RNS Number : 0029P
Kainos Group plc
20 May 2024

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Full year results for the year ended 31 March 2024

Kainos Group plc 'Kainos' or the 'Group'

Kainos Group plc (KNOS), a UK-headquartered provider of sophisticated IT services with expertise across three divisions: Digital Services, Workday Services, and Workday Products, is pleased to announce its results for the year ended 31 March 2024.

Financial highlights

	2024	2023	Change
Revenue	£382.4m	£374.8m	+2%
Statutory profit before tax	£64.8m	£54.3m	+19%
Adjusted pre-tax profit	£77.2m	£67.6m	+14%
Cash([1])	£126.0m	£108.3m	+16%
Bookings	£424.5m	£427.8m	-1%
Product Annual Recurring Revenue (ARR)	£60.5m	£47.9m	+26%
Contracted backlog	£357.1m	£322.9m	+11%
Diluted earnings per share	38.6p	33.1p	+17%
Adjusted diluted earnings per share	46.5p	42.5p	+9%
Total dividend per share	27.3p	23.9p	+14%

Operational highlights

We have recorded our 14th consecutive year of growth across a wide range of key metrics, with our business performance demonstrating disciplined execution against a backdrop of macro-economic uncertainty.

- Revenue increased by 2% (6% organic, 3% ccy) to £382.4 million (2023: £374.8 million).
- Strong adjusted pre-tax profit growth of 14% (17% ccy) to £77.2 million (2023: £67.6 million), representing an adjusted profit margin of 20% (2023: 18%).
- Overall bookings were £424.5 million (2023: £427.8 million).
- Strong contracted backlog growth of 11% to £357.1 million (2023: £322.9 million).
- Strong year-end cash[1] of £126.0 million (2023: £108.3 million); with cash conversion at 98% (2023: 104%).

Our Workday-related products delivered very strong growth and we remain on track to achieve our target of £100 million ARR by 2026.

- Revenue growth was 28% (23% organic, 33% ccy), with revenues now £57.3 million (2023: £44.7 million), with the ARR increasing by 26% to £60.5 million (2023: £47.9 million).
- Available since October 2023, our new Employee Document Management product is our most successful product launch, with 26 clients already contracted.
- We continued to invest in our products, increasing research & development expenditure by 48%, to £13.5 million (2023: £9.1 million), which was expensed in the year, and sales & marketing spend increased 16% to £12.5 million (2023: £10.8 million).

In Digital Services, we continue to deliver major digital transformation projects, with a solid performance in public sector offset by reductions in healthcare and commercial sectors.

- Overall, Digital Services revenue decreased by 5% to £213.1 million (2023: £224.4 million).
- A solid performance within public sector generated revenue growth of 1% to £138.2 million (2023: £137.0 million).
- Year-on-year healthcare sector revenues decreased by 11% to £44.2 million (2023: £49.7 million),

although the previous year included significant pandemic-related revenue. Excluding these revenues, our core healthcare business levels increased by 23%.

- Commercial sector revenues were impacted by reduced customer expenditure and decreased 19% to £30.8 million (2023: £37.8 million). The majority of the impact resulted from project deferrals and scope reductions together with some project cancellations.

We continue to be the leading pan-European Workday consulting specialist and are a Phase 1 partner in both the US and Canadian markets.

- We recorded good revenue growth of 6% (9% ccy) to £112.0 million (2023: £105.7 million), of which the majority (76%) are generated from international customers([2]).

We continue to extend our footprint as a global business; with 39% of our revenues now generated internationally.

- Strong international growth, with revenues up 13% to £149.8 million (2023: £132.0 million).

The commitment and engagement of our colleagues underpins our business performance as we continue to grow a global, talented team.

- We have 2,995 people (2023: 2,990) based across 23 countries. We have continued to reduce the number of contract staff (2024: 42 contractors; 2023: 209) in favour of long-term investment in permanent employees, an increase of 172 people over the year.
- Our employee retention improved to 93% (2023: 88%), and engagement levels remained high, measuring 78% on our internal surveys, and we were again awarded '50 Best Places To Work in the UK' by Glassdoor.

Excellent customer service drives customer satisfaction, retention and revenue growth.

- Existing customer revenue increased by 2% to £345.8 million (2023: £337.6 million) which represents a Net Revenue Retention of 102%.
- Our customers assessed our services as 'excellent' with a Net Promoter Score of 58([3]).
- Customer numbers increased to 930 (2023: 821), an increase of 13%.

We are making rapid progress on our announced £10 million investment in Generative AI to further enhance our leadership in Artificial Intelligence.

- We continue to see an increase in demand for broad AI expertise and have delivered projects for Companies House, Defra, Royal London Asset Management and Worldline.
- Generative AI remains largely experimental for our clients, often delayed by the challenges of low data quality for their more complex, organisation-specific use cases.
- Over 500 colleagues are now trained in the use of Generative AI and over 30% of our projects are using co-pilots to assist in accelerating our development pace.

We retained our carbon neutral status and remain on track to be carbon net zero by 2025.

- Based upon our draft carbon footprint figures (provided May 2024) we have achieved our SBTi near-term carbon reduction targets two years ahead of schedule - reducing since 2020 Scope 1 and Scope 2 emissions by 70%, and Scope 3 by 45% per unit of value added.

We are maintaining a positive outlook as our key business segments are positioned for further growth in the near and medium-term.

- Notwithstanding the global economic uncertainty, we believe that our largest business areas, Workday Products, Workday Services, and the public sector segment of Digital Services (together, 80% of revenue) will continue to deliver growth, in both the near term and medium term.
- In the year ahead we expect a return to growth for our healthcare business. This will be offset in the near term by further modest reductions in revenues from our commercial sector customers within Digital Services, but we expect a return to growth for our commercial sector customers in the medium term.
- As demonstrated in these results, we remain well-positioned to deliver strong margin and cash generation growth through the year as we continue to benefit from our disciplined operational

execution.

- We have a growing sense of excitement about some of our smaller, high-growth activities, of which Workday Extend, Automation and Low Code, international growth in Digital Services and, obviously, Data & AI are showing significant promise.

Commenting on the results, CEO Russell Sloan said:

"Our latest results, record our 14th consecutive year of growth with disciplined execution in the current macro-economic climate.

We have been focused on our operational performance, maintaining the appropriate balance between growth, international expansion, investment for the future and profitability.

We are grateful for the support and trust that our customers continue to place in Kainos to deliver their critical projects. Customer satisfaction levels are high, and one of the best measures of that satisfaction is the high level of repeat business which we receive from our customers.

Our excitement is increasing about our Workday Products division. This year's excellent performance is another significant step towards our goal of £100 million ARR by 2026. We are further delighted that our fourth and latest product, Employee Document Management, has been our most successful product launch to date, with 26 international clients already signed up. We remain confident there will be further opportunities to develop new, innovative products as we continue to engage closely with Workday and with our customers.

Our Digital Services division has seen a solid performance with consistent demand from public sector clients, strong growth in our core healthcare business (excluding pandemic-related revenue) despite a reduction in our commercial business. Meanwhile, there has been good growth in our Workday Services division where we continue to be the leading Workday partner in Europe and have Phase 1 partner status in both the US and Canada.

Despite the ongoing global economic uncertainty, we believe that our largest business areas, Workday Products, Workday Services and the public sector segment of Digital Services, will continue to be resilient and will offer substantial growth opportunities in both the near term and medium term. We are well positioned within these markets, both locally and, increasingly, internationally, and we remain confident in our strategy.

What underpins that confidence is the talent and ability of our people. We continue to invest in their development and can rely on their expertise and energy to drive our success."

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About Kainos Group plc

Kainos Group plc is a UK-headquartered provider of sophisticated IT services to major public sector, commercial and healthcare customers. Our expertise spans three divisions: Digital Services, Workday Services, and Workday Products.

Digital Services: We develop and support custom digital service platforms that transform service delivery in public, commercial, and healthcare sectors. Our solutions ensure security, accessibility, cost-effectiveness, and improved user outcomes.

Workday Services: Specialising in deploying Workday, Inc.'s Finance, HR, and Planning products, we are a respected partner in Europe and North America. Experienced in complex deployments, we are trusted to launch, test, expand, and support Workday systems.

Workday Products: Our established product suite, incorporating Smart Test, Smart Audit, and Smart Shield, complements Workday by enhancing system security and compliance. Our Employee Document Management product, launched in October 2023, improves document generation and storage within Workday while supporting an organisation's global compliance requirements. Over 450 global customers use one or more of our products.

Our people are central to our success. We have more than 2,900 people in 23 countries across Europe, Asia, and the Americas.

We are listed on the London Stock Exchange (LSE: KNOS) and you can discover more about us at **www.kainos.com**.

Definition of terms

We use the following definitions for our key metrics:

Active customer: a customer who has paid us to deliver a product or service within the current financial year.

Adjusted EBITDA: calculated as being adjusted pre-tax profit excluding interest, tax, depreciation of property, plant and equipment and right-of-use assets, and amortisation of intangible assets.

Adjusted pre-tax profit: profit before tax excluding the effect of share-based payment expense, acquisition-related expenses including amortisation of acquired intangible assets and post-combination remuneration expense (relating to contingent deferred consideration subject to future service conditions). Our adjusted results in the period also exclude one-off gains recognised on sale of property, plant and equipment and changes in fair value of our investment property.

Adjusted profit margin: adjusted profit as a percentage of revenue for the period.

