

19 May 2025

Full year results for the year ended 31 March 2025

Kainos Group plc 'Kainos' or the 'Group'

Kainos Group plc (KNOS), a UK-headquartered IT provider with expertise across three divisions - Digital Services, Workday Services and Workday Products - is pleased to announce its results for the year ended 31 March 2025.

Financial highlights

	2025	2024	Change
Revenue	£367.2m	£382.4m	-4%
Statutory profit before tax	£48.6m	£64.8m	-25%
Adjusted pre-tax profit^[1]	£65.6m	£77.2m	-15%
Diluted earnings per share	28.2p	38.6p	-27%
Adjusted diluted earnings per share	38.3p	46.5p	-18%
Total dividend per share	28.4p	27.3p	+4%
Bookings	£382.4m	£424.5m	-10%
Product Annual Recurring Revenue (ARR)	£72.6m	£60.5m	+20%
Contracted backlog	£368.2m	£357.1m	+3%
Cash^[2]	£133.7m	£126.0m	+6%

Results in line with revised expectations, with strong growth in Workday Products revenue more than offset by the tough trading environment in our two services divisions

- Revenue decreased 4% (-4% organic, -3% ccy) to £367.2 million (2024: £382.4 million).
- Adjusted pre-tax profit was 15% lower (-14% ccy) at £65.6 million, including a £5.2 million investment to support our extended Workday partnership (see Operational Highlights).
- Adjusted profit margin decreased to 18% (2024: 20%).
- Overall bookings fell 10% to £382.4 million (2024: £424.5 million), although activity accelerated in the second half of the year (H1: £179.5 million; H2: £202.9 million).
- Year-end contracted backlog rose 3% to £368.2 million (2024: £357.1 million).
- Cash conversion of 112%^[3] (2024: 98%) contributed to a strong year-end cash position^[2] of £133.7 million (2024: £126.0 million), after completing £22.6 million of our £30.0 million share buyback programme.
- The share buyback programme completed on 9 May 2025 with a total of 3,993,382 shares bought back for consideration of £30.0 million.
- The Board announces intention to launch a further share buyback programme of £30.0 million to be executed over the next six months.

Restructuring for growth: global workforce reduced by 7%

- In March, we made the difficult decision to reduce our workforce, with 190 people leaving Kainos as part of the organisational changes.
- The restructuring programme was driven by the need to create capacity for investment in product development, AI, data, new partnerships, skills development, targeted recruitment and carefully managed international expansion.
- The workforce reduction resulted in restructuring costs of £8.4 million in FY25. Most affected colleagues had a leaving date of 4 April 2025.
- Approximately two-thirds of the estimated £19 million cost savings will be reinvested in the areas outlined above, with the remainder allocated to staff-related cost increases, including pay rises, higher UK National Insurance contributions, and new hires.

Operational highlights

Workday-related products continued to grow strongly and now account for 19% of Group revenue (2024: 15%). Our enhanced partnership with Workday underpins our £100 million 2026 ARR target and our new 2030 target of £200 million

- Workday Products revenue was up 24% (26% organic, 26% ccy) to £71.3 million (2024: £57.3 million), with ARR increasing by 20% (23% ccy) to £72.6 million (2024: £60.5 million).
- Growth was driven by strong sales execution across the Smart product suite and the continued success of our Employee Document Management (EDM) product, launched in October 2023.
- Our new strategic partnership with Workday, announced in July 2024, incentivises its global sales teams to introduce and co-sell both current and future Kainos-developed Workday products.
- We continued to invest in our products and are on schedule to release our fifth product in late 2025, which will help organisations understand and address pay equality issues, with particular focus on the EU Pay Directive that will be adopted by EU member states in 2026.
- During the year, we increased research & development investment by 24% to £16.8 million (2024: £13.5 million), all of which was expensed in the period. Sales & marketing spend also rose by 24% to £15.5 million (2024: £12.5 million), including costs relating to the Built on Workday partnership. The multi-year agreement represents an annual investment of £7.8 million, with £5.2 million recognised during FY25 following its activation in July 2024.

Digital Services had a subdued year with customers delaying project-related investment

- Digital Services revenue decreased by 7% to £197.2 million (2024: £213.1 million).
- Public sector revenue declined by 8% to £125.5 million (2024: £135.2 million), reflecting the historic

- Public sector revenue declined by 7% to £123.5 million (2024: £136.2 million), reflecting the hiatus caused by the UK General Election and the delays in the new government setting out its longer-term plans to save money and increase efficiency through the continuing digitisation of government services.
- Within the healthcare sector, revenue was up strongly, with 14% growth to £50.6 million (2024: £44.2 million), driven by major digital and data wins with NHS England and UKHSA, alongside continued growth across other arm's-length bodies and devolved administrations.
- Commercial sector revenue continued to be affected by weak economic conditions and was 32% lower at £21.0 million (2024: £30.8 million).

