

CAPITA

Capita plc

Full year results 2018

14 March 2019

Simplify

Strengthen

Succeed

Agenda



1. Summary

Jon Lewis, CEO



2. Financial results

Patrick Butcher, CFO



3. Executing our strategy

Jon Lewis, CEO



4. Summary & Questions

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Summary

First year of multi-year transformation executed as planned in 2018

- Corporate purpose and strategy defined, and first-ever operating model rolled out
- Leadership strengthened and governance improved
- Balance sheet strengthened; £1.1bn raised through rights issue and disposals
- £282m profit before tax*, slightly ahead of our guidance
- Real progress on 'challenging' contracts
- £1.8bn order intake, re-set relationships with clients to create better outcomes
- £140m invested in infrastructure, products and systems
- Hit target of £70m in-year savings from cost competitiveness
- Pension deficit reduction plan agreed

Clear plan for 2019

- Accelerating cost competitiveness programme to realise cumulative savings of £175m by end 2019
- Increasing investment – in our people, systems and digital capability - to support long-term, sustainable growth
- Profit before tax* expected to be between £265m and £295m in 2019
- Transformation of sales as part of new Growth function

Unchanged 2020 targets

- Achieve double digit margins* and at least £200m of sustainable free cash flow**

Financial results



Patrick Butcher

Revenue – focusing on differentiated digitally-enabled services and software

Structural changes in two existing markets

AND

Strategic decisions not to invest in selected markets and activities

WITH

Strategic focus on digitally-enabled services and software, supporting organisations' digital transformation

Adjusted results

All figures included in this presentation are on an adjusted basis unless otherwise stated

Adjusted profit excludes:

- amortisation of acquired intangibles
- impairment of goodwill and acquired intangibles
- the costs/benefits, if significant, of items associated with acquisition and disposal of, or exit from, businesses
- the cost of significant restructuring
- the impact, if significant, of early contract termination and new contracts
- the impact of mark-to-market movements of certain financial instruments
- other items that are significant, unusual and not trading related

Adjusted free cash flow excludes:

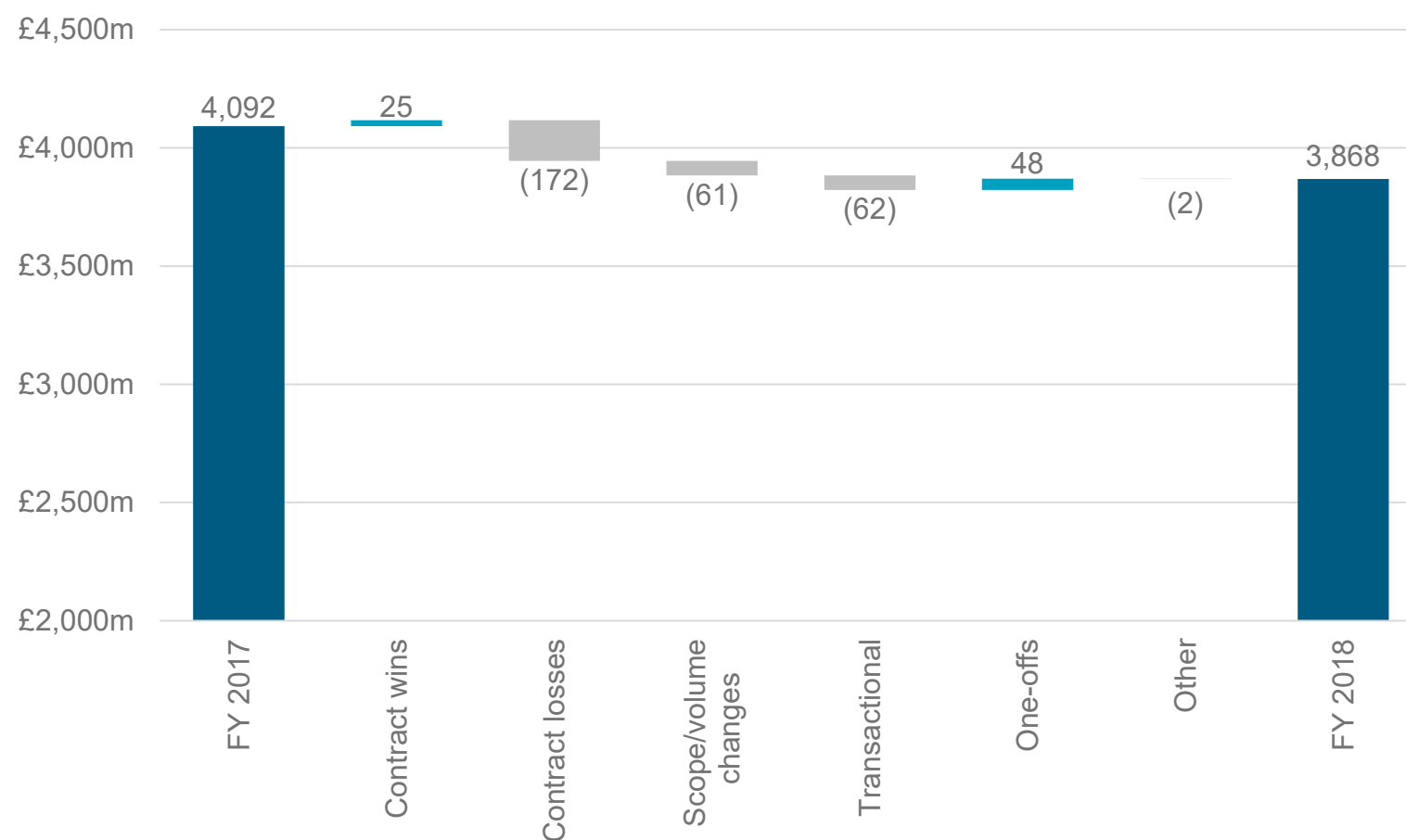
- cash flows of the items above excluded from adjusted profit
- financing cash flows, including deficit repayments in respect of defined benefit pension schemes

Financial overview – simplifying and strengthening

Key financial metrics	£m FY18	£m FY17	% Change
Revenue	3,867.6	4,091.8	(5.5)
Operating profit	335.3	447.5	(25.1)
Operating profit margin	8.7%	10.9%	-
Interest	(53.2)	(64.4)	(17.4)
Profit before tax	282.1	383.1	(26.4)
Earnings per share (p)	16.37	27.99	(41.5)
Free cashflow	(82.5)	75.4	(209.4)
Net debt	(466.1)	(1,117.0)	(58.3)
Net debt/EBITDA	1.2x	2.2x	-

Change in revenue

- Contract wins including TfL and the full year effect of mobilcom-debitel
- Contract losses:
 - Chose not to rebid – Tascor Escorting & Detention
 - Terminated early – Prudential and Marsh
 - Insourced – Defence Infrastructure Organisation (Mid-2017)
- Reduction in volume and scope changes from European Telco in CM and Local Government
- Lower transactional volume in Resourcing and Learning Services
- One-off gains including Prudential and Marsh early termination revenue



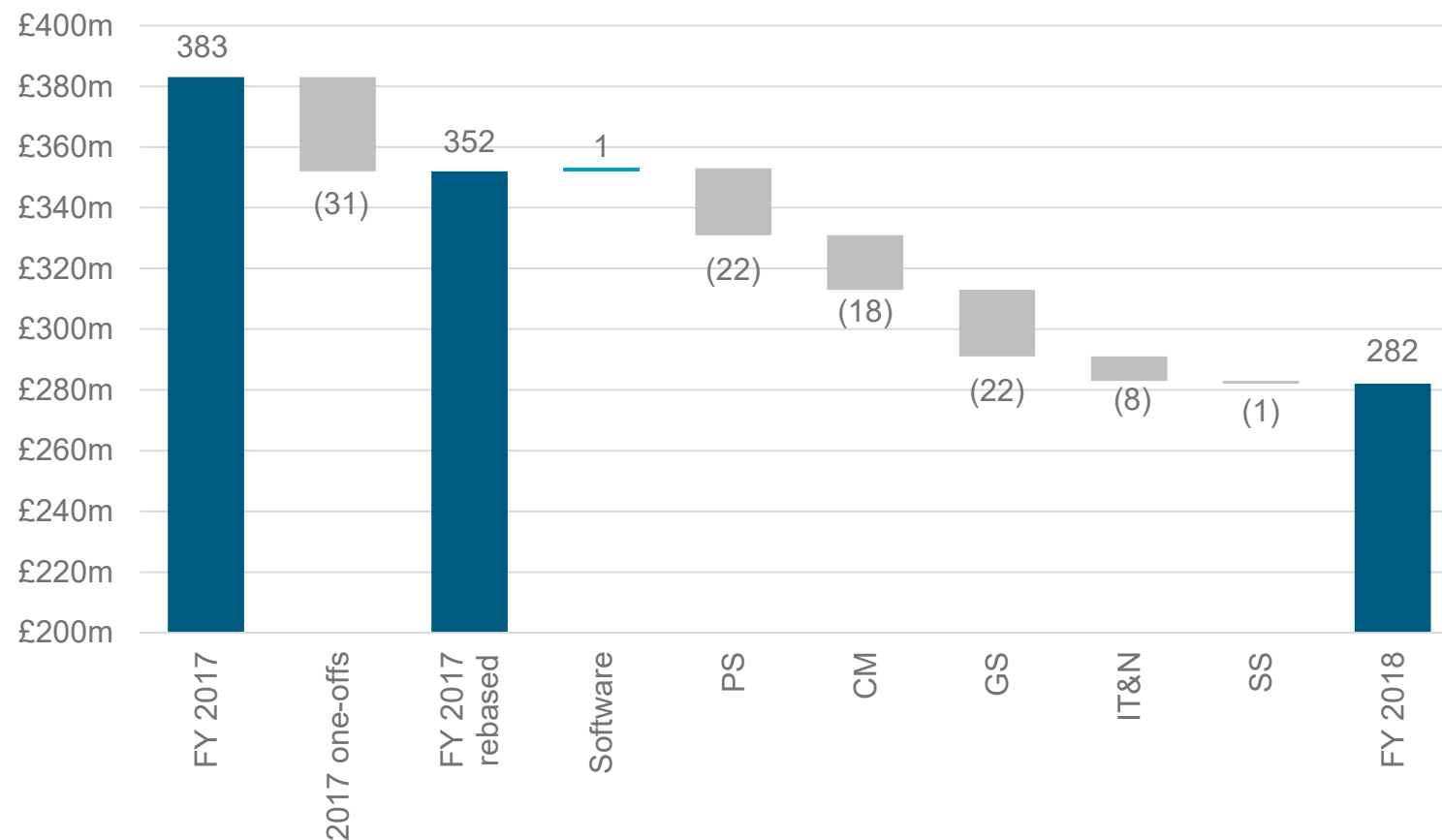
Change in revenue by division

	Revenue £m		Change %
	FY18	FY17	
Software	396.4	401.7	(1.3)
People Solutions	498.3	520.5	(4.3)
Customer Management	794.2	828.9	(4.2)
Government Services	745.5	861.7	(13.5)
IT & Networks	404.0	415.4	(2.7)
Specialist Services	992.2	1,022.7	(3.0)
Central	37.0	40.9	
Total	3,867.6	4,091.8	(5.5)%

