

Capita plc

Half Year Results 2025

Solid progress against strategic objectives; full year expectations unchanged

Adolfo Hernandez, Chief Executive Officer, said:

"We are pleased to see good signs of momentum in the ongoing transformation of Capita, with a particularly strong performance in our Public Sector business, underscoring our important role in bringing innovation and fresh thinking to the challenge of delivering efficient public services.

"The total value of contracts won by the Group increased by 17% compared with the first half of last year, with increased interest from customers in our AI-driven solutions that bodes well for future growth and we have more than £4.4bn of higher technology opportunities in the Group pipeline.

"Meanwhile, our focus on cost discipline continues to help Capita adapt to some of the challenges we have seen in the Contact Centre business and we are on track to deliver £250m of cost savings by December 2025 and to deliver positive free cash flow from the end of 2025.

"The operational performance and momentum we have seen in the first half of the year gives confidence in our delivery of the second half of the year and our full year outlook remains unchanged."

Growing momentum against strategic priorities to build a Better Capita

- Actions taken to deliver £190m annualised cost savings at 30 June 2025, which increased to £205m as at 31 July 2025
- On track to deliver previously announced £250m target by December 2025
- Cash cost to deliver savings in H1 2025 of £21.5m, reflecting slower than expected phasing of in year savings in some areas
- Productivity benefits seen throughout organisation from our improved technology foundations, products and innovation
- Recently launched Capita AI Catalyst Lab, driving efficiencies and higher quality customer solutions
- First use of 'Agents', with Agentforce AI, powered by Salesforce, to drive volume recruitment
- 10 point improvement in Group employee net promoter score

H1 2025 Financial results

- Adjusted revenue¹ decreased by 4% to £1,154.8m (H1 2024: £1,198.6m):
 - Growth in Capita Public Service (62% of Group revenue) of 4% from contract wins and expansions of existing scopes
 - Revenue reduction in Contact Centre of 20% (24% of Group revenue) from the ongoing impact of previously announced contract losses and subdued volumes in the Telecommunications vertical
 - Revenue broadly in line with the prior period in Pension Solutions at (0.3)% (7% of Group revenue)
 - 1.1% reduction in Regulated Services (7% of Group revenue) due to previously agreed contract hand backs, offset by the one-off benefit from a contract termination in the Mortgage Software business
- Adjusted operating profit¹ decreased 22% to £42.6m reflecting revenue reductions in Contact Centre and non-repeat of one-offs and contract hand backs in Regulated Services, reinvestment in the Group and the timing of the Group's pay award and increase in National Insurance, which more than offset the benefit from the cost reduction programme and revenue growth in Public Service
- Reported loss before tax of £9.5m (H1 2024 profit: £60.0m); including £23.4m of costs associated with the Group's cost reduction programme and impact of business exits in the prior year
- Free cash outflow excluding business exits, of £26.1m (H1 2024 outflow: £52.5m), reflecting improved operating cash flow, reduced capital expenditure and lease payments and benefit from phasing of cost to achieve the cost reduction programme
- Extended maturity date of Revolving Credit Facility worth £250m by 12 months to 31 December 2027; including a £50m accordion option, remaining terms substantially unchanged

Growth and contract wins

- Total contract value (TCV) won increased 17% to £1,044.4m (H1 2024: £891.9m), reflecting strong performance in Capita Public Service up 53%, offsetting lower TCV performance in the Contact Centre business, with expansions with the Royal Navy and renewals and extensions with Gas Safety Register, Education Authority Northern Ireland and Primary Care Support England
- Improved book to bill ratio of 0.9x (2024: 0.7x)
- Unweighted pipeline of £11.7bn with £4.4bn of opportunities with a higher technology underpin

Group outlook for full year 2025 and medium term targets unchanged

- Adjusted revenue expected to be broadly flat. Capita Public Service guidance upgraded to mid single digit revenue growth, Contact Centre now expected to deliver a mid teen revenue reduction
- Modest improvement in Group margin
- Free cash flow, before impact of business exits, between £45 - £65m, with improved cash conversion of 55% to 65%; expect to be free cash flow positive from the end of 2025
- £55m outflow to deliver the cost reduction programme

Six months ended 30 June 2025

Financial highlights	Reported 2025	Reported 2024	Reported POP change	Adjusted ¹ 2025	Adjusted ¹ 2024	Adjusted ¹ POP change
Revenue	£1,159.8m	£1,237.3m	(6%)	£1,154.8m	£1,198.6m	(4%)
Operating profit	£9.2m	£43.9m	(79%)	£42.6m	£54.5m	(22%)
Operating margin²	0.8%	3.5%	(270)bps	3.7%	4.5%	(80)bps
EBITDA²	£47.0m	£101.7m	(54%)	£80.2m	£102.4m	(22%)
(Loss)/profit before tax	£(9.5)m	£60.0m	n/a	£22.6m	£31.9m	(29%)
Basic (loss)/earnings per share³	(6.62)p	47.09p	n/a	21.63p	33.06p	(35%)
Operating cash flow²	£51.2m	£73.5m	(30%)	£55.9m	£50.8m	10%
Free cash flow²	£(30.7)m	£(44.6)m	31%	£(26.1)m	£(52.5)m	50%
Net debt²	£(412.2)m	£(521.9)m	21%			
Net financial debt (pre-IFRS 16)				£(87.0)m	£(166.4)m	48%

1. Capita reports results on an adjusted basis to aid understanding of business performance (refer to alternative performance measures in the appendix). Adjusted operating cash flow and free cash flow exclude the impact of business exits (refer to note 9).

2. Operating margin, EBITDA, operating cash flow, free cash flow and net debt as presented under reported results are sub-totals or are derived from the reported results but are not defined in IFRS and are therefore also alternative performance measures (refer to alternative performance measures in the appendix). They are presented to enable comparability to the Group's adjusted equivalent of each metric presented in the financial highlights table.

3. 2024 comparatives have been re-presented from those previously published to reflect the 1 for 15 share consolidation undertaken in April 2025 (refer to notes 7 and 13).

Investor presentation

A presentation for institutional investors and analysts hosted by Adolfo Hernandez, CEO and Pablo Andres, CFO, will be held at 09:00am UK time, Tuesday 5 August 2025. 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-hy25/>

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Chief Executive Officer's review

H1 2025 Summary

We commenced this year in a stronger position to deliver more effectively and efficiently to our clients, reflecting the strong foundations laid in 2024. Our strategy of partnering with technology hyperscalers to improve the agility of the business around client needs is working and our momentum continues to build.

Our vision is clear - to be the trusted outsourcing partner, innovating to deliver quality services by combining the best people, AI, and technology to drive superior results and create outstanding experiences for our customers.

At the start of the year, we outlined six strategic priorities to deliver a "Better Capita" which are; cost transformation, sales effectiveness, product and innovation, technology foundations, operating model and building a high-performance organisation. I'm extremely pleased to see the progress we are making against each of these priorities as we future proof the business.

Better technology is at the core of our transformation, and we are moving at pace building our capabilities in this area. This year we launched our Artificial Intelligence and Product Office (AI&PO) operating model and the internal Capita AI Catalyst lab, a dedicated team focused on identifying, testing, and scaling AI solutions based on ideas generated from employees throughout the business.

Following a detailed review last year of our contract portfolio and services line mapping, we clarified our business focus areas. Our Star Positions - where we have clear strengths and expertise with good returns, Transformational Potential - those areas that needed further work - and Manage for Value businesses many of which we have exited or are exiting. This is critical for where we will focus our resources and technology.

Our focus is on delivering scalable and repeatable solutions to respond to evolving opportunities in the front, middle and back office services that each of our operating divisions offer. Viewing the market in this way means we now have a more client led targeted approach and we are focusing our investments around these market opportunities.

Our Business Process Outsourcing industry is clearly undergoing a major technological shift, with AI already embedded in around 20% of services across Europe. That figure is expected to rise sharply, with AI projected to account for £30 billion of a c.£55 billion market by 2027².

We've seen exponential growth in client interest in our AI solutions (including agentic AI). We have been using Capita as 'client zero' whilst working alongside our hyperscaler partners and we have launched five products this year. We are using these products in a number of existing contracts to drive **better delivery**, and continue to identify opportunities for wider use cases across our contract portfolio. We have a number of products we expect to be launched in the second half of 2025.

We're driving **better efficiencies** through the Group's successful cost reduction programme, which enables us to invest in our technology offerings. At the end of June, the Group has now taken actions that will deliver £190m of annualised savings, growing to £205m at the end of July.

While the phasing of some in year savings has been slower than anticipated, particularly in the Contact Centre business, we are on track to deliver our previously announced £250m target by December 2025.

We are re-investing in the business and have begun our planned £50m investment into our technology solutions this year with spend in H1 on our data maturity and governance, investments in our product offerings and further enhancements to our cyber maturity.

We remain focused on our employees during this transformation as we work to build a high-performance culture and **better company**. This year we launched our refreshed company values and culture playbook and maintained our employee engagement score while seeing a 10-point increase in employee net promoter score within the Group's mid year people survey, a score of -23 points.

The Group is on track to improve its financial performance and we are confident in the delivery of our medium-term targets of delivering low to mid-single digit adjusted revenue¹ growth per annum; an adjusted operating (EBIT) margin¹ of 6 – 8%; and positive free cash flow, excluding business exits¹, from the end of 2025.

Our priorities for the second half of the year are delivering our planned product launches, improving the financial performance of the Contact Centre business which has faced a number of headwinds recently and continuing the roll out of our exciting AI and technology led products, including AgentSuite, to more clients.

Better technology

AI is driving a significant technological revolution and as we expected, is driving disruption in the markets in which we operate. With our combination of "star positions" in higher growth and higher margin services, sector process knowledge and the capabilities of our hyperscaler partners, including AWS, Microsoft, Salesforce and ServiceNow, we are well placed to be at the forefront of these changes. Our 'human in the loop' principle, which is part of our strength as a Business Process Service (BPS) provider, augments and amplifies the human role within our customer solutions. This is improving customer outcomes thereby allowing us to drive change both internally and across our contract portfolio.

We have now launched our refreshed operating model and are investing in our AI&PO and Technology Operations teams and their newly formed Capita AI catalyst lab. These bring new skills to Capita given their backgrounds at our hyperscaler partners. This enables us to simplify our service delivery and create better outcomes. This operating model is driving the creation of repeatable, standardised products and solutions which integrate AI quickly, to respond to complex and fast changing market demands and evolving client needs. As we embed these solutions and they amplify the work our people do, we are becoming more efficient and increasing the quality of our delivery, which is helping to future proof the business.

The Capita AI catalyst lab is leading our progress. This dedicated team is focused on identifying, testing and scaling AI solutions based on ideas originated from employees across the organisation. Since inception in Q1 2025, over 300 ideas have been identified and we have launched five products internally; including Contact Centre of the Future, Document Validation & Fraud Detection, Automated Recruitment, Learning & Development and AI-powered Intelligent Mailrooms &

Document Processing. There are a number of further product releases planned for the second half of 2025, including Collections & Debt Recovery, Workforce Management, and Estate Management & Building Safety Compliance.

Using our experience across the front, middle and back-office customer operations we are well placed to design and build solutions incorporating hyperscaler technology, and we are using Capita as client zero to test solutions before rolling these out to clients in some cases. For example, this year, to deliver more efficient colleague assistance, we transitioned to ServiceNow for our internal IT and colleague support and we are looking at further rollout opportunities for our finance and HR support.

This year, we will become one of the first companies in Europe to use Agentforce, Salesforce's agentic AI technology, to drive volume recruitment. This tool reduces the length of the employee recruitment process significantly, matching candidates to roles and delivering a personalised candidate experience.

This forms the first use of AI agents, artificial intelligence systems capable of autonomous decision and adaptive behaviour, across Capita. So far, we have identified over 100 agentification opportunities across the Group and this is an area which we will be expanding on and prioritising in the second half of the year.

In the Contact Centre business, our successful roll-out of the AgentSuite tool has continued, with a reduction in average call handling time of c.15% and improvement in customer satisfaction scores on all operational clients. This tool is now driving efficiencies for six clients, with roll-out planned for a further five clients.

Our Microsoft Copilot usage across the Group continues to grow and drive efficiencies, as of July 2025 we now have 260,000 interactions each month. This year we have created and launched 70 Copilot agents around specific employee needs to offer real time support and enhance productivity, including contract knowledge specific agents which are driving contract efficiencies. For example, the MyPensions Buddy agent is currently being tested by two material clients in Pensions Solutions and our BBC TV Licensing ASK Assistance is continuing to increase agents' confidence in responding to queries.

The Group's most prominent agent is AskMeAnything (AMA), a search tool that helps employees navigate its vast SharePoint estate. Using this tool, employees can ask questions to find specific policies and procedures within the SharePoint knowledge base, instead of time consuming manual searches.

We are identifying AI opportunities on our existing contracts which currently are serviced through traditional BPO methods and infrastructure, to drive efficiency and improve our contract delivery.

For example, this year we co-designed an AI-powered discount verification system for TfL's new tolling scheme on the Silvertown and Blackwall Tunnels, a tool for which we believe there are a number of other use cases across the sector. In our Local Public Service vertical, we are using the Appian AI tool to identify and recover aged debt, helping councils improve revenue collection.

As a Group we are responsible for a range of data assets and to ensure we can deliver industry leading data-driven and AI enabled solutions for our clients, we are committed to improving the Group's data management maturity against the Data Management Association (DAMA) framework. Our commitment to training, data management tools and automated data governance technology, including our improved Information Asset Register will allow us to identify, record and manage data assets more effectively.

As we drive significant change through our technology transformation we are committed to responsible and ethical AI. All AI adopted by Capita must adhere to our AI principles (inclusive, trustworthy, transparent, accountable, secure, governed and adaptive), which govern the secure, fair and ethical use of AI. Our gen AI oversight committee is ensuring human oversight of critical decisions.

Better delivery

Whilst we are moving at pace, we are ensuring we are maintaining our operational delivery to customers. In the first six months of 2025, the Group's average KPI performance was strong at 94% and consistent with the prior year. This operational delivery, combined with the increased use of technology within contracts, will enable us to increase our margins in line with our medium-term target.

Highlights from our operational delivery in the first half of the year include:

- In Capita Public Service, on the division's Primary Care Support England contract, we signed a further three-year extension this year, driven by our operational delivery and continued innovation via our PCSE Online self-service platform
- Also within our Public Service division, in May we delivered the 10th service transition which saw further expansion on our successful Royal Navy training contract. The latest service commencement saw 170 additional personnel join to fulfil training services for Marine Engineering at HMS Sultan
- In the Contact Centre business, we were able to design, build and set up a customer experience centre in two days with over 400 employees to assist a client experiencing a sudden steep increase in customer contact
- In our Contact Centre business, we are continuing to offshore roles in line with client demands to drive efficiency. Our delivery hub in South Africa has continued to successfully transition clients while seeing lower attrition rates than peers, which is allowing us to maintain customer satisfaction scores through the transition process
- In Pension Solutions so far this year, we have engaged with 1.8 million pension scheme members through our communication and engagement team

For any contracts where mobilisation delays were encountered, remediation plans were swiftly put in place to improve performance and reduce avoidable overspend.

In the Contact Centre business, we have seen continued volume reductions in the Telecommunications vertical. We expect the impact of this volume reduction to annualise in the second half of this year, and we have the opportunity to regain volumes in the future.

In June 2024, at our Capital Markets Event we outlined a number of businesses within our Manage for Value category. We continue to make progress in the businesses in this category and in December 2024, we announced the disposal of the Group's mortgage servicing business which we now expect to complete in Q3 2025. Over the next 12 months, we will be transitioning our Networks Managed Services to AWS Cloud WAN and Software Defined WAN as we continue our journey towards a fully cloud-native enterprise.

We remain in active discussions with the one remaining client to exit in our closed book Life & Pensions business. As previously announced, we have agreed transition agreements for all other clients in this business of Regulated Services and those with transition agreements will be transferred in the coming years, with volume reductions expected as these clients are transitioned. The business continues to have an expected annual cash cost to the Group of £20m.

Better efficiencies

We continue to maintain our cost consciousness across the Group. As of 30 June 2025, we have now delivered £190m of annualised savings, which will help to deliver our medium-term Group adjusted operating margin¹ target of 6 – 8%.

In some areas of the business, the phasing of the in year savings this year has been slower than previously anticipated, particularly within the Contact Centre business. We remain on track to deliver our previously announced target of £250m annualised savings by December 2025, with £205m actioned as at 31 July 2025. We continue to expect £50m this year to be reinvested into the Group as we drive growth through technology and maintain our cost competitiveness.

These savings have been achieved through the operational efficiencies and synergies gained as we improve our processes and technology and embed AI and generative AI further through the business.