Softer market conditions and increased competition affected Workday Services revenue, with opportunity for further international expansion into Asia Pacific

- We are the leading pan-European Workday consulting specialist and the eighth largest by certified consultant numbers globally. We have extended our Workday Services activities to Asia Pacific, winning our first contracts in Australia and New Zealand in the second half of the year.
- Despite continued strong win rates and high customer satisfaction, lower contract volumes and values - alongside aggressive pricing in some areas due to increased competition from new partners - resulted in a 12% decline in revenue (-10% ccy) to £98.7 million (2024: £112.0 million), with bookings of £84.6 million (2024: £116.5 million).
- On a like-for-like basis, revenue was 8% lower, after adjusting prior year revenue for discontinued procurement consulting services associated with Blackline Group, which we acquired in 2022. We ceased providing these services in FY24.

We continue to benefit from our geographical breadth, with international markets generating 41% of Group revenue (2024: 39%)

- International revenue was in line with last year at £149.9 million (2024: £149.8 million).
- Our Workday Products and Workday Services divisions have particularly strong international positions, collectively generating 81% of their revenues from these customers (2024: 81%).

Excellent customer service drives customer satisfaction and retention

- Our customers continued to rate our services as 'excellent', with a Net Promoter Score of 70^[4] (2024: 58).
- Existing customers generated revenue of £299.4 million (2024: £345.8 million).
- Customer numbers increased to 1,094 (2024: 930)^[5].

The commitment and engagement of our colleagues underpins our business performance

- We have more than 2,800 people (2024: 2,995) across 20 countries, with our employee retention remaining strong at 93% (2024: 93%).
- Engagement levels remain high, measuring 75% (2024: 78%) in our internal surveys, and we were ranked 14th in Glassdoor's '50 Best Places To Work in the UK', up from 32nd in 2024.
- As noted earlier, we recently completed a restructuring exercise that directly affected 190 colleagues. We are now focused on internal efforts to strengthen engagement across the organisation.

Continued growth in our AI business, with revenues growing 61%, as we help customers harness the potential of AI

- Revenues for AI and related projects increased 61% to £41.1 million (2024: £25.6 million) and now represent 21% of our Digital Services revenues.
- To date, we have delivered over 250 AI & Data projects across the public, healthcare, and commercial sectors, including 88 in the period.
- Since 2018, Kainos has been the 5th largest supplier of AI to the UK Public Sector, with over £61 million in awarded contracts.
- We now have more than 250 AI professionals across the organisation, accelerating innovation and delivery for our customers.
- We launched a Microsoft AI Centre of Excellence to accelerate customer adoption of AI, building on our Microsoft AI Partner of the Year recognition and deep sector expertise.
- Kainos has 3 of the 20 AI solutions available on the Workday Marketplace, reflecting our leadership in delivering trusted, Workday-approved innovation.

Current trading and outlook

- Following a challenging first half of the financial year, we are pleased to have delivered against our revised expectations, supported by an improved final quarter performance which recorded low single-digit percentage revenue growth.
- Looking ahead, we remain confident in the opportunities for digital transformation, as public, healthcare, and commercial organisations increasingly seek to harness technology - including AI - to improve services for users while reducing the cost of delivery.
- While the long-term drivers in our market remain strong, and our near-term performance is supported by a healthy pipeline, a significant contracted backlog, and a strong balance sheet, we believe it is prudent to maintain our cautious stance given continued volatility in the global macroeconomic environment.
- In considering FY26, we expect the following:
 - Continued momentum in Workday Products, driven by our Built on Workday partnership, with significant progress towards our ARR milestones of £100 million (2026) and £200 million (2030).
 - Ongoing recovery in Digital Services, led by our public sector and healthcare segments, with the upcoming UK Government Comprehensive Spending Review announcement expected to influence the timing and pace of future demand.
 - In Workday Services, market-related pressures are easing, and we are encouraged by signs of recovery and stronger international activity, including recent wins in Australia and New Zealand.
- More generally, we continue to see opportunities in smaller but faster-growing areas, including AI, data, low-code development and building custom Workday applications through our Workday Extend capabilities.

"Our results reflect a mixed year for Kainos, with strong growth in Workday Products and in our healthcare sector, set against broader market challenges in IT services - particularly in Workday Services and in the public and commercial sectors of Digital Services.

We remain grateful for the trust our customers place in us to deliver their critical transformation initiatives. The economic backdrop has affected them and for many, the focus has been on maintaining investment in critical transformation programmes. For others, it has led to reductions or delays in technology expenditure as they navigate an ever-changing business environment.