Movements in profit before tax by division

PBT slightly ahead of our expectations

- One-off gains reported in 2017 from Defence Infrastructure Organisation contract and a settlement with a supplier
- People Solutions: lower volumes in Public Sector Resourcing
- Customer Management, Government Services and IT & Networks: impacted by contract terminations and scope or volume changes
- Specialist Services: benefits from termination of Marsh (£9m) and Prudential (£6m) offset by trading
- Lower margins also driven by additional costs across the Group to professionalise functions and invest in new capabilities



Divisional financial performance

	Profit £m		Margin %	
	FY18	FY17	FY18	FY17
Software	112.4	111.7	28.4	27.8
People Solutions	40.7	62.7	8.2	12.0
Customer Management	39.6	57.8	5.0	7.0
Government Services	35.2	78.7	4.7	9.1
IT & Networks	45.3	62.0	11.2	14.9
Specialist Services	139.5	140.6	14.1	13.7
Central	(77.4)	(66.0)	-	-
EBIT	335.3	447.5	8.7	10.9
Interest	(53.2)	(64.4)	-	-
PBT	282.1	383.1	7.3	9.4

Free cash flow

Working capital outflow £372m

- £110m of non-recourse receivables financing fully repaid in FY18, a year earlier than planned
- Normalisation of period end cash flow management activity
- Deferred income release of £243m includes: Specialist Services; IT & Networks; Government Services; and Software
- Other – contraction in some areas of the business and prepayments

Net capex investment of £140m

£m	FY18	FY17
EBITDA	428.4	519.3
Working capital	(372.4)	(263.2)
Receivables financing cleared	(110.0)	(23.6)
Full normalisation of period end cash management	(126.3)	(85.0)
Deferred income	(243.4)	(75.2)
Accrued income	24.8	(52.2)
Other movements in working capital	82.5	(27.2)
Interest	(39.0)	(54.2)
Taxation	26.6	9.5
Net capex	(139.9)	(110.2)
Provision movements and non-cash items	13.8	(25.8)
Adjusted free cash flow	(82.5)	75.4

Capital expenditure: addressing historic underinvestment

Invested £140m in 2018

- Ongoing upgrade of Capita's financial system
 - To improve our financial reporting, processes and controls
- Property
 - New head office creates a better working environment
- Data centre upgrades
 - Modernisation and strengthening of our IT infrastructure

Still expecting to invest up to £500m over 2018-2020

- Investing more in growth in 2019
- 30 projects approved each with a value of more than £1m

Net capital expenditure	£m FY18	£m FY17
Capability/efficiency/productivity	50	41
Maintenance	70	70
Growth	22	22
Disposals	(2)	(23)
Total	140	110

Free cash flow to net debt

- Restructuring costs £101m including professional fees
- Pension deficit cash payment £47m
- Cash used by discontinued operations £99m, including:
 - Connaught settlement £61m (FY18 guidance £66m);
 - Separation of Capita Asset Services £38m (FY18 guidance £51m)
- Sale of subsidiaries £408m (£397m offset by cash disposed £11m)
- Net proceeds of rights issue £663m

£m	FY18	FY17
Adjusted free cash flow	(82.5)	75.4
Known commitments:	(225.6)	787.0
Restructuring	(100.8)	(45.0)
Cash (used by) from discontinued operations	(99.2)	831.9
Net deferred and contingent consideration	(14.6)	0.1
Specific litigation and claims	(11.0)	-
Pension deficit payment	(46.9)	-
Make whole payment on US and euro PPN	(13.5)	-
Business exits	(6.6)	19.5
Net proceeds on disposal of subsidiary undertakings	396.6	16.9
Net proceeds of rights issue	662.7	-
Dividends paid	-	(211.0)
Other cash flows from investing/financing activities	(30.1)	(4.6)
Cash movement in net debt	654.1	683.2
Net debt repayment*	(488.6)	(773.7)
Increase in cash and cash equivalents	165.5	(90.5)

Balance sheet gearing

Reduction in net debt and leverage ratio

- Loan notes
 - £581m repaid in FY18 (£307m in H1)
 - Covenants have been renegotiated
- Bank debt maturity
 - £100m May 2019
- Undrawn £600m revolving credit facility maturing 2020/21
- Net debt / EBITDA** ratio within target of 1x to 2x
- IFRS 16 on adoption will increase reported net debt by around £645m***

	£m FY18	£m FY17
Opening net debt	(1,117.0)	(1,778.8)
Cash movement in net debt	654.1	683.2
Non-cash movements	(3.2)	(21.4)
Closing net debt	(466.1)	(1,117.0)
Cash	642.7	478.4
Private placement loan notes	(1,108.0)	(1,664.0)
Swaps	101.5	182.2
Term loan	(100.0)	(100.0)
Other*	(2.3)	(13.6)
Net debt / EBITDA**	1.2x	2.2x

Update on pensions*

Pension valuation completed

- IAS 19 deficit reduced from £407m to £219m at 31 Dec 18 as bond yields fall
- 31 March 17 actuarial deficit £185m
- Intention to reduce actuarial pension deficit over medium term

£m	FY18	FY19	FY20	FY21	Total
Deficit reduction payment plan	42	71	59	4	176

Amounts charged to income statement

	£m FY18	£m FY17
Defined contribution scheme	94.9	86.2
Defined benefit schemes	27.1	40.0
Total in the income statement	122.0	126.2

Cash

	£m FY18	£m FY17
Defined contribution scheme	94.9	86.2
Defined benefit schemes	63.0	29.8
Total cashflow	174.9	116.0

FY19 financial guidance* – second year of a major transformation

Net finance costs **c.£40m**

Profit before tax PBT expected to be between **£265m and £295m**

Net debt** Net Debt to EBITDA ratio to be in the **upper half of our target range of 1 to 2 times**

Executing our strategy



Jon Lewis

Transformation recap: our plan is to do fewer things, better



Simplify

- Focus on strong positions with growth potential
- Align organisation around growth markets
- Use common, scalable capabilities
- Streamline cost base



Strengthen

- Strengthen leadership and governance
- Up to £500m investment in asset base, technology and people
- Win more of the right work
- Deleverage balance sheet



Succeed

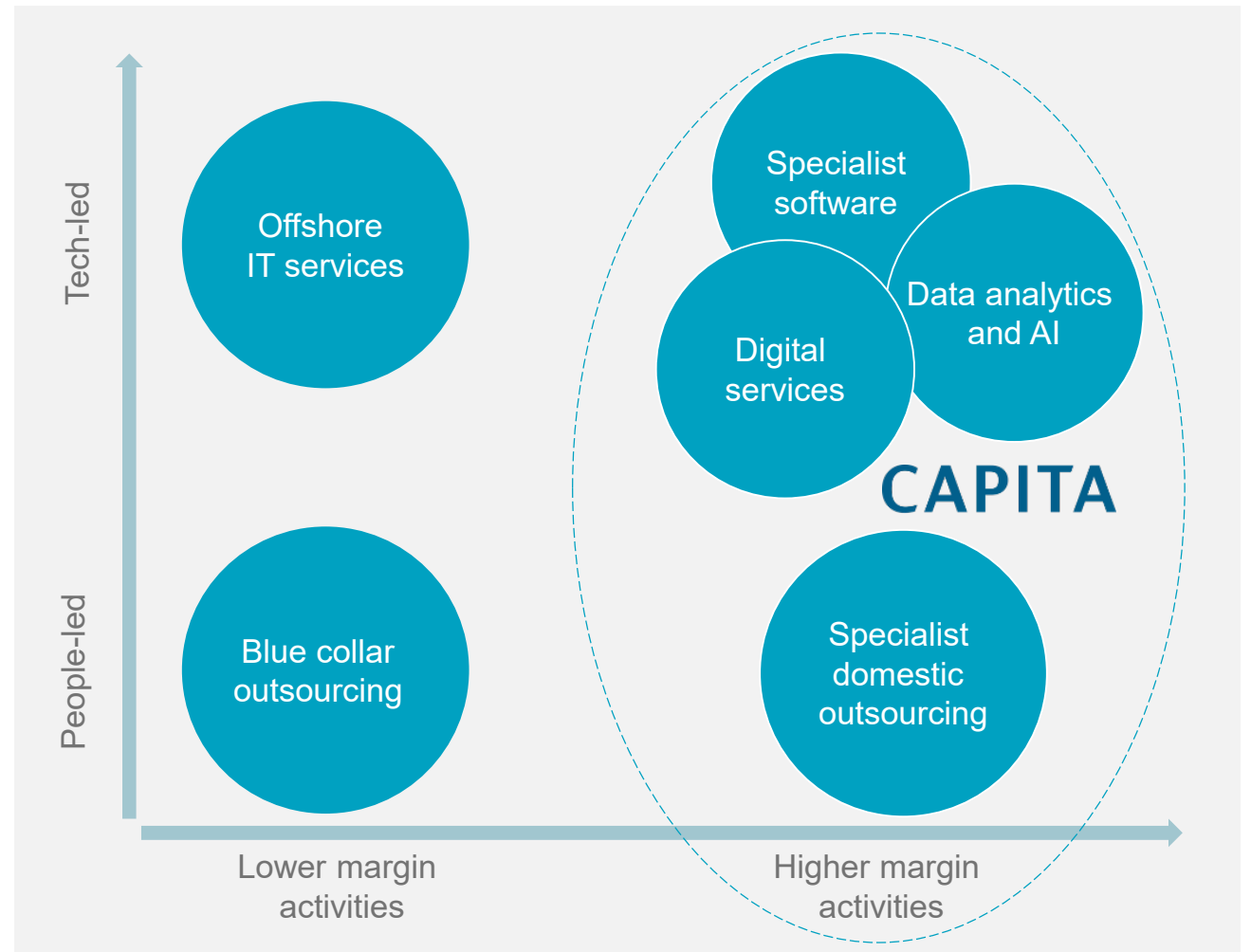
- More predictable business, lower risk
- At least £200m of sustainable free cash flow in 2020*