Annual recurring revenue (ARR): the value at the end of the accounting period of the software and subscription recurring revenue annualised.

Bookings: the total value of sales contracted during the period.

Carbon net zero: any CO_2, released into the atmosphere from a company's entire value chain is reduced as much as possible and the rest is removed.

Carbon neutral: any CO_2 released into the atmosphere from a company's entire value chain activities is balanced by an equivalent amount being removed.

Cash conversion: cash generated from operating activities as a percentage of adjusted EBITDA.

Constant currency (ccy): Excludes the effect of foreign currency exchange rate fluctuations on year-on-year performance by translating the relevant prior year figure at current year average exchange rates.

Contracted backlog: the value of contracted revenue that has yet to be recognised.

Compound annual growth rate (CAGR): annual growth rate over a specified period of time.

Existing customer revenue: total revenue recognised from customers in the current period who were also customers in the preceding year.

Net Promoter Score (NPS): a metric that organisations use to measure customer loyalty toward their brand, product or service, and can range from -100 to +100. Bain & Co, the creators of the metric, held that a score above 0 is good; 20+ is favourable; 50+ is excellent and 80+ is world class.

Net revenue retention (NRR): is the percentage of recurring revenue from existing customers we retained over the year. This considers increases or reductions in customer spending and those customers where the engagement has ended; it does not include revenue from new customers. NRR therefore shows how our business could continue to grow solely from our current customer base alone, without acquiring any new customers.

Organic revenue: our revenues excluding revenue from acquisitions completed in the current and comparative reporting periods.

Software as a service (SaaS): is a software distribution model that delivers application programs over the internet, with users typically accessing the program through a web browser. Users pay an ongoing subscription to use the software rather than purchasing it once and installing it.

Science Based Targets initiative (SBTi): a target for reducing greenhouse gases and CO_2 emissions which is aligned with the global effort to limit global warming to 1.5^{O}C.

Kainos at a glance

We are a UK-headquartered provider of sophisticated IT services to major public sector, commercial and healthcare customers. Our expertise is organised across three divisions: Digital Services, Workday Services, and Workday Products.

Purpose

Our purpose is to help our customers with their most challenging projects and, together with our partners, help them build the capability to succeed in the digital age.

Our operating divisions

Digital Services

FY24 revenue: £213.1 million, 56% of Group total, 5-year growth: 15% CAGR.

Our Digital Services division helps our customers to solve their business problems by using technology, enabling them and their users to work smarter, faster and better.

Working collaboratively with customers, our innovative and transformative solutions are secure, accessible, cost-effective, and take a user-first approach. We leverage the benefits of public cloud and enable customers to utilise their data to drive better decision-making.

In the public sector, we have delivered projects helping more than 60 million users, while saving our customers hundreds of millions of pounds.

In the commercial sector, customers trust us to provide digital transformation programmes that evolve their services, deliver efficiencies, increase their capabilities and future-proof their businesses.

In healthcare, we help providers deliver a service that is faster, more cost-effective and patient centric.

We deliver services to over 150 clients, including existing clients such Irish Life Assurance plc, the Government of Ontario, and HM Passport Office, and new clients including the Crown Prosecution Service, Royal London Asset Management and Arqiva.

Workday Services

FY24 revenue: £112.0 million, 29% of Group total, 5-year growth: 32% CAGR.

In our Workday Services division we provide a comprehensive range of services to support customers in their adoption and utilisation of Workday's software suite. Our expertise spans consulting, project management, integration and post-deployment services.

Kainos first engaged with Workday in 2009 and, appointed as a partner in 2011, we are one of the most experienced participants in Workday's partner ecosystem. We remain the only specialist Workday partner headquartered in the UK, but our reach has grown to be global, with over 75% of our projects being headquartered in the UK, but our reach has grown to be global, with over 75% of our projects being undertaken for clients in Central Europe and North America.

With over 300 international clients, we are proud to work with customers such as Kion Group (Germany), Wealthsimple (Canada), Novozymes (Denmark), Kone (Finland), ASOS plc (UK), Takeaway.com (Netherlands) and Match.com (USA).

Workday Products

FY24 revenue: £57.3 million, 15% of Group total, 5-year growth: 32% CAGR.

We have developed four proprietary software tools, Smart Test, Smart Audit and Smart Shield (collectively, our Smart Suite) and Employee Document Management (EDM).

Smart Test allows Workday customers to automatically test and verify their unique Workday configuration. Smart Audit is our compliance-monitoring tool that allows customers to maintain operational controls over their Workday environments. Smart Shield is a data-masking tool that can easily and seamlessly mask sensitive data without impacting the Workday user experience. EDM improves the experience of generating and storing employee-related documents in Workday while supporting an organisation's global compliance requirements.

These tools are implemented as cloud-based Software as a Service (SaaS) solutions and customers utilise them on a subscription basis.

Reflecting our longevity in the Workday ecosystem, we released Smart Test in 2014, but have been increasing the pace of our product launches, with Smart Audit in 2021, Smart Shield in 2022 and EDM in 2023.

Over 450 customers use at least one of our products, including AT&T (USA), State of Oregon (USA), Booking.com (Netherlands), Whole Foods (USA) and Netflix (USA).

Our competitive environment

The competitive environment in our markets is largely stable, with few companies either entering or exiting. A strong track record of delivery is vital for success in all our divisions -Digital Services, Workday Services and Workday Products - providing very important credibility with potential customers and creating a meaningful barrier to entry.

Digital Services

- Addressable market([4]): £3,096 million (2023: £2,706 million).
- Example competitors: Deloitte, Capgemini, BJSS, Atos, Equal Experts, NTT Data.

Workday Services

- Addressable market([5]): £1,100 million (2023: £1,100 million).
- Example competitors: Alight, Cognizant, CrossVue.

Workday Products

- Smart suite addressable market([6]): £650 million (2023: £625 million).
- EDM addressable market([7]): £415 million (2023: no research).
- Example competitors: Worksoft, Turnkey, Opkey.

Our people and customers

People

- Number of staff and contractors: 2,995 (2023: 2,990).
    - Number of employed staff: 2,953 (2023: 2,781).

- Employee retention: 93% (2023: 88%).
- People by region:
  - UK & Ireland (68%),
  - Central Europe (15%),
  - Americas (13%), and
  - Rest of World (4%).
- People by division:
  - Digital Services (51%),
  - Workday Services (25%),
  - Workday Products (17%), and
  - Central Services (7%).
- Offices: (14) Antwerp, Atlanta, Belfast, Birmingham, Buenos Aires, Copenhagen, Derry, Dublin, Gdańsk, Helsinki, Indianapolis, London, Paris, and Toronto.

Customers

- Active customers: 930 (2023: 821).
- Net Promoter Score: 58 (2023: alternate measure used).
- Revenue from existing customers: 90% (2023: 90%).
- Our customers by sector (revenue):
  - Commercial sector: 52% (2023: 50%),
  - Public sector: 36% (2023: 37%), and
  - Healthcare: 12% (2023: 13%).
- Our customers by region (revenue):
  - UK & Ireland; 61% (2023: 65%),
  - North America: 28% (2023: 25%),
  - Central Europe: 11% (2023: 9%), and
  - Rest of World: <1% (2023: 1%).

CEO statement

Being agile in supporting our customers

We work closely with over 900 customers, most of them global organisations. For many of our customers, it has been another challenging year, often operating in uncertain and changeable markets conditions.

As their partners, it is our role to support them as they deal with these changing circumstances. For many customers it has been about maintaining investment in critical transformation programmes; for some it has resulted in reductions in their technology expenditure as they deal with more volatile business conditions.

Changes for our customers can sometimes require us to be agile in how we manage our own business. In reviewing the year, we believe that we have maintained the appropriate balance between growth, profitability, international expansion and investing for the future.

profitability, international expansion and investing for the future.

To achieve that balance has required us to be disciplined in our execution throughout the year and we believe that we have delivered a robust financial performance while maintaining high customer satisfaction and employee engagement levels.

A disciplined business performance

Overall, our revenues have grown to £382.4 million, a 2% increase, and our adjusted pre-tax profit grew 14% to £77.2 million. This strong profit increase in a more subdued growth environment is a demonstration of our business discipline.

This robust performance has been achieved while also investing in the future - our international business grew 13% to £149.8 million and we increased our investments in AI and in our product development, in total increasing 48% to £13.5 million.

Our biggest investment remains in our people, in developing the careers of our existing team members as well as attracting new recruits. While our staff complement, of 2,995 people, remained constant over the year, we reduced the number of contractors in favour of long-term investment in permanent employees, an increase of 172 people over the year.

Digital Services

Our Digital Services division recorded a reduction in revenue of 5% to £213.1 million. This was a combination of a solid performance in public sector, offset by post-pandemic related reductions in healthcare and significantly lower business levels in commercial sector where our banking, insurance and payments customers reduced expenditure.

The demand for digital transformation in the UK remains high, despite some short-term, sector-specific challenges. This demand is driven by the need to replace ageing, inefficient legacy systems or by organisations striving for greater agility, to allow them to react more quickly to business changes, whether addressing challenges or securing new opportunities.

In the last year we have continued to make excellent progress in expanding our digital services activity internationally. Our engagements in Central Europe and North America are now delivering revenues of £12.3 million, an increase of 28%. Whilst still a modest amount of our overall Digital Services revenues, it is exciting to see the speed of progress.