We delivered an improved business performance in the final quarter, where we recorded low single-digit percentage revenue growth, which allows us to look ahead with greater confidence, despite the ongoing volatility in the macroeconomic environment.

We are excited about the opportunity for our Workday Products division. Another year of excellent performance has positioned us strongly to meet our initial ARR target of £100 million during 2026. We expect to launch our fifth product in late 2025, designed to help organisations understand and address pay equality issues with particular focus on the EU Pay Directive, which will be adopted by EU member states in 2026. Additionally, and underpinned by our Built on Workday partnership, we believe we can increase the frequency of new product releases and make strong progress toward our ambitious goal of £200 million ARR in 2030.

In Digital Services, following the election-related hiatus and a return to modest growth in the second half of the year, our public sector business is well positioned to benefit from the UK Government's continued focus on digital transformation. Momentum in healthcare is expected to moderate following the announcement regarding the disbanding of NHS England, while activity levels in our commercial sector are anticipated to remain broadly consistent with the past year.

In Workday Services, while demand remained subdued through the second half, we believe that market-related pressures are beginning to moderate. As a result, we are cautiously encouraged by early signs of recovery and increasing activity across our international customer base, including recent wins in Australia and New Zealand.

AI engagements with our customers continue to evolve rapidly, with experimentation remaining a key theme throughout the year. We completed over 80 separate engagements, with larger projects primarily in the public sector - reinforcing our position as the fifth-largest AI supplier to the UK public sector by contract value since 2018, behind organisations such as Microsoft and Palantir.

My final words - and my thanks - go to my colleagues. For many years, they have continuously exhibited their expertise and ability and in recent weeks have also shown great resilience, especially in the wake of the recent restructuring. Thank you again for everything you do for Kainos."

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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 shares are listed on the London Stock Exchange (LSE: KNOS).

Our expertise spans three divisions: Digital Services, Workday Services and Workday Products.

Digital Services

Our Digital Services customers face a range of business problems, including the need to improve their customer service, reduce costs and increase productivity. We help them to solve these problems by developing and supporting custom digital service platforms. Our solutions enable customers and their users to work smarter, faster and better, while ensuring the platforms are secure, accessible and cost effective.

Workday Services

We are a respected partner to Workday Inc. in Europe and North America, providing a comprehensive range of services to support customers deploying Workday's Finance, HR and Planning products. Our experience in complex deployments means we are trusted to launch, test, expand and support Workday systems.

Workday Products

We have developed proprietary software products that complement Workday by enhancing our customers' system security and compliance and improving their document generation and storage. Over 550 global customers use one or more of our products, with adoption growing rapidly.

Our people

Our people are central to our success. We have more than 2,800 people in 20 countries across Europe, Asia and the Americas.

Find out more

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 signed a contract with us within the last three months or has generated revenue in the last six months.

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

Adjusted earnings per share (basis and diluted): adjusted profit after tax divided by the weighted average number of ordinary shares outstanding (basic) or weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares (diluted).

Adjusted pre-tax profit: profit before tax excluding the effect of share-based payments expense, acquisition-related expenses including amortisation of acquired intangible assets, deferred consideration (including post combination remuneration expense) and restructuring costs incurred. Our adjusted results in the prior 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 total of the annualised committed subscription value contracted at the end of the reporting period.

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

Carbon net zero: any CO₂ 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 CO₂ 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 period-on-period performance by translating the relevant prior period figure at current period 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.

International revenue: total revenue derived from locations outside of UK and Ireland.

Net promoter score (NPS): a metric that organisations use to measure customer loyalty toward their brand, product or service, which 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): a metric that measures the percentage of revenue retained from existing customers over a period of 12 months, including upsells, downgrades, and churn.

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

Software as a service (SaaS): a software distribution model that delivers application programmes over the internet, with users typically accessing the programme 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 CO₂ emissions which is aligned with the global effort to limit global warming to 1.5°C

Kainos at a glance

Our 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

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.

Digital Services engagements are often large, complex and critical for our customers. We work collaboratively with them to create innovative and transformative solutions that are secure, accessible, cost-effective and take a user-first approach. We enable customers to utilise their data to drive better decision-making, leverage the benefits of public cloud and, increasingly, of AI.

In the public sector, we have delivered projects helping more than 60 million users, while saving our customers hundreds of millions of pounds. Our projects for customers such as HM Passport Office are part of the UK's national IT infrastructure.

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 120 customers, including the Open University, the government of Ontario, Rolls Royce, the Crown Prosecution Service, Royal London Asset Management and Arqiva.

Workday Services

Workday Services helps forward-thinking organisations to deploy Workday's software, to organise their staff efficiently and support their financial reporting requirements. These customers are often large and international, which is why we have teams in 20 countries.