Transformation recap: focus on digitally-enabled services and software







Focus on differentiated, digitally-enabled services and software

Large, long-term, structural growth opportunity

- Build on existing strengths and market positions
- More complex technology-led solutions and higher margins

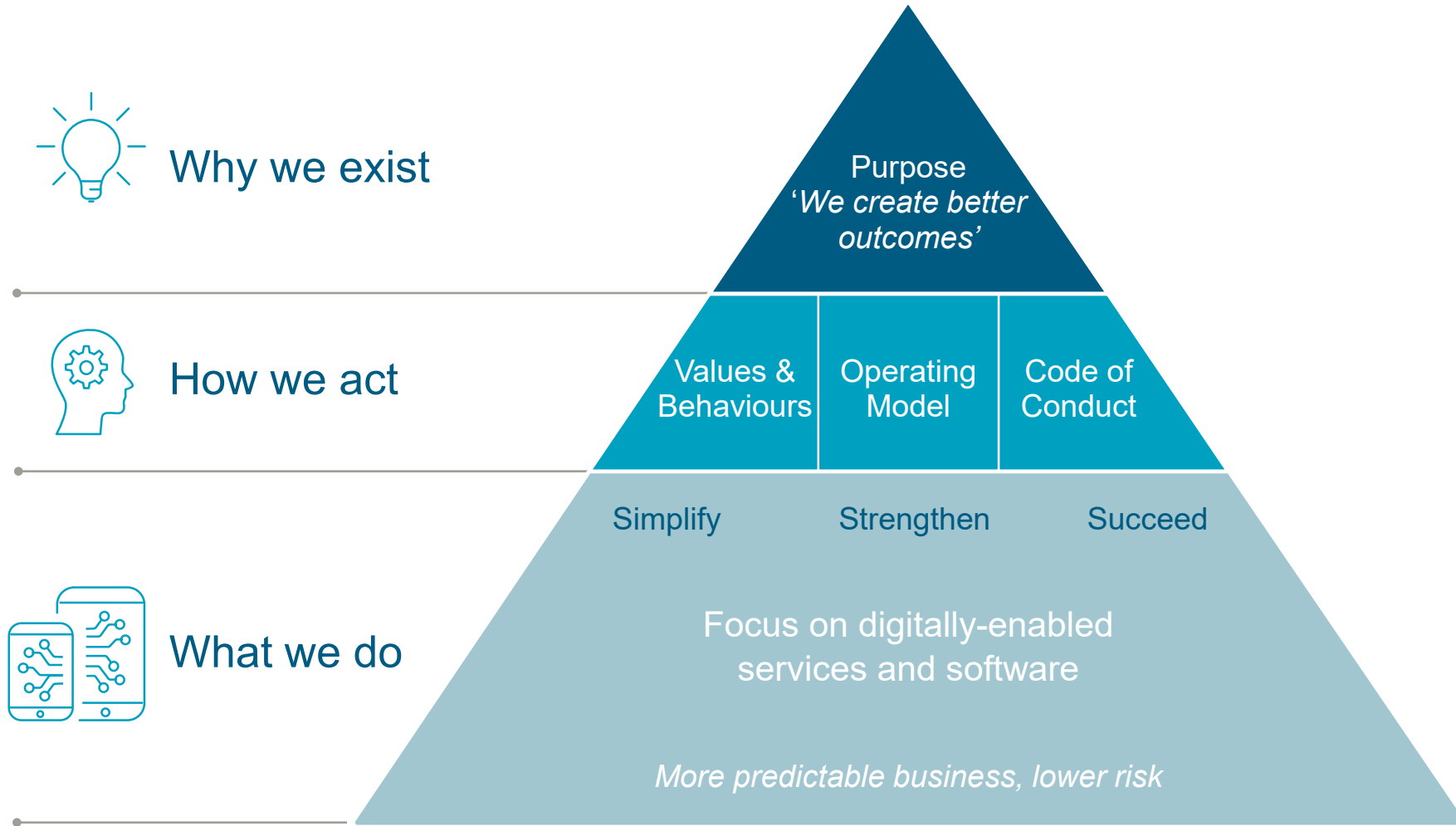


Transformation programme: simplify, strengthen, succeed scorecard

2017	January 2018	By 2020
Leverage 2.3x and increasing	BALANCE SHEET 	Leverage 1 - 2x* Lower interest costs, more flexible
Poor governance & discipline, no people strategy	1. GOVERNANCE, OPERATING MODEL AND PEOPLE 	Purpose, operating model, governance, and people working together
> £50m losses from 3 challenged contracts	2. CHALLENGING CONTRACTS 	Each contract to reach breakeven by end 2020
Duplicated costs, no scale benefits, SG&A above industry average	3. COST COMPETITIVENESS 	>£175m cost out, more to come
Under-investment in systems, and capabilities	4. INVESTING IN CAPABILITIES 	Up to £500m invested
Declining organic revenue	5. REIGNITING GROWTH 	Organic growth

*Pre adoption of IFRS 16

Governance: running Capita as a responsible business



1



Operating Model: driving a consistent way of working

The 'Blue Book' is the blueprint that defines the way we work

- First ever for Capita, launched January 2019
- Driven by purpose, values and behaviours framework

Professionalising the way the business is run

- Clear accountabilities with better, consistent decision making
- Contract & Investment Review Committees and enhanced monthly performance reviews
- Linked to company-wide incentives

Foundation for 'One Capita'

- Eliminates silos
- Leverage our strengths better



1



People: fundamental to creating a sustainable business

Leadership and governance strengthened

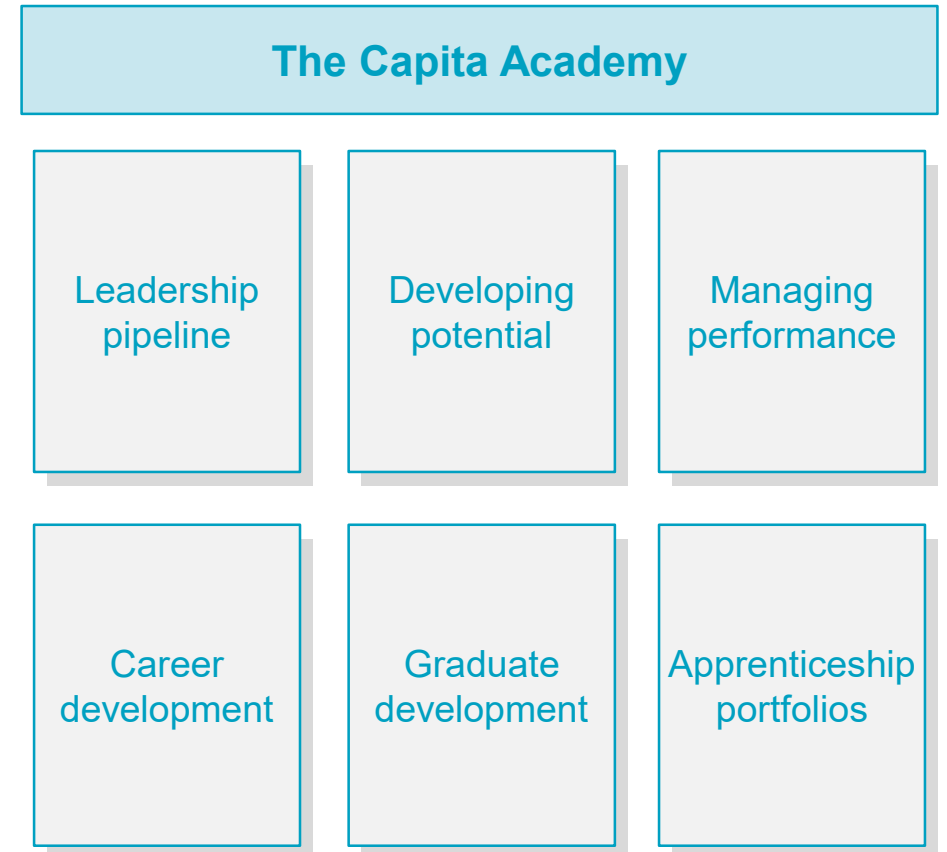
- Executive Committee in place
- Culture of openness, transparency and accountability

Valuing and investing in our people

- Engaged, skilled colleagues critical to our transformation
- Developing the right skills for new ways of working

Focus on being a responsible business, making a positive contribution

- Developing our social credentials
- Appointing two employees to the Board as non-Execs





Challenging contracts: real progress in 2018

RPP Army Recruiting



- Rebuilt partnership with Army and MOD
- Strong start to 'Your Army' recruitment campaign – seeing improvement in performance metrics
- Financial performance starting to improve
- Capita is now a Strategic Supplier to the MOD

NHS PCSE



Primary Care Support England

- Swift response to 2018 operational issues – full review completed and improved quality process
- Still remains a complex contract with multiple stakeholders, with more to do in 2019
- Losses reduced in 2018; targeting break even by end 2020

mobilcom-debitel



- All revised transformation milestones have been met, including all the major technology deliverables
- Operational performance remains strong
- Partnership commitment remains positive on both sides
- On track to meet break even by end of 2020

