

Strategy for growth and value creation

- **Business focus: delivering smart services and products to**
 - Drive out costs and improve customer services
 - Deliver value-generating outcomes, better positioning clients
- **Managing the business to deliver enhanced margins, strong EPS growth, cash generation and returns**
 - Creating a robust, sustainable business capable of generating good shareholder returns
- **2015 review of Group assets to ensure best positioned for future profitable growth**
 - Identified a small number of non-core, low growth businesses for disposal
 - New legislative change in life and pensions market led to impairment of IT platforms

Strategy for growth and value creation (cont'd)

Dual strategy of organic and acquisition growth

- Generating profitable organic growth from major sales and divisional businesses
- Investing in value-generating acquisitions, building capability and fuelling further organic growth
- Increased focus on and investment in proprietary technology-led and platform based solutions

Refocused sales efforts to generate greater growth across all channels

- Deployment of Group Business Development across traditional and new models of growth
- Renewed focus on growth from divisional businesses

Continuing investment in talent acquisition and skills development

Maintaining our strong values-driven ethos and culture

Key highlights

- **Good financial performance in 2015**
 - Revenue up 11.8% on a like for like* basis, including organic growth of 4.3%
 - Reported underlying operating margin 13.7%
 - Reported underlying profit before tax and EPS up 9%
 - Dividend increased by 9%
- **Driving growth from major sales, divisions and acquisitions**
 - £1.8bn of major contract wins in full year
 - Good underlying growth from Asset Services and Digital & Software Solutions
 - Invested in 17 acquisitions and our Fera partnership for aggregate spend of £402m
 - Exit of small number of businesses which lack strategic fit
- **Solid start to 2016**
 - £458m contracts & extensions secured to date
 - Bid pipeline £4.7bn (Feb 2015: £5.1bn) total contract value, with average contract length of 6yrs (Feb 2015: 8yrs)

Creating growth | major contract wins 2015: £1.8bn + 2016: £458m to date

2015 contracts	Key features	Duration (years)	Value (£m)
Defra (Fera)	High end science services	JV + 10	700
Sheffield City Council	Strategic partnership extension	6	170
Central London Community Health NHS Trust	Strategic partnership to deliver core support services	10	80
Primary Care Support England	Support services contract plus sole provider framework	7-10	400
Rabobank ACCLM, Thames Water, British Gas & 6 other contracts	Across various disciplines and markets	3-9	408
	Overall aggregate value	5-10	£1.8bn

2016 contracts	Key features	Duration (years)	Value (£m)
5 Councils shared services	LG shared services platform	9	139
Blackburn with Darwen Council	Technical services partnership	5	60
Debenhams	Customer management	6.5	72
3 other contracts incl. VW, Salford, and financial services client	Various	2-9	187
	Overall aggregate value	2-9	£458m

Summary

- 13 bids won in 2015 worth £1.8bn (2014: £1.7bn)
- 78% new revenue / 22% rebids/extensions
- Win rate 2 in 3 by value

Acquisitions | support our growth strategy

- **Acquisition strategy**
 - We acquire to build capability in existing markets, enter new markets and enhance our growth potential
 - We have a good track record and remain a disciplined buyer
- **Good execution in 2015**
 - Invested in 17 acquisitions and our Fera partnership, aggregate spend of £402m
- **Enhancing capability in existing markets**
 - Barrachd, Brightwave, Metacharge and Paypoint.net increase our digital footprint
 - Vertex Mortgage Services enhances our mortgage processing offering
 - GL Hearn expands our property offering across the entire development process
- **Entering new markets**
 - avocis and formation of Capita Europe

Summary and outlook



2015 good financial performance and Capita better positioned for future profitable growth



Good platforms for driving organic growth across Group Business Development and Divisions



Healthy pipeline of value enhancing acquisitions



Continued investment in people, talent and development



Confidence in the medium to long term outlook

CAPITA



AGM: 2015 Results & Update

Andy Parker
Chief Executive
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