Savings have also been achieved through our ongoing property rationalisation, procurement and our successful offshoring programme, particularly within Group and divisional support functions and in some areas of the Contact Centre business. As expected, we are delivering a proportion of savings through natural employee attrition, particularly in the Contact Centre business where, due to the nature of the business, we have seen historically higher levels of attrition than other areas of the Group. In June 2025, the 12 month rolling attrition in this business was 26%, compared to 15% for the rest of the Group.

In the first half of the year, we incurred £21.5m of cash cost to deliver the annualised savings. We are on track to deliver the remaining savings by December 2025 and continue to expect £55m cash costs to achieve in 2025. An element of the in-year savings this year is offsetting incremental National Insurance contributions, which we expect to have a gross £20m annualised cost to the Group.

We are reinvesting a proportion of the Group's savings to future proof the Group. Spend in the first half includes our data maturity and governance and investments in our project offerings and further enhancements to our cyber maturity.

Despite the reduction in adjusted operating margin¹ seen in the first half of the year, we are confident in delivering a full year margin improvement as cost saving actions taken in the first half of the year benefit the second half margin performance.

Better company

As part of our transformation, we've launched a culture transformation programme to build a high-performance organisation and culture. Our colleagues are at the heart of everything we do and are a critical part of the consistency of our client and customer delivery.

In the first half of the year, we have launched a refreshed set of values which were co-created with colleagues across all our geographies. The refreshed values of Customer First, Always; Fearless Innovation; Achieve Together; and Everyone is Valued will help us drive performance, enhance service delivery, and foster inclusivity. These values underpin our delivery model and are embedded through our new Colleague Playbook.

As part of our transformation journey, we are upskilling our people and our AI, Data and Technology academy continues to be an important resource on this journey. So far over 10,000 digital learning courses have been completed by employees across our geographies and we've equipped over 1,500 managers through our Manager and Leadership Academies. Our AI Academy Multiverse partnership continues to go from strength to strength. We now have 240 colleagues, across four intakes, completing apprenticeships focused on leveraging AI responsibly to drive improved business outcomes.

This year we launched the Capita 500 programme, which is a change initiative for the Group's top 500 leaders to accelerate the Group's transformation and develop our leaders to drive change at pace in all areas of the organisation.

More broadly, we are empowering our people to be change champions with refreshed communication channels, 'better bootcamps' which focus on engagement and building teams capability and Capita reactor days allowing colleagues to be a part of and help shape the transformative change across the organisation.

We are seeing the positive impact of our culture initiatives across our global workforce. In the global pulse people survey in H1, the Group's employee net promoter score improved 10 points to -23, with employee engagement maintained at 63% (2024 year-end: 64%). This is a positive indicator given some of the difficult decisions which have been made through this period of transformation.

Attrition continues to decrease with rolling 12-month attrition at the end of June at 20%, the lowest level it has been for many years. While our attrition rate has reduced, we are using natural attrition to aid delivery of our cost savings target, particularly in those areas of the business where attrition has historically been higher, such as Contact Centre where rolling 12-month attrition is currently 26%.

Total contract value and growth

In the first six months of 2025, we saw Total Contract Value (TCV) won increase 17% to £1,044.4m, with a strong performance in Capita Public Service which saw a 53% increase in TCV won, compared to the same period in 2024. In Year Revenue associated with the deals won across the Group was 3% higher, in the first six months of 2025, at £387m.

Significant wins in the first half of the year include a renewal with expanded scope with Southern Water and extensions with Gas Safety Register, Education Authority Northern Ireland and Primary Care Support England. We also secured expansions of scope with the Royal Navy, which was operationally effective in May, and a client within Pension Solutions.

The Group's book to bill in H1 2025 was 0.9x up from 0.7x in H1 2024, following a strong performance in Capita Public Service which had a book to bill rate of 1.1x, which offset the lower performance in Contact Centre and limited wins in the Regulated Services division where we are actively exploring exits.

As we continue to build a leaner organisation we are becoming more cost competitive, which we expect to have a positive impact on our win rate in the long term. In the first half of 2025, the win rate across all opportunities was 77%, up from 44% in the same period in 2024. This was driven by an increased win rate for new and expanded scopes of work which improved from 48% in H1 2024 to 77% in H1 2025.

We are building a pipeline around our innovative solutions with a higher technology underpin as we increase efficiencies and further delivery quality. As of 30 June 2025, of the total unweighted pipeline of £11.7bn, £4.4bn is from contracts which have a higher technology underpin.

In July, the Group secured a further scope expansion with Transport for London over an initial four year period. Further opportunities for the second half and into 2026 include contracts in Capita Public Service with the Ministry of Defence, the Department for Education, Department for Work & Pensions, the Department for Health and Social Care and the Home Office. In the Contact Centre business there are material opportunities with a number of clients across all geographies the division operates in.

The order book at 30 June 2025 was £4.0bn (31 December 2024: £4.2bn) with £0.8bn revenue recognised in the first half offset by £0.6bn in contract wins, scope changes and indexation.

Financial results - revenue and profit

Adjusted revenue¹ reduced 3.7% period on period to £1,154.8m (H1 2024: £1,198.6m), reflecting the impact of previously announced contracts losses, subdued volumes in the Telecommunications vertical and offshoring in the Contact Centre business. This was partially offset by growth in the Capita Public Service division from contract wins in the Central Government vertical.

Reported revenue reduced 6% to £1,159.8m in line with the above reduction and the impact of business exits.

Adjusted operating profit¹ decreased 22% to £42.6m reflecting revenue reductions in Contact Centre, reinvestment in the Group and the timing of the Group's pay award and increase in National Insurance, which more than offset the benefit from the cost reduction programme and revenue growth in Public Service.

The adjusted operating margin¹ for the Group was 3.7%, reducing from 4.5% in the same period in 2024.

Reported operating profit was £9.2m (H1 2024 profit: £43.9m) including £23.4m of costs associated with the cost reduction programme and £6.9m operating loss in respect of business exits, which includes the trading performance up to the point of being disposed and project costs.

Financial results - free cash flow and net debt

Operating cash flow excluding business exits, increased by 10% to £55.9m, driven by the timing of a cash receipt on a major contract in the Telecommunications vertical in the Contact Centre.

Free cash flow excluding business exits¹ was an outflow of £26.1m (outflow in 2024 of £52.5m), reflecting the flow through of the increase in operating cash flow excluding business exits, reduction in pension deficit contributions and the decrease in the capital element of lease rental payments, partly offset by an increase in the cash cost to deliver the cost reduction programme.

Pre-IFRS 16 net financial debt¹ was £87.0m (31 December 2024: £66.5m) reflecting the Group's free cash outflow.

Post-IFRS 16 net debt was £412.2m (31 December 2024: £415.2m). The Group's IFRS 16 lease liability continues to reduce and as at 30 June 2025 was £325.2m reflecting lease payments made in the first half of the year, and excludes a sub lease receivable of £93.6m related to the subletting of properties the Group is not utilising.

In July, the Group extended the maturity date of its Revolving Credit Facility to 31 December 2027, a 12 month extension against the existing maturity date and includes a £50m accordion option.

Full-year outlook unchanged

We expect Group adjusted revenue¹ to be flat. We now expect Capita Public Service to deliver mid single digit revenue growth, improving from our initial low to mid single digit guidance, which offsets Contact Centre where we now expect to see a mid-teen revenue reduction.

In Pension Solutions we expect a mid single digit revenue increase and a decline in Regulated Services as we hand-back contracts.

We expect a modest improvement in year on year adjusted operating margin for the Group as a whole, with an improvement in the second half of the year from the Group's cost saving programme and the expectation of continued revenue growth in Capita Public Service.

We continue to expect to deliver positive free cash flow before business exits from the end of 2025 with a total outflow of £45 - £65m, including a £55m cost to achieve associated with the cost reduction programme.

1. Refer to alternative performance measures in the appendix

2. Gartner

Divisional performance review

The following divisional financial performance is presented on an adjusted revenue¹ and adjusted operating profit¹ 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 Services³ (SITS) and business process services³ (BPS) to the UK Government.

The division is structured around three market verticals: Local Public Service; Defence & National Preparedness (including Learning); and Central Government, delivering to their respective client groups.

Markets and growth drivers

Digital BPS is an area of fast growth with more traditional, less technology enabled services, currently shrinking, given the Government's consistent announcements on using AI to make government processes more efficient.

The division's deep sector process and domain expertise, alongside our hyperscaler partnership strategy, means Capita Public Service is well placed to deliver more effective and efficient public services.

The division is adopting and implementing AI with a pragmatic and outcome led model to deliver a number of the Government's priorities on a large scale, for example getting defence recruits to the frontline faster, digitising medical assessment for the Department for Work & Pensions and delivering efficient local government services.

Operational performance and better technology

So far this year, we have maintained our operational delivery with an average KPI performance of 94%, consistent with the performance in the prior year.

Our strong operational performance and continued innovation via our Primary Care Support England (PCSE) Online self-service platform drove a further three year extension on our PCSE contract with NHS England, with the first 18 month period valued at £83m.

On our Standards and Testing Agency contract, we supported 660,000 pupils across England performing their SATs exams, printing, distributing and marking over 3.7 million exam papers.

Elsewhere, in the first six months of 2025, Capita Public Service has seen an increase in contracts delivered with a high level of technology underpin.

On our contract with Transport for London this year, to support the opening of the Silvertown Tunnel scheme, we introduced an AI-powered discount verification automating 29 fraud checks. This tool has increased the accuracy of the discount verification while significantly improving the review time of applications. We have identified a number of further possible use cases for this tool across the sector.

In Local Public Service, our Appian aged debt tool is continuing to assist councils collecting aged council tax debt. We are expanding its use to additional Local Councils with a further 27 Councils exploring the opportunity to utilise this tool in the second half of the year. We are exploring the use of this tool for other areas of aged Local Council debt such as housing debt.

On the two contracts where we had encountered operational challenges, one of these contracts went live at the end of 2024 and we have seen continued operational improvements across the first half of the year. The remaining contract transformation has been paused while we agree an appropriate outcome with the client.

Growth

In H1 2025, Public Service won contracts with a TCV of £796.4m, up 53% from the same period in 2024. Material wins included renewals with Education Authority Northern Ireland, Gas Safety Register and with NHS England on our Primary Care Support England contract. The division also secured a further expansion of scope on its' successful Royal Navy training contract. The division's book to bill was strong at 1.1x, up from 0.8x in H1 2024.

Pleasingly, as we continue to build our cost competitiveness, our bid margin on all successful bids this year has either met or exceeded the divisional margin target. The division's win rate across all opportunities was 81%, up from 39% in H1 2024, with a significant improvement in the win rate for new and expanded scopes of work which increased to 88% from 28%.

Alongside our focus on targeted large opportunities, we have aimed to improve our win rate on mid-sized deals with a TCV between £5-£50m, where historically the division's win rate has been lower, as we build a more sustainable and predictable growth model with a more disciplined and repeatable approach to deal conversion.

We are therefore very encouraged to have seen a significant improvement in wins of this size this year, delivering over £100m of TCV for the division in the first half of the year, with clients including a competitive re-bid with Bexley Council and a new logo win with a client delivering training at the Fire Service College.

As we move into the second half of the year and into 2026 there are a number of new scope opportunities and renewals within the pipeline, both in mid-sized and larger deals in each vertical in which the division operates, including with the Ministry of Defence and the Home Office. The division's total unweighted pipeline stands at £9.3bn, up from £8.2bn at the end of December 2024.

The divisional order book stands at £2,769m, a decrease of £155m from the year end, reflecting the revenue recognised in the period which more than offset wins in the period.

Divisional financial summary	2025	2024	% change
Adjusted revenue ¹ (£m)	711.8	685.6	3.8%
Adjusted operating profit ¹ (£m)	57.2	47.4	20.7%
Adjusted operating margin ¹ (%)	8.0%	6.9%	
Adjusted EBITDA ¹ (£m)	72.3	66.9	8.1%
Operating cash flow excluding business exits ¹ (£m)	52.2	49.2	6.1%
Order book (£m) (comparative at 31 December 2024)	2,768.6	2,923.4	(5.3)%
Total contract value secured (£m)*	796.4	519.1	53.4%

* The comparative has been represented for the impact of business exits announced since 30 June 2024.

Adjusted revenue¹ grew 3.8% to £711.8m. The division saw the positive impact from wins including the Health Assessment Advisory Service and Disabled Students Allowance contracts and the benefit from the continued expansion of the Royal Navy training contract and a further extension with Primary Care Support England. This more than offset the impact of prior year losses in the Local Public Service vertical and the Electronic Monitoring Services contract.

Adjusted operating profit¹ increased 20.7% to £57.2m, as the division benefitted from the impact of revenue growth and significant savings from the cost reduction programme, which was offset by timing from the Group's pay award, the impact from the increase in National Insurance Contributions and the continued reinvestment in technology offerings.

Operating cash flow excluding business exits¹ increased by 6.1% to £52.2m, reflecting the flow through of improved operating profit on EBITDA.

Outlook

Reflecting the strong performance in the first half of the year, we now expect Capita Public Service to deliver mid-single digit revenue growth in 2025, compared to 2024.

We expect a year on year improvement in adjusted operating margin¹, driven by the division's revenue growth and cost reduction programme.

Capita Experience

Capita Experience comprises two focused business areas; the Contact Centre business and Capita Pension Solutions and a selection of businesses under Regulated Services, including closed book Life & Pensions, which are being managed for value.

1. Contact Centre

Contact Centre is one of Europe's leading⁴ customer experience businesses with a top three⁴ market share across EMEA, managing millions of interactions, with customers in the UK, Ireland, Germany and Switzerland and services delivered across these geographies and also in India, South Africa, Poland and Bulgaria.

The division is structured around the market sectors it serves: Financial Services; Telecommunications, Media & Technology; Energy & Utilities; and Retail.

Markets and growth drivers

The customer experience market is evolving rapidly. AI and automation are elevating what is possible, driving demand for a personalised omnichannel service which can be delivered 24/7. Consumer expectations continue to rise, making customer experience a differentiator for businesses.

Alongside digitally led services, customers in this market are demanding a flexible service model spanning onshore, nearshore and offshore operations anchored around the human in the loop philosophy combining cutting edge technology and the human element; to provide empathy and trust.

The pursuit of better customer experience will continue to drive innovation, and AI will play an ever-growing role, but with the foundations of understanding and serving the customer.

Operational performance and better technology

In 2024, we launched AgentSuite which continues to drive significant productivity benefits alongside improved customer satisfaction scores. We now have six clients utilising AgentSuite with five further clients in the implementation phase. Based on the success of AgentSuite, we are developing a sales module which will be integrated into AgentSuite and will allow a more efficient and effective sales process, where applicable.

In H1 we expanded the deployment of Central into our Switzerland operations driving improvements in operational efficiency and customer service including 25% resource savings. The platform enables real-time coaching, gamified KPIs, and AI-powered feedback, enhancing advisor engagement and freeing up managerial capacity.

Last year, the division launched nine customer service bundles that offer repeatable, modular and scalable solutions that can be easily tailored to client needs and allow more efficient and effective delivery. Following a specific marketing drive and campaign for our offerings with potential Tier 1 and Tier 2 clients in this vertical, this year we have seen an increase in pipeline origination for retail clients. This is providing a more diversified pipeline of opportunities which historically has been more focused on the Telecommunications, Media & Technology vertical.

As we build our cost efficiency and reduce our cost to deliver, we are growing our near and offshore capabilities which offer lower cost solutions to clients, while maintaining high quality. Following the successful offshoring of a number of support areas, we have seen a number of clients offshore elements of their operations this year, particularly in the Utility sector. While we are making progress on delivery of the divisional cost savings, there has been some phasing impact this year with savings in the first half being achieved at a slower rate than anticipated which, alongside the division's revenue performance, has impacted the operating profit performance in the first half of 2025.

This year, we have seen continued volume reductions in the Telecoms business, the impact of which we expect to annualise in H2 2025, and we have the opportunity to regain volumes in the future.

Growth performance and key wins

In the first six months of 2025, the Contact Centre business won deals with a TCV of £172.0m, down 48% from the same period in 2024, reflecting reduced bidding activity in the division in 2025. The book to bill for Contact Centre was 0.6x, down from 0.9x in the first six months of 2024. There were material wins with Southern Water, with a TCV of £92m, with whom we expanded our existing scope alongside a five-year renewal and two further clients within the utilities vertical.

The division saw a slight decrease in win rate across all opportunities to 63%, down from 67% in H1 2024. There is significant scope to increase the win rate for new and expanded scopes of work where the division saw a win rate of 21% in the first six months of 2025.