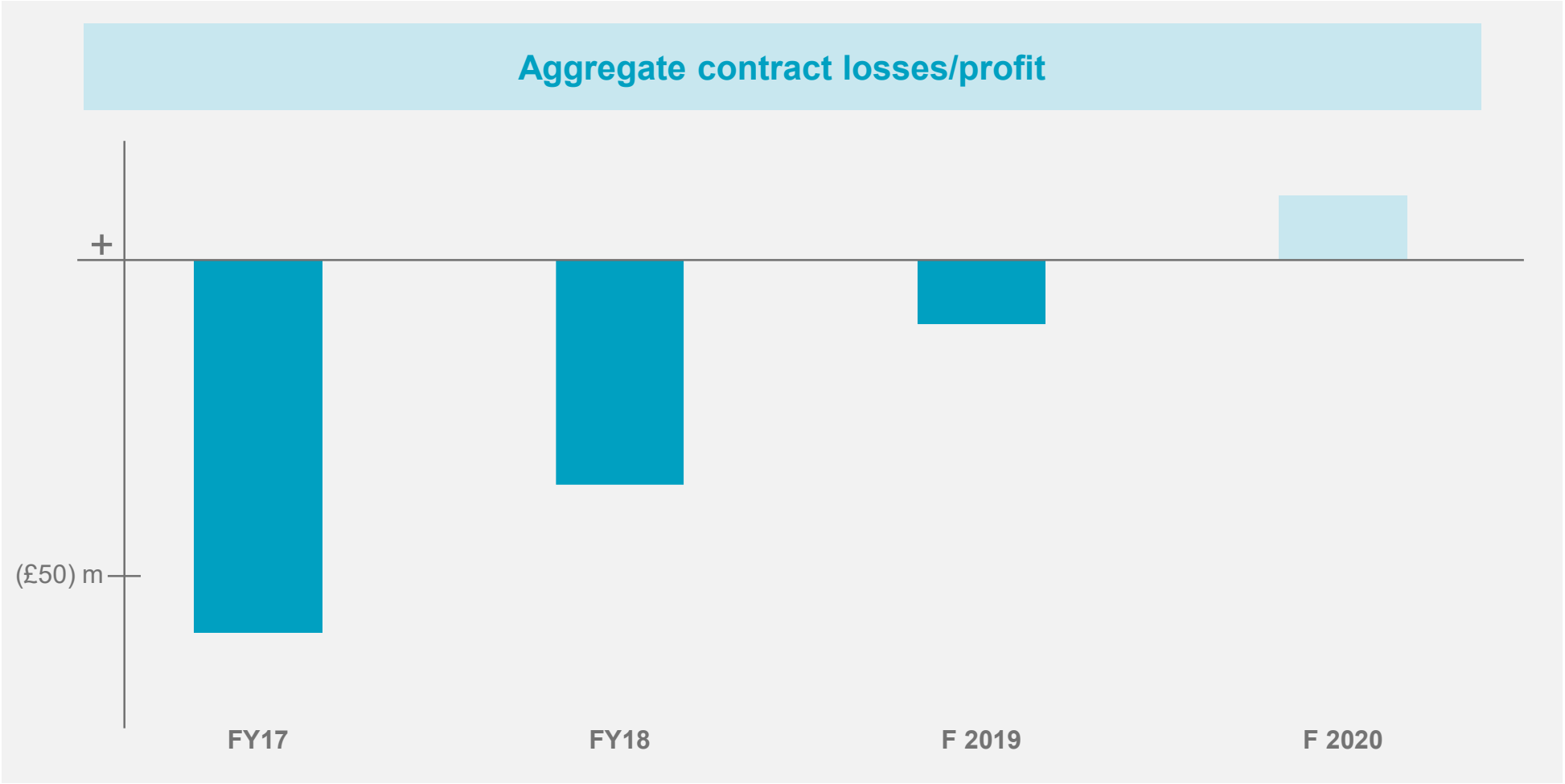


Challenging contracts: improving financial performance

RPP Army Recruiting

NHS PCSE

mobilcom-debitel

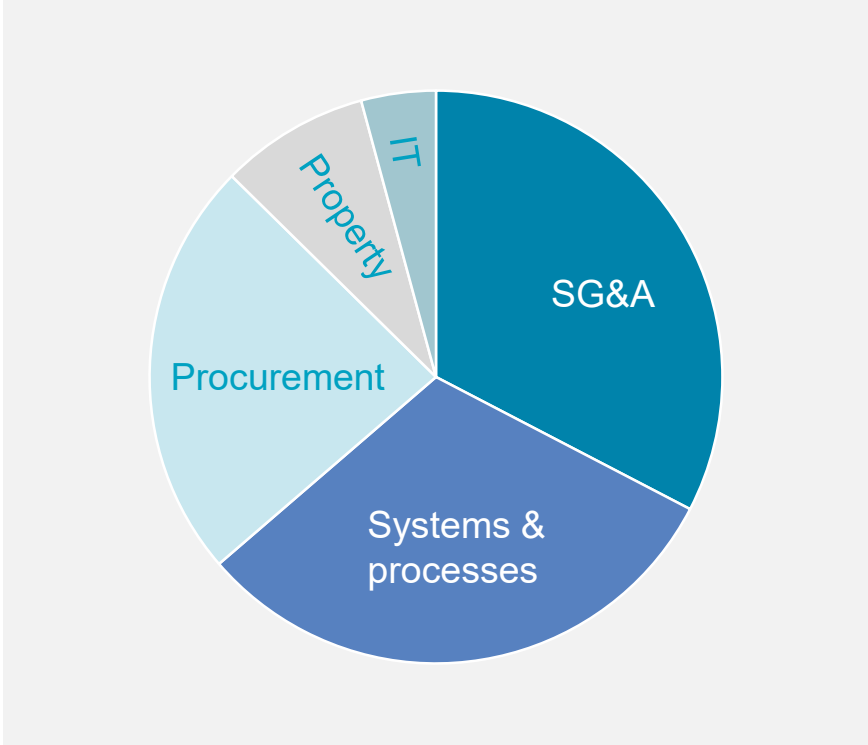




Cost competitiveness: transformation plan (April 2018)

	F 2018	F 2019	F 2020	F Total
Cost to deliver savings (in year)	£40m	£70m	£40m	£150m
Cumulative savings	£70m	£140m	>£175m	>£175m

Target areas by 2020





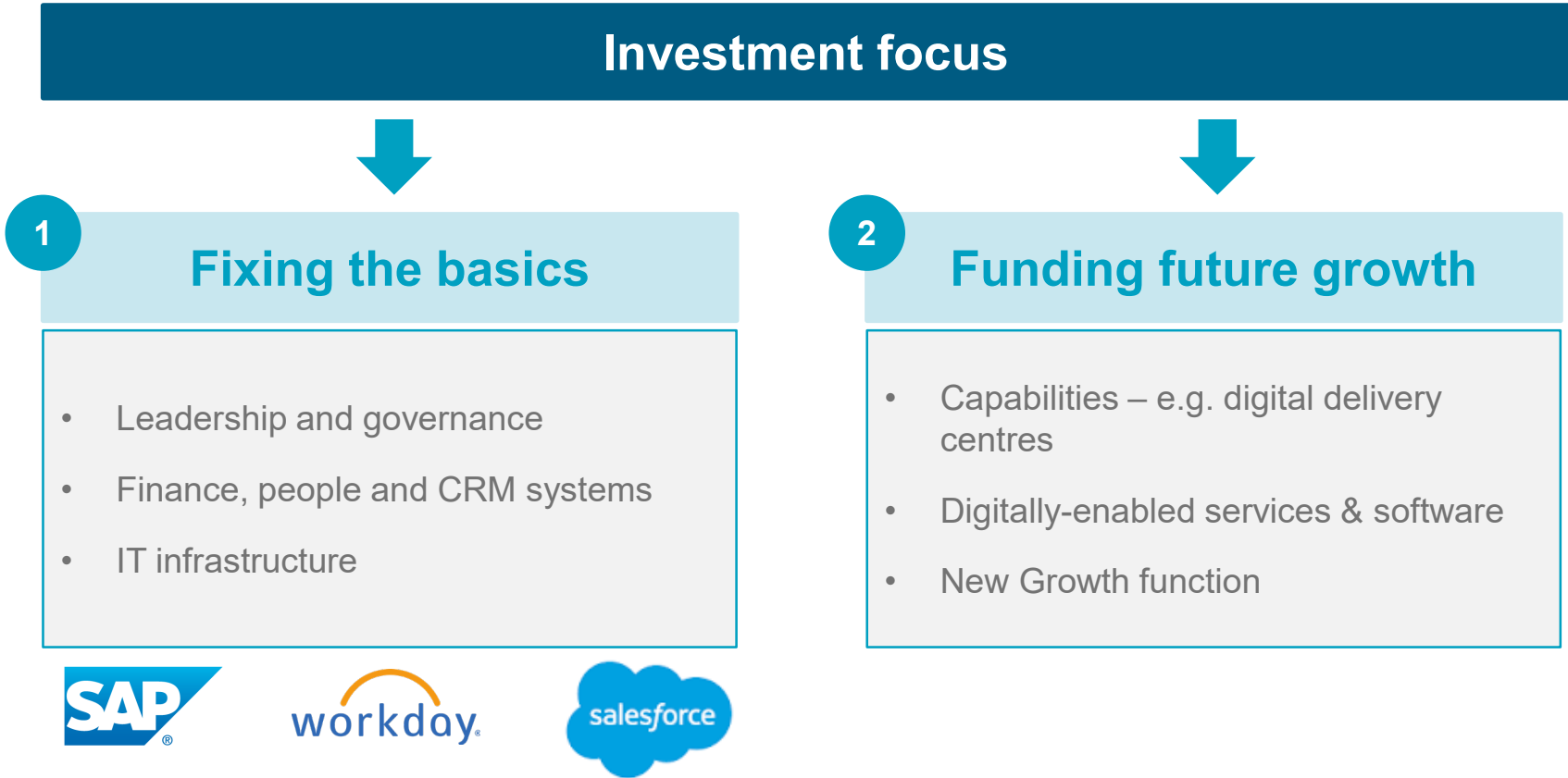
Cost competitiveness: accelerating cost savings in 2019

	F 2018	F 2019	F 2020	F Total
Cost to deliver savings (in year)	£55m	£95m		£150m
Cumulative savings	£70m	£175m	>£175m	>£175m

- Higher P&L cost in 2018 to accelerate savings in 2019
- Investing some of savings to drive future growth

* £70m in year savings delivered in 2018. Target is £175m cumulative savings by end of 2019.