Workday Services

As a Phase 1 Prime partner to Workday in Europe and North America, our Workday Services team continues to build a truly international business. Our Workday Services revenues have increased by 6% to £112.0 million and over three-quarters of these revenues are derived from customers based outside the UK, including forward-thinking organisations such as Kone (Finland), Kion Group (Germany), Match.com (USA) and Takeaway.com (Netherlands).

We have launched Spark & Grow which utilises Generative AI technologies to simplify, automate and streamline the implementation process of a Workday deployment. Through Spark & Grow, we are able to achieve an 80% reduction in deployment effort and timelines, allowing smaller organisations access to Workday's HR and Finance systems.

Workday Products

Over the course of the year our Workday Product revenues grew 28% to £57.3 million, with the Annual Recurring Revenue (ARR) similarly increasing to £60.5 million. This strong performance underscores our confidence in achieving our target of £100 million ARR by 2026.

While the growth this year was, again, powered by our Smart product portfolio, we are excited about our customers' positive response to the launch of latest product, Employee Document Management (EDM). Available since October 2023, EDM utilises Workday's Extend technology and improves the experience of generating and storing documents inside Workday, while supporting an organisation's global compliance requirements.

With this success, it is no surprise that we are continuing with our investment in all our Workday Products. Over the past year we increased our investment in product development by 48%, to £13.5 million, and in our sales & marketing, which increased by 16% to £12.5 million.

Being a responsible business

Our climate journey, despite being essential, has not been easy. Our ambitious goal to be carbon net zero by 2025 has placed us in the vanguard of changeable policy, regulation, measurement and best practice.

It is therefore with a sense of achievement that our draft carbon footprint figures indicate that we achieved our SBTi near-term reduction targets during the year, significantly ahead of our 2025 timetable([8]). We are grateful to those in Kainos who led on this initiative, and for the widespread support provided by many of our colleagues.

While we have a wide range of diversity initiatives across Kainos we are focused on improving the gender imbalance that exists across the industry, where just 22% of roles are undertaken by women. During the year, the proportion of women in Kainos increased from 34% to 35%, and we recognise that a sustained effort is required to make further progress.

Changing the diversity of our industry is about inspiring the next generation of digital talent from a broad range of backgrounds. In the last year over 2,200 young people participated in our outreach programmes, where we had targeted programmes aimed at improving gender diversity and social mobility for young people, for students with special educational needs and financial support for young people from backgrounds that are traditionally under-represented at university.

Board changes

In September 2023 at our AGM, we completed the planned, four-year succession process, with Brendan Mooney stepping down as CEO, at which point I assumed the CEO role.

At our AGM in September 2024, and after serving as Non-Executive Directors for nine years, our Chairperson Tom Burnet and our Senior Independent Director Andy Malpass, will complete their term on the Kainos Board of Directors.

I would like to extend the thanks of the entire Kainos community to Tom, Andy and Brendan for their commitment and contribution throughout their time as Directors.

Our existing Non-Executive Directors Rosaleen Blair and James Kidd will, respectively, assume the roles of Chairperson and Senior Independent Director at our September AGM.

Maintaining a confident outlook

In an uncertain economic climate, it is understandable that the growth opportunities in our markets may have reduced prominence. However, this lower profile does not diminish the scale of the opportunities that exist - digital transformation is a key foundation for organisations as they seek to reduce their costs and increase their agility.

This has been, and will continue to be, a long-term trend as organisations redirect their spending from inefficient legacy systems to agile, modern systems. This momentum will be accelerated by the deployment of AI-enabled systems where high data quality is a pre-requisite.

The execution of our strategy has placed us in leading positions within our core markets, which allows us to look confidently to the future.

That confidence is underpinned by the strength of our relationships with our customers and the talents of our colleagues.

Our customers continue to value the work that we do for them and how we work together. In the past year, and despite the economic climate, our existing customers did more business with us than in the year before, and at the same time our customers record their satisfaction levels as 'excellent'.

We have always been proud of the expertise, energy and enthusiasm of our colleagues and the exceptional work that they deliver to our customers. In the past year their ability to be disciplined in how we operate our own business has been equally impressive.

We recognise that while large and growing, our markets are never static.

In anticipation, we have been investing, appropriately, in the future - from our fast-growing Workday Products, to enhancing our Workday consulting services through the use of our own AI co-pilots, to establishing strong services revenue streams in Workday Extend, AI, low-code, automation and data. These initiatives have already made an impact and will continue to be important in our future.

While it is sensible to be confident about our markets, our customers and our abilities, it is equally sensible to recognise that the economic environment for our customers remains uncertain, with no promise of immediate improvement. Alongside our confidence, we need to maintain our already-proven disciplined approach to operating our own business.

Thank you

I would like to extend my thanks to our customers and colleagues.

We are grateful for the trust and confidence that our customers continue to place in Kainos, and thankful for the support and commitment that our colleagues have demonstrated throughout the year.

Russell Sloan

Chief Executive Officer

Our strategy

We are a growth-orientated business and while we are always confident of growing our market share in subdued markets, we naturally orientate towards higher growth, dynamic markets. It is in these markets where the talents of our people shine the brightest and opportunities for growth are the strongest.

Our ambition is to be a global, independent company operating towards the disruptive end of technology, that will thrive not just today, but for generations. In building for the long-term, we aspire to provide our people with rewarding and fulfilling long-term careers.

As part of this ambition, we believe that we can achieve sustained growth in terms of revenue, adjusted pre-tax profit and cash flow.

We have, deliberately, developed from a national to an international organisation, both internally and in the customers and markets that we serve. We expect our international presence to continue to expand in terms of locations, people and customers.

It is our preference to grow organically; we will undertake acquisitions only in exceptional circumstances, for instance, where we need to obtain unique skills.

We also look to ensure that we have a well-balanced business, which is not overly reliant on any one customer, market or sector. This occasionally requires us to prioritise smaller, early-stage opportunities ahead of established market growth. We are comfortable with taking this long term view.

People

The fundamental component of our strategy is our people. Our business is successful because of the talent, skill and motivation of our colleagues as they deliver on commitments to internal and external customers.

We will add to our existing talented workforce by recruiting high calibre people from school, college and industry; we will continue to invest in developing their skills and careers; and we will continue to strive to be a great employer.

• Our staff complement is now 2,995 colleagues (2023: 2,990). This includes 194 early careers colleagues. • Invested over 12,000 days of technical and skills development in our people.	• Maintain high standards when recruiting new applicants. • Ongoing investment in skills and career development of all colleagues in Kainos.
• Employee retention increased to 93%. • We were ranked in the '50 Best Places to Work in the UK' by Glassdoor. • As measured through Workday Peakon, we have maintained high levels of employee engagement (78%), and high ratings for diversity and inclusion (D&I) (83%) and wellbeing (77%).	• Maintain our high levels of employee retention (achieve over 85%). • Maintain or improve our scores for employee engagement, D&I and wellbeing.
• Involved over 2,200 young people and those from under-represented groups in our outreach programmes.	• Continue to inspire and educate young people and those from under-represented groups for potential careers in IT.

Customers

Our business model is based on the conviction that by delivering consistently to our customers we will build long-lasting, mutually beneficial relationships that will see us thrive as a business.

These relationships are built on our reputation for delivery and exemplary customer service. By being responsive to and supportive of our customers' complex and changing business needs, we reinforce the strength of our relationships.

Therefore, our purpose is to help our customers with their most challenging projects and, together with our partners, help them build the capability to succeed in the digital age.

• Customer satisfaction level as measured by Net Promoter Score was 58 (H1 2024: 62), which is regarded as 'excellent'. • Net revenue retention recorded as 102% (2023: 126%).	• Maintain high levels of customer satisfaction, resulting in high levels of net revenue retention.

Markets

Digital Services

Our focus is to:

- continue to grow within the public and healthcare sectors, being engaged in ambitious transformation projects across UK Government and the NHS;
- repeat our digital transformation success within the UK commercial sector, with a focus on financial services; and
- expand internationally, focused initially within Germany and Canada where we already have established delivery teams, have built business development expertise and have an existing Workday Services and Products client base.

• Public sector revenues increased by 1% to £138.2 million (2023: £137.0 million). • Following the easing of pandemic-related spending, healthcare revenues decreased by 11% to £44.2 million (2023: £49.7 million).	• Grow our business in both sectors, supporting existing clients and projects, and adding new long-term clients in line with our delivery capacity.
• Reflecting the wider macro-economic environment, our commercial sector revenues reduced by 19% to £30.8 million (2023: £37.8 million).	• Continue to build reputation and references in the sector to support a return to growth as the UK economy recovers.
• International revenues from Central Europe and North America increased by 28% to £12.3 million (2023: £9.6 million).	• Continue to build reputation and references within both regions. • Refine sales and marketing approach as market penetration increases. • Build in-region delivery capability in line with success.

Workday Services

Our focus is to:

- continue to grow in our existing, established markets as Workday continues to expand within these markets;
- gain market share, replacing incumbent providers to existing Workday customers through a reputation for higher service levels; and

- expand internationally, establishing operations in countries with large and growing numbers of Workday customers.

• Workday Services revenues increased by 6% to £112.0 million (2023: £105.7 million).	• Maintain growth trajectory in all regions, supporting existing clients and projects, and adding new long-term clients in line with capacity.
• We were appointed by 30+ customers where earlier phases of the project were undertaken by a different partner.	• Continue to excel in customer service.
• International revenues increased by 6% to £85.6 million (2023: £81.1 million).	• Maintain growth trajectory in all regions, particularly the Phase 1 opportunity in the US market.

