating activities:					
Reported operating profit	4	**25.9**	**25.9**	18.4	18.4
Add back: business exit operating loss	8.1	**—**	**1.5**	—	9.2
Total operating profit		**25.9**	**27.4**	18.4	27.6
Adjustments for non-cash items:					
Depreciation		**19.6**	**16.9**	22.4	19.4
Amortisation of intangible assets		**11.2**	**10.4**	7.6	6.7
Share-based payment expense		**2.1**	**2.1**	2.9	2.9
Employee benefits	13	**3.6**	**3.6**	4.0	4.0
Gain/(loss) on sale of property, plant and equipment and intangible assets		**0.1**	**0.1**	(0.2)	(0.2)
Amendments and early terminations of leases		**—**	**—**	(0.1)	(0.1)
Impairment of non-current assets		**—**	**—**	0.9	0.8
Other adjustments:					
Movement in provisions[2]		**(9.8)**	**(2.6)**	(13.5)	(7.0)
Defined benefit pension contributions		**(3.1)**	**(3.1)**	(3.1)	(3.1)
Movements in working capital[2]:					
Trade and other receivables		**(33.9)**	**(27.9)**	(57.6)	(55.3)
Non-recourse trade receivables financing		**(5.0)**	**(5.0)**	(0.5)	(0.5)
Trade and other payables		**(12.1)**	**(3.3)**	17.8	12.1
Deferred income		**25.0**	**27.0**	41.9	48.9
Contract fulfilment assets (non-current)		**6.4**	**5.8**	12.5	12.4
Cash generated from operations		**30.0**	**51.4**	53.4	68.6
Adjustments for free cash flows:					
Income tax paid		**(1.6)**	**(1.9)**	(1.4)	—
Income tax received		**1.0**	**1.0**	0.6	0.9
Interest received		**3.4**	**2.9**	3.9	3.4
Interest paid		**(23.6)**	**(23.1)**	(23.1)	(22.2)
Net cash inflow from continuing operating activities		**9.2**	**30.3**	33.4	50.7
Purchase of property, plant and equipment		**(3.7)**	**(3.1)**	(2.3)	(2.3)
Purchase of intangible assets		**(13.0)**	**(12.3)**	(11.9)	(11.7)
Proceeds from sale of property, plant and equipment and intangible assets		**—**	**—**	1.0	1.0
Capital element of lease rental receipts		**2.3**	**2.3**	2.1	2.1
Capital element of lease rental payments		**(18.4)**	**(13.7)**	(21.2)	(14.6)
Free cash flow[1]		**(23.6)**	**3.5**	1.1	25.2

1. Definitions of the alternative performance measures and related KPIs can be found in the appendix.
2. These movements exclude items that have been adjusted for elsewhere within the cash flow statement. For example, balances transferred to held-for-sale or relate to a business disposal. As such these movements may not directly agree to the period-on-period movements within the balance sheet.
3. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026 (refer to note 8.3).

Cyber incident: In relation to the exceptional cyber incident costs referred to in note 4, the cash outflow during the six months ended 30 June 2026 was £1.5m (30 June 2025: inflow of £1.1m) and is included within free cash flow excluding business exits, and cash generated from operations excluding business exits. The cumulative cash outflow since the incident in the first half of 2023 is £40.2m.

Simplification programme: In relation to the simplification programme detailed in note 4, the cash outflow during the six months ended 30 June 2026 was £1.9m. The total anticipated cash cost to achieve the savings is £20m across 2026 and 2027.

Cost reduction programme: In relation to the cost reduction programme detailed in note 4, the cash outflow during the six months ended 30 June 2026 was £2.1m (30 June 2025: outflow of £15.4m) and is included within free cash flow excluding business exits, and cash generated from operations excluding business exits. Although the programme was concluded at the end of 2025, the cash outflow in the period represents costs to deliver the savings that were accrued or provided for at the end of 2025 and settled in the first half of 2026. The cumulative cash outflow since the commencement of the cost reduction programme in the second half of 2023 is £76.4m.

Free cash flow and cash generated from operations (alternative performance measures - refer to the appendix)

The Board considers free cash flow, and cash generated from operations excluding business exits, to be alternative performance measures because these metrics provide a more representative measure of the sustainable cash flow of the Group. To enable comparability of the adjusted results, the 2025 comparatives have been re-presented for those businesses exited, or in the process of being exited, during the period from 1 July 2025 to 30 June 2026.

These measures are analysed below:

	Free cash flow		Cash generated by operations	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Reported (including business exits)	**(23.6)**	1.1	**30.0**	53.4
Business exits	**27.1**	24.1	**21.4**	15.2
Excluding business exits	**3.5**	25.2	**51.4**	68.6

Reconciliation of net cash flow to movement in net debt

Overdrafts comprise the aggregate value of overdrawn bank account balances within the Group’s notional interest pooling arrangements. These aggregate overdrawn amounts are fully offset by surplus balances within the same notional pooling arrangements.

Six months ended 30 June 2026	**Net debt at 1 January £m**	**Cash flow movements £m**	**Non-cash movement [1] £m**	**Net debt at 30 June £m**
Cash, cash equivalents and overdrafts	**125.3**	**(8.1)**	**(1.2)**	**116.0**
Private placement loan notes	**(268.8)**	**—**	**(2.1)**	**(270.9)**
Unamortised transaction costs on debt issuance	**2.4**	**2.4**	**(1.3)**	**3.5**
Carrying value of private placement loan notes	**(266.4)**	**2.4**	**(3.4)**	**(267.4)**
Cross-currency interest rate swaps	**(1.3)**	**—**	**0.3**	**(1.0)**
Fair value of private placement loan notes	**(267.7)**	**2.4**	**(3.1)**	**(268.4)**
Other finance	**(0.3)**	**—**	**—**	**(0.3)**
Credit facilities	**—**	**(47.0)**	**—**	**(47.0)**
Lease liabilities	**(318.2)**	**32.0**	**(13.1)**	**(299.3)**
Total net liabilities from financing activities	**(586.2)**	**(12.6)**	**(16.2)**	**(615.0)**
Deferred consideration payable	**(0.7)**	**—**	**—**	**(0.7)**
Net debt	**(461.6)**	**(20.7)**	**(17.4)**	**(499.7)**