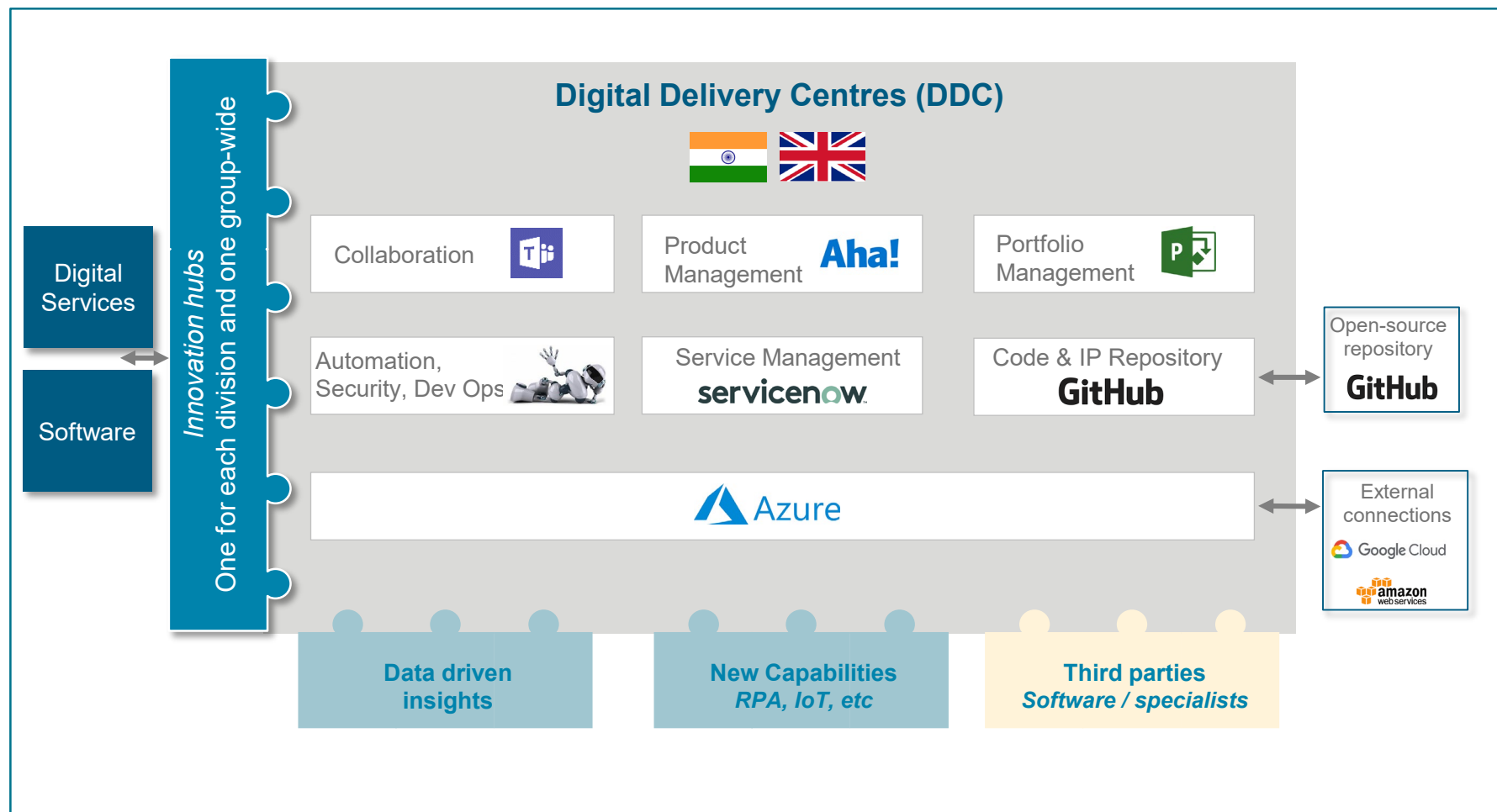
Investing in capabilities: increasing spend on growth in 2019



Investing in capabilities: supporting digitally-enabled services and software

Creating scalable repeatable propositions for software and digitally-enabled services

Cross-Capita capability



Investing in capabilities: new digitally-enabled services & software

Digital technologies that power our client offerings

Payments facilitation

Parental engagement app

Pre-employment screening

Customer experience practice

Omnichannel messaging platform

Public safety platform

ControlWorks®

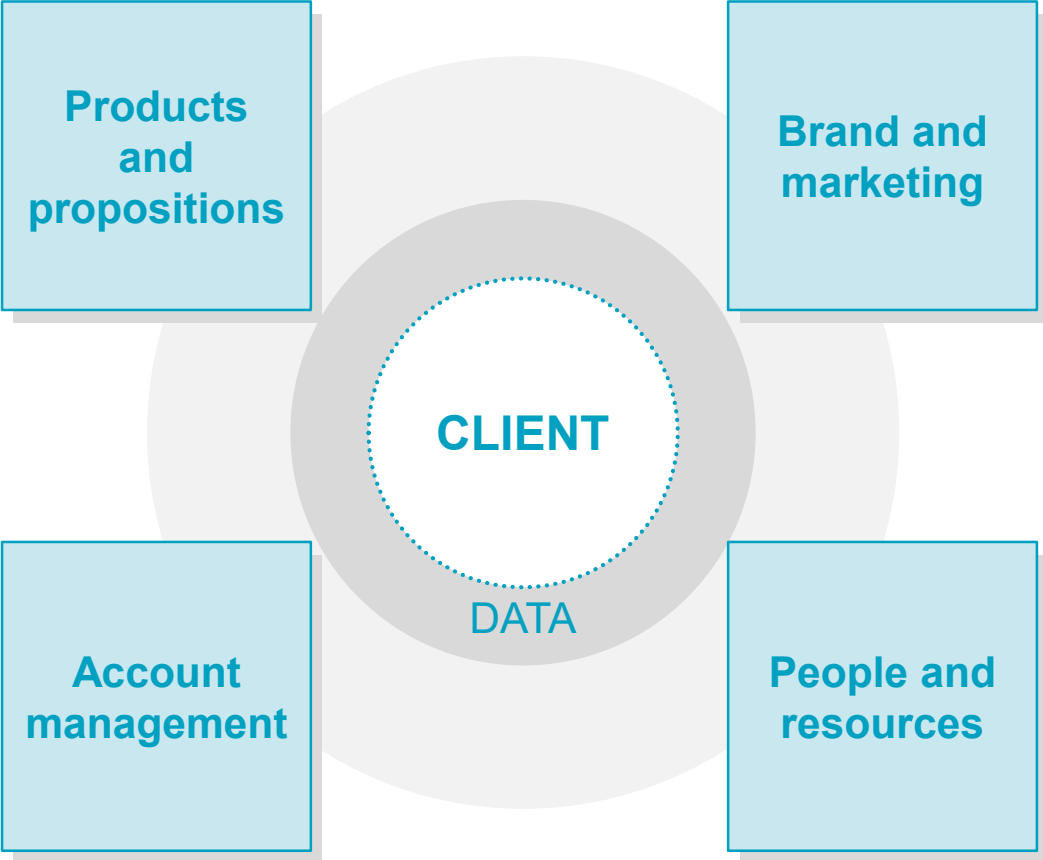
Resource management

Employee experience

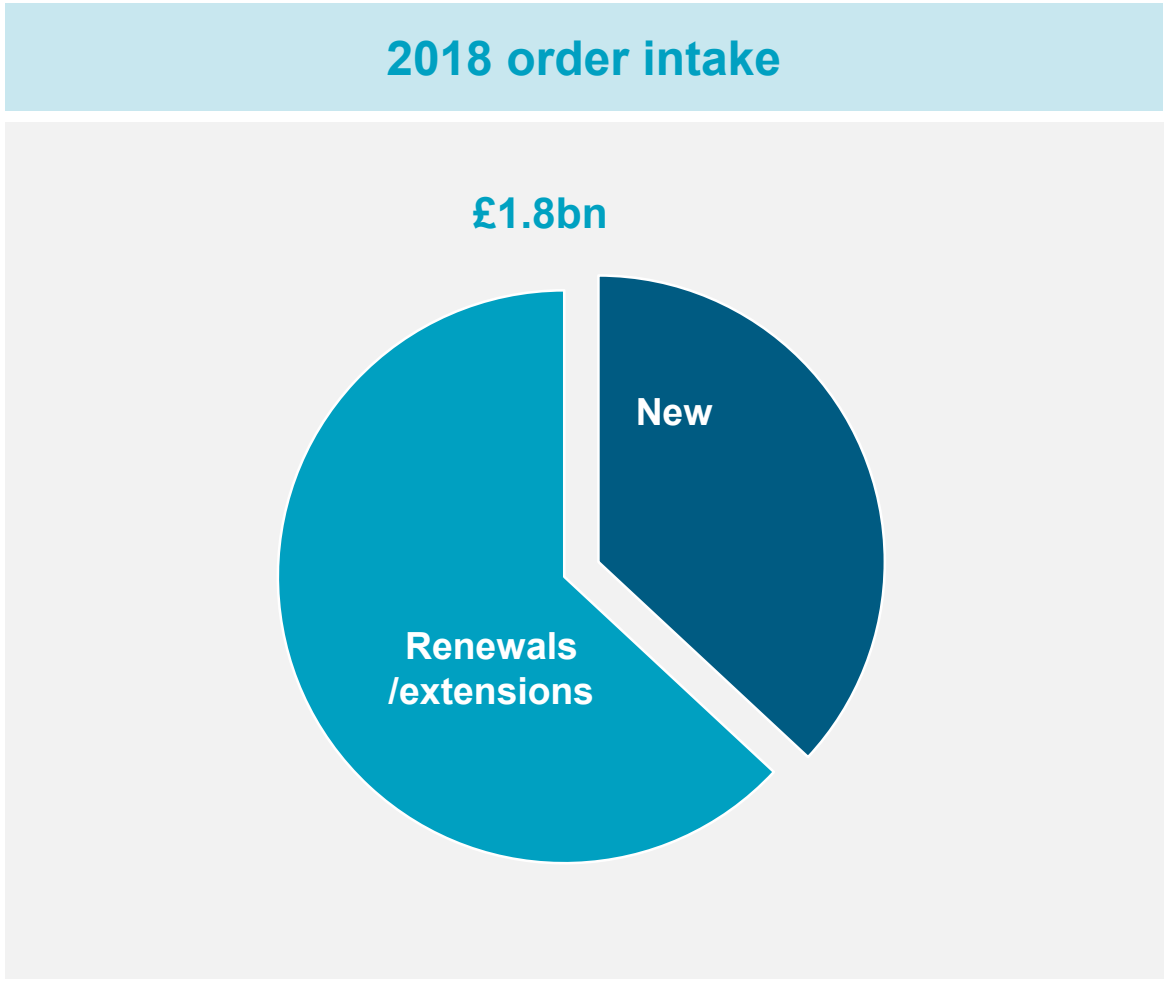
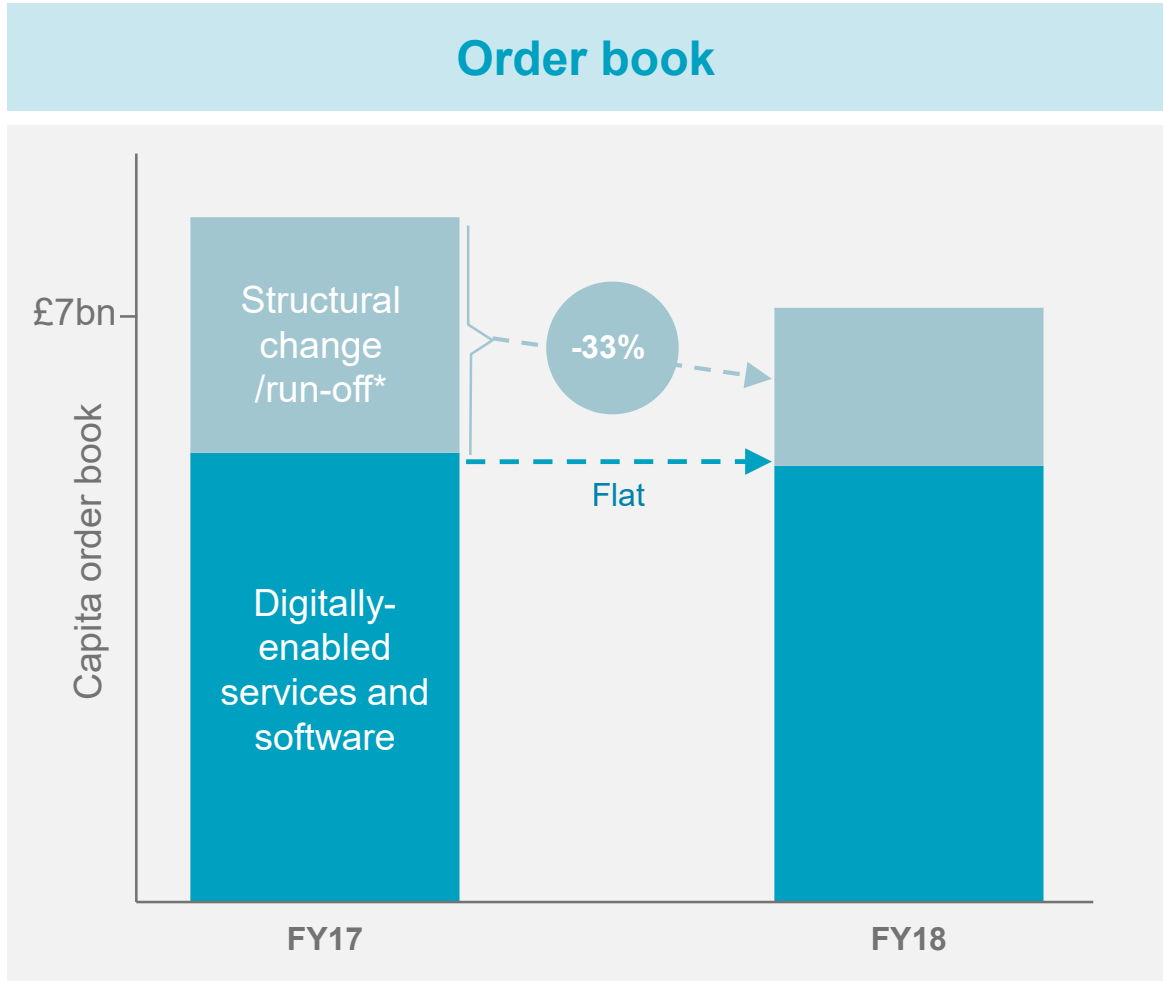
Housing occupancy licensing