The unweighted pipeline for the division stood at £1.8bn at 30 June 2025, down from £2.3bn at 31 December 2024, reflecting bids in the period which have not yet been replenished within the pipeline. There has been an increase in our retail and retail banking unweighted pipeline following our successful retail bundle launch in 2024.

There are material opportunities in the second half across all of the geographies in which the division operates, including in the Telecommunications, Media & Technology and Financial Services vertical. Given the reduction in pipeline, we recognise work is required to rebuild the pipeline in the second half of the year.

The divisional order book stands at £625m, representing a small decrease of £20m from £645m at 31 December 2024.

Divisional financial summary	2025	2024	% change
Adjusted revenue ¹ (£m)	277.4	346.2	(19.9)%
Adjusted operating profit ¹ (£m)	(11.4)	1.1	n/a
Adjusted operating margin ¹ (%)	(4.1)%	0.3%	
Adjusted EBITDA ¹ (£m)	4.8	21.4	(77.6)%
Operating cash flow excluding business exits ¹ (£m)	21.4	13.3	60.9%
Order book (£m) (comparative at 31 December 2024)	624.6	644.6	(3.1)%
Total contract value secured (£m)	172.0	328.5	(47.6)%

Adjusted revenue¹ reduced by 19.9% to £277.4m, as we saw the impact the from annualisation of volume reductions in the Telecommunications vertical, previously announced contract losses, volume reductions and the impact of offshoring on some clients.

The division's adjusted operating loss¹ was £11.4m reflecting the flow through of the revenue reduction noted above which was partially offset by the cost reduction programme where we saw some slower than expect phasing. The division also saw the negative impact from the timing of the Group's pay award, increased National Insurance Contributions partially offset by the benefit of indexation.

Operating cash flow excluding business exits¹ increased by 60.9% to £21.4m reflecting the timing of cash receipts on two major contracts in the division.

Outlook

Due to the continued reduction in volumes in the Telecommunications vertical, impact of contract losses which have not been offset by wins and the impact of off-shoring on some contracts, we expect a mid-teen revenue reduction in the division in 2025.

Reflecting the revenue headwinds faced in the division, we now expect a year on year reduction in adjusted operating profit¹.

2. 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 6 million scheme members a year.

Pension Solutions also provides consulting services including actuarial and data services to its clients via its 500 expert pension consultants, which accounts for around one-third of its revenue.

Markets and growth drivers

The pensions industry continues to move towards an end-to-end digital experience with users looking for a seamless experience with increased automation and self-service options to allow a 24/7 service offering.

Our Capita Digital Pensions Solutions tool will provide a step forward for the digitisation of the division's operations. This digital tool utilises the Pensions Solutions' existing infrastructure and Microsoft Dynamics. When this tool is fully operational this will benefit clients, providing them even higher levels of operational resilience, increased engagement and an ability to reach underrepresented scheme members. For members the tool will allow for an enhanced digital experience with increased knowledge and flexible money management.

We expect the Digital Pensions Solutions tool will increase member satisfaction and loyalty, providing Pension Solutions with a higher level of differentiation in a competitive market and data insights to inform our future services and products.

We expect this tool to go live in late 2025 with a number of key clients, including the Civil Service Pensions Scheme which is due to transition in December 2025, with further roll out and development in 2026.

Operational performance and better technology

So far this year, the division has engaged with over 1.8 million pension scheme members through the communication and engagement team. KPI performance continues to be strong at 95%, consistent with the same period in 2024.

The division's digital pensions tool is modernising how pensions are managed and this year we have seen a further 200% increase in member engagement through digital channels as we continue the transition for all clients to paperless communications. This will reduce costs to deliver and improve efficiency of communications.

We are improving our cost efficiency with our global delivery model and this year we have increased our offshoring presence in a number of support roles. As we look to the second half of the year, this is an area we are looking to expand on.

Elsewhere, technology is driving efficiencies and a better service as we improve internal AI capabilities. Within the division we have fourteen agents in development, including MyPensionsBuddy which is currently being tested with two clients.

Growth performance and key wins

In the six months to 30 June 2025, the division secured contracts with a TCV of £75.3m, up from £40.0m in the same period in 2024. The division saw an improved win rate across all opportunities at 94%, compared to 61% in the first half of 2024.

Material wins in the first half of the year included a renewal with an expansion of scope worth £37m for the UK arm of a global company and renewals with the Scottish & Newcastle Pension Plan and the Severn Trent Pension Scheme. The division's book to bill was 0.9x up from 0.5x in H1 2024.

The unweighted pipeline for the division at 30 June 2025 was £661m down from £689m at the end of 2024 reflecting the wins in the first half of the year which were not fully replenished in the pipeline.

The order book at 30 June 2025 was £467.8m, an increase from £441.3m at 31 December 2024, as wins more than offset the revenue recognised in the first half.

Divisional financial summary	2025	2024	% change
Adjusted revenue ¹ (£m)	86.1	86.4	(0.3)%
Adjusted operating profit ¹ (£m)	9.7	11.4	(14.9)%
Adjusted operating margin ¹ (%)	11.3%	13.2%	
Adjusted EBITDA ¹ (£m)	13.3	15.1	(11.9)%
Operating cash flow excluding business exits ¹ (£m)	9.3	22.3	(58.3)%
Order book (£m) (comparative at 31 December 2024)	467.8	441.3	6.0%
Total contract value secured (£m)	75.3	40.0	88.3%

Adjusted revenue¹ reduced 0.3% to £86.1m, broadly flat with the prior year.

Adjusted operating profit¹ decreased 14.9% to £9.7m due to the impact from the reduction in interest rates which more than offset the impact from the cost reduction programme.

Operating cash flow excluding business exits¹ was an inflow of £9.3m reducing from £22.3m in the first half of 2024, reflecting the mobilisation and upfront implementation costs on Civil Service Pension Scheme contract.

Outlook

We expect the division to deliver mid-single digit revenue growth in 2025, driven by growth with our existing clients with margin across the year stable compared to the prior year.

3. Regulated Services

Regulated Services includes a number of 'manage for value' businesses where we are exploring exits.

The largest of the non-core businesses, is the closed book Life & Pensions business, for which we are making good progress exiting, with just one client remaining and hand back transitions agreed for all other clients, over the coming years. We expect to see continued revenue reductions in future years, as these contracts are transitioned. We are actively engaged with the remaining client to exit this area. The division is forecast to have an annual cash cost to the Group of around £20m per annum in future years.

In the first half of the year, we agreed the termination of a contract within the Mortgage Software business. This contract will be handed back in the coming months and as a result of the termination we received a one-off £6m termination payment.

Divisional financial summary	2025	2024	% change
Adjusted revenue ¹ (£m)	79.5	80.4	(1.1)%
Adjusted operating profit ¹ (£m)	2.5	12.6	(80.2)%
Adjusted operating margin ¹ (%)	3.1%	15.7%	
Adjusted EBITDA ¹ (£m)	4.5	15.9	(71.7)%
Operating cash flow excluding business exits ¹ (£m)	(8.1)	(9.5)	14.7%
Order book (£m) (comparative at 31 December 2024)	170.9	231.4	(26.1)%
Total contract value secured (£m)	0.7	4.3	(83.7)%

Adjusted revenue¹ reduced 1.1% to £79.5m reflecting the one-off benefit from Mortgage Software contract termination, which resulted in a £13m deferred income release and recognition of a £6m termination payment which partially offset continued revenue decline from contract hand backs within closed book Life & Pensions.

Adjusted operating profit¹ decreased 80.2% to £2.5m following the non-repeat of a £10m one-off benefit in the prior year. The division benefited from the one-off revenue benefits noted above, offset by a £12m contract fulfilment asset impairment associated with the Mortgage Service contract termination and impact of contract hand backs within closed book Life & Pensions.

Operating cash flow excluding business exits¹ was an outflow of £8.1m an improvement from the prior year reflecting the termination fee received in the first half of the year offset by the impact of contract hand backs in closed book Life & Pensions.

Outlook

We continue to expect an adjusted revenue¹ reduction in Regulated Services in 2025 as we hand back contracts in line with previously agreed transition agreements.

Reflecting the divisions revenue reduction, we expect a reduction in the divisions adjusted operating margin¹.

1. Refer to alternative performance measures in the appendix

2. Gartner

3. TechMarketView

4. NelsonHall

Chief Financial Officer's review

Financial highlights

	Reported results			Adjusted ¹ results		
	30 June 2025	30 June 2024	POP change	30 June 2025	30 June 2024	POP change
Revenue	£1,159.8m	£1,237.3m	(6)%	£1,154.8m	£1,198.6m	(4)%
Operating profit	£9.2m	£43.9m	(79)%	£42.6m	£54.5m	(22)%
Operating margin ²	0.8%	3.5%	(270)bps	3.7%	4.5%	(80)bps
EBITDA ²	£47.0m	£101.7m	(54)%	£80.2m	£102.4m	(22)%
(Loss)/profit before tax	£(9.5)m	£60.0m	n/a	£22.6m	£31.9m	(29)%
Basic (loss)/earnings per share ³	(6.62)p	47.09p	n/a	21.63p	33.06p	(35)%
Operating cash flow ²	£51.2m	£73.5m	(30)%	£55.9m	£50.8m	10%
Free cash flow ²	£(30.7)m	£(44.6)m	31%	£(26.1)m	£(52.5)m	50%
Net debt ²	£(412.2)m	£(521.9)m	21%			
Net financial debt (pre-IFRS 16)				£(87.0)m	£(166.4)m	48%

1. Capita reports results on an adjusted basis to aid understanding of business performance (refer to alternative performance measures in the appendix). Adjusted operating cash flow and free cash flow exclude the impact of business exits (refer to note 9).

2. Operating margin, EBITDA, operating cash flow, free cash flow and net debt as presented under reported results are sub-totals or are derived from the reported results but are not defined in IFRS and are therefore also alternative performance measures (refer to alternative performance measures in the appendix). They are presented to enable comparability to the Group's adjusted equivalent of each metric presented in the financial highlights table.

3. 2024 comparatives have been re-presented from those previously published to reflect the 1 for 15 share consolidation undertaken in April 2025 (refer to notes 7 and 13).

Overview

Adjusted revenue¹ reduction of 4% mainly reflected previously announced contract hand-backs and losses, and the impact of the expected subdued volumes in the Telecommunications vertical in the Contact Centre business.

Public Service revenue growth benefitted from the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract, the extension of the Primary Care Support England contract, and the continued expanded scope on the Royal Navy training contract, partially offset by the flow through of contracts lost in previous years, including in Local Public Service and Electronic Monitoring Service, and lower volumes in the Learning business. In Experience, the revenue reduction in the Contact Centre business is the result of previously announced contract losses and subdued volumes within the Telecommunications vertical, and other volume reductions including the impact of working with our customers to drive volumes to our nearshore and offshore delivery centres. Revenue in the Pension Solutions business is broadly in-line with the prior period. Revenue reduction in the Regulated Services business reflects previously announced contract exits and additional in-year losses, partially offset by a £19m one-off benefit from a contract exit in the Mortgage Software business.

The reduction in adjusted operating profit¹ reflected the impact of the revenue trends noted above, investment in the business, timing of the pay award and the increase in National Insurance, offset by the benefit from the ongoing cost reduction programme.

Adjusted earnings per share¹ reduced reflecting the decrease in adjusted profit before tax¹, offset by a lower adjusted income tax credit of £2.1m (2024: credit £5.2m).

The reported operating profit of £9.2m reflects the reduction in adjusted operating profit¹ detailed above, and an increase in costs to deliver the significant cost reduction programme (2025: £23.4m; 2024: £8.2m).

The reported loss before tax of £9.5m (2024: profit £60.0m), reflects the reduction in reported operating profit detailed above, and the disposal of Fera in January 2024.

The reported loss per share reflected the reduction in profit before tax partly offset by the income tax credit in the current period compared to an income tax charge in the six months ended 30 June 2024. The reported tax credit reflects the decrease in the recognised deferred tax asset in the prior period due to the impact of business disposals.

Operating cash flow excluding business exits¹ increased by 10% to £55.9m, driven by timing of cash receipts on two major contracts within the Contact Centre business.

Free cash flow excluding business exits¹ in the six months ended 30 June 2025 was an outflow of £26.1m (2024: outflow £52.5m), reflecting the flow through of the increase in operating cash flow excluding business exits¹, reduction in pension deficit contributions, the inflow in relation to the 2023 cyber incident reflecting insurance received in the period, and the decrease in the capital element of lease rental payments, partly offset by an increase in the cash outflow from the costs to deliver the cost reduction programme.

The improvement in free cash flow¹ reflects the above increase in free cash flow excluding business exits¹, and the reduction in pension deficit contributions triggered by disposals, offset by the movement from a cash inflow from business exits to a cash outflow.

In November 2023, we implemented a multi-year cost reduction programme to deliver savings of £60m by Q1 2024. The programme was extended in March 2024, to deliver further savings of £100m by mid-2025, and in December 2024, the cost reduction target increased to up to £250m by the end of 2025. At 30 June 2025, we have delivered £190m of annualised savings and are on track to deliver the cost reduction programme by December 2025.

Liquidity as at 30 June 2025 was £383.7m, made up of £250.0m of undrawn committed revolving credit facility (RCF) and £133.7m of unrestricted cash and cash equivalents net of overdrafts. In July 2025, we extended the maturity of the RCF by 12 months to 31 December 2027. The available facility remains at £250m. The RCF was undrawn at 30 June 2025 (31 December 2024: undrawn). The reduction in net debt and net financial debt (pre-IFRS 16)¹ since 30 June 2024 reflects the benefit from the Capita One disposal proceeds received in the second half of 2024.

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 2024 comparatives have been re-presented to exclude business exits in the second half of 2024 and the first six months of 2025. As at 30 June 2025, the following businesses met this threshold and were classified as business exits and therefore excluded from adjusted results in both 2025 and 2024: Fera, Capita One, mortgage servicing business, Capita Scaling Partner, and a small business from Capita Public Service.

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

Adjusted revenue

Adjusted revenue ¹ bridge by division	Capita Experience				Total £m
	Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	
Six months ended 30 June 2024	685.6	346.2	86.4	80.4	1,198.6
Net increase/(reduction)	26.2	(68.8)	(0.3)	(0.9)	(43.8)
Six months ended 30 June 2025	711.8	277.4	86.1	79.5	1,154.8

Adjusted revenue¹ reduced 4% and was impacted by the following:

- **Public Service (3.8% growth):** benefit of the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract, the extension of the Primary Care Support England contract, and continued expanded scope on the Royal Navy training contract, partially offset by the flow through of contracts lost in previous years, including in Local Public Service and Electronic Monitoring Service, and lower volumes in the Learning business;
- **Experience:**
 - **Contact Centre (19.9% reduction):** previously announced contract losses, the expected annualised impact of the subdued volumes within the Telecommunications vertical, and other volume reductions including the impact of working with our customers to drive volumes to our nearshore and offshore delivery centres, which reduces revenue while becoming more efficient and competitive;
 - **Pension Solutions (0.3% reduction):** broadly in-line with the prior period; and
 - **Regulated Services (1.1% reduction):** previously announced contract exits and additional in-year losses, partially offset by a £19m one-off benefit from a contract exit in the Mortgage Software business.

Order book

The Group's consolidated order book was £4,031.9m at 30 June 2025 (31 December 2024: £4,240.7m). Additions from contract wins, scope changes and indexations in 2025 (£658.1m), including renewals with the Education Authority Northern Ireland, Primary Care Support England, and expanded scope on our Royal Navy Training contract within Capita Public Service, were offset by the reduction from revenue recognised in the period (£840.5m), and contract terminations (£26.4m).

Adjusted operating profit

Adjusted operating profit ¹ bridge by division	Capita Experience				Capita plc £m	Total £m
	Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m		
Six months ended 30 June 2024	47.4	1.1	11.4	12.6	(18.0)	54.5
Net growth/(reduction)	9.8	(12.5)	(1.7)	(10.1)	2.6	(11.9)
Six months ended 30 June 2025	57.2	(11.4)	9.7	2.5	(15.4)	42.6

Adjusted operating profit¹ decreased in the six months ended 30 June 2025 driven by the following:

- **Public Service:** flow through of higher revenue partially offset by the timing of pay awards and £3m impact of the National Insurance increase, and significant savings from the cost reduction programme, partially offset by continued reinvestment in technology offerings;
- **Experience:**
 - **Contact Centre:** flow through of revenue decline and lower volumes within the Telecommunications vertical, the impact of net losses and volume reductions, including initial costs of offshoring and the National Insurance increase, partially offset by savings from the cost reduction programme;
 - **Pension Solutions:** lower interest rate partly offset by the benefit from cost savings;
 - **Regulated Services:** flow through of contract exits, partially offset by £6m benefit from termination fee received from the contract exit in the Mortgage Software business; and
- **Capita plc:** benefits from the cost reduction programme.