Six months ended 30 June 2025	Net debt at 1 January £m	Cash flow movements £m	Non-cash movement [1] £m	Net debt at 30 June £m
Cash, cash equivalents and overdrafts	191.4	(13.3)	1.5	179.6
Private placement loan notes	(271.9)	(4.4)	10.0	(266.3)
Unamortised transaction costs on debt issuance	2.6	0.5	(0.7)	2.4
Carrying value of private placement loan notes	(269.3)	(3.9)	9.3	(263.9)
Cross-currency interest rate swaps	12.2	(13.1)	(0.8)	(1.7)
Fair value of private placement loan notes	(257.1)	(17.0)	8.5	(265.6)
Other finance	(0.1)	(0.2)	—	(0.3)
Lease liabilities	(348.7)	36.1	(12.6)	(325.2)
Total net liabilities from financing activities	(605.9)	18.9	(4.1)	(591.1)
Deferred consideration payable	(0.7)	—	—	(0.7)
Net debt	(415.2)	5.6	(2.6)	(412.2)

1. The non-cash movement relates to: the effect of changes in foreign exchange rates on cash; fair value changes on the swaps; amortisation of private placement loan notes issuance costs; and additions, terminations and foreign exchange rate effects on the Group's lease liabilities.

10 Provisions and contingent liabilities

	Simplification and cost reduction programmes provision £m	Business exit provision £m	Claims and litigation provision £m	Property provision £m	Customer contract provision £m	Closed book Life & Pensions business exit provision £m	Other provisions £m	Total £m
At 1 January	7.7	4.2	33.2	5.0	3.4	94.3	3.2	151.0
Provisions in the period	4.1	—	3.8	1.6	0.9	1.6	0.4	12.4
Releases in the period	(0.7)	(0.1)	(1.7)	(1.3)	(0.2)	(2.6)	(0.2)	(6.8)
Utilisation	(4.9)	(0.6)	(4.9)	(0.7)	—	(5.4)	(0.5)	(17.0)
Unwinding of discount and changes in the discount rate	—	—	—	—	—	0.7	—	0.7
Transfer to disposal group liabilities held-for-sale	(2.1)	—	—	(1.1)	—	—	(0.2)	(3.4)
At 30 June	**4.1**	**3.5**	**30.4**	**3.5**	**4.1**	**88.6**	**2.7**	**136.9**

	30 June 2026 £m	31 December 2025 £m
Current	69.0	70.9
Non-current	67.9	80.1
	136.9	151.0

Simplification and cost reduction programmes provision: Provisions relating to the simplification programme announced in March 2026 and the cost reduction programme announced in November 2023 (refer to note 4 for further details on these programmes). The amounts provided relate to the cost of reducing headcount where communication to affected employees has crystallised a valid expectation that roles are at risk and the unavoidable running costs of leasehold properties (such as insurance and security) and dilapidation provisions, where properties are being exited as a result of the programme. These provisions are likely to unwind over periods of up to two years.

Claims and litigation: The Group's entities are party to legal actions and claims which arise in the normal course of business. The Group needs to apply judgement in determining the merit of litigation against it and the chances of a claim being successfully made. It needs to determine the likelihood of an outflow of economic benefits occurring and whether there is a need to disclose a contingent liability or whether a provision might be required due to the probability assessment. These matters are reassessed regularly and where obligations are probable and estimable, provisions are made representing the Group's best estimate of the expenditure to be incurred. Due to the nature of these claims, the Group cannot give an estimate of the period over which this provision will unwind.

At any time there are a number of claims or notifications that need to be assessed across the Group. The disparate nature of the Group's entities heightens the risk that not all potential claims are known at any point in time.

Closed book Life & Pensions business exit provision: The provision is in respect of customer contracts in the closed book Life & Pensions business, which the Group is in the process of exiting and which met the criteria to be presented as a business exit in December 2025 when the exit of the one remaining customer, Royal London, was agreed (refer to note 8.1).

The closed books and contractual dynamics have led to onerous conditions to service certain of the contracts in this business. The provision comprises the current best estimate of the cost to continue service delivery up to the expected end of these contracts and the migration costs to handover these services, reflecting the terms of the exits agreed and experience of previous contract exits.

The provision also includes the contribution the Group will make towards Royal London's costs, consisting of three £10m payments on the first, second and third anniversary of the migration completion. The migration is expected to take five years, so these payments are expected to take place in 2031, 2032 and 2033. The provision is therefore forecast to unwind over the periods until 2033.

If there are delays in the migration, the agreed principles state that the party at fault will bear the cost of the overrun. A delay in the migration could require material adjustment to the amount of the above provision. Management have estimated the potential impact that a delay of twelve months could have on the provision as at 30 June 2026 as an increase of between £11m and £20m depending on the party at fault.

11 Financial instruments

The Group's financial assets and liabilities are classified based on the following fair value hierarchy:

- **Level-1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level-2:** other techniques for which inputs that have a significant effect on the recorded fair value are based on observable (directly or indirectly) market data. With the exception of current financial instruments (which have a short maturity), the fair value of the Group's level-2 financial instruments was calculated by discounting the expected future cash flows at prevailing interest rates. The valuation models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves. In the case of floating rate borrowings the nominal value approximates to fair value because interest is set at floating rates where payments are reset to market values at intervals of less than one year.
- **Level-3:** other techniques for which inputs that have a significant effect on the recorded fair value are not based on observable market data.

Other financial instruments, where observable market data is not available, are carried at either amortised cost or cost (undiscounted cash flows) as a reasonable approximation of fair value. During the six months ended 30 June 2026, there were no assets or liabilities transferred between the fair value levels.