Workday Products

Our focus is to:

- increase the number of Workday's customers who use our software;
- ensure high levels of customer satisfaction driving strong Net Revenue Retention (NRR); and
- invest in our existing products, and develop additional products within the Workday ecosystem, where our blend of software skills and Workday experience makes us uniquely positioned.

• Our customer numbers increased, with 450+ customers now using one or more of our products. • Revenues increased by 28% to £57.3 million (2023: £44.7 million).	• Increase the total number of customers using our software. • Increase the adoption of multiple products by each customer.
• Maintained a high level of NRR, driven by segment NPS of 68.	• Maintain our high levels of customer satisfaction.
• We launched Employee Document Management (October 2023). • Overall investment, spanning product development and sales & marketing, increased by 31% to £26.0 million (2023: £19.9 million).	• Ensure that customer adoption and revenues reflect the very strong increase in investment. • Develop and launch one new product.

New opportunities

As noted in the previous section, we invest strongly in our Workday Products, both in extending our existing products and developing new products. In addition to these activities, we also look to develop new opportunities for the others areas of Kainos.

Within Digital Services we have launched a series of practices - Cloud (launched 2017), Data and Artificial Intelligence (2019) and Intelligent Automation (2020) practices. These are now significant high growth activities that are fully embedded within Digital Services.

In Workday Services, we have developed our Workday Extend professional services and our Application Catalogue (these are described in more detail in the Operational Review, Workday Extend) and we have launched our Spark & Grow service which accelerates the deployment of Workday for smaller, scaling companies (more details in the Operational Review, Innovation Case Study)

We have a structured innovation process which helps us identify and promote new ideas that have the potential to become sizeable revenue streams in the future.

• In total, 46 ideas were evaluated, with eight	• Maintain idea generation and evaluation

moving to the next stage of development.	activity levels. • Develop current next-stage ideas, seeking to create at least one viable business opportunity.

Operational review

Our overall performance

Our largest business areas, Workday Services, Workday Products and public sector within Digital Services, together 80% of revenue, delivered excellent growth, even when measured against a strong comparative period (combined segment growth, 2024: 7%; 2023: 36%). Offsetting this growth, within Digital Services, we experienced revenue reductions in our commercial sector, as a result of the macro-economic environment, and in our healthcare sector as there were no pandemic-related projects in the year.

In total, revenue for the year grew by 2% (6% organic, 3% ccy) to £382.4 million (2023: £374.8 million) with adjusted pre-tax profit([9]) increasing by 14% (17% ccy) to £77.2 million (2023: £67.6 million).

Our sales are a combination of extensions to existing contracts, new projects placed by existing customers and winning new customers. Bookings in the year were 1% lower at £424.5 million (2023: £427.8 million). Our contracted backlog increased 11% to £357.1 million (2023: £322.9 million).

In line with our previous guidance, we have increased investment in our software products, now representing a total of £26.0 million, an increase of 31%. Research & development investment increased to £13.5 million (2023: £9.1 million) and our product-related sales & marketing investment increased to £12.5 million (2023: £10.8 million).

As at 31 March 2024, we had a strong cash balance (including treasury deposits) of £126.0 million (2023: £108.3 million), representing 98% cash conversion (2023: 104%).

Our people

We are clear that our success is driven by the ability, energy and expertise of the people in Kainos.

In the past 12 months, our headcount has remained stable at 2,995 people (2023: 2,990). We have continued to reduce the number of contract staff in favour of long-term investment in permanent employees and as a result contractors represent 1% of our colleagues (2023: 7%). Correspondingly, over the past year the number of permanent employees has increased by 6%.

By region, UK & Ireland reduced to 2,043 people (-4%), Central Europe increased to 463 people (+4%) and the Americas has remained constant at 395 people. In Asia, the number of people increased to 94 (+76 people) as we welcomed our new colleagues from the RapidIT-Cloudbera acquisition, which completed in June 2023.

Our employee engagement levels remain high. We now utilise Workday Peakon to continuously assess employee engagement and have achieved an engagement rating of 78%. For the second consecutive year, we were awarded '50 Best Places To Work For in the UK' by Glassdoor, the online career community.

In the past 12 months, 93% of our colleagues chose to continue to develop their career at Kainos (2023: 88%). This improved retention is partially because of our ongoing engagement efforts, but we also recognise that there is increased job-changing caution within the sector.

Our customers

We believe that by delivering consistently to our customers we build long-term relationships. The strength of our customer relationships is reflected in our consistently high satisfaction scores. We have now migrated from our proprietary customer satisfaction index to Net Promoter Score (NPS), and in the last 12 months we achieved a NPS score of 58 (a score above 50 is viewed as 'excellent').

Existing customers continue to trust us to deliver their most challenging projects, and this is reflected in our revenues, with 90% of revenues coming from our existing clients (2023: 90%). We have also gained new customers during the year, and we now work with 930 customers (2023: 821).

From a sector perspective we have a well-diversified business, with 52% of our revenues from commercial clients (2023: 50%), 36% from public sector organisations (2023: 37%), and 12% from healthcare customers (2023: 13%).

Our international client base has also expanded and as a result our international revenues have grown by 13% to £149.8 million (2023: £132.0 million). Regionally, UK & Ireland accounts for 61% of our business (2023: 65%), North America for 28% (2023: 25%), Central Europe for 11% (2023: 9%), with the rest of the world representing <1% (2023: 1%).

Digital Services performance

Our Digital Services division builds solutions that are highly cost-effective and make public-facing services more accessible and easier to use for the citizen, patient and customer.

In the last 12 months performance has varied across sectors. Public sector clients maintained their investment levels in digital transformation projects. In contrast, and as anticipated, healthcare revenues declined, driven by post-pandemic budget constraints and ongoing internal NHS reorganisation. Within commercial sector we also recorded decreased revenue as clients significantly reduced project expenditure.

As a result, Digital Services revenues declined by 5% to £213.1 million (2023: £224.4 million). Bookings, at £228.1 million (2023: £238.2 million), represented a reduction of 4%, while contracted backlog increased by 11% to £156.6 million (2023: £140.9 million).

Overall, public sector now represents 65% of divisional revenues (2023: 61%), healthcare 21% (2023: 22%) and commercial sector 14% (2023: 17%).

Public sector

Our public sector customers remain committed to their digital transformation programmes, the importance of which are underlined in the 2025 Roadmap published by the Central Data & Digital
([10])

Office[illegible] which aims to create a more efficient digital government that provides better outcomes for everyone. This continued digital adoption by government, and our success in the market, has resulted in an increase in our revenues by 1% to £138.2 million (2023: £137.0 million).

We continue to support our long-standing customers, including the Ministry of Justice, the Department for Environment, of Food & Rural Affairs, the Driver and Vehicle Standards Agency and HM Passport Office and are assisting new customers such as the Crown Prosecution Service, the Water Services Regulation Authority (OFWAT) and the Open University as they progress their ambitious digital programmes. We have been awarded places on new digital services frameworks with Ministry of Defence, HM Revenue and Customs and the Financial Conduct Authority.

Commercial sector

In the UK, the commercial sector expenditure on IT is over three times that of the public sector. While this represents significant long-term opportunity, to increase our likelihood of success, we have initially chosen to focus our activity on financial services customers.

While our customers recognise the need to increase their levels of investment in digital transformation, the uncertain economic backdrop has resulted in a cautious approach to embarking upon major transformation programmes and limiting the scope of some in-flight projects.

Reflecting reduced activity levels, our commercial sector revenue was 19% lower at £30.8 million (2023: £37.8 million).

Notwithstanding these short-term headwinds, we continue to deliver digital services for our established customers, including Irish Life Assurance plc, the United Nations International Organization for Migration and Nexi Group and we are helping new customers including Royal London Asset Management and Arqiva.

Healthcare sector

We have described in previous updates that our NHS customers are experiencing post-pandemic budget constraints, combined with the disruption of the merger of the NHS England and NHS Digital organisations; this remains the case.

While this may, in simple terms, explain the 11% reduction in our healthcare revenues to £44.2 million (2023: £49.7 million), it overlooks the strong performance in our core healthcare business. In defining our core healthcare business, we remove all revenues relating to supporting the NHS pandemic response. Using this definition, core healthcare revenues in the past 12 months have increased to £44.2 million (2023: £35.8 million), representing an increase of 23%.

This year, our customers have included the Department for Health and Social Care (DHSC), where we are leading the delivery of the new digital Health Check, NHS Business Services Authority (NHSBSA) and their digital projects portfolio, and the Department for Health and Care Wales, where we delivered their Patient App.

International expansion outside of UK and Ireland

With the UK as an early adopter of digital transformation, the opportunity exists to replicate our home market success in international jurisdictions. In Europe, our initial focus is primarily on commercial customers in Germany and Switzerland, with organisations such as Worldline, Nexi Group and GEA. In North America, we are making progress across public sector, commercial sector and the healthcare sector with organisations that include the Province of Nova Scotia, WPP and the Government of Ontario.

Our international revenues are reported in the figures in the sectors listed above, but for clarity, international revenues for the division have increased by 28% to £12.3 million (2023: £9.6 million), representing 6% of total Digital Services revenue (2023: 4%).