Adjusted profit before tax

Adjusted profit before tax¹ reduced to £22.6m (2024: £31.9m), reflecting the above decrease in adjusted operating profit, partially offset by a reduction in net finance costs included within adjusted profit (2025: £20.0m; 2024: £22.6m).

Adjusted tax credit

The adjusted income tax credit for the period was £2.1m and is lower than the comparative period (credit of £5.2m) primarily as a result of a smaller increase in the deferred tax asset.

Operating cash flow excluding business exits¹

Operating cash flow excluding business exits ¹ by division	Capita Experience				Capita plc £m	Total £m
	Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m		
Six months ended 30 June 2024	49.2	13.3	22.3	(9.5)	(24.5)	50.8
Net growth/(reduction)	3.0	8.1	(13.0)	1.4	5.6	5.1
Six months ended 30 June 2025	52.2	21.4	9.3	(8.1)	(18.9)	55.9
<i>Operating cash conversion¹ six months ended 30 June 2024</i>	73.5 %	62.1 %	147.7 %	(59.7)%	145.0 %	49.6 %
<i>Operating cash conversion¹ six months ended 30 June 2025</i>	72.2 %	445.8 %	69.9 %	(180.0)%	128.6 %	69.7 %

Operating cash flow excluding business exits¹ and operating cash flow conversion¹ increased in 2025 driven by the following:

- **Public Service:** flow through of the improved operating profit;
- **Experience:**
 - **Contact Centre:** the timing of cash receipts on two major contracts;
 - **Pension Solutions:** mobilisation and upfront implementation costs for digital investment on the contract with the Civil Service Pension Scheme;
 - **Regulated Services:** termination fee received from the contract exit in our Mortgage Software business; and
- **Capita plc:** benefit from the cost reduction programme and the timing of supplier payments.

Cash generated from operations and free cash flow

Adjusted operating profit to free cash flow excluding business exits ¹	30 June 2025 £m	30 June 2024 £m
Adjusted operating profit¹	42.6	54.5
Add: depreciation/amortisation and impairment of property, plant and equipment, right-of-use assets and intangible assets	37.6	47.9
Adjusted EBITDA¹	80.2	102.4
Working capital	(11.8)	(31.2)
Non-cash and other adjustments	(12.5)	(20.4)
Operating cash flow excluding business exits¹	55.9	50.8
Adjusted operating cash conversion¹	70%	50%
Pension deficit contributions	—	(6.3)
Cyber incident	1.1	(6.4)
Cost reduction programme	(21.5)	(19.7)
Cash generated from operations excluding business exits¹	35.5	18.4
Net capital expenditure	(15.2)	(21.2)
Interest/tax paid	(22.8)	(22.6)
Net capital lease payments	(23.6)	(27.1)
Free cash flow excluding business exits¹	(26.1)	(52.5)

The working capital improvement is principally driven by a higher net inflow from deferred income and contract fulfilment assets, reflecting the timing of cash receipts on two major contracts, and the non-recurrence of several one-off deferred income releases in the comparative period, both within the Contact Centre business. Non-cash and other adjustments includes movement in provisions, and amendments and early termination of leases.

Cash generated from operations excluding business exits¹ reflects the above and the direct cash inflow of the cyber incident in the first half of 2023 (£1.1m) and the cash costs of delivering the cost reduction programme (£21.5m).

Free cash flow excluding business exits¹ for the six months ended 30 June 2025 was an outflow of £26.1m (2024: outflow £52.5m), reflecting the flow through of the increase in cash generated from operations, lower capital investment, and lower net capital lease payments as we continue to reduce the Group's leased property estate.

Reported results

Adjusted to reported profit

As noted above, to aid understanding of our underlying performance, adjusted operating profit¹ and adjusted profit before tax¹ exclude a number of specific items, including the amortisation and impairment of acquired intangibles and goodwill, the impact of business exits and the impact of the cyber incident and cost reduction programme.

Adjusted¹ to reported results bridge

	Operating profit/(loss)		Profit/(loss) before tax	
	30 June 2025 £m	30 June 2024 £m	30 June 2025 £m	30 June 2024 £m
Adjusted¹	42.6	54.5	22.6	31.9
Amortisation and impairment of acquired intangibles	(0.1)	(0.1)	(0.1)	(0.1)
Net finance income/(expense)	—	—	1.7	(0.4)
Business exits	(6.9)	(2.7)	(7.3)	36.4
Cyber incident	(3.0)	0.4	(3.0)	0.4
Cost reduction programme	(23.4)	(8.2)	(23.4)	(8.2)
Reported	9.2	43.9	(9.5)	60.0

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 2024 comparatives have been re-presented to exclude businesses classified as business exits from 1 July 2024 to 30 June 2025.

At 30 June 2025 business exits primarily comprised the Group's mortgage servicing business, which met the threshold as to be held-for-sale at 31 December 2024 and 30 June 2025, and corporate venture business, Capita Scaling Partner.

Cyber incident

A charge of £3.0m has been recognised in the six months ended 30 June 2025 in relation to the March 2023 cyber incident, which is net of insurance receipts (30 June 2024: gain of £0.4m).

Cost reduction programme

The Group initiated a multi-year cost reduction programme in November 2023 to deliver savings of £60m by Q1 2024. The programme was extended in March 2024 and in December 2024, owing to the progress made ahead of schedule and £140m of annualised savings already delivered. With increased confidence in the level of efficiencies that could be delivered, the cost reduction target was increased to £250m by the end of 2025.

A charge of £23.4m has been recognised in the six months ended 30 June 2025 for the costs to deliver the cost reduction programme. This includes redundancy and other costs of £21.1m (30 June 2024: £11.0m) to deliver a significant reduction in headcount and a charge of £2.3m arising from the rationalisation of the Group's property estate (30 June 2024: net credit £2.8m reflecting the successful exit of a number of properties which had been provided for in the prior periods). The cumulative cost recognised since the commencement of the cost reduction programme is £105.7m (30 June 2024: £62.6m). The cash outflow in the first half of 2025 in respect of the cost reduction programme was £21.5m, and the cost reduction initiatives are expected to result in cash costs in the whole of 2025 of an estimated £55m.

Further detail of the specific items charged in arriving at reported operating profit and profit before tax for 2025 is provided in note 4 to the condensed consolidated financial statements.

Reported tax credit

The reported income tax credit for the period of £2.1m (six months ended 30 June 2024: charge of £7.1m) is the same as the adjusted tax credit as the items excluded from adjusted profit before tax¹ in the period increase the unrecognised deferred tax asset and therefore have no tax impact. The prior period charge is higher reflecting a decrease in the recognised deferred tax asset due to the impact of business disposals.

Free cash flow¹ to free cash flow excluding business exits¹

	30 June 2025 £m	30 June 2024 £m
Free cash flow¹	(30.7)	(44.6)
Business exits	4.6	(22.4)
Pension deficit contributions triggered by disposals	—	14.5
Free cash flow excluding business exits¹	(26.1)	(52.5)

Free cash flow¹ was lower than free cash flow excluding business exits¹ reflecting the free cash outflows from business exits.

Movements in net debt

Net debt at 30 June 2025 was £412.2m (31 December 2024: £415.2m). The decrease in net debt over the six months ended 30 June 2025 reflects the free cash outflow noted above, offset by the continued reduction in the Group's leased property estate.

Net debt does not include finance lease receivables, which at 30 June 2025 were £93.6m (31 December 2024: £95.7m) reflecting the successful sub-letting of property the Group is not using.

Net debt	30 June 2025 £m	31 December 2024 £m
Opening net debt	(415.2)	(545.5)
Cash movement in net debt	5.6	197.4
Non-cash movements	(2.6)	(67.1)
Closing net debt	(412.2)	(415.2)
Remove closing IFRS 16 impact	325.2	348.7
Net financial debt (pre-IFRS 16)	(87.0)	(66.5)
Cash and cash equivalents net of overdrafts	179.6	191.4
Financial debt net of swaps	(266.6)	(257.9)
Net financial debt/adjusted EBITDA¹ (both pre-IFRS 16)	0.8x	0.5x
Net debt (post-IFRS 16)/adjusted EBITDA¹	2.6x	2.3x

Net financial debt (pre-IFRS 16) increased by £20.5m to £87.0m at 30 June 2025, resulting in a net financial debt to adjusted EBITDA (both pre-IFRS 16) ratio of 0.8x. Over the medium term, the Group is targeting a net financial debt to adjusted EBITDA¹ (both pre-IFRS 16) ratio of ≤1.0x. The Group was compliant with all debt covenants at 30 June 2025.

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 liquidity¹	30 June 2025 £m	31 December 2024 £m
Revolving credit facility (RCF)	250.0	250.0
Less: drawing on committed facilities	—	—
Undrawn committed facilities	250.0	250.0
Cash and cash equivalents net of overdrafts	179.6	191.4
Less: restricted cash	(45.9)	(44.2)
Available liquidity¹	383.7	397.2

In July 2025, the Group extended the maturity of the RCF by 12 months to 31 December 2027. The available facility remains at £250m. The RCF was undrawn at 30 June 2025 (31 December 2024: undrawn).

In addition, the Group has in place non-recourse trade receivable financing, utilisation of which has become economically more favourable than drawing under the RCF as prevailing interest rates have increased. As such, the Group has continued its use of the facility across the year with the value of invoices sold under the facility at 30 June 2025 of £19.4m (31 December 2024: £23.4m).

In March 2025, the Group issued £94.2m equivalent of US private placement loan notes across three tranches: £50m maturing 24 April 2028, USD13m maturing 24 April 2028 and USD43m maturing 24 April 2030, with an average interest rate of 7.4%. The notes rank pari passu with the existing indebtedness of the Group and include financial covenants at the same level as those under the RCF and existing US private placement loan notes.

At 30 June 2025, the Group had £179.6m (31 December 2024: £191.4m) of cash and cash equivalents net of overdrafts, and £263.9m (31 December 2024: £269.3m) 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. The Group continues to adopt the going concern basis in preparing these condensed consolidated financial statements as set out 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. 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 as part of the 31 March 2020 actuarial valuation. These committed deficit contributions were satisfied by the end of June 2024.

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 2025 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 2025) was approximately £82m (31 December 2024: net asset £81.0m) on a technical provisions basis. The Trustee of the HPS has also agreed a secondary more prudent funding target to enable it to reduce the reliance the HPS has on the covenant of the Group. On this basis, at 30 June 2025, the funding level was broadly fully funded.

The net defined benefit pension position of all reported defined benefit schemes for accounting purposes decreased from a surplus of £37.9m at 31 December 2024 to a surplus of £34.6m at 30 June 2025. The main reasons for this movement are the slight increase in the discount rate (driven by an increase in corporate bond yields) in conjunction with a slight decrease 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 £178.2m at 30 June 2025 (31 December 2024: net assets £195.7m).

The decrease predominantly reflects the loss arising on cash flow hedges recognised directly in other comprehensive income in the six months ended 30 June 2025. The loss reflects the weakening of the USD against GBP since 31 December 2024.

Following shareholder approval at the Company's 2025 Annual General Meeting held on 28 April 2025, the parent company ("the Company") completed a share consolidation at a ratio of 15 for 1, whereby every 15 ordinary shares of 2 1/15 pence were consolidated into one ordinary share of 31 pence. The Board believe that consolidation of the Company's ordinary shares will improve marketability of its shares to investors.

Also, following shareholder approval at the 2025 AGM and subsequent sanctioning by the High Court of England and Wales, the Company completed the cancellation of its share premium account, with the balance of £1,145.5m credited to retained earnings. The capital reduction optimises the structure of the balance sheet and increase the Company's distributable reserves.

1. Refer to alternative performance measures in the appendix

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" 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. 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 68 to 74 of the 2024 Annual Report and Accounts, which is available on the Group's website at www.capita.co.uk – Capita-2024-Annual-Report.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 2024 Annual Report and Accounts remain materially the same for the remaining half of the financial year. The risks to the Group of both 'Artificial Intelligence' and 'Failure of Third Party Suppliers' are being assessed and will be considered by EREC during the second half of 2025. The principal risk profile is shown below.

Risk title		Risk description
1	Deliver profitable growth	Attract new customers and retain existing customers on appropriate commercial terms.
2	Contract performance	Deliver services to customers in accordance with contractual and legal obligations.
3	Innovation	Innovate and develop new customer value propositions with speed and agility.
4	People attraction and retention	Attract, develop, engage and retain the right talent.
5	Financial stability	Our ability to maintain financial resilience and achieve financial targets.
6	Cyber security	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	Data governance and data privacy	Manage our data effectively (both customer's and Capita's) as a strategic asset across the organisation.

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/our-company/about-capita/about-board.

By order of the Board

Adolfo Hernandez
Chief Executive Officer
4 August 2025

Pablo Andres
Chief Financial Officer
4 August 2025

Condensed consolidated income statement

For the six months ended 30 June 2025

	Notes	30 June 2025 £m	30 June 2024 £m
Revenue	3	1,159.8	1,237.3
Cost of sales		(941.5)	(973.2)
Gross profit		218.3	264.1
Administrative expenses		(209.1)	(220.2)
Operating profit	3	9.2	43.9
Share of results in associates and losses on financial assets	8	(0.4)	1.4
Finance income ¹	5	5.0	4.9
Finance costs ¹	5	(23.3)	(28.3)
Gain on disposal of business	8	—	38.1
(Loss)/profit before tax		(9.5)	60.0
Income tax credit/(charge)	6	2.1	(7.1)
Total (loss)/profit for the period		(7.4)	52.9
Attributable to:			
Owners of the Company		(7.5)	53.0
Non-controlling interests		0.1	(0.1)
		(7.4)	52.9
(Loss)/earnings per share	7		
– basic ²		(6.62)p	47.09p
– diluted ²		(6.62)p	45.97p

Adjusted operating profit	4	42.6	54.5
Adjusted profit before tax	4	22.6	31.9
Adjusted basic earnings per share ²	7	21.63p	33.06p
Adjusted diluted earnings per share ²	7	21.63p	32.27p

1. Finance income and finance costs have been separately disclosed for the current period, with the prior period re-presented on the same basis. Previously these were presented as net finance expenses.

2. 2024 comparatives have been re-presented from those previously published to reflect the 1 for 15 share consolidation undertaken in April 2025 (refer to notes 7 and 13).