The following table analyses, by classification and category, the carrying value of the Group's financial instruments and identifies the level of the fair value hierarchy for the instruments carried at fair value:

At 30 June 2026	Note	Fair value hierarchy	FVPL £m	FVOCI £m	Derivatives used for hedging £m	Amortised cost £m	Total £m	Current £m	Non-current £m
Financial assets									
Lease receivables		n/a	—	—	—	93.9	93.9	5.0	88.9
Cash flow hedges - foreign exchange contracts		Level-2	—	—	5.1	—	5.1	2.7	2.4
Non-designated foreign exchange forwards and swaps		Level-2	0.3	—	—	—	0.3	0.3	—
Originated loans receivable		n/a	—	—	—	0.7	0.7	—	0.7
Financial assets at fair value through P&L		Level-3	3.2	—	—	—	3.2	—	3.2
Financial assets at fair value through OCI		Level-3	—	0.7	—	—	0.7	—	0.7
			3.5	0.7	5.1	94.6	103.9	8.0	95.9
Other financial assets									
Cash and cash equivalents		n/a	—	—	—	266.4	266.4	266.4	—
Cash included within disposal group assets held-for-sale	8.4	n/a	—	—	—	20.4	20.4	20.4	—
Total financial assets			3.5	0.7	5.1	381.4	390.7	294.8	95.9

At 30 June 2026	Note	Fair value hierarchy	FVPL £m	FVOCI £m	Derivatives used for hedging £m	Amortised cost £m	Total £m	Current £m	Non-current £m
Financial liabilities									
Private placement loan notes	a	n/a	—	—	—	267.4	267.4	159.7	107.7
Credit facilities	b	n/a	—	—	—	47.0	47.0	47.0	—
Cash flow hedges - foreign exchange contracts		Level-2	—	—	4.6	—	4.6	2.2	2.4
Cash flow hedges - currency swaps		Level-2	—	—	3.6	—	3.6	0.5	3.1
Non-designated foreign exchange forwards and swaps		Level-2	0.4	—	—	—	0.4	0.4	—
Cross-currency interest rate swaps	a	Level-2	—	—	1.0	—	1.0	1.0	—
Deferred consideration payable		n/a	—	—	—	0.7	0.7	—	0.7
			0.4	—	9.2	315.1	324.7	210.8	113.9
Other financial liabilities									
Overdrafts		n/a	—	—	—	152.2	152.2	152.2	—
Overdrafts included within disposal group liabilities held-for-sale	8.4	n/a	—	—	—	18.6	18.6	18.6	—
Other finance included within disposal group liabilities held-for-sale	8.4	n/a	—	—	—	0.3	0.3	0.3	—
Lease liabilities		n/a	—	—	—	284.1	284.1	31.0	253.1
Lease liabilities included within disposal group liabilities held-for-sale	8.4	n/a	—	—	—	15.2	15.2	15.2	—
Total financial liabilities			0.4	—	9.2	785.5	795.1	428.1	367.0

Financial assets measured at amortised cost consist of cash, lease receivables and originated loans. The carrying value of cash is a reasonable approximation of its fair value due to the short-term nature of the instruments. Lease receivables and originated loans are measured at amortised cost using the effective interest rate method. Financial assets at fair value through OCI (FVOCI) comprise £0.7m (31 December 2025: £0.7m) of strategic investments in unlisted equity securities which are not held-for-trading and the Group elected to recognise at Fair Value through Other Comprehensive Income (FVOCI). During the period no dividends were received from, and no disposals were made of, strategic investments.

The financial assets at fair value through profit and loss (FVPL) relate to the Group's minority shareholding in companies as part of the Capita Scaling Partner business. As disclosed in note 8.1, during the first half of 2024 the Group decided to exit the Capita Scaling Partner business as a whole, while seeking to maximise value from the remaining investments. Following the decision to exit the business and subsequent losses realised on disposals in the second half of 2024, the Group evolved its revaluation approach for these assets to take into account recent experiences, and to better reflect expected disposal proceeds.

Financial liabilities measured at amortised cost consist of private placement loan notes, overdrafts, lease liabilities and deferred consideration payable. With the exception of certain series within the fixed rate private placement loan notes, the carrying value of financial liabilities are a reasonable approximation of their fair value. This is because either the interest payable is close to market rates or the liability is short-term in nature. The private placement loan note series that remain subject to a fixed rate of interest have an underlying carrying value of £235.2m (31 December 2025: £233.5m) and a fair value of £232.1m (31 December 2025: £234.1m), which is considered to fall into level-2. The carrying value of overdrafts is a reasonable approximation of fair value reflecting the short-term nature of the instruments. Lease liabilities and deferred consideration payable are measured at amortised cost using the effective interest rate method.

The Group's key financial liabilities are set out below:

a. Private placement loan notes
The private placement loan notes were issued in USD and GBP. The Group manages its exposure to foreign exchange and interest rate movements through cross-currency interest rate swaps, interest rate swaps, and cross currency swaps. In July 2026, the Group completed an amendment to the interest cover covenant for certain existing US private placement notes. Refer to the Appendix for details.

b. Credit facilities
In February 2026, the Group entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the Group's existing £250m revolving credit facility (RCF). In June 2026, the Group entered into a £325m RCF with a three year tenor and two one year extension options with a subset of the existing lenders, replacing the existing RCF and £75m additional committed financing facility. Refer to the Appendix for details of the related covenants.

The RCF was £47.0m drawn at 30 June 2026 (31 December 2025: undrawn).

At 31 December 2025	Note	Fair value hierarchy	FVPL £m	FVOCI £m	Derivatives used for hedging £m	Amortised cost £m	Total £m	Current £m	Non-current £m
Financial assets									
Lease receivables		n/a	—	—	—	96.6	96.6	4.8	91.8
Cash flow hedges - foreign exchange contracts		Level-2	—	—	3.5	—	3.5	1.7	1.8
Non-designated foreign exchange forwards and swaps		Level-2	0.3	—	—	—	0.3	0.3	—
Originated loans receivable		n/a	—	—	—	0.7	0.7	—	0.7
Financial assets at fair value through P&L		Level-3	3.1	—	—	—	3.1	—	3.1
Financial assets at fair value through OCI		Level-3	—	0.7	—	—	0.7	—	0.7
			3.4	0.7	3.5	97.3	104.9	6.8	98.1
Other financial assets									
Cash and cash equivalents		n/a	—	—	—	264.1	264.1	264.1	—
Total financial assets			3.4	0.7	3.5	361.4	369.0	270.9	98.1