Workday Services performance

Revenue over the last 12 months recorded growth of 6% to £112.0 million (2023: £105.7 million) however, as noted below, excluding revenues associated with withdrawn services linked to the Blackline acquisition, revenue growth was 10%. Sales bookings decreased by 4% to £116.5 million (2023: £121.7 million) while our contracted backlog remained constant at £73.0 million (2023: £72.8 million).

Having first engaged with Workday Inc. in 2011, we are now one of their most experienced partners and one of only 62 partners globally accredited to implement Workday's innovative SaaS platform. From our initial strong base in UK & Ireland, we expanded internationally - into Northern and Central Europe from 2015 and into the North American market from 2018.

Within Europe, we are the leading Workday partner - this leadership position is the result of high satisfaction levels within our customer base, coupled with our geographic expansion in the region. A similar focus on customer success in our North American market resulted in our appointment, in mid-2022, as a Phase 1 Prime partner for the US market - which remains the largest market globally for Workday Inc.

Regionally, our North American customers generated 49% of total divisional revenue (2023: 53%), with our European customers responsible for 50% of revenue (2023: 47%).

The number of accredited Workday consultants at Kainos is 798 (2023: 808).

Workday Extend

Alongside the typical consulting activities involved in deploying Workday's SaaS platform, there is a growing opportunity linked to Workday Extend, Workday's Platform-as-a-Service offering which became generally available in May 2020. Kainos has been part of the Workday Extend early adopter programme since 2017.

Workday Extend allows organisations to build additional, specialised functionality on the Workday platform to further enhance customers' Workday deployment. As experts and global leaders in Workday Extend, we have helped more than 80 organisations including Home Depot, AES Corporation and Ferguson Enterprises to build Workday Extend applications specific to their requirements or to deploy one of our pre-built applications from our 45-application catalogue.

In September 2023, to coincide with the release of significant AWS-native AI capabilities accessible through Extend, Workday announced the creation of their AI Marketplace. This marketplace, expected to be available mid-2024, will allow third-party developers to market Workday-approved, pre-built applications to the 10,000+ Workday customer community.

In addition to the paid-for consulting services activity, engaging with clients on Workday Extend projects provides us with insight into common challenges that clients experience, and the potential to build products that are embedded inside Workday.

Blackline Group

In January 2022 we announced the acquisition of Blackline Group, a 50-person specialist business that

In January 2022 we announced the acquisition of Blackline Group, a [illegible] person specialist business that focused on both advisory services linked to Workday Strategic Sourcing and standalone procurement consulting services.

On review of the standalone procurement consulting activity, and in discussion with our colleagues and customers, we decided to stop the provision of these services during the financial year. This decision directly impacted 23 of our colleagues based in the US and four customer contracts; the services that are being withdrawn amounted to £5.5 million of revenue in the year (2023: £8.6m, 2025 forecast: negligible).

As a result of this decision, we have recognised an amortisation charge of £2.6 million relating to the customer relationship intangible asset, a restructuring cost of £0.4 million and all post-combination remuneration.

Workday Products performance

Workday is a comprehensive SaaS platform, but we have identified opportunities to develop our own software products that are complementary to the platform and that enable customers to further increase the benefit that they can realise from their investment in Workday.

Our Workday Products revenue increased 28% (23% organic, 33% ccy) to £57.3 million (2023: £44.7 million), driven by an 18% increase in bookings to £79.9 million (2023: 67.9 million). The Annual Recurring Revenue was £60.5 million (2023: £47.9 million), an increase of 26% and backlog increased 17% to £127.5 million (2023: £109.3 million).

In total, over 450 customers use one or more of our products.

Smart Suite

We have three products within the Smart Suite:

- Smart Test (launched in 2014) allows Workday customers to automatically test and verify that their unique Workday configuration is operating effectively, both during implementation and in live operation. Smart Test is the leading automated testing platform specifically designed for Workday and is used by over 400 global enterprise customers, including Salesforce, Capital One and Whole Foods.
- Smart Audit (2021) has been deployed to over 100 customers including Chanel, Arcbest and QBE Insurance. Smart Audit is a compliance-monitoring tool that allows Workday customers to maintain operational security controls across their Workday environments. Our pre-built controls focus on safeguarding against Segregation of Duties conflicts, providing robust Privileged Access Controls and protecting Personal and Sensitive employee data.
- Smart Shield (2022) is a data-masking tool that can easily and seamlessly mask sensitive data without impacting the Workday user experience. It ensures that sensitive data remains controlled when Workday environments are made available to broader internal or external teams, for instance, during support and maintenance activities, or for ongoing internal Workday training and onboarding programmes. Smart Shield is now used by over 75 customers, including Match.com and LKAB.

Employee Document Management (EDM)

In October 2023, our latest product, Employee Document Management (EDM), became generally available. EDM utilises Workday Extend technology and improves the experience of generating and storing documents inside Workday, while supporting an organisation's global compliance requirements.

This has been our most successful product launch, with 26 customers already contracted, of whom Hilti was the first customer to go live.

RapidIT-Cloudbera acquisition

In June 2023 we completed the acquisition of RapidIT-Cloudbera, the creators of Genie, a Workday-focused automated testing product, headquartered in Atlanta, US, and employing 101 staff in the US and India.

Since the completion of the acquisition, we have successfully combined our testing and development teams, and have added the unique Genie functionality to our Smart Test platform. All customers who were using Genie have now been successfully migrated to our combined platform.

Innovation, research and development

Successful businesses continue to challenge themselves. We are keen to improve our existing offerings, develop new business ideas and assess business and technology concepts that are likely to impact us, or our clients, in the future.

Including our product investment, our research and development expenditure for the year amounted to £13.5 million (2023: £9.1 million), an increase of 48%, which was fully expensed in the year.

Product innovation and incubation

The past year has seen us incubate, develop and launch two innovative products in our Workday Product division.

Launched in October 2023, Employee Document Management (EDM) traces its roots to a conversation in 2020 with our customer Hilti about an unmet need in document generation and storage. We validated this idea with several other customers and started our internal process of creating EDM. Based on a combination of AWS and Workday Extend technologies, EDM offers a frictionless way for Workday customers to create, manage, store and access employee documents, such as contracts, offer letters, policies and compensation statements, all inside Workday. Since launch, 26 organisations have become customers.

Workday's core HR and Finance systems are typically deployed by medium-sized, and larger, organisations. For ambitious smaller organisations, the elapsed time to implement Workday, coupled with the internal effort and external consulting time, often mean that they choose less comprehensive HR and finance solutions. Focusing on reducing this 'time to value', our Workday Product Division led the incubation and development of Spark & Grow, a unique proposition based around automation which allows smaller organisations to get live on Workday in four weeks. Spark & Grow extends Workday's addressable market and featured in the most recent Workday, Inc earnings call.

Services innovation and incubation

In our services division, innovation has been pivotal in fostering growth and enhancing our engagements with both new and longstanding clients.

In October 2023, after securing a contract to develop a modern digital registration system for births, marriages, and deaths with the Home Office, we utilised an Open Innovation process to help uncover innovative solutions. The activity involved several hundred of our colleagues in a structured process to help brainstorm novel solutions for the challenges that the Home Office were seeking to overcome. This was highly successful, identifying new ways to use cutting-edge technologies to efficiently support individual users.

Moreover, our commitment to innovation has strengthened our ongoing relationships with key clients. For example, DVSA were considering the concept of allowing the driving theory test to be undertaken from a home or remote setting, thereby extending the accessibility of the service. They turned to Kainos to create and deliver the concept of a secure, remote theory test. Collaborating closely with the client, we engaged academic experts, cutting-edge technology start-ups, and end users to design and prove a unique solution that met the needs of all stakeholders.

Across our services division, innovation remains a key driver in adopting generative AI solutions within and beyond Kainos. From instant jargon busting to summarising hundreds of contracts in minutes, we have been at the forefront of delivering effective generative AI-based services, demonstrating our commitment to transformative growth and client satisfaction.

Technical and market research

To support innovation activities and strategic decision making across Kainos, we have invested in a team dedicated to technical and market research. The team's activities include providing foresight and research into emerging technologies, interpreting developing trends and identifying market insights.

The team is continuing research into: the advances of machine learning and AI, such as federated learning and synthetic data; advances in the development of green software and sustainable approaches to innovation; uses of artificial intelligence in automatic speech recognition and object detection; and a range of other emerging concepts, with a goal of understanding when they should approach a level of maturity and the impact they will have on our business and clients.

Partnerships

In addition to internally sourced ideas, we nurture relationships with a broad network of partner organisations across our global footprint, from hyperscale partners such as Microsoft and Amazon Web Services, through to start-ups who are developing cutting-edge solutions to some of the world's most complex problems.

We also continue to work with academic research partners and leading industry organisations, such as Ulster University AI Research Centre, and University of Oxford's Responsible Technology Institute, as well as working with our strategic partners on further-from market technology and research.

Founders

Our Founders Programme has been established to foster and support intrapreneurship within Kainos. It serves as a platform for providing guidance, advice, network access and resources to Founders engaged in innovative projects within the Company.

Founders in Kainos are visionary leaders who challenge the status quo with innovative alternatives, excel in developing strategies, and inspire trust through integrity. They possess strong leadership, negotiation, and communication skills, and are adept at turning ideas into commercially viable businesses.

Innovation case study: AI-enabling Smart Test and Smart Audit

Adding AI capability to our Smart Suite has been a key focus for our innovation efforts within our development activity.

In March 2024, we reached a significant milestone when we released the latest version of Smart Audit to our 100+ customers. The AI-enabled functionality assists in security access and permission audits within Workday by identifying potential errors or inconsistencies in access rules, enabling more frequent reviews and earlier detection of issues.