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2025

	Notes	30 June 2025 £m	30 June 2024 £m
Total (loss)/profit for the period		(7.4)	52.9
Other comprehensive (expense)/income			
Items that will not be reclassified subsequently to the income statement			
Actuarial loss on defined benefit pension schemes		(3.4)	(3.5)
Tax effect on defined benefit pension schemes		0.8	0.8
Items that will or may be reclassified subsequently to the income statement			
Exchange differences on translation of foreign operations		(2.4)	0.2
(Loss)/gain on cash flow hedges		(20.0)	4.8
Cash flow hedges recycled to the income statement		9.8	(0.9)
Tax effect on cash flow hedges		2.6	(1.0)
Other comprehensive (expense)/income for the period net of tax		(12.6)	0.4
Total comprehensive (expense)/income for the period net of tax		(20.0)	53.3
Attributable to:			
Owners of the Company		(20.1)	53.4
Non-controlling interests		0.1	(0.1)
		(20.0)	53.3

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

Condensed consolidated balance sheet

At 30 June 2025

	Notes	30 June 2025 £m	31 December 2024 £m
Non-current assets			
Property, plant and equipment		60.9	68.5
Intangible assets		83.3	79.8
Goodwill	10	373.3	372.4
Right-of-use assets		164.7	180.7
Contract fulfilment assets	2	243.3	257.5
Financial assets	12	93.9	99.0
Deferred tax assets		120.2	111.6
Employee benefits	14	39.1	42.9
Trade and other receivables		8.3	10.0
		1,187.0	1,222.4
Current assets			
Financial assets	12	5.3	20.6
Income tax receivable		6.9	7.0
Disposal group assets held-for-sale	8	0.1	0.1
Trade and other receivables		407.8	335.3
Cash	12	334.1	253.6
		754.2	616.6
Total assets		1,941.2	1,839.0
Current liabilities			
Overdrafts	12	154.5	62.2
Trade and other payables		362.2	353.2
Disposal group liabilities held-for-sale	8	0.2	0.1
Income tax payable		4.3	3.8
Deferred income		494.2	435.4
Lease liabilities	12	38.4	42.9
Financial liabilities	12	4.8	88.2
Provisions	11	70.1	81.4
		1,128.7	1,067.2
Non-current liabilities			
Trade and other payables		6.7	6.7
Deferred income		14.1	30.5
Lease liabilities	12	286.8	305.8
Financial liabilities	12	277.8	183.2
Deferred tax liabilities		7.0	7.0
Provisions	11	37.4	37.9
Employee benefits	14	4.5	5.0
		634.3	576.1
Total liabilities		1,763.0	1,643.3
Net assets		178.2	195.7
Capital and reserves			
Share capital	13	35.3	35.2
Share premium	13	—	1,145.5
Employee benefit trust shares	13	—	(0.3)
Capital redemption reserve		1.8	1.8
Other reserves		(19.5)	(9.5)
Retained earnings/(deficit)		164.7	(972.8)
Equity attributable to owners of the Company		182.3	199.9
Non-controlling interests		(4.1)	(4.2)
Total equity		178.2	195.7

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 2025

	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 2023	35.2	1,145.5	(0.7)	1.8	(1,053.8)	(15.0)	113.0	1.9	114.9
Profit/(loss) for the period	—	—	—	—	53.0	—	53.0	(0.1)	52.9
Other comprehensive (expense)/income	—	—	—	—	(2.7)	3.1	0.4	—	0.4
Total comprehensive income/(expense) for the period	—	—	—	—	50.3	3.1	53.4	(0.1)	53.3
Share-based payment	—	—	—	—	2.8	—	2.8	—	2.8
Elimination of non-controlling interest on disposal of businesses (note 8)	—	—	—	—	—	—	—	(9.1)	(9.1)
Exercise of share options under employee long-term incentive plans	—	—	0.3	—	(0.3)	—	—	—	—
De-recognition of put-options held by non-controlling interests (note 12)	—	—	—	—	8.5	—	8.5	—	8.5
At 30 June 2024	35.2	1,145.5	(0.4)	1.8	(992.5)	(11.9)	177.7	(7.3)	170.4
At 31 December 2024	35.2	1,145.5	(0.3)	1.8	(972.8)	(9.5)	199.9	(4.2)	195.7
(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 (note 13)	—	(1,145.5)	—	—	1,145.5	—	—	—	—
Exercise of share options under employee long-term incentive plans (note 13)	—	—	0.8	—	(0.8)	—	—	—	—
Shares issued (note 13)	0.1	—	(0.1)	—	—	—	—	—	—
Parent Company shares purchased (note 13)	—	—	(0.4)	—	—	—	(0.4)	—	(0.4)
At 30 June 2025	35.3	—	—	1.8	164.7	(19.5)	182.3	(4.1)	178.2

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 (refer to note 13).

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 2025

	Notes	30 June 2025 £m	30 June 2024 £m
Cash generated from operations	9	30.8	26.6
Income tax paid ¹		(3.2)	(1.9)
Income tax received ¹		0.6	1.5
Interest received		4.0	4.1
Interest paid		(24.1)	(26.3)
Net cash inflow from operating activities		8.1	4.0
Cash flows from investing activities			
Purchase of property, plant and equipment		(3.3)	(7.2)
Purchase of intangible assets		(12.9)	(14.3)
Proceeds from sale of property, plant and equipment, and intangible assets		1.0	—
Proceeds from disposal of associates and joint ventures		—	0.3
Additions to originated loans receivable		—	(0.5)
Disposals of investments at FVTPL		0.4	—
Capital element of lease rental receipts		2.1	2.8
Deferred consideration from sale of subsidiary companies		—	10.7
Total proceeds received from disposal of businesses, net of disposal costs	8	(0.6)	56.0
Cash held by businesses when sold	8	—	(6.3)
Net cash (outflow)/inflow from investing activities		(13.3)	41.5
Cash flows from financing activities			
Purchase of Parent Company shares by the Employee Benefit Trust		(0.4)	—
Capital element of lease rental payments		(25.7)	(29.9)
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	—
Debt financing arrangement costs		(0.5)	—
Net cash outflow from financing activities		(8.1)	(29.9)
(Decrease)/increase in cash and cash equivalents		(13.3)	15.6
Cash and cash equivalents at the beginning of the period		191.4	67.6
Effect of exchange rates on cash and cash equivalents		1.5	2.2
Cash and cash equivalents at 30 June		179.6	85.4
Cash and cash equivalents comprise:			
Cash		334.1	148.7
Overdrafts		(154.5)	(74.6)
Cash, net of overdrafts, included in disposal group assets and liabilities held-for-sale		—	11.3
Total		179.6	85.4
Alternative performance measures (refer to note 1.2(b))			
Cash generated from operations excluding business exits	9	35.5	18.4
Free cash flow excluding business exits	9	(26.1)	(52.5)

1. Income tax paid and income tax received has been separately disclosed for the current period, with the prior period re-presented on the same basis. Previously these were presented net as 'income tax paid'.

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 2025

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 2025 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 4 August 2025.

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 2024.

The Group has considered the impact of new, and amendments to, reporting standards which are effective from 1 January 2025 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.

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 2024 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; amortisation and impairment of acquired intangibles; impairment of goodwill; certain net finance expense/income; the costs associated with the cyber incident in March 2023; and the costs associated with the cost reduction programme.

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 2024.

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, and carrying value of onerous contract provisions;
- Deferred tax asset recognition (note 6);
- Impairment of goodwill in respect of the Contact Centre group of cash generating units (note 10); and
- Measurement of defined benefit pension obligations (note 14).

(d) Going concern

In determining the appropriate basis of preparation of these condensed consolidated financial statements for the six months ended 30 June 2025, 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 these condensed consolidated financial statements, although those standards do not specify how far beyond twelve months a Board should consider. In its going concern assessment, the Board has considered the period from the date of approval of these condensed consolidated financial statements to 31 December 2026 ('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 2025-2026 as approved by the Board in June 2025.

The going concern assessment considers the Group's sources and uses of liquidity and covenant compliance throughout the period under review. The value of the Group's committed revolving credit facility (RCF) was £250.0m at 30 June 2025 and extends to 31 December 2027.

Financial position at 30 June 2025

As detailed further in the Chief Financial Officer's review, as at 30 June 2025 the Group had net debt of £412.2m (31 December 2024: £415.2m), net financial debt (pre-IFRS 16) of £87.0m (31 December 2024: £66.5m), available liquidity of £383.7m (31 December 2024: £397.2m) and was in compliance with all debt covenants.

Board assessment

Base case scenario

Under the base case scenario, the Group forecasts growth in revenue, profit and cash flow over the medium term. When combined with available committed facilities, this allows the Group to manage scheduled debt repayments. The most material sensitivities to the base case are the risk of not delivering the planned revenue growth and further efficiency savings being delayed or not delivered in accordance with the Group's previously announced cost reduction programme.

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. The liquidity headroom assessment in the base case projections reflects the Group's existing committed financing facilities and debt redemptions and does not reflect any potential future refinancing. The base case financial forecasts demonstrate liquidity headroom and compliance with all debt covenant measures throughout the going concern period to 31 December 2026.

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;
- operating margin expansion not being achieved;
- targeted cost savings delayed or not delivered;
- unforeseen operational issues leading to contract losses and cash outflows;
- sustained interest rates at current levels;
- non-availability of the Group's non-recourse trade receivables financing facility; and
- unexpected financial costs linked to incidents such as data breaches and/or cyber-attacks.

The likelihood of simultaneous crystallisation of the above risks is considered by the Board to be low. Nevertheless in the event that simultaneous crystallisation were to occur, the Group would need to take action to ensure there is sufficient liquidity. 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, reductions or delays in capital investment, and substantially reducing (or removing in full) bonus and incentive payments. Taking these considerations into account, the Group's financial forecasts, in a severe but plausible downside scenario, demonstrate sufficient liquidity headroom and compliance with all debt covenant measures throughout the going concern period to 31 December 2026.

Adoption of going concern basis

Reflecting the forecasts, coupled with the Board's ability to implement appropriate mitigations should the severe but plausible downside materialise, the Group continues to adopt the going concern basis in preparing these condensed consolidated financial statements. 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 2026.

2 Contract accounting

At 30 June 2025, the Group had the following results and balance sheet items related to long-term contracts:

	Note	30 June 2025 £m	30 June 2024 £m	31 December 2024 £m
Long-term contractual revenue	3	877.0	908.7	
Contract fulfilment assets (non-current)		243.3		257.5
Accrued income		165.9		132.7
Deferred income		508.3		465.9
Onerous contract provisions		42.8		46.2

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 75.6% of Group revenue for the six months ended 30 June 2025 (30 June 2024: 73.4%).

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). The prior period amounts in relation to major contracts 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 £305.3m (30 June 2024: £180.2m) or 26% (30 June 2024: 15%) of Group adjusted revenue. Non-current contract fulfilment assets as at 30 June 2025 were £243.3m (31 December 2024: £257.5m), of which £48.9m (31 December 2024: £119.3m) 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 £83.6m at 30 June 2025 (31 December 2024: £67.8m). The recoverability of these assets is dependent on no significant adverse change in the key contract assumptions arising during the next financial year. The balance of deferred income associated with these contracts was £165.7m at 30 June 2025 (31 December 2024: £95.9m) 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 £37.9m at 30 June 2025 (31 December 2024: £35.3m) (refer to note 11 for further detail).

Following these reviews, and reviews of smaller contracts across the business, non-current contract fulfilment asset impairments of £0.9m (30 June 2024: £0.2m) were identified and recognised within adjusted cost of sales of which £nil (30 June 2024: £nil) relates to non-current contract fulfilment assets added during the period. Additionally, net onerous contract provisions of £8.0m were identified and recognised in adjusted cost of sales (30 June 2024: £4.2m, with a further £0.7m excluded from adjusted cost of sales as part of business exits).

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, £48.9m of non-current contract fulfilment assets relates to major contracts with ongoing transformational activities; and, £83.6m of non-current contract fulfilment assets and £37.9m of onerous contract provisions relate to the high 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 major 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 contracts with the BBC and the Civil Service Pension Scheme.

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 division 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 – and at 30 June 2024 the CODM viewed these as two operating segments because the CODM reviewed operating results to assess their performance and make decisions about allocation of resources at this level. Capita Public Service goes to market through three subdivisions – Local Public Service; Defence, Learning, Fire and Security; 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. Following the completion of the exit of the non-core businesses in the Portfolio division, and a review of the Group's strategy conducted in 2024, from the second half of 2024 the CODM reviews the operating results for each of the three subdivisions within the Capita Experience division separately, and therefore each subdivision is now an operating segment. Comparative information has also been re-presented to reflect the change in operating segments and to reflect businesses exited during the second half of 2024 and the first half of 2025.

Revenue

Adjusted revenue, excluding results from businesses exited in both periods (adjusting items), was £1,154.8m (30 June 2024: £1,198.6m), a decline of 3.7% (30 June 2024: a decline of 9.3%).

			Capita Experience						
Six months ended 30 June 2025	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	148.5	60.8	78.3	876.9	0.1	877.0	
Short-term contractual		75.2	119.0	25.3	—	219.5	4.9	224.4	
Transactional (point-in-time)		47.3	9.9	—	1.2	58.4	—	58.4	
Total segment revenue		711.8	277.4	86.1	79.5	1,154.8	5.0	1,159.8	
Trading revenue		722.2	286.6	87.5	81.2	1,177.5	—	1,177.5	
Inter-segment revenue		(10.4)	(9.2)	(1.4)	(1.7)	(22.7)	—	(22.7)	
Total adjusted segment revenue		711.8	277.4	86.1	79.5	1,154.8	—	1,154.8	
Business exits – trading	8	—	—	—	—	—	5.2	5.2	
Inter-segment revenue		—	—	—	—	—	(0.2)	(0.2)	
Total segment revenue		711.8	277.4	86.1	79.5	1,154.8	5.0	1,159.8	

Six months ended 30 June 2024	Notes	Capita Public Service £m	Capita Experience			Total adjusted £m	Adjusting items £m	Total reported £m
			Contact Centre £m	Pension Solutions £m	Regulated Services £m			
Continuing operations								
Long-term contractual		570.5	168.1	62.8	78.8	880.2	28.5	908.7
Short-term contractual		77.7	166.5	23.6	—	267.8	5.5	273.3
Transactional (point-in-time)		37.4	11.6	—	1.6	50.6	4.7	55.3
Total segment revenue		685.6	346.2	86.4	80.4	1,198.6	38.7	1,237.3
Trading revenue		696.6	359.5	87.2	82.3	1,225.6	—	1,225.6
Inter-segment revenue		(11.0)	(13.3)	(0.8)	(1.9)	(27.0)	—	(27.0)
Total adjusted segment revenue		685.6	346.2	86.4	80.4	1,198.6	—	1,198.6
Business exits – trading	8	—	—	—	—	—	39.4	39.4
Inter-segment revenue		—	—	—	—	—	(0.7)	(0.7)
Total segment revenue		685.6	346.2	86.4	80.4	1,198.6	38.7	1,237.3

Order book

The tables below show the order book for each division, 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:

Order book 30 June 2025	Capita Experience				Total £m
	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	
Long-term contractual	2,749.5	442.5	445.9	167.5	3,805.4
Short-term contractual	19.1	182.1	21.9	3.4	226.5
Total	2,768.6	624.6	467.8	170.9	4,031.9

Order book 31 December 2024	Capita Experience				Total £m
	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	
Long-term contractual	2,843.1	426.1	431.2	226.1	3,926.5
Short-term contractual	80.3	218.5	10.1	5.3	314.2
Total	2,923.4	644.6	441.3	231.4	4,240.7

The table below shows the expected timing of revenue to be recognised from long-term contractual orders at 30 June 2025:

Time bands of expected revenue recognition from long-term contractual orders	Capita Experience				Total £m
	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	
< 1 year	880.5	181.7	80.0	90.9	1,233.1
1–5 years	1,506.9	247.1	221.8	76.6	2,052.4
> 5 years	362.1	13.7	144.1	—	519.9
Total	2,749.5	442.5	445.9	167.5	3,805.4

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 £206.8m (31 December 2024: £309.0m¹). 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 £3.8 billion (31 December 2024: £3.9 billion) revenue to be earned on long-term contracts, £1.3 billion (31 December 2024: £3.1 billion¹) 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 £0.8-£1 billion (31 December 2024: £0.8-£1 billion¹) 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 £372.9m (30 June 2024: £427.1m; 31 December 2024: £492.2m).

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 2025, other than accelerated revenue recognised of £13.4m, which primarily related to an early termination of a contract in Regulated Services (30 June 2024: £4.5m primarily related to early terminations of contracts in Regulated Services).

1. The prior period amounts in relation to major contracts 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 businesses exited during the second half of 2024 and the first half of 2025.

Six months ended 30 June 2025	Notes	Capita Experience					Total adjusted £m	Adjusting items £m	Total reported £m
		Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	Capita plc £m			
Adjusted operating profit/(loss)	4	57.2	(11.4)	9.7	2.5	(15.4)	42.6	—	42.6
Cost reduction programme	4	(7.1)	(9.0)	(1.1)	(1.1)	(5.1)	—	(23.4)	(23.4)
Business exits – trading	8	—	—	—	—	—	—	(4.7)	(4.7)
Total trading result		50.1	(20.4)	8.6	1.4	(20.5)	42.6	(28.1)	14.5
Non-trading items:									
Business exits – non-trading	8						—	(2.2)	(2.2)
Other adjusting items	4						—	(3.1)	(3.1)
Operating profit/(loss)							42.6	(33.4)	9.2
Interest income	5								5.0
Interest expense	5								(23.3)
Share of results in associates and losses on financial assets									(0.4)
Loss before tax									(9.5)
Supplementary information									
Depreciation and amortisation		14.7	16.0	3.6	1.8	0.7	36.8	0.1	36.9
Impairment of property, plant and equipment, intangible assets, right-of-use assets and goodwill		0.4	0.2	—	0.2	—	0.8	0.1	0.9
Non-current contract fulfilment assets utilisation, impairment and derecognition		28.4	3.9	2.3	13.0	—	47.6	—	47.6
Net onerous contract provisions ¹		—	—	—	8.0	—	8.0	—	8.0

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 2024	Notes	Capita Experience					Total adjusted £m	Adjusting items £m	Total reported £m
		Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	Capita plc £m			
Adjusted operating profit/(loss)	4	47.4	1.1	11.4	12.6	(18.0)	54.5	—	54.5
Cost reduction programme	4	(3.6)	0.7	(0.2)	—	(5.1)	—	(8.2)	(8.2)
Business exits – trading	8	—	—	—	—	—	—	8.1	8.1
Total trading result		43.8	1.8	11.2	12.6	(23.1)	54.5	(0.1)	54.4
Non-trading items:									
Business exits – non-trading	8						—	(10.8)	(10.8)
Other adjusting items	4						—	0.3	0.3
Operating profit/(loss)							54.5	(10.6)	43.9
Interest income	5								4.9
Interest expense	5								(28.3)
Share of results in associates and losses on financial assets									1.4
Gain on business disposal									38.1
Profit before tax									60.0
Supplementary information									
Depreciation and amortisation		18.6	19.2	3.5	3.1	1.1	45.5	1.5	47.0
Impairment of property, plant and equipment, intangible assets, right-of-use assets and goodwill		0.9	1.1	0.2	0.2	—	2.4	8.4	10.8
Non-current Contract fulfilment assets utilisation, impairment and derecognition		27.6	2.7	1.7	0.4	—	32.4	1.0	33.4
Net onerous contract provisions ¹		—	—	—	4.2	—	4.2	—	4.2

4 Adjusted operating profit and adjusted profit before tax

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 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.