At 31 December 2025	Note	Fair value hierarchy	FVPL £m	FVOCI £m	Derivatives used for hedging £m	Amortised cost £m	Total £m	Current £m	Non-current £m
Financial liabilities									
Private placement loan notes	a	n/a	—	—	—	266.4	266.4	114.4	152.0
Other finance		n/a	—	—	—	0.3	0.3	0.3	—
Cash flow hedges - foreign exchange contracts		Level-2	—	—	4.9	—	4.9	1.7	3.2
Cash flow hedges - currency swaps		Level-2	—	—	4.8	—	4.8	1.1	3.7
Cash flow hedges - interest rate swaps		Level-2	—	—	0.1	—	0.1	0.1	—
Non-designated foreign exchange forwards and swaps		Level-2	0.8	—	—	—	0.8	0.6	0.2
Cross-currency interest rate swaps	a	Level-2	—	—	1.3	—	1.3	1.3	—
Deferred consideration payable		n/a	—	—	—	0.7	0.7	—	0.7
			0.8	—	11.1	267.4	279.3	119.5	159.8
Other financial liabilities									
Overdrafts		n/a	—	—	—	138.8	138.8	138.8	—
Lease liabilities		n/a	—	—	—	318.2	318.2	39.5	278.7
Total financial liabilities			0.8	—	11.1	724.4	736.3	297.8	438.5

The following table shows the changes from the opening balances to the closing balances for Level-3 fair values.

	Investments FVPL and FVOCI £m
At 1 January	3.8
Gain in fair value recognised in other comprehensive income	**0.1**
At 30 June	**3.9**

Non-recourse trade receivables financing
To provide working capital at an economically favourable rate versus the RCF, the Group uses a non-recourse trade receivables financing facility. The value of invoices sold under this arrangement at 30 June 2026 was £17.8m (31 December 2025: £24.6m) of which £11.1m (31 December 2025: £16.1m) related to the continuing operations. The costs of selling such invoices was £1.2m (30 June 2025: £1.4m) of which £1.1m (31 December 2025: £1.2m) related to continuing operations and are included in net finance expense in the condensed consolidated income statement. In addition, the Group utilises a credit card facility, the outstanding balance of which was £nil at 30 June 2026 (31 December 2025: £4.5m).

12 Issued share capital

	Share capital		Share premium	Employee benefit trust shares	
Allotted, called up and fully paid	**No.thousands**	**£m**	**£m**	**No.thousands**	**£m**
Ordinary shares of 31p					
At 1 January 2026	120,031	37.2	20.7	610	(1.6)
Issue of share capital	**800**	**0.3**	**—**	**800**	**(0.3)**
Issued on exercise of share options	**—**	**—**	**—**	**(800)**	**0.9**
Shares purchased on behalf of the employee benefit trust by an external bank	**—**	**—**	**—**	**508**	**(1.8)**
At 30 June 2026	**120,831**	**37.5**	**20.7**	**1,118**	**(2.8)**

The Group uses shares held in the employee benefit trust (EBT) to satisfy future requirements for shares under the Group's share option and long-term incentive plans.

During the six months to 30 June 2026, 799,519 (30 June 2025: 1,096,137) shares with a value of £0.9m (30 June 2025: £0.8m) were transferred out of the EBT to satisfy exercises under the Group's share option and long term incentive plans. The total consideration received in respect of these shares was £nil (30 June 2025: £nil). During April 2026, 800,000 ordinary 31 pence shares (30 June 2025: 541,524) were allotted to the EBT for an aggregate nominal value of £248,000 to satisfy exercises under the Group's share plans.

To eliminate the risk of share price changes in respect of the anticipated need to purchase shares in the open market to satisfy the exercise of share options granted under the Group's long term incentive plan, the EBT entered a forward purchase agreement with an external bank for the acquisition of its shares. The liability under this agreement is included within other payables and the corresponding debit is charged to equity. On 9 March 2026 the EBT received 125,689 shares from the external bank for £503,749 to satisfy exercises under the Group's share plans.

The Group has an unexpired authority to repurchase up to 9.93% of its issued share capital.

13 Employee benefits

The total net defined benefit pension position for accounting purposes as at 30 June 2026 is calculated on a year-to-date basis, using the accounting valuations as at 31 December 2025.

The principal financial assumptions for the accounting valuation as at 30 June 2026 for the UK based schemes (which represents around 97% of the total assets of the defined benefit pension schemes in which the Group reports) were as follows:

	30 June 2026	31 December 2025	30 June 2025
Discount rate	**6.05% pa**	5.55% pa	5.60% pa
Rate of price inflation – RPI	**3.00% pa**	2.90% pa	2.95% pa
Rate of price inflation – CPI	**2.55% pa**	2.40% pa	2.40% pa

There were no changes in demographic assumptions since 31 December 2025.

Movements in the total net defined benefit pension position recognised in the balance sheet were as follows:

	30 June 2026 £m	30 June 2025 £m[3]
At 1 January	**29.1**	37.9
Current service and administration costs	**(3.2)**	(4.0)
Past service cost	**(0.1)**	—
Termination benefits	**(0.3)**	—
Interest income	**0.9**	1.1
Actuarial gain recognised in OCI[1]	**50.4**	16.7
Return on plan assets, excluding interest, recognised in OCI	**(40.7)**	(20.7)
Employer contributions	**3.1**	3.1
Transfer to disposal group liabilities held-for-sale[2]	**3.3**	—
Recognised in discontinued operation	**0.1**	0.6
Exchange movement	**0.1**	(0.1)
At 30 June	**42.7**	34.6
Schemes in a net surplus	**43.6**	
Schemes in a net deficit	**(0.9)**	
At 30 June	**42.7**	

1. As at 30 June 2026, the increase in the discount rate (driven by an increase in corporate bond yields) partially offset by a slight increase in expected future inflation has led to a decrease in the value of the liabilities. This was partially offset by the impact of actual inflation over the period being greater than expected.
2. Relates to the Group's Swiss pension schemes which will leave the Group as part of the private sector contact centre business disposal and therefore cease to form part of the Group's pension obligations.
3. 2025 comparatives have been re-presented from those previously published to reflect the discontinued operation in 2026.