In addition, we have integrated AI tooling in our other products. Notably, we invested in a new Copilot feature for Smart Test, which assesses customers' Workday configuration and automatically builds test scenarios targeting the highest risk areas.

These AI tools are designed to enhance our users' experience and aid organisations in addressing complex business challenges, much faster than ever before.

Innovation case study: Spark & Grow - using AI to optimise Workday deployments

As we described above, ambitious, scaling organisations are often interested in deploying Workday's innovative HR and Finance system but lack the internal capacity and time to undertake the deployment.

This innovation project focused on using cutting-edge AI and Generative AI technologies to simplify, automate and streamline the implementation process of a Workday deployment. We were able to achieve an impressive 80% reduction in effort and timelines, allowing smaller organisations to deploy Workday and quickly attain value from their investment in Workday's HR and Finance systems.

A key element of this initiative, which we called Spark & Grow, was the establishment of a standalone unit, functioning with the agility of a start-up, yet backed by the robust infrastructure of Kainos. This enabled rapid prototyping and application of AI technologies without the constraints of traditional corporate structures.

In a novel approach, the project employed AI to critique and refine its own development processes, a method we refer to as 'AI for AI'. This not only ensured that our methods and strategies were free from human biases but also significantly enhanced decision-making efficiency.

Over a six-month period, the project successfully launched several AI-driven tools, including AI-Generated Knowledge Bases, Sentiment Analysis systems, and six other use cases in Phase 1, which collectively led to setting new benchmarks for operational efficiency within the market.

Innovation case study: Working with academia

Kainos continues to support Ulster University's Artificial Intelligence Research Centre (AIRC). This partnership between industry and academia is dedicated to advancing research, innovation, and skills development in AI in Northern Ireland. Our shared goal is to inspire the next generation to harness the transformative power of AI for societal improvement.

The pillars of our work include knowledge sharing and strategic research and our collaborative sessions have covered a wide variety of subjects including data ethics, large language models and probabilistic programming. These sessions provide a platform for Kainos staff to gain insight into emerging technical concepts, share the practical challenges that industry is facing and identify opportunities to work together.

This past year, within our strategic research focus, we have funded and launched PhD research projects in both ethical AI and explainable AI where our goal is to provide the knowledge and tools to ensure AI solutions are created ethically, with transparency, accountability and explainability.

Financial review

FY24 was another year of solid financial performance.

In summary, we grew revenue by 2% (3% ccy) to £382.4 million (2023: £374.8 million). Digital Services revenue reduced by 5% to £213.1 million (2023: £224.4 million), reflecting decreased customer expenditure across the commercial sector and lack of pandemic-related revenues in the healthcare sector. Workday Services revenue grew 6% (9% ccy) to £112.0 million (2023: £105.7 million) driven mainly by growth in Central Europe. Workday Products revenue increased to £57.3 million (2023: £44.7 million), representing growth of 28% (33% ccy) (2023: 40%). The Operating Review provides more information on our revenue performance.

Our overall gross margin was 49.0% (2023: 47.3%). Digital Services' gross margin increased to 38.4% (2023: 38.1%) driven by lower contractor headcount. Workday Services margin increased to 54.7% (2023: 54.2%) driven by higher utilisation. Workday Products margin increased to 77.1% (2023: 76.6%).

Operating expenses

Operating expenses increased by 3% to £128.4 million (2023: £124.6 million) and is largely consistent with revenue growth.

Our investment in product development increased to £13.5 million (2023: £9.1 million), all of which was expensed during the period. We recognised £5.2 million of Research & Development Expenditure Credit (RDEC) income during the year (2023: £4.2 million).

Alternative performance measures

We use several alternative performance measures to monitor day-to-day performance and to assist management make financial, strategic and operating decisions.

Specifically, we exclude costs directly attributable to acquisitions. This includes amortisation of acquired intangible assets, compensation for post-combination services and acquisition-related expenses such as legal and professional costs incurred mainly in the period of acquisition. These costs can vary between periods depending on the timing and size of acquisitions, the nature of intangible assets acquired and the structure of consideration.

We adjust for the cost of our share-based payment arrangements in our adjusted measures also. Our arrangements consist of both equity-settled and cash-settled schemes and the cost of each award will be influenced by the share price at the date of grant. The cost of our cash-settled arrangements will also be impacted by share price movements between reporting dates. Due to these variables, we believe adjusting for such costs better represents our underlying trading performance, providing a more meaningful comparison between periods.

Furthermore, we also adjust for items which we consider significant and non-recurring in nature. In the current period we excluded gains relating to the sale of property, plant and equipment and fair value movements in our investment property.

We adjust for the above items consistently across all our adjusted measures, namely 'adjusted profit before tax', 'adjusted EBITDA', 'cash conversion' and 'adjusted diluted and basic earnings per share'. We believe our adjusted measures are better indicators of trading performance, assist comparison between periods and are useful measures for users of the financial statements. The nature and type of items adjusted are also similar to comparable companies.

The adjusted profit measures we use are not defined in UK-adopted International Accounting Standards and our definitions may not be comparable with similarly titled performance measures and disclosures in other entities. As such, these measures should not be considered in isolation but as supplementary information to the financial statements.

The adjusted profit measures reconcile to the reported numbers as follows:

Adjusted profit measures

	2024 (£000s)	2023 (£000s)
Profit before tax	**64,772**	54,338
Share-based payment expense and related costs	**5,952**	6,346
Amortisation of acquired intangible assets	**4,190**	2,642
Increase in fair value of investment property and gain on sale of property	**(2,154)**	-
Compensation for post-combination services	**3,800**	4,176
Acquisition-related expenses	**626**	57

Adjusted profit before tax	**77,186**	67,559

	2024 (£000s)	2023 (£000s)
Profit after tax	**48,715**	41,645
After tax impact of:		
Share-based payment expense and related costs	**4,464**	4,886
Amortisation of acquired intangible assets	**3,147**	2,642
Increase in fair value of investment property and gain on sale of property	**(1,894)**	-
Compensation for post-combination services	**3,746**	4,176
Acquisition-related expenses	**582**	57
Adjusted profit after tax	**58,760**	53,406

Adjusted EBITDA

	2024 (£000s)	2023 (£000s)
Adjusted profit before tax	**77,186**	67,559
Depreciation of property, plant and equipment	**2,886**	2,249
Depreciation of right-of-use assets	**1,152**	1,163
Finance expense	**334**	71
Finance income	**(4,336)**	(1,463)
Adjusted EBITDA	**77,222**	69,579

Adjusted pre-tax profit increased by 14% to £77.2 million (2023: £67.6 million). Profit before tax increased by 19% to £64.8 million (2023: £54.3 million).

Corporation tax charge

The effective tax rate for the year was 25% (2023: 23%). The effective tax rate for the period is in line with the UK corporation tax rate which increased to 25% effective 1 April 2023. The rates at which our overseas profits are taxed vary from jurisdiction to jurisdiction but on average have been subject to a blended rate that is largely in line with 25%.

Financial position

We continue to have a strong financial position, with £126.0 million of cash and treasury deposits (2023: £108.3 million), no debt and net assets of £156.8 million (2023: £129.3 million).

The underlying trade receivables and accrued income balance has reduced to £68.6 million (2023: £74.5 million), despite the growth in revenue, due to strong cash conversion in the period.

Our deferred income balance at year end is £45.0 million (2023: £37.1 million). This increase of 21% is attributed mainly to the growth in our SaaS revenue in the year to £54.8 million (2023: £43.1 million).

Within non-current assets our property, plant and equipment balance increased to £12.3 million at the year end (2023: £9.5 million) due mainly to property refurbishment costs incurred during the year. During the period we entered into 4 new property leases increasing our right-of-use asset balance to £5.2 million at 31 March 2024 (2023: £1.3 million). A corresponding increase to our lease liabilities was also recognised contributing to the increase in our closing lease liability of £5.9 million (2023: £1.4 million).

In the prior year £5.2 million was transferred from property, plant and equipment to investment property, reflecting our agreement to sell part of the site acquired in 2019 for the development of our future headquarters in Belfast. The sale was subject to planning permission which was obtained subsequent to year end. An increase in fair value of £1.0 million was recognised during the year.

During the period we completed the sale of property located in Belfast, recognising a gain on disposal of £1.1 million. At 31 March 2023, the carrying value of this property was £0.3 million and was recognised as assets held for sale within current assets.

As noted within our Workday Products review, we completed the acquisition of RapidIT-Cloudbera Inc. on 30 June 2023. The fair value of assets acquired and liabilities assumed at acquisition date are detailed further in note 29.

Cash flow and cash conversion

Cash conversion, which is cash generated by operating activities as a percentage of adjusted EBITDA, remained strong at 98% (2023: 104%).

Dividend

Our progressive dividend policy provides shareholder returns, while ensuring we have sufficient funds to invest in long-term growth. The proposed final dividend recommended by Directors is 19.1p and, if approved by shareholders, will be paid on 25 October 2024 to shareholders on the register on 4 October 2024, with an ex-dividend date of 3 October 2024. This will make the total dividend for the year 27.3p (2023: 23.9p) which will represent a distribution of 58% of adjusted profit after taxation (2023: 56%).