	Notes	Operating profit		(Loss)/profit before tax	
		30 June 2025 £m	30 June 2024 £m	30 June 2025 £m	30 June 2024 £m
Reported		9.2	43.9	(9.5)	60.0
Amortisation and impairment of acquired intangibles		0.1	0.1	0.1	0.1
Net finance (income)/expense	5	—	—	(1.7)	0.4
Business exits expense/(gain)	8	6.9	2.7	7.3	(36.4)
Cyber incident expense/(gain)		3.0	(0.4)	3.0	(0.4)
Cost reduction programme		23.4	8.2	23.4	8.2
Adjusted		42.6	54.5	22.6	31.9

1. Adjusted operating profit of £42.6m (30 June 2024: £54.5m) was generated on adjusted revenue of £1,154.8m (30 June 2024: £1,198.6m) resulting in an adjusted operating margin of 3.7% (30 June 2024: 4.5%).

2. The tax impact of the profit before tax adjusting items is £nil (30 June 2024: £12.3m charge).

3. The comparative adjusted operating profit and adjusted profit before tax has been re-presented for the impact of business exits announced since 30 June 2024. This has resulted in adjusted operating profit increasing from £54.2m to £54.5m and adjusted profit before tax increasing from £31.6m to £31.9m.

Amortisation and impairment of acquired intangible assets: the Group recognised acquired intangible amortisation of £0.1m (30 June 2024: £0.1m). These charges are excluded from the adjusted results of the Group because they are non-cash items generated from historical acquisition related activity. The charge is included within administrative expenses.

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 exited, or in the process of being exited, and the gain or loss on disposals, are excluded from the Group's adjusted results. Note 8 provides further detail regarding which income statement lines are impacted by business exits.

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. A charge of £3.0m (net of insurance receipts), has been recognised in the six months ended 30 June 2025 (30 June 2024: net gain of £0.4m). Cumulatively the net costs incurred total £29.3m and the charge for the current period is included within administrative expenses. Refer to note 11 provisions and contingent liabilities.

Cost reduction programme: the Group implemented a multi-year cost reduction programme in November 2023 to deliver savings of £60m by Q1 2024. The programme was extended in March 2024, to deliver further savings of £100m by mid-2025, and in December 2024, reflecting on the progress made ahead of schedule with £140m annualised savings already delivered, and increased confidence in the level of efficiencies that can be delivered, the cost reduction target increased to up to £250m by the end of 2025.

The Group exercises judgement in assessing whether the actions being taken to deliver these savings are exceptional as opposed to business as usual, and therefore whether or not the costs to deliver the savings should be excluded from the Group's adjusted results. The assessment considers the nature of the activity being undertaken, in particular, whether it was anticipated in the original bid to win a customer contract. Investment in new technology that supports the delivery of customer contracts are considered business as usual and are not excluded from the Group's adjusted results.

A charge of £23.4m (30 June 2024: charge £8.2m) has been recognised in the six months ended 30 June 2025 for the costs to deliver the cost reduction programme. This includes redundancy and other costs of £21.1m (30 June 2024: £11.0m) to deliver a significant reduction in headcount and a charge of £2.3m arising from the rationalisation of the Group's property estate (30 June 2024: net credit £2.8m reflecting the successful exit of a number of properties which had been provided for in the prior periods). The cumulative cost recognised since the commencement of the cost reduction programme is £105.7m (30 June 2024: £62.6m), which is included within administrative expenses.

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 2025 £m	30 June 2024 £m
Finance income			
Interest income			
Interest on cash		(1.2)	(1.2)
Interest on finance lease assets		(2.7)	(2.8)
Net interest income on defined benefit pension schemes	14	(1.1)	(0.9)
Total finance (income)		(5.0)	(4.9)
Finance costs			
Interest expense			
Private placement loan notes ¹		9.3	8.2
Bank loans and overdrafts		2.7	5.6
Cost of non-recourse trade receivables financing	12	1.4	2.1
Interest on finance lease liabilities		10.4	10.9
Discount unwind on provisions		1.2	0.7
Total interest expense		25.0	27.5
Finance costs included within business exits			
Interest on finance lease liabilities		—	0.4
Finance costs excluded from adjusted profits			
Non-designated foreign exchange forward contracts - change in mark-to-market value		(0.4)	(0.2)
Fair value hedge ineffectiveness ²		(1.3)	0.6
Total finance (income)/cost excluded from adjusted profits		(1.7)	0.8
Total finance costs		23.3	28.3
Net finance costs included in adjusted profit		20.0	22.6
Total net finance costs		18.3	23.4

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.

6 Income tax

	30 June 2025			30 June 2024		
	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 credit/(charge)	2.1	2.1	—	(7.1)	5.2	(12.3)

Excluding discrete items, the adjusted income tax charge for the six month period is £6.5m (2024: charge of £8.6m) and has been calculated by applying management's best estimate of the full-year effective tax rate of 28.7% (estimated using full-year profit projections excluding any discrete items) to the adjusted profit before tax for the six months to 30 June 2025. The effective adjusted tax rate, excluding discrete items, is higher than the standard UK rate of 25% mainly due to items not deductible and deferred tax not recognised on current period losses. The adjusted tax charge on discrete items for the six months is calculated separately, and relates to withholding tax suffered on dividends of £0.5m (2024: £nil), an increase in the uncertain tax provision £0.4m (2024: £nil), a prior year adjustment charge of £0.2m (2024: charge of £0.4m), and the change in estimate of deferred tax assets of £9.7m credit (2024: £14.3m credit), resulting in the total adjusted tax credit, including discrete items, of £2.1m (2024: credit of £5.2m), on adjusted profit before tax of £22.6m (2024: profit of £31.9m).

Excluding discrete items, the reported tax charge of £6.5m (2024: charge of £6.5m) reflects the £nil tax impact on adjusting items. This is determined to be £nil due to the non-deductibility of some business exit costs, and any deductible costs increasing unrecognised timing differences. The reported tax on discrete business exit items is also £nil (2024: charge of £14.5m), resulting in the total reported tax credit, including discrete items, of £2.1m (2024: charge of £7.1m), on a reported loss before tax of £9.5m (2024: profit of £60.0m).

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 2025-2027, using a long-term growth rate of 1.8% 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 £9.7m credit relating to an increase in taxable profits in the assessment model.

Unrecognised temporary differences have reduced by £7.4m, resulting in total unrecognised temporary differences as at 30 June 2025 of £975.8m (31 December 2024: £983.2m).

The estimated full year effective tax rate of 28.7% includes an income tax charge of £0.2m (2024: charge of £0.5m) 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 Policies and Principles area of the Capita website (<https://www.capita.com/our-company/about-capita/policies-and-principles>).

7 (Loss)/Earnings 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 2025 pence	30 June 2024 pence ¹
Basic (loss)/earnings per share – reported	(6.62)	47.09
– adjusted	21.63	33.06
Diluted (loss)/earnings per share – reported	(6.62)	45.97
– adjusted	21.63	32.27

1. The 2024 comparatives have been re-presented from those previously published to reflect the 1 for 15 share consolidation undertaken in April 2025 (refer to note 13).

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

	Notes	30 June 2025 £m	30 June 2024 £m
Reported (loss)/profit before tax for the period		(9.5)	60.0
Income tax credit/(charge)	6	2.1	(7.1)
Reported (loss)/profit for the period		(7.4)	52.9
Less: Non-controlling interest		(0.1)	0.1
Total (loss)/profit attributable to shareholders		(7.5)	53.0
Adjusted profit before tax for the period	4	22.6	31.9
Income tax credit		2.1	5.2
Adjusted profit for the period		24.7	37.1
Less: Non-controlling interest		(0.2)	0.1
Adjusted profit attributable to shareholders		24.5	37.2

	30 June 2025 thousands	30 June 2024 thousands ¹
Weighted average number of ordinary shares (excluding Employee Benefit Trust shares) for basic earnings per share	113,286	112,539
Dilutive potential ordinary shares:		
Employee share options	3,036	2,743
Weighted average number of ordinary shares (excluding Employee Benefit Trust shares) adjusted for the effect of dilution	116,322	115,282

1. The number of shares at 30 June 2024 have been re-presented from those previously published to reflect the 1 for 15 share consolidation undertaken in April 2025 (refer to note 13).

At 30 June 2025, 3,036,497 options 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 13.

8 Business exits and assets held-for-sale

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. 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 restated where the relative size of a disposal or business closure is significant, which is normally understood to mean a reported segment.

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 2024 comparatives have been re-presented to exclude businesses classified as business exits from 1 July 2024 to 30 June 2025.

Assets 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. At 30 June 2024, the Capita One business disposal was deemed to have met this threshold, before its subsequent disposal on 5 September 2024. At 31 December 2024 and 30 June 2025 the Group's mortgage servicing business was deemed to have met the threshold to be treated as held-for-sale.

2025 business exits

In addition to the above disposals, as disclosed in the 2024 Annual Report, the Group decided to exit its corporate venture business (Capita Scaling Partner) in Capita Experience and a small business from Capita Public Service during 2024. The trading results and non-trading expenses of these businesses have also been excluded from adjusted results.

The Capita Scaling Partner business managed the Group's investments in start-up and scale-up companies. One of these investments was partially sold during the first half of the year realising a gain of £nil which is included within 'share of results in associates and losses on financial assets' in the table below. Also included is a loss of £0.4m in relation to the revaluation of the remaining Capita Scaling Partner investments. The Group will seek to maximise value from the remaining Capita Scaling Partner investments, which at 30 June 2025 had an aggregate carrying value of £3.9m, including loans receivable by Capita of £0.7m.

The Group continues to progress the exit of the closed book Life & Pensions business within the Regulated Services business in Capita Experience. Although transition agreements have been reached for the majority of clients, there remains one client where this is not the case. Given that this contract contains evergreen clauses (which potentially allow the customer to extend the contracts indefinitely until the run-off of the underlying life and pension books is complete), the overall closed book Life & Pensions business is not seen to meet the criteria to be treated as a business exit until an exit agreement has been agreed with the client.

Income statement impact	30 June 2025			30 June 2024		
	Trading £m	Non-trading £m	Total £m	Trading £m	Non-trading £m	Total £m
Revenue	5.0	—	5.0	38.7	—	38.7
Cost of sales	(6.8)	—	(6.8)	(30.5)	—	(30.5)
Gross profit	(1.8)	—	(1.8)	8.2	—	8.2
Administrative expenses	(2.9)	(2.2)	(5.1)	(0.1)	(10.8)	(10.9)
Operating profit/(loss)	(4.7)	(2.2)	(6.9)	8.1	(10.8)	(2.7)
Share of results in associates and investment gains	—	(0.4)	(0.4)	—	1.4	1.4
Net finance income/(expense)	—	—	—	(0.4)	—	(0.4)
Gain on business disposal	—	—	—	—	38.1	38.1
Profit/(loss) before tax	(4.7)	(2.6)	(7.3)	7.7	28.7	36.4
Taxation	—	—	—	(1.9)	(12.2)	(14.1)
Profit/(loss) after tax	(4.7)	(2.6)	(7.3)	5.8	16.5	22.3

Trading revenue and costs represent the trading performance of the above businesses up to the point of being disposed or exited, and in the comparative those businesses disposed of during 2024 (being Capita One and the Group's 75% shareholding in Fera Science Limited). Trading expenses primarily comprise payroll costs of £4.4m (30 June 2024: £19.3m) and information technology costs of £1.8m (30 June 2024: £11.5m).

Non-trading administrative expenses comprise: project costs of £2.5m (30 June 2024: £2.5m); other income of £0.3m (30 June 2024: £0.4m); and in the comparative period, asset impairments of £8.7m.

Non-trading taxation in 2024 relates to a change in accounting estimate of deferred tax assets, due to businesses being disposed or exited and deductible intangible impairments. Refer to note 6 for further details.

2025 disposals

No disposals were completed during the six months ended 30 June 2025. During the six months ended 30 June 2024, the Group disposed of the Group's 75% shareholding in Fera Science Limited. The gain/(loss) arising was determined as follows:

	30 June 2025 £m	30 June 2024 £m
Disposal group assets held-for-sale	—	69.9
Disposal group liabilities held-for-sale	—	(42.4)
Net identifiable assets sold	—	27.5
Non-controlling interests	—	(9.1)
	—	18.4
Sales price		
- received in cash	—	61.9
Less: disposal costs	—	(5.4)
Net sales price	—	56.5
Gain on business disposals	—	38.1
Net cash inflow		
Proceeds received	—	61.9
Less disposal costs:		
- income statement charge	—	(5.4)
- change in accrued disposal costs during the period	(0.6)	(0.5)
Total proceeds received net of disposal costs paid	(0.6)	56.0
Total cash held by businesses when sold		
Cash held by businesses classified as held-for-sale	—	(6.3)
Total cash held by businesses when sold	—	(6.3)
Net cash inflow	(0.6)	49.7

Disposal group assets and liabilities held-for-sale

At both 30 June 2025 and 31 December 2024, the Group's mortgage servicing business was deemed to have met the threshold to be treated as held-for-sale.

	30 June 2025 £m	31 December 2024 £m
Property, plant and equipment	0.1	0.1
Disposal group assets held-for-sale	0.1	0.1
Accruals	0.2	0.1
Disposal group liabilities held-for-sale	0.2	0.1

Business exit cash flows

Businesses exited and being exited had a cash generated from/(used by) operations outflow of £4.7m (30 June 2024: cash inflow of £22.7m).

9 Cash flow information

	Note	30 June 2025		30 June 2024	
		Reported £m	Excluding business exits ¹ £m	Reported £m	Excluding business exits ¹ £m
Cash flows from operating activities:					
Reported operating profit	4	9.2	9.2	43.9	43.9
Add back: business exit operating loss	8	—	6.9	—	2.7
Total operating profit		9.2	16.1	43.9	46.6
Adjustments for non-cash items:					
Depreciation		27.9	27.9	34.9	34.9
Amortisation of intangible assets		9.0	9.0	12.1	10.7
Share-based payment expense		2.9	2.9	2.8	2.8
Employee benefits	14	4.8	4.8	4.2	4.2
(Loss)/gain on sale of property, plant and equipment and intangible assets		(0.2)	(0.2)	0.1	0.1
Amendments and early terminations of leases		(0.1)	(0.1)	(8.4)	(8.4)
Impairment of non-current assets		0.9	0.9	10.8	2.1
Other adjustments:					
Movement in provisions ²		(12.4)	(10.8)	(35.4)	(30.6)
Pension deficit contributions		—	—	(20.8)	(6.3)
Other contributions into pension schemes		(3.9)	(3.9)	(4.1)	(4.1)
Movements in working capital²:					
Trade and other receivables		(67.8)	(68.6)	(46.7)	(43.7)
Non-recourse trade receivables financing		(4.0)	(4.0)	(1.7)	(1.7)
Trade and other payables		8.4	4.8	(25.8)	(28.5)
Deferred income		41.8	42.4	65.7	45.5
Contract fulfilment assets (non-current)		14.3	14.3	(5.0)	(5.2)
Cash generated from operations		30.8	35.5	26.6	18.4
Adjustments for free cash flows:					
Income tax paid ³		(3.2)	(3.2)	(1.9)	(1.9)
Income tax received ³		0.6	0.6	1.5	1.5
Interest received		4.0	3.9	4.1	4.1
Interest paid		(24.1)	(24.1)	(26.3)	(26.3)
Net cash inflow/(outflow) from operating activities		8.1	12.7	4.0	(4.2)
Purchase of property, plant and equipment		(3.3)	(3.3)	(7.2)	(6.9)
Purchase of intangible assets		(12.9)	(12.9)	(14.3)	(14.3)
Proceeds from sale of property, plant and equipment and intangible assets		1.0	1.0	—	—
Capital element of lease rental receipts		2.1	2.1	2.8	2.8
Capital element of lease rental payments		(25.7)	(25.7)	(29.9)	(29.9)
Free cash flow¹		(30.7)	(26.1)	(44.6)	(52.5)

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. Income tax paid and income tax received have been separately disclosed for the current period, with the prior period re-presented on the same basis. Previously these were presented net as 'income tax paid'.