The latest formal actuarial valuation for the Group’s main defined benefit pension scheme (HPS), which represents around 95% of the total assets of the defined benefit pension schemes in which the Group reports, was carried out as at 31 March 2023. This identified a statutory funding surplus of £51.4m. Given the funding position of the HPS, the Group and the Trustee of the HPS agreed that no further deficit contributions from the Group would be required other than those already committed to as part of the 31 March 2020 actuarial valuation. The Group paid all the outstanding deficit contributions in 2024. There are no further agreed deficit contributions to be paid at this time.

The estimated updated funding positions as at 30 June 2026 show that the HPS continued to meet its statutory funding target and was broadly in line to meet its secondary funding target.

The next full actuarial valuation for the HPS is being carried out with an effective date of 31 March 2026 and as part of that valuation the contribution requirements will be reviewed, and if necessary amended.

The Group remains aware of the 2023 high court case (and subsequent appeal in 2024) that considered the validity of deeds where no Section 37 certificate (confirming that the minimum level of benefits had not been breached) was attached to the deed. The UK Government passed legislation on 29 April 2026 via the Pension Schemes Act 2026 to enable schemes to retrospectively obtain the necessary actuarial confirmations required where these are not currently available. It is expected that this will resolve the issue in the majority of cases.

14 Related-party transactions

Compensation of key management personnel

	30 June 2026 £m	30 June 2025 £m
Short-term employment benefits	**2.8**	3.6
Pension	**0.1**	0.1
Share-based payments	**0.7**	1.4
	3.6	5.1

Gains on share options exercised in the period by Capita plc Executive Directors were £nil (30 June 2025: £nil) and by key management personnel £0.3m (30 June 2025: £0.4m).

During the period, the Group rendered administrative services to Smart DCC Limited (DCC), a wholly-owned subsidiary which is not consolidated. The Group received £52.6m (30 June 2025: £63.2m) of revenue for these services and at the balance sheet date had receivables of £2.1m (31 December 2025: £7.2m) from DCC. The services are procured by DCC on an arm's length basis under the DCC licence. The services are subject to review annually by Ofgem to ensure that all costs are economically and efficiently incurred by DCC.

HPS (Capita's main defined benefit pension scheme) is a related party of the Group.

15 Post balance sheet events

The following events occurred after 30 June 2026, and before the approval of these condensed consolidated financial statements, but have not resulted in adjustment to the financial results as at and for the six months ended 30 June 2026:

Civil Service Pension Scheme contract
The Group has noted the Ministerial Statement made by the Paymaster General on 6 July 2026 and the Public Accounts Committee on 8 July 2026 regarding the Civil Service Pension Scheme contract. Management continues to work at pace to resolve the operational issues in collaboration with the Cabinet Office. Efforts to restore service levels on this contract mean that additional costs will be incurred in 2026, including surge resource costs and remediation costs and the likely impact from costs against KPI performance. This reduces the contract's lifetime profitability, and there is risk that if the remediation plan is not delivered on time or to budget, that an impairment of the contract fulfilment asset may be required as discussed further in note 2.

Issue of new private placement loan notes
In July 2026, the Group issued $55m of US private placement loan notes, maturing in July 2029, valued at £41.2m net of swaps, with a coupon rate of 7.54%. The notes rank pari passu with the Group's existing senior indebtedness. Refer to the Appendix for details of the debt covenants.

Disposal of the private sector contact centre business
The disposal of the Group's private sector contact centre business to Inspirit Capital completed on 31 July 2026.

Cash proceeds of £1 were received on completion, with £6.5m cash retained in the business for normal working capital purposes.

As set out in note 8.3, there is potential contingent consideration payable to Capita up to a cap of £61.5m, receivable from 2027 to 2030; with £50.0m based on future financial performance of the disposed business and £11.5m based on cash availability. The fair value of the contingent consideration receivable is required to be estimated under IFRS 13 *Fair Value Measurement*, and classified as a financial asset at FVTPL. The fair value of the contingent consideration at the date of disposal has been estimated as £9m, based on the discounted present value of the most likely expected cash inflows of the contingent consideration receivable by the Group. If the expected cash inflows were only to be received at the end of the relevant pay-out period, this would decrease the fair value of the contingent consideration by approximately £1m.

Total costs of disposal to be borne by the Group are estimated to be £24m, of which £3.3m were recognised in prior periods.

Independent review report to Capita plc

Conclusion

We have been engaged by Capita plc ("the Company") to review the condensed consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity, condensed consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Material uncertainty related to going concern

We draw attention to note 1.2 to the condensed consolidated financial statements which indicates that, under a severe but plausible downside scenario, the Group may have insufficient headroom against its debt covenant measures in the short term. In such circumstances, the Group may need to obtain a temporary covenant waiver or amendment that would require lender approval and is therefore outside the Group's control. These events and conditions, along with the other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

The directors have prepared the condensed consolidated financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1.2, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed consolidated financial statements, the directors are responsible for assessing the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Ian Griffiths
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
3 August 2026

Appendix: Alternative performance measures

The Group presents various alternative performance measures (APMs) because internally the performance of the Group is reported and measured on this basis. This includes key performance indicators (KPIs) such as adjusted revenue, adjusted operating margin, adjusted EBITDA, adjusted basic/diluted earnings per share, free cash flow excluding business exits, and gearing ratios. In general, the Board believes that the APMs are useful for investors because they provide further clarity and transparency about the Group's financial performance and are closely monitored by management to evaluate the Group's operating performance and facilitate financial, strategic and operating decisions.

These APMs should not be viewed as a complete picture of the Group's financial performance which is presented in the reported results. The exclusion of certain items may result in a more favourable view when costs such as impairments of goodwill, costs and insurance receipts relating to the cyber incident in March 2023, and costs relating to the cost reduction and simplification programmes are excluded. These measures may not be comparable when reviewing similar measures reported by other companies.

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation

Income statement

Adjusted revenue R | **Revenue**

Calculated as total revenue less revenue relating to businesses that have been sold, or exited during the year or prior year; or, are in the process of being sold, or exited.