Consolidated income statement for the year ended 31 March 2024

Continuing operations	Note	2024 (£000s)	2023 (£000s)
Revenue	2	**382,393**	374,807
Cost of sales	2	**(195,079)**	(197,652)
Gross profit	2	**187,314**	177,155
Operating expenses		**(128,411)**	(124,597)
Impairment (loss)/gain (including amounts recovered) on trade receivables and accrued income		**(287)**	388
Gain on disposal of property, plant and equipment		**1,114**	-
Increase in fair value of investment property		**1,040**	-
Operating profit	3	**60,770**	52,946
Finance income		**4,336**	1,463
Finance expense		**(334)**	(71)
Profit before tax		**64,772**	54,338
Income tax expense	5	**(16,057)**	(12,693)
Profit for the year		**48,715**	41,645

Earnings per share

Basic	7	**39.0p**	33.6p
Diluted	7	**38.6p**	33.1p

Consolidated statement of comprehensive income for the year ended 31 March 2024

	2024 (£000s)	2023 (£000s)
Profit for the year	**48,715**	41,645
Items that may be reclassified subsequently to profit or loss:		
Foreign operations - foreign currency translation differences	**(1,065)**	779
Total comprehensive income for the year	**47,650**	42,424

Consolidated statement of financial position as at 31 March 2024

	Note	2024 (£000s)	2023 (£000s)
Non-current assets			
Goodwill		**38,203**	19,007
Other intangible assets		**5,208**	3,816
Investment property		**6,200**	5,160
Property, plant and equipment		**12,285**	9,509
Right-of-use assets		**5,216**	1,261
Investments in equity instruments		**1,299**	1,299
Deferred tax asset		**5,147**	3,103
		73,558	43,155

		73,558	43,155
Current assets			
Trade and other receivables	8	**41,832**	38,970
Prepayments	8	**4,268**	3,656
Accrued income	8	**33,225**	38,808
Tax receivable		**-**	400
Cash and cash equivalents		**121,558**	108,302
Treasury deposits		**4,403**	-
Assets held for sale		**-**	310
		205,286	190,446
Total assets		**278,844**	233,601
Current liabilities			
Trade payables and accruals	9	**(50,062)**	(52,348)
Deferred income	9	**(44,954)**	(37,087)
Tax payable	9	**(7,069)**	-
Lease liabilities		**(1,015)**	(794)
Provisions		**-**	(341)
Other tax and social security	9	**(10,135)**	(12,068)
		(113,235)	(102,638)
Non-current liabilities			
Provisions		**(1,542)**	(1,031)
Deferred tax liability		**(2,371)**	-
Lease liabilities		**(4,883)**	(585)
		(8,796)	(1,616)
Total liabilities		**(122,031)**	(104,254)
Net assets		**156,813**	129,347
Equity			
Share capital		**629**	623
Share premium account		**9,419**	6,567
Capital reserve		**3,548**	3,548
Share-based payment reserve		**31,228**	23,394
Translation reserve		**(35)**	1,030
Retained earnings		**112,024**	94,185
Total equity		**156,813**	129,347

These financial statements were approved by the Board of Directors and authorised for issue on 17 May 2024. They were signed on its behalf by:

Richard McCann
Director
17 May 2024

Consolidated statement of changes in equity for the year ended 31 March 2024

	Share capital	Share premium	Capital reserve	Share-based payment reserve	Translation reserve	Retained earnings	Total equity
	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)
Balance at 31 March 2022	**619**	**6,433**	**3,548**	**15,171**	**251**	**81,668**	**107,690**
Profit for the year	-	-	-	-	-	41,645	41,645
Other comprehensive income	-	-	-	-	779	-	779
Total comprehensive income for the year	-	-	-	-	779	41,645	42,424
Equity-settled share-based payment	-	-	-	8,223	-	-	8,223
Current tax for equity-settled share-based payments	-	-	-	-	-	237	237

Deferred tax for equity-settled share-based payments	-	-	-	-	-	(931)	(931)
Issue of share capital - share options exercised	4	134	-	-	-	-	138
Dividends	-	-	-	-	-	(28,434)	(28,434)
Balance at 31 March 2023	**623**	**6,567**	**3,548**	**23,394**	**1,030**	**94,185**	**129,347**
Profit for the year	-	-	-	-	-	48,715	48,715
Other comprehensive income	-	-	-	-	(1,065)	-	(1,065)
Total comprehensive income for the year	-	-	-	-	(1,065)	48,715	47,650
Equity-settled share-based payment	-	-	-	7,834	-	-	7,834
Current tax for equity-settled share-based payments	-	-	-	-	-	514	514
Deferred tax for equity-settled share-based payments	-	-	-	-	-	(968)	(968)
Issue of share capital - share options exercised	6	2,852	-	-	-	-	2,858
Dividends	-	-	-	-	-	(30,422)	(30,422)
Balance at 31 March 2024	**629**	**9,419**	**3,548**	**31,228**[11]	**(35)**	**112,024**	**156,813**

Consolidated statement of cash flows for the year ended 31 March 2024

	Note	2024 (£000s)	2023 (£000s)
Cash flows from operating activities			
Profit for the year		**48,715**	41,645
Adjustments for:			
Finance income		**(4,336)**	(1,463)
Finance expense		**334**	71
Tax expense	5	**16,057**	12,693
Share-based payment expense		**5,952**	6,346
Depreciation of property, plant and equipment		**2,886**	2,249
Depreciation of right-of-use assets		**1,152**	1,163
Amortisation of intangible assets		**4,190**	2,642
Gain on disposal of property, plant and equipment		**(1,114)**	-
Increase in fair value of investment property		**(1,040)**	-
Post-acquisition remuneration settled by shares		**1,501**	3,200
Increase/(decrease) in provisions		**170**	(758)
Operating cash flows before movements in working capital		**74,467**	67,788
Decrease/(increase) in trade and other receivables		**2,337**	(3,380)
(Decrease)/increase in trade and other payables		**(1,336)**	8,076
Cash generated from operating activities		**75,468**	72,484
Income taxes paid		**(6,454)**	(10,585)
Net cash from operating activities		**69,014**	61,899
Cash flows from investing activities			
Interest received		**4,336**	1,463
Purchases of property, plant and equipment		**(5,662)**	(2,499)
Proceeds from sale of property, plant and equipment		**1,484**	-
Amounts placed on treasury deposit		**(4,403)**	-
Acquisition of subsidiaries net of cash acquired		**(22,908)**	-
Net cash used in investing activities		**(27,153)**	(1,036)
Cash flows from financing activities			
Dividends paid	6	**(30,422)**	(28,434)
Interest paid		**(334)**	(71)
Repayment of lease liabilities		**(466)**	(1,075)

Proceeds on issue of shares	**2,858**	138
Net cash used in financing activities	**(28,364)**	(29,442)
Net increase in cash and cash equivalents	**13,497**	31,421
Cash and cash equivalents at beginning of year	**108,302**	76,609
Effect of exchange rate fluctuations on cash held	**(241)**	272
Cash and cash equivalents at end of year	**121,558**	108,302

Notes to the consolidated financial information

1. General information and basis of preparation

Kainos Group plc ('the Company') is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales (company registration number 09579188), having its registered office at 21 Farringdon Road, 2nd Floor, London EC1M 3HA. The Company is listed on the London Stock Exchange.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group').

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards ('UK-Adopted IFRS'). The financial statements are presented in Pounds Sterling, generally rounded to the nearest thousand.

The financial information set out in this document does not constitute the statutory accounts of the Group for the years ended 31 March 2024 or 31 March 2023 but is derived from those accounts. Statutory accounts for the year ended 31 March 2023 have been delivered to the registrar of companies, and those for 2024 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

This financial information was authorised for issue by the Directors on 17 May 2024.

2. Segment reporting

All of the Group's revenue during the year ended 31 March 2024 and for the year ended 31 March 2023 was derived from continuing operations.

The Group's Executive Directors are considered to be the Chief Operating Decision Maker (CODM) of the Group. They use internal management reports to assess both performance and strategy of the Group and the three specialist business areas: Digital Services, Workday Services and Workday Products.

The following is an analysis of the Group's revenue and results by reportable segment:

2024 ***12 months to 31 March***	**Digital Services (£000s)**	**Workday Services (£000s)**	**Workday Products (£000s)**	**Consolidated (£000s)**
Revenue	213,097	112,044	57,252	382,393
Cost of sales	(131,280)	(50,717)	(13,082)	(195,079)
Gross profit	**81,817**	**61,327**	**44,170**	**187,314**
Direct expenses([12])	(20,778)	(35,889)	(28,280)	(84,947)
Contribution	**61,039**	**25,438**	**15,890**	**102,367**
Central overheads[12]				(29,183)
Net finance income				4,002
Adjusted pre-tax profit				**77,186**
Share-based payments expense and related costs				(5,952)
Amortisation of acquired intangible assets				(4,190)
Compensation for post-combination remuneration				(3,800)
Acquisition-related expenses				(626)
Increase in fair value of investment property and gain on sale of property				2,154

on sale of property	
Profit before tax	**64,772**

2023 ***12 months to 31 March***	**Digital Services (£000s)**	**Workday Services (£000s)**	**Workday Products (£000s)**	**Consolidated (£000s)**
Revenue	224,384	105,741	44,682	374,807
Cost of sales	(138,798)	(48,406)	(10,448)	(197,652)
Gross profit	**85,586**	**57,335**	**34,234**	**177,155**
Direct expenses[12]	(24,326)	(36,439)	(21,687)	(82,452)
Contribution	**61,260**	**20,896**	**12,547**	**94,703**
Central overheads[12]				(28,536)
Net finance expense				1,392
Adjusted pre-tax profit				**67,559**
Share-based payments expense and related costs				(6,346)
Amortisation of acquired intangible assets			(	(2,642)
Compensation for post-combination remuneration				(4,176)
Acquisition-related expenses				(57)
Profit before tax				**54,338**