Reigniting growth: foundations for growth now in place

- New growth leadership team in place
- Fundamental shift in approach to creating own sales opportunities
- Capita-wide strategic account management
- Introducing new product and proposition development



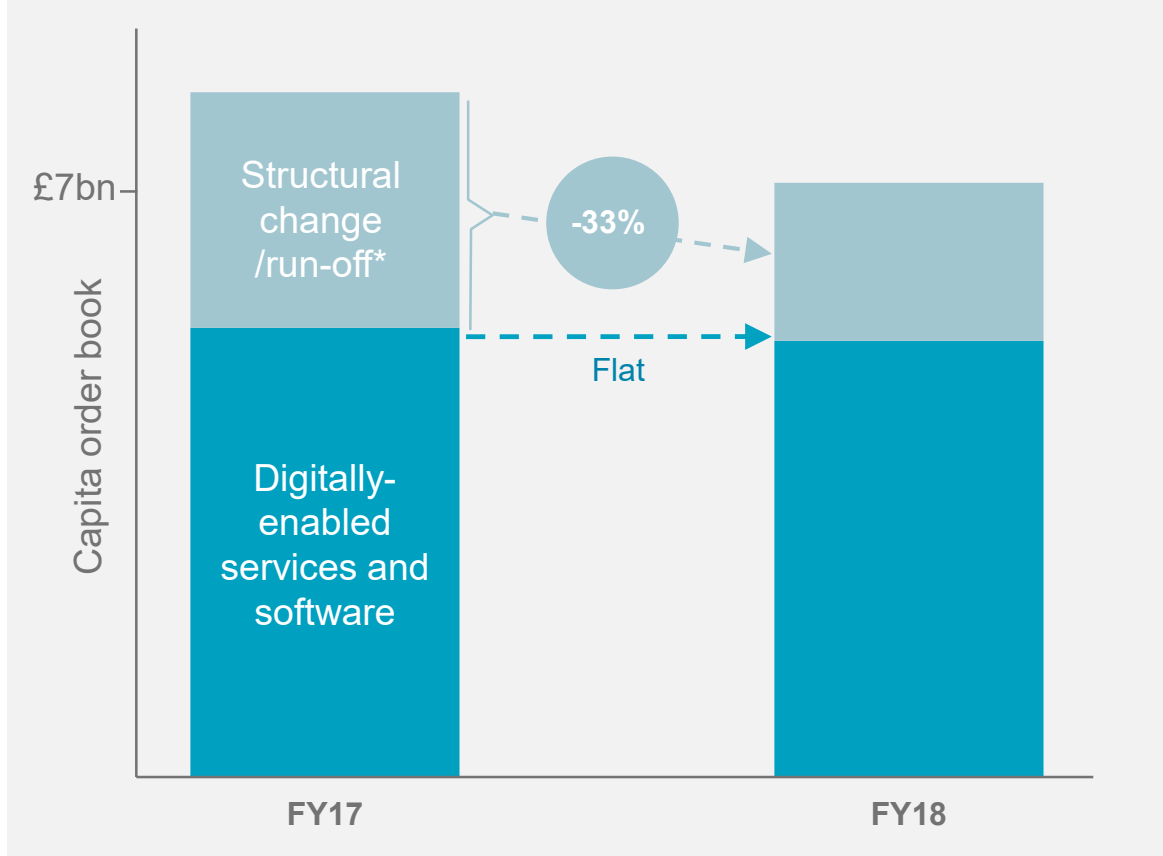
Reigniting growth: resilience of digital services and software order book