This measure of revenue is used internally in respect of the Group's continuing business (being the Group's continuing operations, which exclude business exits) and the Board believes it is a good indication of ongoing performance.

The table below shows a reconciliation between reported and adjusted revenue; and the change in adjusted revenue:

	30 June 2026	30 June 2025
Total reported revenue per the income statement	**£948.3m**	£960.5m
Deduct: business exits (note 3)	**£(41.9)m**	£(68.3)m
Adjusted revenue	**£906.4m**	£892.2m
Change in adjusted revenue	**1.6%**	5.4%

Adjusted operating profit R | **Operating profit**

Calculated as reported operating profit excluding items determined by the Board to be outside underlying operations. These items are detailed in note 4.

A reconciliation of reported to adjusted operating profit is provided in note 4.

Reported / adjusted operating margin R | **No direct equivalent**

Calculated as the reported / adjusted operating profit divided by reported / adjusted revenue.

This measure is an indicator of the Group's operating efficiency.

The table below shows the components, and calculation, of reported / adjusted operating profit margin:

		Reported		Adjusted	
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Revenue	a	**£948.3m**	£960.5m	**£906.4m**	£892.2m
Operating profit (note 4)	b	**£25.9m**	£18.4m	**£32.2m**	£47.1m
Operating margin	b/a	**2.7%**	1.9%	**3.6%**	5.3%

Reported EBITDA R | **No direct equivalent**

Calculated as reported profit/(loss) before tax for the six month period prior to: depreciation, amortisation and impairment of property, plant and equipment, intangible assets, goodwill and right-of-use assets; net finance costs; the share of results in associates and losses on financial assets and gain/loss on business disposal.

The directors believe that reported Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) is a useful measure for investors because it is closely monitored by management to evaluate Group and divisional operating performance.

The table below shows the calculation of reported EBITDA:

	30 June 2026	30 June 2025
Reported profit before tax	**£4.1m**	£1.7m
Add back: net finance costs (note 5)	**£21.8m**	£16.3m
Add back: depreciation and impairment of property, plant and equipment	**£6.8m**	£8.5m
Add back: depreciation and impairment of right-of-use assets	**£12.8m**	£14.2m
Add back: amortisation and impairment of intangibles	**£11.2m**	£8.2m
Add back: share of results in associates and losses on financial assets	**£—m**	£0.4m
Reported EBITDA	**£56.7m**	£49.3m
Reported EBITDA margin	**6.0%**	5.1%

Alternative performance measures continued

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation
Income statement continued		
Adjusted EBITDA	**No direct equivalent**	Calculated as adjusted profit before tax for the six month period prior to: depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets; net finance costs; and the share of results in associates and losses on financial assets (other than those already excluded from adjusted operating profit). The directors believe that adjusted Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) is a useful measure for investors because it is closely monitored by management to evaluate Group and divisional operating performance. This measure has been calculated pre- and post- the impact of IFRS 16 to enable investors to understand the impact of the Group's lease portfolio on adjusted EBITDA. The table below shows the calculation of adjusted EBITDA:

	Post IFRS 16		Pre IFRS 16	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Adjusted profit before tax	**£12.5m**	£29.1m	**£14.9m**	£35.2m
Add back: adjusted net finance costs (note 5)	**£19.7m**	£18.0m	**£14.2m**	£12.0m
Add back: adjusted depreciation and impairment of property, plant and equipment	**£6.4m**	£8.1m	**£6.4m**	£8.1m
Add back: adjusted depreciation and impairment of right-of-use assets	**£10.5m**	£11.5m	**£—m**	£—m
Add back: adjusted amortisation and impairment of intangibles	**£10.4m**	£7.2m	**£10.4m**	£7.2m
Adjusted EBITDA	**£59.5m**	£73.9m	**£45.9m**	£62.5m
Adjusted EBITDA margin	**6.6%**	8.3%	**5.1%**	7.0%

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation
Adjusted profit/(loss) before tax	**Profit/(loss) before tax**	Calculated as profit/(loss) before tax excluding the items detailed in note 4 which include: business exits (trading results, non-trading expenses, and any gain/loss on business disposal); acquired intangible amortisation; impairment of goodwill and acquired intangibles; costs and insurance receipts relating to the cyber incident in March 2023; and costs associated with the cost reduction and simplification programmes. A reconciliation of reported to adjusted profit before tax is provided in note 4.
Adjusted profit/(loss) after tax	**Profit/(loss) after tax**	Calculated as the above adjusted profit or loss before tax, less the tax credit or expense on adjusted profit or loss. The table below shows a reconciliation:

	30 June 2026	30 June 2025
Adjusted profit before tax (note 4)	**£12.5m**	£29.1m
Tax credit/(charge) on adjusted profit (note 6)	**£2.6m**	£(35.7)m
Adjusted profit/(loss) after tax	**£15.1m**	£(6.6)m

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation
Adjusted basic earnings per share	**Basic earnings per share**	Calculated as the adjusted profit/(loss) for the period after tax less non-controlling interests divided by the weighted average number of ordinary shares outstanding during the period. The Board believes that this provides an indication of basic earnings per share of the Group on adjusted profit after tax. For the calculation of adjusted basic earnings per share refer to note 7.
Adjusted diluted earnings per share	**Diluted earnings per share**	Calculated as the adjusted profit/(loss) for the period after tax less non-controlling interests divided by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would have been issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The Board believes that this provides an indication of diluted earnings per share of the Group on adjusted profit after tax. For the calculation of adjusted diluted earnings per share refer to note 7.
Cash flows and net debt		
Cash flows generated/(used) by operations excluding business exits	**Cash generated/ (used) by operations**	Calculated as the cash flows generated from operations excluding the items detailed in note 9 which includes: business exits (trading results and non-trading expenses) and pension deficit contributions which have been triggered by disposals. A reconciliation of reported to cash generated/(used) by operations excluding business exits is provided in note 9.

