

14 April 2025

**Kainos Group plc
("Kainos" or the "Company")**

Year-end Trading Update

Kainos Group plc (KNOS), a UK-headquartered IT provider with expertise across three divisions, Digital Services, Workday Services, and Workday Products, today issues a trading update for the year ended 31 March 2025.

Following a solid Q4 performance, underpinned by a disciplined approach to costs, the Board expects to deliver revenues and adjusted PBT in line with consensus forecasts*.

- Overall, our business improved in the final quarter of the financial year, recording low-single-digit percentage growth. We believe that given the volatile macro-economic environment, we have maintained an appropriate balance between growth, international expansion, investment for the future and profitability.
- Once again, our Workday Products division delivered a very strong financial performance, achieving Annual Recurring Revenue (ARR) in excess of £72m at period end. Our Built on Workday partnership continues to progress well and positions Kainos strongly to meet our initial ARR goal of £100 million by 2026 and advance toward our ambitious target of £200m ARR by 2030.
- In Digital Services, following the election-related hiatus, our public sector revenues returned to growth in H2 and our team continues to work hard to position Kainos to benefit from the UK Government's commitment to improving public services through digital transformation. Our healthcare revenues continued to grow strongly, and we recorded very strong growth in our international-related revenues. Within commercial sector, activity remained well below prior-year levels.
- As previously noted, demand in our Workday Services division has remained subdued, leading to further reductions in H2. As market-related pressures have started to moderate, we are cautiously encouraged by signs of recovery and increasing activity across our international customer base, including recent wins in Australia and New Zealand.

Kainos continues to operate in markets where there are clear long-term structural drivers, including the emerging opportunities presented by the wider adoption of AI. We remain confident in our strategy to deliver against these opportunities.

Our long-term customer relationships and the commitment of our people continue to drive valuable outcomes. As always, we are grateful for the trust our customers place in us and the support and resilience of our colleagues - particularly in the wake of the recent restructuring, which saw 190 people leave Kainos as part of the organisational changes.

We continue to be supported by a robust backlog and pipeline, along with a strong balance sheet and a disciplined approach to capital allocation. Combined with healthy cash flow, these provide a solid foundation as we focus on driving long-term value for shareholders.

Our results for the full year ended 31 March 2025 will be announced on 19 May 2025.

** Note: Company compiled range is based on known sell side analyst estimates that have been updated since 01 November 2024. The ranges are: Revenue £363.3m - £366.8m and Adjusted PBT £64.1m - £68.2m. The respective consensus figures are £365.6m and £65.4m.*

Kainos Group plc Legal Entity Identifier: 213800H2PQMF3OVZY47

Ends

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About Kainos

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 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 2,800 people in 20 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.

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