

21 May 2024

AGM Trading update for the 4 months to 30 April 2024

Capita plc (“Capita”)

Trading in line with expectations for 2024

Summary:

- The Group’s adjusted revenue¹ was 9% lower in the four months ended 30 April 2024, compared with the same period in 2023, in line with expectations
- Outlook for Group full year 2024 financial performance unchanged with a revenue decline expected in H1, as previously guided
- Contract win rate of 77% (2023: 80%) across all opportunities; Total Contract Value won decreased 9% in the four months to 30 April 2024 reflecting expected award phasing
- Good progress with technology hyperscale partners as we co-develop delivery solutions which are more efficient and provide better customer service
- Future strategic priorities to be outlined at Capital Markets Event on 13 June 2024

Financial Performance:

Capita Public Service adjusted revenue¹ reduced 5%, in the four months to 30 April 2024, reflecting previously announced losses in Local Public Service, and reduced contract activity in the first four months of the year in Defence and Education.

Capita Experience adjusted revenue¹ reduced 16% reflecting the one-off deferred income benefit in 2023 arising from the award of a new contract with Virgin Media O2, previously announced contract losses within the Financial Services vertical including the Co-operative Bank and lower volumes in the UK business.

The Group’s contract win rate remains robust and similar to that seen in the same period in 2023 at 77% (2023: 80%). Total Contract Value (TCV) won has decreased 9% in the four months to 30 April 2024 reflecting the timing of expected contract awards across 2024.

As previously announced, Capita Experience has had some significant wins in the period with the renewal of contracts with two major European telecoms providers, one with an expanded scope, with a TCV of more than £250m. Elsewhere there has been success in Capita Public Service, particularly within the Defence, Learning, Fire and Security vertical. We continue to build our contract pipeline for 2024 and 2025 and this will be an area of focus through the rest of the year.

We continue to deliver well operationally for our clients, with KPI performance this year of 95% in Capita Public Service, and 94% in Capita Experience (89% including the Pensions Administration business). We have improved our delivery offering within Capita Experience with new office openings in South Africa and Bulgaria which will further improve our multi-lingual capabilities and the quality of our customer service going forwards. In Capita Public Service, our consistently strong delivery has led to further growth on major contracts within the Defence sector.

For the full year 2024, we continue to expect the Group’s adjusted revenue¹ to be broadly in line with 2023. Capita Public Service is expected to show full year revenue growth, driven by a number of contracts won in 2023, including Functional Assessment Services, moving into their operational phase later in the year. Capita Experience is expected to show a full year revenue decline, principally reflecting the one-offs in 2023 coupled with the losses and volume reductions noted above.

We remain on track to deliver cost savings as announced within the full year 2023 results, further information will be provided at the Group's Capital Markets Event in June.

Adolfo Hernandez, Chief Executive Officer, said: "Our financial performance in the first four months of the year has been in line with our expectations and we remain on track to deliver our full year financial guidance as outlined at the start of this year.

We are committed to improving the financial performance of Capita. Key strategic priorities include reducing costs and using technology more effectively both within Capita and for our customers. Our cost reduction programmes are on track and we are making great strides with our best in class hyperscale technology partners, such as ServiceNow to co-develop solutions which will drive efficiency and a better service for our clients.

I look forward to providing you with details on these and our other strategic priorities on 13 June."

Notes: 1. Adjusted revenue = revenue on a like-for-like basis.

Other information:

As announced on 13 May 2024, following the announcement of the appointment of Pablo Andres as CFO designate, who will join Capita on 15 July 2024, Pablo purchased 650,000 shares across two tranches on 9 May 2024 and 10 May 2024 at a price of 13.8682 pence and 13.5563 pence per share respectively.

Capita will hold a Capital Markets Event on 13 June 2024 and will announce its 2024 interim results on 2 August 2024.

For more information, please contact:

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About Capita

Capita is a leading provider of business process services, driven by data, technology and people.

Every day our 43,000 colleagues help millions of people, by delivering innovative, digitally enabled solutions to transform and simplify the connections between government and citizens, businesses and customers. We partner with our clients and provide the insight and technologies that give time back, allowing them to focus on what they do best and making people's lives easier and simpler. We operate across two divisions – Capita Public Service and Capita Experience – in the UK, Europe, India

and South Africa. Capita is quoted on the London Stock Exchange (CPI.L). Further information can be found at: <http://www.capita.com>