Alternative performance measures continued

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation
Cash flows and net debt continued		
Free cash flow and free cash flow excluding business exits	**Net cash flows from operating activities**	Free cash flow is calculated as cash generated from operations after: capital expenditure; income tax and interest; the proceeds from the sale of property, plant and equipment and intangible assets; and the capital element of lease payments and receipts. Free cash flow excluding business exits has the same calculation but excludes the impact of business exits. Free cash flow and free cash flow excluding business exits are measures used to show how effective the Group is at generating cash and the Board believes they are useful for investors and management to measure whether the Group is generating sufficient cash flow to fund operations, capital expenditure, non-lease debt obligations, and dividends. A reconciliation of net cash flows from operating activities to free cash flow and free cash flow excluding business exits and a reconciliation of free cash flow to free cash flow excluding business exits are provided in note 9.
Operating cash flow and operating cash conversion	**No direct equivalent**	Operating cash flow is calculated as adjusted EBITDA less working capital and non-cash and other adjustments excluding business exits, pension deficit contributions, cyber incident and cost reduction and simplification programmes. Operating cash conversion is calculated as operating cash flow divided by adjusted EBITDA. The Board believes that this measure is useful for investors because it is closely monitored by management to evaluate the Group's operating performance and to make financial, strategic and operating decisions.

		Reported		Excluding business exits	
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Reported/Adjusted operating profit		**£25.9m**	£18.4m	**£32.2m**	£47.1m
Depreciation (note 9)		**£19.6m**	£22.4m	**£16.9m**	£19.4m
Amortisation of intangible assets		**£11.2m**	£7.6m	**£10.4m**	£6.7m
Impairment of non-current assets		**£—m**	£0.9m	**£—m**	£0.7m
Reported/Adjusted EBITDA	a	**£56.7m**	£49.3m	**£59.5m**	£73.9m
Add back: EBITDA element of cyber incident, and cost reduction and simplification programmes		**£4.8m**	£19.4m	**£—m**	£—m
Trade and other receivables (note 9)		**£(33.9)m**	£(57.6)m	**£(27.9)m**	£(55.3)m
Non-recourse trade receivables financing (note 9)		**£(5.0)m**	£(0.5)m	**£(5.0)m**	£(0.5)m
Trade and other payables (note 9)		**£(12.1)m**	£17.8m	**£(3.3)m**	£12.1m
Deferred income (note 9)		**£25.0m**	£41.9m	**£27.0m**	£48.9m
Contract fulfilment assets (non-current) (note 9)		**£6.4m**	£12.5m	**£5.8m**	£12.4m
Add back: Working capital element of cyber incident, and cost reduction and simplification programmes		**£(1.3)m**	£(1.6)m	**£(1.3)m**	£(1.6)m
Working capital		**£(16.1)m**	£31.9m	**£(4.7)m**	£16.0m
Share-based payment expense (note 9)		**£2.1m**	£2.9m	**£2.1m**	£2.9m
Employee benefits (note 9)		**£3.6m**	£4.0m	**£3.6m**	£4.0m
Loss/(gain) on sale of property, plant and equipment and intangible assets (note 9)		**£0.1m**	£(0.2)m	**£0.1m**	£(0.2)m
Amendments and early terminations of leases (note 9)		**£—m**	£(0.1)m	**£—m**	£(0.1)m
Movement in provisions (note 9)		**£(9.8)m**	£(13.5)m	**£(2.6)m**	£(7.0)m
Other contributions into pension schemes (note 9)		**£(3.1)m**	£(3.1)m	**£(3.1)m**	£(3.1)m
Add back: Non-cash element of cyber incident and cost reduction and simplification programme		**£2.0m**	£(3.5)m	**£2.0m**	£(3.5)m
Non-cash and other adjustments		**£(5.1)m**	£(13.5)m	**£2.1m**	£(7.0)m
Operating cash flow	b	**£35.5m**	£67.7m	**£56.9m**	£82.9m
Operating cash conversion	b/a			**95.6%**	112.2%

Alternative performance measures continued

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation
Cash flows and net debt continued		
Available liquidity	**No direct equivalent**	Calculated as the sum of any undrawn committed facilities and the net cash, cash equivalents net of overdrafts, less any restricted cash. Restricted cash is defined as any cash held that is not capable of being applied against consolidated total borrowings (inclusive of cash required to be held under FCA regulations and cash represented by non-controlling interests).

	30 June 2026	31 December 2025
Revolving credit facility (RCF)	**£325.0m**	£250.0m
Less: drawing on committed facilities (note 11)	**£(47.0)m**	£—m
Undrawn committed facilities	**£278.0m**	£250.0m
Cash and cash equivalents net of overdrafts (note 9)	**£116.0m**	£125.3m
Less: restricted cash	**£(43.3)m**	£(45.9)m
Available liquidity	**£350.7m**	£329.4m

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation
Net debt	**Borrowings, cash, derivatives, lease liabilities and deferred consideration**	Calculated as the net of the Group's: cash, cash equivalents and overdrafts; private placement loan notes; other finance; currency and interest rate swaps; lease liabilities; and deferred consideration. The Board believes that net debt enables investors to see the economic effect of debt, related hedges and cash and cash equivalents in total and shows the indebtedness of the Group. The calculation of net debt is provided in note 9.
Net financial debt (pre-IFRS 16)	**No direct equivalent**	Calculated as the sum of the Group's: cash, cash equivalents and overdrafts; the fair value of the Group's private placement loan notes; other loan notes; and deferred consideration. The Board believes that this measure of net debt allows investors to see the Group's net debt position excluding its IFRS 16 lease liabilities.