Cyber incident: In relation to the exceptional cyber incident costs referred to in note 4, the cash inflow during the six months ended 30 June 2025 was £1.1m (30 June 2024: outflow of £6.4m) 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 £24.0m.

Cost reduction programme: In relation to the implementation of the cost reduction programme detailed in note 4, the cash outflow during the six months ended 30 June 2025 was £21.5m (30 June 2024: outflow of £19.7m) and is included within free cash flow excluding business exits, and cash generated from operations excluding business exits. The cumulative cash outflow since the commencement of the cost reduction programme in the second half of 2023 is £72.1m. As announced in March 2025, the cost reduction initiatives are expected to result in cash costs during 2025 totalling an estimated £55m.

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.

These measures are analysed below:

	Free cash flow		Cash generated/(used) by operations	
	2025 £m	2024 £m	2025 £m	2024 £m
Reported (including business exits)	(30.7)	(44.6)	30.8	26.6
Business exits	4.6	(22.4)	4.7	(22.7)
Pension deficit contributions triggered by disposals	—	14.5	—	14.5
Excluding business exits	(26.1)	(52.5)	35.5	18.4

Business exits: The cash flows of businesses exited, or in the process of being exited, and the proceeds from disposals, are disclosed outside the adjusted results. The 30 June 2024 results have been re-presented for those businesses exited, or in the process of being exited, during the period from 1 July 2024 to 30 June 2025 to enable comparability of the adjusted results.

Pension deficit contributions triggered by disposals: The Trustees of the Group's main defined benefit pension scheme (HPS) agreed with the Group to accelerate the payment of future agreed deficit contributions on a pound for pound basis in the event of disposal proceeds being used to fund mandatory prepayments of debt. The Group paid all the outstanding deficit contributions in 2024. There are no further agreed deficit contributions to be paid at this time.

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.

At 30 June 2025, the Group's £250.0m committed revolving credit facility was undrawn (31 December 2024: undrawn).

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.

Six months ended 30 June 2024	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	67.6	15.6	2.2	85.4
Private placement loan notes	(267.0)	—	(1.5)	(268.5)
Unamortised transaction costs on debt issuance	4.5	—	(1.1)	3.4
Carrying value of private placement loan notes	(262.5)	—	(2.6)	(265.1)
Cross-currency interest rate swaps	13.6	—	0.5	14.1
Fair value of private placement loan notes	(248.9)	—	(2.1)	(251.0)
Other finance	(0.1)	—	—	(0.1)
Lease liabilities	(363.4)	41.2	(33.3)	(355.5)
Total net liabilities from financing activities	(612.4)	41.2	(35.4)	(606.6)
Deferred consideration payable	(0.7)	—	—	(0.7)
Net debt	(545.5)	56.8	(33.2)	(521.9)

10 Goodwill

In preparing these condensed consolidated financial statements, the Group undertook a review to identify possible indicators of impairment of goodwill, in particular for the Contact Centre group of CGUs where an impairment had been recognised at 31 December 2024 (see note 3.4 to the 2024 Annual Report and Accounts for further details).

In accordance with the requirements of IAS 36 *Impairment of Assets*, this was done through consideration of qualitative and quantitative factors. In particular, consideration was given to performance against forecast cash flows used in the 2024 year end impairment test, which had been derived from the 2025-2027 business plan approved by the Board. For the Contact Centre group of CGUs these business plan cash flows had been further risk adjusted from 2025 onwards to reflect risks inherent to the business from a market participant perspective, and taking account of the historical performance of the business and inherent uncertainty in forecasting.

Where this gave rise to an indicator of potential impairment, further review was performed. No indicators of impairment were identified as at 30 June 2025.

11 Provisions and contingent liabilities

	Cost reduction provision £m	Business exit provision £m	Claims and litigation provision £m	Property provision £m	Customer contract provision £m	Other provisions £m	Total £m
At 1 January	9.1	6.4	30.2	6.4	62.2	5.0	119.3
Provisions in the period	15.7	1.9	9.2	2.1	9.0	0.4	38.3
Releases in the period	(0.1)	(0.1)	(10.1)	(0.4)	(0.5)	—	(11.2)
Utilisation	(14.9)	(1.6)	(4.6)	(1.3)	(16.2)	(1.7)	(40.3)
Unwinding of discount and changes in the discount rate	—	—	—	—	1.6	—	1.6
Exchange movement	—	—	(0.1)	—	—	(0.1)	(0.2)
At 30 June	9.8	6.6	24.6	6.8	56.1	3.6	107.5

	30 June 2025 £m	31 December 2024 £m
Current	70.1	81.4
Non-current	37.4	37.9
	107.5	119.3

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 the date of approval of these condensed consolidated financial statements, we remain in dialogue with the Information Commissioner's Office (ICO) following the cyber incident in March 2023. The ICO could make a decision to issue enforcement action against the Group.

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.

Customer contract: The provision includes onerous contract provisions in respect of customer contracts where the costs of fulfilling a contract (both incremental and costs directly related to contract activities) exceeds the economic benefits expected to be received under the contract, claims/obligations associated with missed milestones in contractual obligations, and other potential exposures related to contracts with customers. Customer contract lifetime reviews are used to determine the value of an onerous contract provision. The contract lifetime review reflects the best estimate of forecast external revenues and costs over the remaining contract term. These provisions are forecast to unwind over periods of up to five years.

The customer contract provision includes £42.7m (31 December 2024: £43.9m) in respect of contracts in the closed book Life and Pensions business, which the Group is seeking to exit, in the Regulated Services business in Capita Experience. The closed books and contractual dynamics have led to onerous conditions to service certain of these contracts. Management has been required to assess the likely length of these contracts, given the pattern and experience of contract terminations while also recognising the evergreen clauses (which potentially allow the customer to extend the contracts indefinitely until the run-off of the underlying life and pension books is complete).

At 30 June 2025, £37.9m (31 December 2024: £35.4m) of the closed book Life and Pensions provision, which is in respect of contracts with the one remaining customer where an early exit is not yet highly probable, was increased to provide cover for contracts to extend out to June 2030 (ie a five year rolling period), reflecting the current best estimate of the remaining term and likely costs to continue service delivery. The outcomes and timing of discussions with the client, which are uncertain, could result in no change to the current position, the continuation of contracts with amended terms or the termination of contracts. If an operation is terminated, the Group may incur associated costs and accelerate the recognition of deferred income.

12 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 2025, 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 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	—	—	—	93.6	93.6	4.5	89.1
Cash flow hedges - foreign exchange contracts		Level-2	—	—	0.6	—	0.6	0.3	0.3
Cash flow hedges - currency swaps		Level-2	—	—	0.3	—	0.3	0.3	—
Non-designated foreign exchange forwards and swaps		Level-2	0.2	—	—	—	0.2	0.2	—
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	—	0.6	—	—	0.6	—	0.6
			3.4	0.6	0.9	94.3	99.2	5.3	93.9
Other financial assets									
Cash		n/a	—	—	—	334.1	334.1	334.1	—
Total financial assets			3.4	0.6	0.9	428.4	433.3	339.4	93.9

At 30 June 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	—	—	—	263.9	263.9	—	263.9
Other finance		n/a	—	—	—	0.3	0.3	0.3	—
Cash flow hedges - foreign exchange contracts		Level-2	—	—	6.3	—	6.3	3.1	3.2
Cash flow hedges - currency swaps		Level-2	—	—	7.8	—	7.8	—	7.8
Cash flow hedges - interest rate swaps		Level-2	—	—	0.1	—	0.1	—	0.1
Non-designated foreign exchange forwards and swaps		Level-2	1.8	—	—	—	1.8	1.4	0.4
Cross-currency interest rate swaps	a	Level-2	—	—	1.7	—	1.7	—	1.7
Deferred consideration payable		n/a	—	—	—	0.7	0.7	—	0.7
			1.8	—	15.9	264.9	282.6	4.8	277.8
Other financial liabilities									
Overdrafts		n/a	—	—	—	154.5	154.5	154.5	—
Lease liabilities		n/a	—	—	—	325.2	325.2	38.4	286.8
Total financial liabilities			1.8	—	15.9	744.6	762.3	197.7	564.6

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. Included in other investments are £0.6m (31 December 2024: £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, 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 £231.4m (31 December 2024: £175.0m) and a fair value of £226.0m (31 December 2024: £168.8m), 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. USD and GBP private placement loan notes of £66.7m and £22.3m were repaid at maturity in January 2025 and April 2025 respectively. In April 2025, the Group issued £94.2m equivalent of US private placement loan notes across three tranches: £50m maturing 24 April 2028, USD13m maturing 24 April 2028 and USD43m maturing 24 April 2030, with an average interest rate of 7.4%. The notes rank pari passu with the existing indebtedness of the Group and include financial covenants at the same level as those under the revolving credit facility (RCF) and existing US private placement loan notes.

b. Bank facilities

The Group's RCF was undrawn at 30 June 2025 (31 December 2024 undrawn). The Chief Financial Officer's review and going concern basis of preparation in note 1.2(d) includes further details of the RCF.

At 31 December 2024	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	—	—	—	95.7	95.7	4.2	91.5
Cash flow hedges - foreign exchange contracts		Level-2	—	—	1.8	—	1.8	0.4	1.4
Cash flow hedges - currency swaps		Level-2	—	—	2.7	—	2.7	1.8	0.9
Cash flow hedges - interest rate swaps		Level-2	—	—	0.2	—	0.2	0.2	—
Non-designated foreign exchange forwards and swaps		Level-2	0.7	—	—	—	0.7	0.6	0.1
Cross-currency interest rate swaps	a	Level-2	—	—	13.0	—	13.0	13.0	—
Originated loans receivable		n/a	—	—	—	0.7	0.7	—	0.7
Financial assets at fair value through P&L		Level-3	4.1	—	—	—	4.1	0.4	3.7
Financial assets at fair value through OCI		Level-3	—	0.7	—	—	0.7	—	0.7
			4.8	0.7	17.7	96.4	119.6	20.6	99.0
Other financial assets									
Cash and cash equivalents		n/a	—	—	—	253.6	253.6	253.6	—
Total financial assets			4.8	0.7	17.7	350.0	373.2	274.2	99.0

At 31 December 2024	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	—	—	—	269.3	269.3	87.6	181.7
Other finance		n/a	—	—	—	0.1	0.1	0.1	—
Cash flow hedges - interest rate swaps		Level-2	—	—	0.3	—	0.3	0.3	—
Non-designated foreign exchange forwards and swaps		Level-2	0.2	—	—	—	0.2	0.2	—
Cross-currency interest rate swaps	a	Level-2	—	—	0.8	—	0.8	—	0.8
Deferred consideration payable		n/a	—	—	—	0.7	0.7	—	0.7
			0.2	—	1.1	270.1	271.4	88.2	183.2
Other financial liabilities									
Overdrafts		n/a	—	—	—	62.2	62.2	62.2	—
Lease liabilities		n/a	—	—	—	348.7	348.7	42.9	305.8
Total financial liabilities			0.2	—	1.1	681.0	682.3	193.3	489.0

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	4.8
Disposals	(0.6)
Loss in fair value recognised in income statement	(0.4)
At 30 June	3.8

Non-recourse trade receivables financing

In the UK, 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 2025 was £12.1m (31 December 2024: £14.5m). Additionally, in Germany the Group uses a non-recourse trade receivables financing arrangement for a specific customer contract, the value of invoices sold under that arrangement at 30 June 2025 was £7.3m (31 December 2024: £8.9m). The costs of selling such invoices of £1.4m (30 June 2024: £2.1m) are included in net finance expense in these condensed consolidated income statement. In addition, the Group implemented a new credit card facility in the second half of 2024, the outstanding balance of which was £nil at 30 June 2025 (31 December 2024: £5.2m).

13 Issued share capital and share premium

Allotted, called up and fully paid	Share capital		Share premium	Employee benefit trust shares	
	No.thousands	£m	£m	No.thousands	£m
Ordinary shares of 2 1/15p each pre share consolidation					
At 1 January	1,701,274	35.2	1,145.5	9,058	(0.3)
Share consolidation	(1,587,856)	—	—	(8,570)	—
Ordinary shares of 31p each post share consolidation	113,418	35.2	1,145.5	488	(0.3)
Issue of share capital	542	0.1	—	542	(0.1)
Share premium cancellation	—	—	(1,145.5)	—	—
Issued on exercise of share options	—	—	—	(1,096)	0.8
Shares purchased	—	—	—	195	(0.4)
At 30 June	113,960	35.3	—	129	—

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 2025, 1,096,137 (30 June 2024: 516,375) shares with a value of £0.8m (30 June 2024: £0.3m) 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 2024: £nil). During March and April 2025 the EBT purchased 195,001 ordinary shares in the open market for £409,648 to satisfy exercises under the Group's share plans. During April 2025, 541,524 ordinary 31 pence shares (30 June 2024: nil) were allotted to the EBT for an aggregate nominal value of £167,872 to satisfy exercises under the Group's share plans.

On 10 July 2025 the EBT purchased 126,505 ordinary shares in the open market for £448,039 to satisfy exercises under the Group's share plans. On 14 July 2025, 400,000 ordinary 31 pence shares were allotted to the EBT for an aggregate nominal value of £124,000 to satisfy exercises under the Group's share plans.

Following shareholder approval at the Company's 2025 Annual General Meeting held on 28 April 2025 (the '2025 AGM'), the Company completed a share consolidation at a ratio of 15 for 1, whereby every 15 ordinary shares of 2 1/15 pence were consolidated into one ordinary share of 31 pence. As at 30 June 2025 the Company had 113,960 thousand shares of 31 pence each in issue. Basic and diluted earnings per share, both on a reported and adjusted basis (refer to note 7) have been retrospectively adjusted to reflect the share consolidation in both the current and comparative periods.

Also, following shareholder approval at the 2025 AGM and subsequent sanctioning by the High Court of England and Wales on 10 June 2025, the Company completed the cancellation of its share premium account, with the balance of £1,145.5m credited to retained earnings.

The Group has an unexpired authority to repurchase up to 9.95% of its issued share capital.

14 Employee benefits

The total net defined benefit pension position for accounting purposes as at 30 June 2025 is calculated on a year-to-date basis, using the accounting valuations as at 31 December 2024.

The principal financial assumptions for the accounting valuation as at 30 June 2025 for the UK based schemes (which represents around 97% total assets of the defined benefit pension schemes in which the Group reports) were as follows:

	30 June 2025	31 December 2024	30 June 2024
Discount rate	5.60% pa	5.50% pa	5.15% pa
Rate of price inflation – RPI	2.95% pa	3.10% pa	3.15% pa
Rate of price inflation – CPI	2.40% pa	2.55% pa	2.60% pa

There were no changes in demographic assumptions since 31 December 2024.

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

	30 June 2025 £m	30 June 2024 £m
At 1 January	37.9	26.8
Current service and administration costs	(4.8)	(4.2)
Interest income	1.1	0.9
Actuarial gain recognised in OCI ¹	17.4	81.1
Return on plan assets, excluding interest, recognised in OCI	(20.8)	(84.6)
Employer contributions	3.9	24.9
Exchange movement	(0.1)	0.1
At 30 June	34.6	45.0
Schemes in a net surplus	39.1	49.7
Schemes in a net deficit	(4.5)	(4.7)
At 30 June	34.6	45.0

1. As at 30 June 2025, the slight increase in the discount rate (driven by an increase in corporate bond yields) in conjunction with a slight decrease 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.

The latest formal 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 2025 show that the HPS continued to meet its statutory and secondary funding targets.

The next full actuarial valuation for the HPS is due to be carried out with an effective date of 31 March 2026.

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 Government has recently announced that they will introduce legislation 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.

The trustees of the Group's defined benefit pension schemes are awaiting full details of this legislation before assessing any remaining impact.

15 Related-party transactions

Compensation of key management personnel

	30 June 2025 £m	30 June 2024 £m
Short-term employment benefits	3.6	2.9
Pension	0.1	—
Share-based payments	1.4	0.9
	5.1	3.8

Gains on share options exercised in the period by Capita plc Executive Directors were £nil (30 June 2024: £nil) and by key management personnel £0.4m (30 June 2024: £0.1m).

During the period, the Group rendered administrative services to Smart DCC Limited (DCC), a wholly-owned subsidiary which is not consolidated. The Group received £63.2m (30 June 2024: £65.1m) of revenue for these services and at the balance sheet date had receivables of £9.5m (31 December 2024: £11.1m) 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.