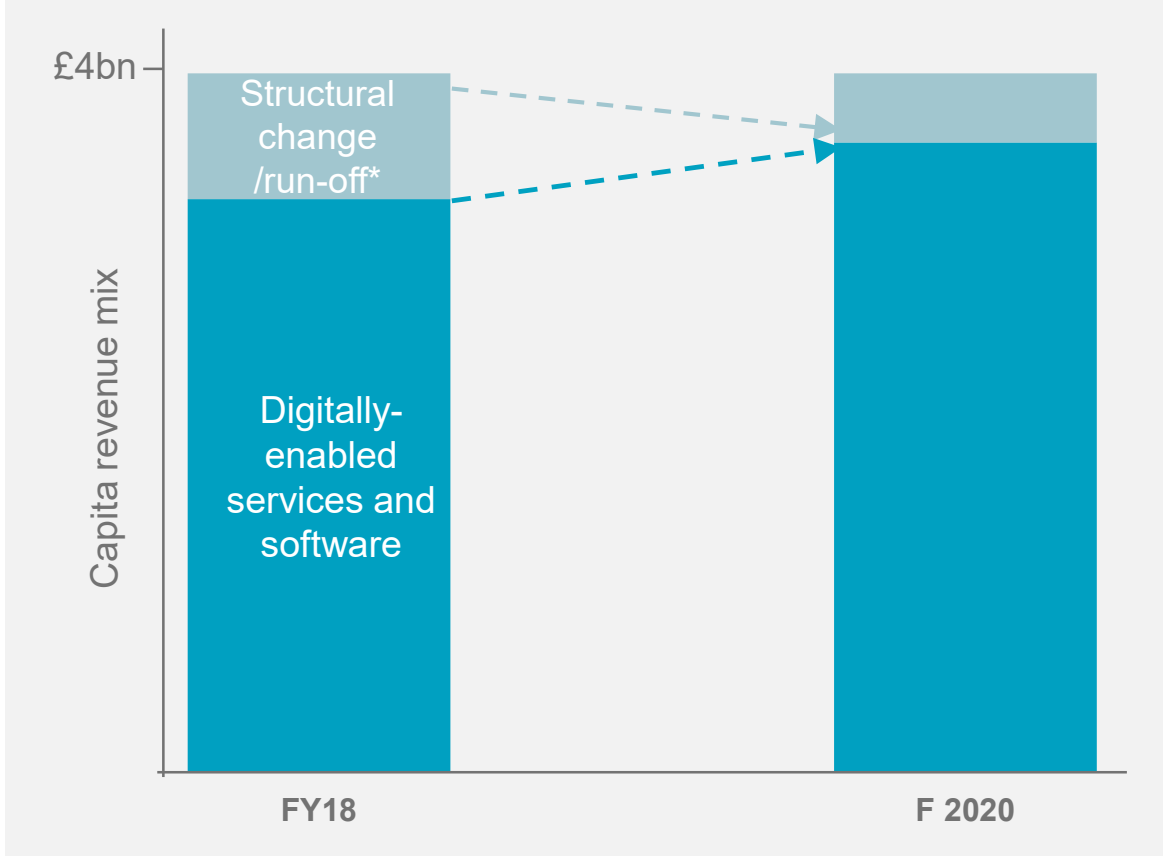


Reigniting growth: digital services and software platform for growth

Order book



Revenue



Divisional transformation update: plans progressing well

	2018 Progress/2019 priorities	Market/wins/positioning
Software	<ul style="list-style-type: none"> • Now one pure-play Software business, with standardised processes • Internationalising – entered US for selected products • Created Digital Delivery Centres 	<ul style="list-style-type: none"> • Higher growth in cross sector products, improving order intake • Wins: City Montessori School, South East Asian police force, Luxon Payments
People Solutions	<ul style="list-style-type: none"> • Created new division, bringing together HR suite of services • Upgrading core products and platforms to digital solutions 	<ul style="list-style-type: none"> • Markets growing but we have been internally focussed • Wins: Home Office, Innogy and a major retail bank
Customer Management	<ul style="list-style-type: none"> • Investing in infrastructure to ensure consistent, high quality service • Building a CX practice, investing in omnichannel messaging platform • Diversifying into sectors such as travel, leisure and financial services 	<ul style="list-style-type: none"> • Market shifting to outcome-based contracts and more value-added services • Wins: German telco, British Airways, Southern Water, FSCS, M&S
Government Services	<ul style="list-style-type: none"> • Local government shifting to selling processes as a service • Continuous programme of operational excellence to improve service delivery 	<ul style="list-style-type: none"> • Medium-term Brexit opportunities in central government • Outsourcing Playbook constructive with better balance of risk/reward • Wins: Standards & Testing Agency, TfL, HSE, Westminster CC • Named strategic supplier to MOD and DfE
IT and Networks	<ul style="list-style-type: none"> • Upgraded legacy IT infrastructure to improve security and resilience • Started to invest in key client propositions across four product areas • One ITS programme 	<ul style="list-style-type: none"> • Good growth across cloud services but decline in client device support • Wins: NHS BSA, MOD, Kent Public Service Network, TfL and DVSA
Specialist Services	<ul style="list-style-type: none"> • Restructured a number of businesses, closed unprofitable service lines • Continued focus on 'value optimisation' across portfolio 	<ul style="list-style-type: none"> • Wins: MOJ, Dept for International Trade, Rolls Royce, Electric Ireland

Recap: on track to deliver significant financial transformation

	Our commitment made in April 2018	Progress to date	On track
Greater efficiency	Annualised initial cost out of >£175m by 2020 One-off cost of £150m to achieve	£70m delivered, £175m to be delivered by end 2019	✓
Greater focus	£300m disposal proceeds in 2018 Simplified organisation	Ahead – £408m net proceeds in 2018	✓
Greater investment	Up to £500m over next three years	£140m invested, accelerating in 2019	✓
Stronger balance sheet	Leverage target of 1-2x* Review diversity of funding over next 2 years	On track – supporting our transformation	✓
Stronger performance	Achieve double-digit EBIT margins within three years	On track – 8.7% in 2018	✓
Sustainable FCF	At least £200m of sustainable annual free cash flow in 2020**	On track – putting in place the building blocks for significant improvement	✓

Appendix



Divisional financial performance

£m	Revenue		Profit		Margin %	
	FY18	FY17	FY18	FY17	FY18	FY17
Software	396.4	401.7	112.4	111.7	28.4	27.8
People Solutions	498.3	520.5	40.7	62.7	8.2	12.0
Customer Management	794.2	828.9	39.6	57.8	5.0	7.0
Government Services	745.5	861.7	35.2	78.7	4.7	9.1
IT & Networks	404.0	415.4	45.3	62.0	11.2	14.9
Specialist Services	992.2	1,022.7	139.5	140.6	14.1	13.7
Central	37.0	40.9	(77.4)	(66.0)	-	-
EBIT	3,867.6	4,091.8	335.3	447.5	8.7	10.9
Interest	-	-	(53.2)	(64.4)	-	-
PBT	3,867.6	4,091.8	282.1	383.1	7.3	9.4

IFRS 16 Leases: impact of new accounting standard

- New accounting standard (IFRS 16) being adopted from 1 January 2019, which replaces the current standard (IAS 17)
- Net present value of future rental payments will be included as lease liability on the balance sheet
- Right of use Asset recognised on balance sheet
- No impact on total cash outflow

Impact on adoption 1 Jan 2019

- £579m-591m increase in total assets
- £640m-650m increase in lease liabilities
- £23m-25m charge to retained earnings

FY19 proforma impact

- £19m-21m increase to operating profit
- £8m-10m decrease to profit before tax

FY19 Leverage

- No impact on total cash outflows
- Net debt increase by lease liabilities
- Adjusted leverage ratio increased by 0.6x
- Impact to covenants expected to be neutral to positive*

Group transformation

- The Group transformation plan includes consolidation of our property portfolio over the next few years – changes to our transformation will impact the lease liability and assets recognised

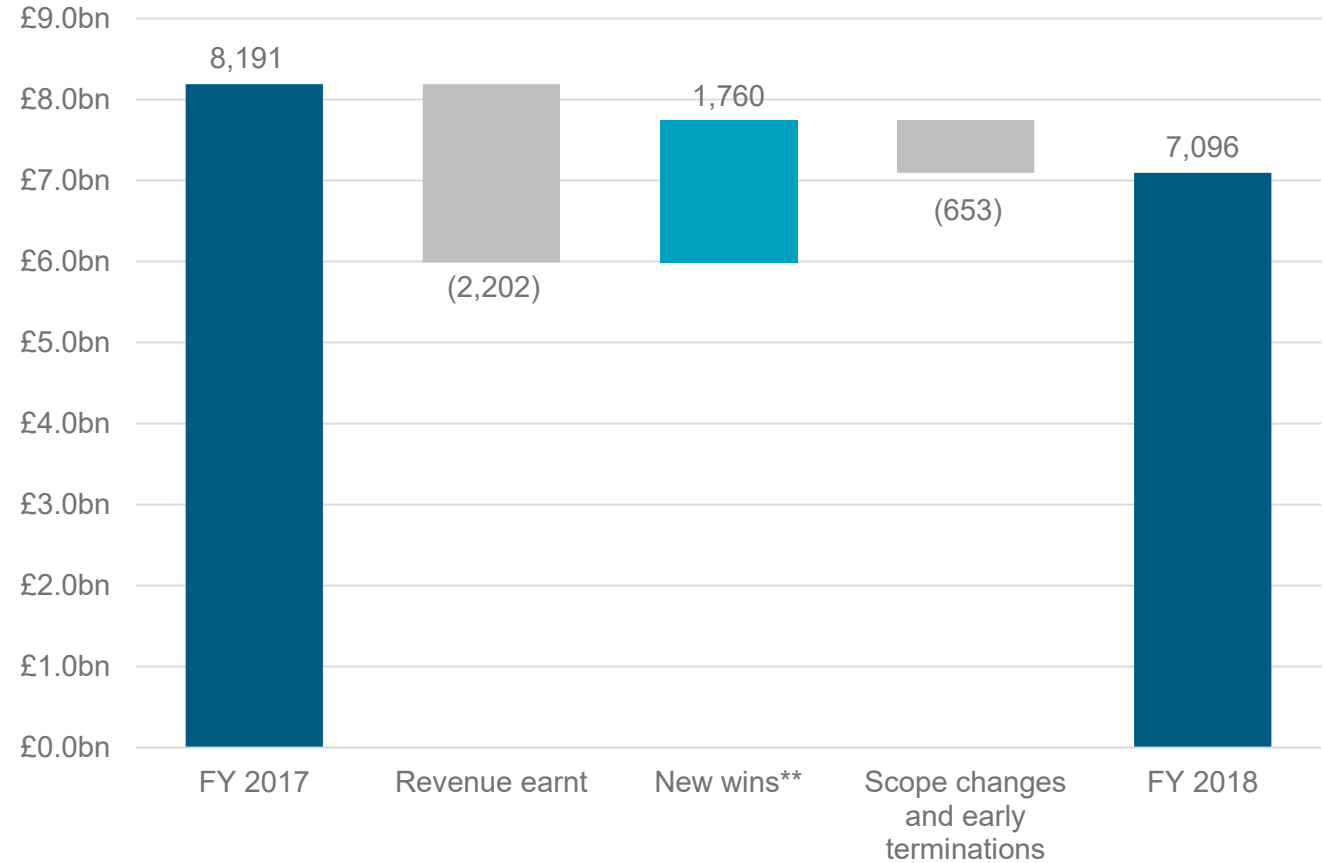
Order book* bridge FY17 to FY18

Relevant to approx. half of revenue base

- Includes contracted revenue and software licences
- Excludes contract growth and non-contracted revenues
- Prudential termination £200m reduction

FY19 visibility

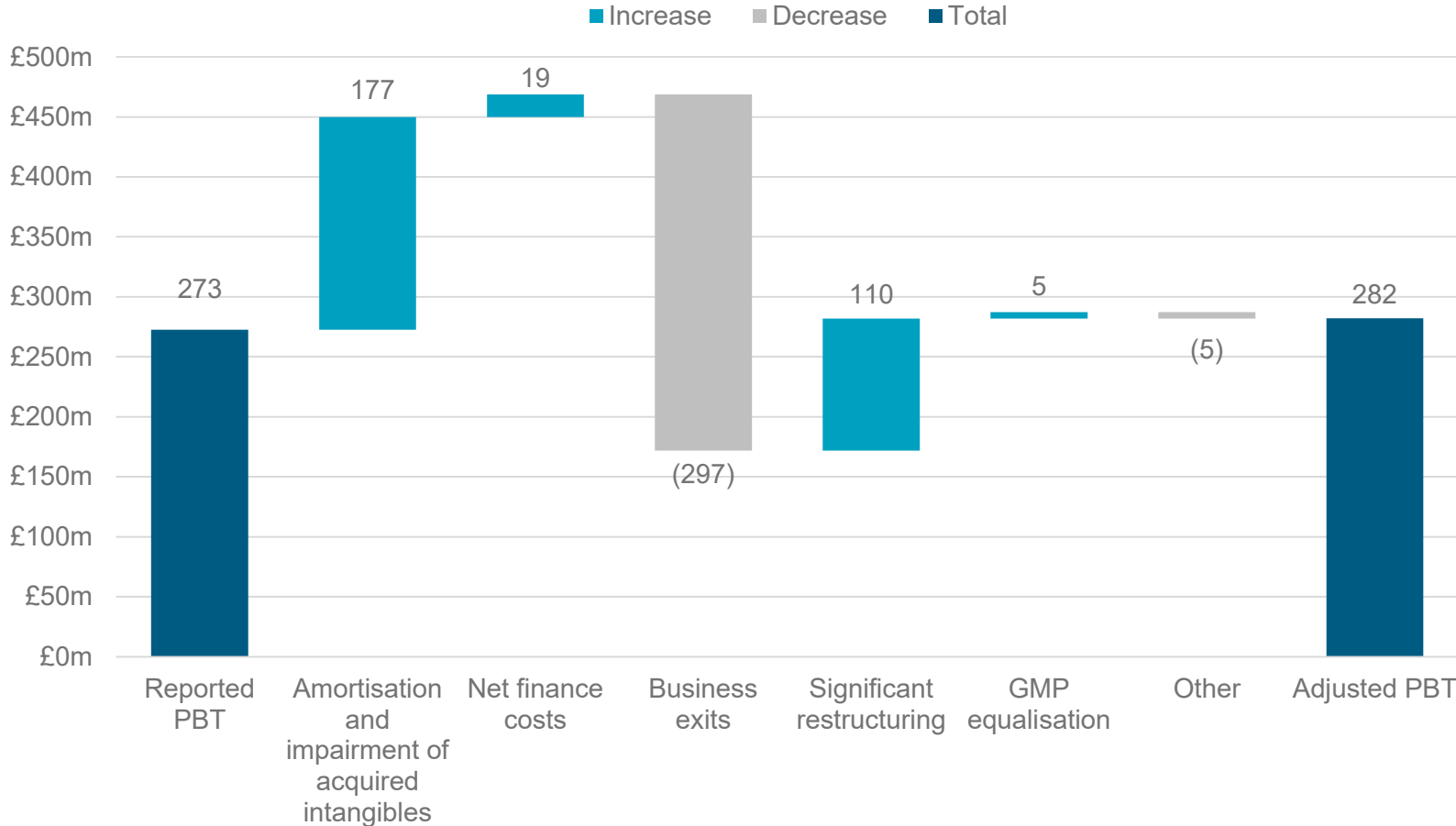
- Recent contract wins – German Telco, TfL, Standards & Testing Agency and Southern Water
- Contract extensions – Westminster City Council, Marks & Spencer and npower
- Local Government service and scope change



