

Capita sheds debt and sees revenues grow on new contract wins

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outsourcing giant [Capita](#) has seen its revenues lifted by its contract with the [Royal Navy](#), with debts slimmed as it shed an area of the business.

The firm reported 2% adjusted group revenue growth in the 11 months to November 30 in its pre-close trading update to investors.

This was helped by its public services arm, which includes a training contract with the Royal Navy as well as revenue growth across its justice, central government and transport arms.

Capita secured a three-year extension to its contract with the [NHS](#) England's Primary Care Support [England](#) (PCSE), worth £94 million, and a two-year contract for IT and back office services for Barnet Council in north-west [London](#), worth up to £57 million, it said.

It also secured several big new clients, including Scottish Power, Irish Water and Trade Republic, plus a £35 million renewed contract with a UK high street retailer.

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We are building on the platform we created, performing well and delivering further revenue growth, while continuing to strengthen the balance sheet

Earlier this year, Capita's boss said the business had transformed by paying down its debt, dealing with its pension deficit, and regaining the trust of clients after the outsourcing sector was awash with problems.

This followed six years of decline for the FTSE-listed firm.

It shed £462 million in debt in the year to date by disposing of a number of its businesses, including its payments business Pay360. and agreeing to a sale of its translation and interpreting arm.

Chief executive Jon Lewis said: "I am pleased with the progress we have continued to make across Capita in the second half of the year.

"We are building on the platform we created, performing well and delivering further revenue growth, while continuing to strengthen the balance sheet. We have secured important contract renewals and new work.

"Proceeds from our ongoing disposal programme have helped us further reduce debt. By the middle of 2023, we expect to have completed the disposal of our portfolio businesses, resulting in a very low level of financial net debt."

The firm added that it has seen retention of its staff improve over the year as a result of management changes.