16 Post balance sheet events

On 1 July 2025, the maturity of the Group's revolving credit facility was extended to 31 December 2027 at a total commitment value of £250m.

Independent review report to Capita plc

Conclusion

We have been engaged by Capita plc ("the Company") to review the condensed set of financial statements in the half yearly financial report for the six months ended 30 June 2025 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 set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 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").

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 set of 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

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for 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 set of 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 set of financial statements, the directors are responsible for assessing the Group's 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 set of 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

4 August 2025

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 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 expenses such as goodwill impairment; and, costs relating to the cyber incident in March 2023 and the cost reduction programme are excluded. These alternative performance measures may not be comparable to similar measures reported by other companies.

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation																														
Income statement																																
<div>Adjusted revenue</div> <div>R</div>	Revenue	<p>Calculated as revenue less any 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.</p> <p>This measure of revenue is used internally in respect of the Group's continuing business (being the Group's continuing activities, which exclude business exits) and the Board believes it is a good indication of ongoing performance.</p> <p>The table below shows a reconciliation between reported and adjusted revenue, as well as adjusted revenue growth/(decline):</p> <table><tr><td></td><td>30 June 2025</td><td>30 June 2024</td></tr><tr><td>Reported revenue</td><td>£1,159.8m</td><td>£1,237.3m</td></tr><tr><td>Deduct: business exits (note 3)</td><td>£(5.0)m</td><td>£(38.7)m</td></tr><tr><td>Adjusted revenue</td><td>£1,154.8m</td><td>£1,198.6m</td></tr><tr><td>Adjusted revenue reduction</td><td>(3.7)%</td><td>(9.3)%</td></tr></table>		30 June 2025	30 June 2024	Reported revenue	£1,159.8m	£1,237.3m	Deduct: business exits (note 3)	£(5.0)m	£(38.7)m	Adjusted revenue	£1,154.8m	£1,198.6m	Adjusted revenue reduction	(3.7)%	(9.3)%															
	30 June 2025	30 June 2024																														
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Adjusted revenue reduction	(3.7)%	(9.3)%																														
<div>Adjusted operating profit</div> <div>R</div>	Operating profit	<p>Calculated as reported operating profit excluding items determined by the Board to be outside underlying operations. These items are detailed in note 4.</p> <p>A reconciliation of reported to adjusted operating profit is provided in note 4.</p>																														
<div>Reported / adjusted operating margin</div> <div>R</div>	No direct equivalent	<p>Calculated as the reported / adjusted operating profit divided by reported / adjusted revenue.</p> <p>This measure is an indicator of the Group's operating efficiency.</p> <p>The table below shows the components, and calculation, of reported / adjusted operating profit margin:</p> <table><tr><td></td><td></td><td colspan="2">Reported</td><td colspan="2">Adjusted</td></tr><tr><td></td><td></td><td>30 June 2025</td><td>30 June 2024</td><td>30 June 2025</td><td>30 June 2024</td></tr><tr><td>Revenue</td><td>a</td><td>£1,159.8m</td><td>£1,237.3m</td><td>£1,154.8m</td><td>£1,198.6m</td></tr><tr><td>Operating profit (note 4)</td><td>b</td><td>£9.2m</td><td>£43.9m</td><td>£42.6m</td><td>£54.5m</td></tr><tr><td>Operating margin</td><td>b/a</td><td>0.8%</td><td>3.5%</td><td>3.7%</td><td>4.5%</td></tr></table>			Reported		Adjusted				30 June 2025	30 June 2024	30 June 2025	30 June 2024	Revenue	a	£1,159.8m	£1,237.3m	£1,154.8m	£1,198.6m	Operating profit (note 4)	b	£9.2m	£43.9m	£42.6m	£54.5m	Operating margin	b/a	0.8%	3.5%	3.7%	4.5%
		Reported		Adjusted																												
		30 June 2025	30 June 2024	30 June 2025	30 June 2024																											
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Operating margin	b/a	0.8%	3.5%	3.7%	4.5%																											
<div>Reported EBITDA</div>	No direct equivalent	<p>Calculated as reported profit before tax for the six month period before: depreciation, amortisation and impairment of property, plant and equipment, intangible assets 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.</p> <p>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.</p> <p>The table below shows the calculation of reported EBITDA:</p> <table><tr><td></td><td>30 June 2025</td><td>30 June 2024</td></tr><tr><td>Reported (loss)/profit before tax</td><td>£(9.5)m</td><td>£60.0m</td></tr><tr><td>Add back: net finance costs (note 5)</td><td>£18.3m</td><td>£23.4m</td></tr><tr><td>Add back: depreciation and impairment of property, plant and equipment</td><td>£9.9m</td><td>£13.1m</td></tr><tr><td>Add back: depreciation and impairment of right-of-use assets</td><td>£18.3m</td><td>£22.0m</td></tr><tr><td>Add back: amortisation and impairment of intangibles</td><td>£9.6m</td><td>£22.7m</td></tr><tr><td>Add back: gain on business disposal (note 8)</td><td>£—m</td><td>£(38.1)m</td></tr><tr><td>Add back: share of results in associates and losses on financial assets</td><td>£0.4m</td><td>£(1.4)m</td></tr><tr><td>Reported EBITDA</td><td>£47.0m</td><td>£101.7m</td></tr><tr><td>Reported EBITDA margin</td><td>4.1%</td><td>8.2%</td></tr></table>		30 June 2025	30 June 2024	Reported (loss)/profit before tax	£(9.5)m	£60.0m	Add back: net finance costs (note 5)	£18.3m	£23.4m	Add back: depreciation and impairment of property, plant and equipment	£9.9m	£13.1m	Add back: depreciation and impairment of right-of-use assets	£18.3m	£22.0m	Add back: amortisation and impairment of intangibles	£9.6m	£22.7m	Add back: gain on business disposal (note 8)	£—m	£(38.1)m	Add back: share of results in associates and losses on financial assets	£0.4m	£(1.4)m	Reported EBITDA	£47.0m	£101.7m	Reported EBITDA margin	4.1%	8.2%
	30 June 2025	30 June 2024																														
Reported (loss)/profit before tax	£(9.5)m	£60.0m																														
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Add back: depreciation and impairment of right-of-use assets	£18.3m	£22.0m																														
Add back: amortisation and impairment of intangibles	£9.6m	£22.7m																														
Add back: gain on business disposal (note 8)	£—m	£(38.1)m																														
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Alternative performance measures continued

APM	Closest equivalent IFRS measure	Definition, Purpose and Reconciliation																																													
Income statement continued																																															
<div>Adjusted EBITDA</div> <div>R</div>	No direct equivalent	<p>Calculated as adjusted operating profit for the six month period before: 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).</p> <p>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.</p> <p>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.</p> <p>The table below shows the calculation of adjusted EBITDA:</p> <table><thead><tr><th></th><th colspan="2">Post IFRS 16</th><th colspan="2">Pre IFRS 16</th></tr><tr><th></th><th>30 June 2025</th><th>30 June 2024</th><th>30 June 2025</th><th>30 June 2024</th></tr></thead><tbody><tr><td>Adjusted profit before tax</td><td>£22.6m</td><td>£31.9m</td><td>£28.6m</td><td>£32.7m</td></tr><tr><td>Add back: adjusted net finance costs (note 5)</td><td>£20.0m</td><td>£22.6m</td><td>£12.3m</td><td>£14.5m</td></tr><tr><td>Add back: adjusted depreciation and impairment of property, plant and equipment</td><td>£9.9m</td><td>£12.9m</td><td>£9.9m</td><td>£12.9m</td></tr><tr><td>Add back: adjusted depreciation and impairment of right-of-use assets</td><td>£18.2m</td><td>£22.3m</td><td>£—m</td><td>£—m</td></tr><tr><td>Add back: adjusted amortisation and impairment of intangibles</td><td>£9.5m</td><td>£12.7m</td><td>£9.5m</td><td>£12.7m</td></tr><tr><td>Adjusted EBITDA</td><td>£80.2m</td><td>£102.4m</td><td>£60.3m</td><td>£72.8m</td></tr><tr><td>Adjusted EBITDA margin</td><td>6.9%</td><td>8.5%</td><td>5.2%</td><td>6.1%</td></tr></tbody></table>		Post IFRS 16		Pre IFRS 16			30 June 2025	30 June 2024	30 June 2025	30 June 2024	Adjusted profit before tax	£22.6m	£31.9m	£28.6m	£32.7m	Add back: adjusted net finance costs (note 5)	£20.0m	£22.6m	£12.3m	£14.5m	Add back: adjusted depreciation and impairment of property, plant and equipment	£9.9m	£12.9m	£9.9m	£12.9m	Add back: adjusted depreciation and impairment of right-of-use assets	£18.2m	£22.3m	£—m	£—m	Add back: adjusted amortisation and impairment of intangibles	£9.5m	£12.7m	£9.5m	£12.7m	Adjusted EBITDA	£80.2m	£102.4m	£60.3m	£72.8m	Adjusted EBITDA margin	6.9%	8.5%	5.2%	6.1%
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<div>Adjusted profit/(loss) before tax</div> <div>R</div>	Profit/(loss) before tax	<p>Calculated as profit or 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 of the cyber incident in March 2023; and expenses associated with the cost reduction programme.</p> <p>A reconciliation of reported to adjusted profit before tax is provided in note 4.</p>																																													
<div>Adjusted profit/(loss) after tax</div> <div>R</div>	Profit/(loss) after tax	<p>Calculated as the above adjusted profit or loss before tax, less the tax credit or expense on adjusted profit or loss.</p> <p>The table below shows a reconciliation:</p> <table><thead><tr><th></th><th>30 June 2025</th><th>30 June 2024</th></tr></thead><tbody><tr><td>Adjusted profit before tax (note 4)</td><td>£22.6m</td><td>£31.9m</td></tr><tr><td>Tax on adjusted profit (note 6)</td><td>£2.1m</td><td>£5.2m</td></tr><tr><td>Adjusted profit after tax</td><td>£24.7m</td><td>£37.1m</td></tr></tbody></table>		30 June 2025	30 June 2024	Adjusted profit before tax (note 4)	£22.6m	£31.9m	Tax on adjusted profit (note 6)	£2.1m	£5.2m	Adjusted profit after tax	£24.7m	£37.1m																																	
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<div>Adjusted basic earnings per share</div> <div>R</div>	Basic earnings per share	<p>Calculated as the adjusted profit or loss for the period after tax less non-controlling interests divided by the weighted average number of ordinary shares outstanding during the period.</p> <p>The Board believes that this provides an indication of basic earnings per share of the Group on adjusted profit after tax.</p> <p>For the calculation of adjusted basic earnings per share refer to note 7.</p>																																													
<div>Adjusted diluted earnings per share</div> <div>R</div>	Diluted earnings per share	<p>Calculated as the adjusted profit or 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.</p> <p>The Board believes that this provides an indication of diluted earnings per share of the Group on adjusted profit after tax.</p> <p>For the calculation of adjusted diluted earnings per share refer to note 7.</p>																																													

Alternative performance measures continued

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Cash flows generated from/(used by) operations excluding business exits	Cash generated from/(used by) operations	<p>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.</p> <p>A reconciliation of reported to cash generated from/(used by) operations excluding business exits is provided in note 9.</p>																																																																																																																																																						
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Free cash flow and free cash flow excluding business exits	Net cash flows from operating activities	<p>Free cash flow is calculated as cash generated from operations after: capital expenditure; income tax and interest; and 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.</p> <p>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.</p> <p>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.</p>																																																																																																																																																						
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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 includes cash required to be held under FCA regulations, cash held in foreign bank accounts, and cash represented by non-controlling interests.																																			
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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; private placement loan notes; other finance; 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.																																			
		<table><tr><th></th><th>30 June 2025</th><th>31 December 2024</th></tr><tr><td>Net debt (note 9)</td><td>£412.2m</td><td>£415.2m</td></tr><tr><td>Remove: IFRS16 impact (note 9)</td><td>£(325.2)m</td><td>£(348.7)m</td></tr><tr><td>Net financial debt (pre-IFRS 16)</td><td>£87.0m</td><td>£66.5m</td></tr></table>		30 June 2025	31 December 2024	Net debt (note 9)	£412.2m	£415.2m	Remove: IFRS16 impact (note 9)	£(325.2)m	£(348.7)m	Net financial debt (pre-IFRS 16)	£87.0m	£66.5m																							
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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:																																			
		<table><tr><th></th><th colspan="2">Post IFRS 16</th><th colspan="2">Pre IFRS 16</th></tr><tr><th>Rolling twelve month period</th><th>30 June 2025</th><th>31 December 2024¹</th><th>30 June 2025</th><th>31 December 2024¹</th></tr><tr><td>Adjusted EBITDA</td><td>£163.9m</td><td>£186.1m</td><td>£122.6m</td><td>£135.1m</td></tr><tr><td>EBITDA in respect of business exits not yet completed</td><td>£(7.0)m</td><td>£(7.7)m</td><td>£(7.0)m</td><td>£(7.7)m</td></tr><tr><td>Adjusted EBITDA (including business exits not yet completed)</td><td>£156.9m</td><td>£178.4m</td><td>£115.6m</td><td>£127.4m</td></tr><tr><td>Net debt / net financial debt</td><td>£412.2m</td><td>£415.2m</td><td>£87.0m</td><td>£66.5m</td></tr><tr><td>Net debt / net financial debt to adjusted EBITDA ratio</td><td>2.6x</td><td>2.3x</td><td>0.8x</td><td>0.5x</td></tr></table>		Post IFRS 16		Pre IFRS 16		Rolling twelve month period	30 June 2025	31 December 2024 ¹	30 June 2025	31 December 2024 ¹	Adjusted EBITDA	£163.9m	£186.1m	£122.6m	£135.1m	EBITDA in respect of business exits not yet completed	£(7.0)m	£(7.7)m	£(7.0)m	£(7.7)m	Adjusted EBITDA (including business exits not yet completed)	£156.9m	£178.4m	£115.6m	£127.4m	Net debt / net financial debt	£412.2m	£415.2m	£87.0m	£66.5m	Net debt / net financial debt to adjusted EBITDA ratio	2.6x	2.3x	0.8x	0.5x
	Post IFRS 16		Pre IFRS 16																																		
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1. To ensure the consistent presentation of the ratios between periods, the 2024 comparatives have not been re-presented.

R Comparatives re-presented

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 2024 comparatives have not been re-presented because they are not required to be re-presented for covenant purposes.

		Source		
Covenants (based on rolling twelve months)		30 June 2025	31 December 2024	
Adjusted operating profit ¹		£84.0m	£95.9m	
Add back: covenant adjustments ² and amortisation		£35.1m	£54.1m	
Adjusted EBITA	a1	£119.1m	£150.0m	
Less: IFRS 16 impact		£(3.2)m	£(8.8)m	
Adjusted EBITA (excluding IFRS 16)	a2	£115.9m	£141.2m	
Adjusted EBITA		£119.1m	£150.0m	Line item above
Add back: covenant adjustments ³ and depreciation		£58.0m	£55.8m	
Covenant calculation – adjusted EBITDA	b1	£177.1m	£205.8m	
Less: IFRS 16 impact		£(41.4)m	£(51.1)m	
Covenant calculation – adjusted EBITDA (excluding IFRS 16)	b2	£135.7m	£154.7m	
Adjusted EBITA (US PP covenants)	a3	£119.1m	£150.0m	Adjusted for difference in exceptional items treatment
Adjusted EBITDA (US PP covenants)	b3	£177.1m	£205.8m	Adjusted for difference in exceptional items treatment
Adjusted interest charge		£(43.3)m	£(45.9)m	
Add back: covenant adjustments ⁴		£1.8m	£2.0m	
Borrowing costs	c1	£(41.5)m	£(43.9)m	
Less: IFRS 16 impact		£16.4m	£16.8m	
Borrowing costs (excluding IFRS 16)	c2	£(25.1)m	£(27.1)m	
5.1 Interest cover (US PP covenant)	a3/c2	4.7x	5.5x	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
5.2 Interest cover (other financing agreements)	a2/c2	4.6x	5.2x	Adjusted EBITA/Borrowing costs with both variables excluding IFRS 16. Minimum permitted value of 4.0
Net debt		£412.2m	£415.2m	Line information in note 9
Add back: covenant adjustments ⁵		£45.9m	£44.2m	
Less: IFRS 16 impact		£(325.2)m	£(348.7)m	Line information in note 9
Covenant calculation - adjusted net debt (excluding IFRS 16)	d1	£132.9m	£110.7m	
6.1 Adjusted net debt to post IFRS 16 adjusted EBITDA ratio (US PP covenant)	d1/b3	0.8x	0.5x	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	1.0x	0.7x	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, 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.

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.