	2024 (£000s)	2023 (£000s)
United Kingdom & Ireland	**232,557**	242,787
North America	**106,990**	95,505
Central Europe	**41,433**	35,262
Rest of world	**1,413**	1,253
	382,393	374,807

	Digital Services 2024 (£000s)	**Workday Services 2024 (£000s)**	**Workday Products 2024 (£000s)**	**Total 2024 (£000s)**
Type of revenue				
Services	204,950	105,428	2,430	312,808
Subscriptions	-	-	54,822	54,822
Third party and other	8,147	6,616	-	14,763
	213,097	**112,044**	**57,252**	**382,393**

	Digital Services 2023 (£000s)	Workday Services 2023 (£000s)	Workday Products 2023 (£000s)	Total 2023 (£000s)
Type of revenue				
Services	217,490	98,961	1,625	318,076
Subscriptions	-	-	43,057	43,057
Third party and other	6,894	6,780	-	13,674
	224,384	**105,741**	**44,682**	**374,807**

Disaggregation of revenue by sector

Digital Services	**2024 (£000s)**	2023 (£000s)
Public	**138,168**	136,951
Commercial	**30,749**	37,782

Healthcare	**44,180**	49,651
	213,097	224,384
Workday Services		
Public	**89**	167
Commercial	**111,949**	105,423
Healthcare	**6**	151
	112,044	105,741
Workday Products		
Public	**-**	891
Commercial	**57,170**	43,171
Healthcare	**82**	620
	57,252	44,682
Group		
Public	**138,257**	138,009
Commercial	**199,868**	186,376
Healthcare	**44,268**	50,422
Total	**382,393**	374,807

3. Profit for the year

Profit for the year has been arrived at after charging/(crediting):

	2024 (£000s)	2023 (£000s)
Total staff costs	**261,430**	232,033
Government grants	**(2,070)**	(12)
Research and development expensed as incurred	**13,493**	9,061
Research and Development Expenditure Credit	**(5,161)**	(4,230)
Depreciation of property, plant and equipment	**2,886**	2,249
Depreciation of right-of-use assets	**1,152**	1,163
Gain on disposal of property, plant and equipment	**(1,173)**	-
Net foreign exchange loss/(gain)	**553**	(873)
Amortisation of acquired intangibles	**4,190**	2,642

4. Staff numbers

The average number of employees during the year was:

	2024 Number	2023 Number
Technical	**2,354**	2,107
Administration	**331**	311
Sales	**258**	188
	2,943	2,606

5. Tax expense

The following tax was recognised in recognised in the income statement:

	2024 (£000s)	2023 (£000s)
Current tax expense:		
Current year (UK)	**12,201**	7,793

Current year (overseas)	**6,456**	5,271
Adjustments in respect of prior years	**(444)**	(385)
	18,213	12,679
Deferred tax		
Origination and reversal of temporary differences	**(1,439)**	(1,130)
Adjustments in respect of prior years	**(717)**	1,144
	(2,156)	14
Total tax expense	**16,057**	12,693

In addition to the amount charged to the statement of comprehensive income, the following amounts relating to tax have been recognised directly in equity in relation to share-based payments:

	2024 (£000s)	2023 (£000s)
Current tax		
Permanent element of share-based payment deduction	**514**	237
Deferred tax		
Deferred tax on share-based payments	**(968)**	(931)
Total tax recognised directly in equity	**(454)**	(694)

UK corporation tax has been calculated at 25% (2023: 19%) of the estimated taxable profit for the year, the prevailing rate at the balance sheet date. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate for the period is in line with the UK corporation tax rate which increased to 25% effective 1 April 2023 (2023: 23%). The rates at which our overseas profits have been subject to tax are also in line with 25%.

We envisage our future effective tax rates to be broadly in line with the main UK corporation tax rate.

The Group's tax charge can be reconciled to the profit in the income statement and effective tax rate as follows:

	2024 (£000s)	2023 (£000s)
Profit before tax on continuing operations	**64,772**	54,338
Tax at the UK corporation tax rate of 25% (2023: 19%)	**16,193**	10,324
Expenses not deductible for tax purposes	**1,333**	919
Tax exempt income	**(428)**	(3)
Effect of foreign exchange on consolidation	**-**	(92)
Effect of tax rates in foreign jurisdictions	**120**	740
Adjustments to tax charge in respect of prior years	**(1,161)**	759
Change in UK tax rates	**-**	46
Tax expense for the year	**16,057**	12,693
Effective tax rate	**25%**	23%

6. Dividend

	2024 (£000s)	2023 (£000s)
Amounts recognised as distributions to equity holders in the period:		
Interim dividend for 2024 of 8.2p per share	**10,287**	-
Final dividend for 2023 of 16.1p per share	**20,135**	-
Interim dividend for 2023 of 7.8p per share	**-**	9,702
Final dividend for 2022 of 15.1p per share	**-**	18,732
	30,422	28,434

The Board has proposed a final dividend in respect of the year ended 31 March 2024 subject to approval by shareholders at the Annual General Meeting. This dividend has not been recognised as a liability in these financial statements and there are no tax consequences. The proposed final dividend, if approved by shareholders, will be 19.1p per share (£24.0 million in total) and payable on 25 October 2024 to all shareholders on the Register of Members on 4 October 2024, and with an ex-dividend date of 3 October 2024.

7. Earnings per share

Basic

The calculation of basic earnings per share (EPS) has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

	2024 (£000s)	2023 (£000s)
Profit attributable to ordinary shareholders	**48,715**	41,645
	Thousands	Thousands
Issued ordinary shares at 1 April	**124,628**	124,078
Effect of shares held in trust	**(790)**	(786)
Effect of share options vested and exercised	**711**	392
Effect of shares issued related to a business combination	**113**	18
Effect of shares issued related to free share awards	**109**	99
Weighted average number of ordinary shares at 31 March	**124,771**	123,801
Basic earnings per share	**39.0p**	33.6p

Diluted

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	2024 (£000s)	2023 (£000s)
Profit attributable to ordinary shareholders	**48,715**	41,645
	Thousands	Thousands
Weighted average number of ordinary shares (basic)	**124,771**	123,801
Effect of share options in issue	**626**	758
Effect of shares held in trust	**790**	786
Effect of potential shares to be issued related to a business combination	**138**	299
Weighted average number of ordinary shares (diluted) at 31 March	**126,325**	125,644
Diluted earnings per share	**38.6p**	33.1p

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

At 31 March 2024 181,451 options (2023: 159,755) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

Adjusted (unaudited)

Adjusted basic and adjusted diluted earnings per share is calculated using the adjusted profit for the year measure. The calculation of adjusted profit for the year is detailed in the Financial Review section of the this Report.

	2024	2023

	(£000s)	(£000s)
Adjusted profit for the year	**58,760**	53,406
	Thousands	Thousands
Weighted average number of ordinary shares for the purposes of basic earnings per share	**124,771**	123,801
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**126,325**	125,644
Adjusted basic earnings per share	**47.1p**	43.1p
Adjusted diluted earnings per share	**46.5p**	42.5p

8. Trade and other receivables

	2024 (£000s)	2023 (£000s)
Trade receivables	**35,368**	35,693
Other receivables	**6,464**	3,277
	41,832	38,970
Prepayments	**4,268**	3,656
Accrued income	**33,225**	38,808
	79,325	81,434

9. Trade and other payables

	2024 (£000s)	2023 (£000s)
Trade payables	**50,062**	52,348
Deferred income	**44,954**	37,087
Current tax liabilities	**7,069**	-
Other tax and social security	**10,135**	12,068
	112,220	101,503

([1]) Includes £4.4 million of treasury deposits which do not meet the definition of cash and cash equivalents.
([2]) As noted in the Interim Report, we decided to stop providing the standalone procurement services associated with our 2022 acquisition of Blackline Group. Further detail, including associated expenses recognised in the period, is contained within the Workday Services review.
([3]) We use the established industry measure, Net Promoter Score, to measure customer satisfaction. Bain & Co, the creators of the metric, held that a score above 0 is good; 20+ is favourable; 50+ is excellent and 80+ is world class.
([4]) The size of the digital solutions market in Central (£1,794 million), Health (£351 million), Defence (£807 million) and Police (£144 million) sectors for FY24 according to TechMarketView's Digital Evolution Model.
([5]) This is an estimate of the services market where Kainos is a Phase 1 partner.
([6]) Estimated global Workday automated testing market.
([7]) Estimated global Workday document management market, this is the first iteration of research.
([8]) Our carbon emissions have already been verified by an external third party and we are in communication with SBTi regarding confirmation of these emissions figures.
([9]) The Financial review section includes reconciliations between adjusted pre-tax profit and profit before tax numbers.
([10]) The report can be accessed via GOV.UK, or by using this *link*.
([11]) £21.7 million relates to exercised or lapsed options or fully vested free share awards and is considered distributable.
([12]) Direct expenses plus central overheads plus balances below adjusted profit equals the sum of operating expenses plus impairment losses and reversals on trade receivables and accrued income. Direct expenses are expenses that are directly attributable to each division.