2018 reported PBT bridge to adjusted PBT

Business exits:

- £310m gain on disposals completed in FY18
 - ParkingEye (£171m), Constructionline (£126m)
 - Capita Specialist Insurance Services, Projen and Medicals Direct Group
 - Gain is offset by trading profit (£17m) and intangible asset write-offs and other non-cash items (£30m)

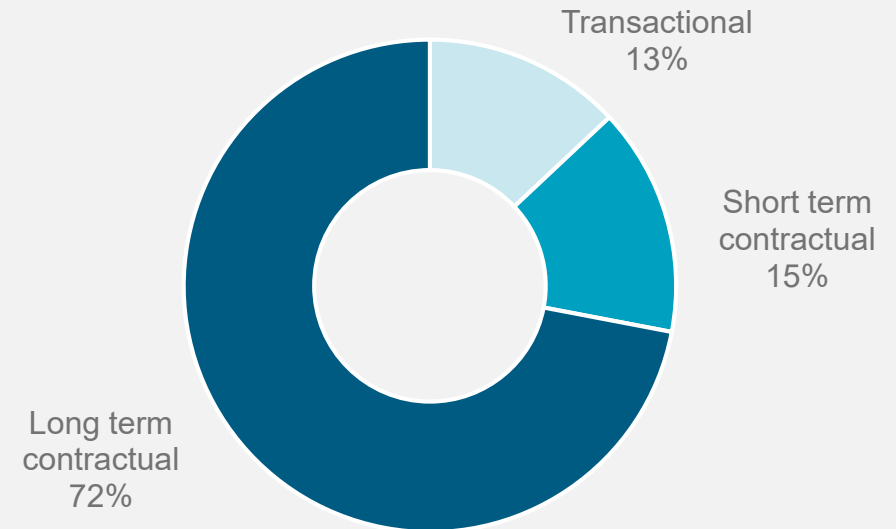


Overall revenue split

- Revenue split – based on IFRS 15 definitions:
 - 72% long term contractual
 - 15% short term contractual
 - 13% transactional
- Considerable variation by division

Categories are consistent with those presented in previous years, with long term contractual representing “Contractual > 2 years” and short term contractual representing “Contractual < 2 years”. Years based from service commencement date.

Adjusted revenue split 2018



Software

What we do

- Pure-play specialised enterprise software business
- Serving sector specific and cross-sector markets - UK and overseas
- Forms a differentiating component of the digitally-enabled Capita offering

Strategy & sales progress

- Digital Delivery Centre, India – 1,120 developers
- Shared services: consolidated multiple service desks
- Investing in core products: roll out of SIMS product suite, Retain, ControlWorks
- Internationalise: roll out of selected products in US market – 911Eye

FY18 Financial metrics*

£396m
revenue

£112.4m
profit

28.4%
margin

£560m
order book

104%
book-to-bill ratio

UK £15bn
high growth market**,
driven by SaaS

Markets

- Education: #1 UK
- Emergency services: #1 UK and Australia
- Utilities #1 UK
- Local government: UK top 3
- Resource management: #1 in large/global Tier 1 advisory firms

Products



People Solutions

What we do

- Full suite of HR offerings across employment life cycle
- Leading market positions in recruitment process outsourcing, learning & talent consulting, learning process outsourcing, HR advisory and payroll administration and pension and benefits administration, supported by proprietary platforms

Strategy & sales progress

- Leverage and connect our combined offering across the HR value chain
- Investments: digital enablement across our core product offerings, KnowledgePool learning booking system, pre-employment screening automation, next generation recruitment platform, pensions administration platform, data analytics enablement, expert consulting and advisory services
- Improving Army recruitment metrics following successful 'Belonging' campaign
- New contracts secured with DWP, Home Office, npower and Vodafone

FY18 Financial metrics*

£498m
revenue

£40.7m
profit

8.2%
margin

£715m
order book

UK 5%
market growth per annum
to 2022**

Products & Markets

- #1 in learning process outsourcing
- #2 in recruitment process outsourcing
- #1 in benefits administration

Key clients



Customer Management

What we do

- Leading provider of multi-channel customer contact services in the UK, Switzerland and Germany
- Primarily serving clients in telecommunications/media, retail and utilities, from a mix of locations in Europe, India and South Africa

Strategy & sales progress

- Investing in infrastructure to ensure consistent, high quality service
- Investing in tech & automation – Omnichannel platform
- Diversifying into sectors such as travel, leisure and financial services
- Improving performance of mobilcom-debitel
- Orderbook up 10% in H2
- New win with British Airways, expanded contracts with FSCS, Marks & Spencer, npower and Southern Water

FY18 Financial metrics*

£794m
revenue

£39.6m
profit

5.0%
margin

£2,012m
order book

UK and Germany/Switzerland
4-5% per annum
forecast growth to 2022**

Products & Markets

- #1 in UK customer management
- #1 in Switzerland
- #2 Germany

Key clients

M&S
EST. 1884

 swisscom

 fscs
Financial Services
Compensation Scheme

 Deutsche
Telekom

 Dixons
Carphone

 O₂  National
Trust

 Southern
Water

 TESCO
mobile

Government Services

What we do

- Government's trusted partner for transformation and delivery tech-enabled business services
- Processing, administration & IT services to local government, education & health

Strategy & sales progress

- Operational excellence programme commenced
- Local gov BPO - structural decline in large deals, services going back in-house. Strategy focused on scalable processing in areas of core strength
- Addressing performance of challenging contracts: improvements at PCSE
- Focus on proven, repeatable offerings
- Sales: Wins: TfL ULEZ expansion, STA (DfE). Renewals: Westminster and Gas Safe Register (HSE).
- Named strategic supplier by MOD and DfE
- 'Outsourcing Playbook' welcome – move to quality and partnerships with less risk transfer

FY18 Financial metrics*

£746m
revenue

£35.2m
profit

4.7%
margin

£2,188m
order book

UK £6.7bn**

market size

Potential for medium term opportunities arising from managed exit from the EU

Products & Markets

- Leading UK government BPO provider – 13% market share
- Central – 11% market share
- Local – 15% market share

Key clients



IT & Networks

What we do

- End-to-end enterprise IT services
- Managed network solutions, datacentre and cloud infrastructure, managed IT support, testing, cyber & consulting
- Provides support across all our large contracts

Strategy & sales progress

- Integrate and invest to support Capita's technology plans
- 'One ITS' programme: consolidating separately run business units into a single, integrated UK IT Services business
- Introducing shared service centres, with common processes
- Investing in infrastructure for resilience, security and client experience
- TfL networks contract went live, transformation ongoing
- New Network contracts with MOD, Metropolitan Police and Kent County Council

FY18 Financial metrics*

£404m
revenue

£45.3m
profit

11.2%
margin

£380m
order book

UK market £28bn**
Expected to grow 2% to 2021

Products & Markets

- Top 10 ITO player
- Focus on mid-tier clients
- Scope to grow share in networks, cloud

Key clients



Specialist Services

What we do

- Includes our financial and regulated operations
- Government and specialist commercial partnerships – AXELOS, Fera
- Vertical market services – real estate & infrastructure, travel, translation services, print, legal and enforcement services

Strategy & sales progress

- Manage as portfolio; focus on value optimisation
- Rationalised a number of service lines
- Introduced tightly-managed investment process and governance
- Structural decline in IT-dependent life & pensions legacy contracts
- New wins: MOJ courts enforcement, Travel & Events contracts with Department for International Trade and Rolls Royce, customer solutions contract with Electric Ireland

FY18 Financial metrics*

£992m
revenue

£139.5m
profit

14.1%
margin

£1,241m
order book

16
stand-alone businesses,
in maturing markets

Key clients



Glossary

Acronym	Division	Description
Software	Software	<ul style="list-style-type: none">• Specialist enterprise software, in specific vertical markets• Leader in education, emergency services, local government & utilities
PS	People Solutions	<ul style="list-style-type: none">• Full suite of HR offerings across employment life cycle• Leading market positions in recruitment process outsourcing, learning and benefits administration, supported by proprietary platforms
CM	Customer Management	<ul style="list-style-type: none">• Leading provider of multi-channel customer contact services in the UK, Switzerland and Germany• Primarily serving clients in telecommunications/media, retail and utilities, from a mix of locations in UK, Europe, India and South Africa
GS	Government Services	<ul style="list-style-type: none">• Government's trusted partner for transformation and delivery of tech-enabled business services• Processing, administration & IT services to local government, education & health
IT&N	IT & Networks	<ul style="list-style-type: none">• End-to-end enterprise IT services• Managed network solutions, datacentre and cloud infrastructure, managed IT support, testing, cyber security and consulting• Provides support across all our large contracts,
SS	Specialist Services	<ul style="list-style-type: none">• Includes our financial and regulated operations• Government and specialist commercial partnerships• Vertical market services – real estate & infrastructure, travel, translation services, print, legal and enforcement services