	30 June 2026	31 December 2025
Net debt (note 9)	**£499.7m**	£461.6m
Remove: IFRS 16 impact (note 9)	**£(299.3)m**	£(318.2)m
Net financial debt (pre-IFRS 16)	**£200.4m**	£143.4m

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation
Gearing: net debt to adjusted EBITDA ratio	**No direct equivalent**	This ratio is calculated as net debt divided by adjusted EBITDA over a rolling twelve month period including business exits not yet completed at the balance sheet date. The Board believes that this ratio is useful because it shows how significant net debt is relative to adjusted EBITDA. This measure has been calculated including and excluding the impact of IFRS 16 leases on EBITDA and net debt because the Board believes this provides useful information to enable investors to understand the impact of the Group's lease portfolio on its gearing ratio. The table below shows the components, and calculation, of the net debt / net financial debt (post- and pre- IFRS 16) to adjusted EBITDA ratio:

	Post IFRS 16		Pre IFRS 16	
Rolling twelve month period	30 June 2026	31 December 2025[1]	30 June 2026	31 December 2025[1]
Adjusted EBITDA	**£152.9m**	£188.0m	**£123.7m**	£144.9m
EBITDA in respect of business exits not yet completed	**£—m**	£(0.2)m	**£—m**	£(0.2)m
Adjusted EBITDA (including business exits not yet completed)	**£152.9m**	£187.8m	**£123.7m**	£144.7m
Net debt / net financial debt	**£499.7m**	£461.6m	**£200.4m**	£143.4m
Net debt / net financial debt to adjusted EBITDA ratio	**3.3x**	2.5x	**1.6x**	1.0x

1. To ensure the consistent presentation of the ratios between periods, the 2025 comparatives have not been re-presented.

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2025 comparatives have been re-presented from those previously published. The reported measures have been re-presented to reflect the discontinued operation in 2026. All other measures have been re-presented to reflect the discontinued operation and certain related income and costs that have been moved to business exits in the second half of 2025 and the first half of 2026.

Appendix: Covenants

The below measures are submitted to the Group's lenders and the Board believes these measures provide a useful insight to investors. The 31 December 2025 comparatives have not been re-presented because they are not required to be re-presented for covenant purposes. During 2026, the Group completed an amendment to the interest cover covenant across both the revolving credit facility (RCF) and certain existing US Private Placement (US PP) notes[7].

Covenants (based on rolling twelve months)		30 June 2026	31 December 2025	Source
Adjusted operating profit[1]		**£97.1m**	£113.5m	
Add back: covenant adjustments[2] and amortisation		**£3.4m**	£(2.8)m	
Adjusted EBITA	a1	**£100.5m**	£110.7m	
Less: IFRS 16 EBITA impact and covenant adjustments[6]		**£9.1m**	£8.9m	
Adjusted EBITA (excluding IFRS 16)	a2	**£109.6m**	£119.6m	
Adjusted EBITA		**£100.5m**	£110.7m	Line item above
Add back: covenant adjustments[3] and depreciation		**£49.0m**	£56.7m	
Covenant calculation – adjusted EBITDA	b1	**£149.5m**	£167.4m	
Less: IFRS 16 EBITDA impact and covenant adjustments[6]		**£(23.5)m**	£(27.2)m	
Covenant calculation – adjusted EBITDA (excluding IFRS 16)	b2	**£126.0m**	£140.2m	
Adjusted EBITA (US PP covenants)	a3	**£100.5m**	£110.7m	Adjusted for difference in exceptional items treatment
Adjusted EBITDA (US PP covenants)	b3	**£149.5m**	£167.4m	Adjusted for difference in exceptional items treatment
Adjusted interest charge		**£(38.3)m**	£(39.0)m	
Add back: covenant adjustments[4]		**£(1.1)m**	£(1.1)m	
Borrowing costs	c1	**£(39.4)m**	£(40.1)m	
Less: IFRS 16 impact		**£11.8m**	£15.2m	
Borrowing costs (excluding IFRS 16)	c2	**£(27.6)m**	£(24.9)m	
5.1 Interest cover (US PP covenant)[7]	a3/c2	**3.6x**	4.4x	Adjusted EBITA/Borrowing costs with adjusted EBITA including the impact of IFRS 16 and the borrowing costs excluding the impact of IFRS 16. Minimum permitted value of 4.0 in 2024 was reduced to 3.0 for H2 2025 and H1 2026
5.2 Interest cover (other financing agreements)[7]	b2/c2	**4.6x**	4.8x	Adjusted EBITDA/Borrowing costs with both variables excluding IFRS 16. Minimum permitted value of 3.0.The prior period covenant used Adjusted EBITA - see footnote 7 for details
Net debt		**£499.7m**	£461.6m	Line information in note 9
Add back: covenant adjustments[5]		**£43.3m**	£45.9m	
Less: IFRS 16 impact		**£(299.3)m**	£(318.2)m	Line information in note 9
Covenant calculation - adjusted net debt (excluding IFRS 16)	d1	**£243.7m**	£189.3m	
6.1 Adjusted net debt to post IFRS 16 adjusted EBITDA ratio (US PP covenant)	d1/b3	**1.6x**	1.1x	Adjusted net debt/adjusted EBITDA with adjusted net debt excluding the impact of IFRS 16 and adjusted EBITDA including the impact of IFRS 16. Maximum permitted value of 3.0
6.2 Adjusted net debt to adjusted EBITDA ratio (other financing agreements)	d1/b2	**1.9x**	1.4x	Adjusted net debt/adjusted EBITDA with both variables excluding IFRS 16. Maximum permitted value of 3.0

1. Adjusted operating profit excludes items that are separately disclosed and considered to be outside the underlying operating results for the particular period under review and against which the Group's performance is assessed.
2. Covenant adjustments include adjustments for business exits, discontinued operations, exceptional costs, share-based payment and pension adjustments, and removal of profits owned by minority interests.
3. Covenant adjustments include adjustments for depreciation and earnings related to disposed entities and discontinued operations.
4. Covenant adjustments include adjustments for interest income and interest expense.
5. Covenant adjustments include adjustments relating to restricted cash and cash in businesses held-for-sale.
6. Covenant adjustments include adjustments relating to items which are required to be included in the other financing agreement covenant calculation.
7. Under the amended arrangement, the interest cover covenant for RCF will remain at 3.0x and is effective from H1 2026, while the US PP notes will follow a phased covenant profile of 3.25x in H2 2026, 3.0x in H1 2027, 3.25x in H2 2027 and 3.5x from H1 2028 onwards. In addition, the interest cover covenant calculation will transition from an EBITA based measure to an EBITDA based measure, effective from H1 2026 for the RCF and from H2 2026 for the US PP notes. The US PP financial covenants will also transition from a post IFRS 16 basis to a pre IFRS 16 basis, aligning the covenant methodology across both debt facilities.