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 was appointed as a partner in 2011, making us one of the most experienced participants in Workday's partner ecosystem. From the UK, we have grown to be the largest Workday partner in Europe and our reach is now global, with 75% of our projects being undertaken for clients in Central Europe and North America.

With over 500 customers worldwide, we are proud to work with organisations such as Kion Group (Germany), Triumf (Canada), Novozymes (Denmark), Kone (Finland), ASOS plc (UK), Takeaway.com (Netherlands), CoMade (Australia) and Trintech (USA).

Workday Products

Our Workday Products help customers safeguard and improve their Workday systems, complementing Workday's innovative Finance, HR and Planning suite.

We currently have four products, of which three sit within the Smart Suite:

- Smart Test (launched in 2014) is the leading platform for Workday customers to automatically test and verify that their unique Workday configuration is operating effectively.
- Smart Audit (2021) is a compliance-monitoring tool that allows Workday customers to maintain operational security controls across their Workday environments.
- Smart Shield (2022) is a data-masking tool that ensures sensitive data remains controlled when Workday environments are made available to broader internal or external teams.

Our most recent product, EDM (2023), improves the experience of generating and storing documents inside Workday, while supporting an organisation's global compliance requirements.

We are on schedule to release our fifth product in late 2025, which will help organisations understand and address pay equality issues, with particular focus on the EU Pay Directive which will be adopted by EU member states in 2026.

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

Over 550 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).

In July 2024, we announced a unique strategic partnership with Workday, which incentivises Workday's sales teams across North America, Europe and Asia Pacific to introduce and co-sell our products.

Revenue by operating division

Digital Services: FY25 revenue: £197.2 million, 54% of Group total, five-year growth: 5% CAGR.

Workday Services: FY25 revenue: £98.7 million, 27% of Group total, five-year growth: 19% CAGR.

Workday Products: FY25 revenue: £71.3 million, 19% of Group total, five-year growth: 31% CAGR.

Our people and customers

People

- Number of staff and contractors: 2,865 (2024: 2,995).
 - Number of employed staff: 2,796 (2024: 2,953).
- Employee retention: 93% (2024: 93%).
- People by region:
 - UK & Ireland (68%)
 - Central Europe (15%)
 - Americas (14%)
 - Rest of World (3%)
- People by division:
 - Digital Services (49%)
 - Workday Services (24%)
 - Workday Products (20%)
 - Central Services (7%)
- 11 offices: Antwerp, Belfast, Birmingham, Buenos Aires, Derry, Dublin, Gdańsk, Helsinki, Indianapolis, London and Toronto.

Customers

- Active customers: 1,094 (2024: 930).
- Net Promoter Score: 70 (2024: 58).
- Revenue from existing customers: 82% (2024: 90%).
- Our customers by sector (revenue):
 - Commercial sector: 52% (2024: 52%)
 - Public sector: 34% (2024: 36%)
 - Healthcare: 14% (2024: 12%)

- Healthcare: 14% (2024: 12%)
- Our customers by region (revenue):
 - UK & Ireland: 59% (2024: 61%)
 - North America: 31% (2024: 28%)
 - Central Europe: 9% (2024: 11%)
 - Rest of World: 1% (2024: <1%)

CEO statement

A challenging year

Our financial results over the past year reflect a mixed performance for Kainos - strong growth in some areas, alongside challenges in others. As a result, we recorded our first declines in revenue and adjusted profit since 2009.

Overall, our revenues fell to £367.2 million, a decrease of 4%, and our adjusted pre-tax profit declined by 15% to £65.6 million.

The most significant reductions were in the public sector segment of our Digital Services division, reflecting the impact of the UK General Election in July 2024; in the commercial sector of Digital Services, where we were affected by weak economic conditions; and in our Workday Services division, where a combination of a subdued economic environment and increased competition led to lower revenues.

At the same time, we recorded strong growth in our software-focused Workday Products division, which now accounts for 19% of our overall business, alongside continued growth in the health sector segment of our Digital Services division.

Encouragingly, we ended the year positively, recording low single-digit sequential revenue growth in the final quarter. We look forward to sustaining this growth in the year ahead.

Restructuring for growth

In March, we made the difficult decision to reduce our workforce, which directly affected 190 of our colleagues - approximately 7% of our global team. The decision was taken with careful consideration and with a clear focus on the long-term growth opportunities for our business.

While we recognise the business necessity of this step, we also acknowledge the significant impact it had on 190 colleagues and their families, and on the friends and teammates they leave behind at Kainos. In recent weeks, we have said goodbye to some very talented individuals who have played important roles in our Company.

As CEO, I deeply regret that this was necessary.

However, I believe it was essential to create the capacity to invest in the high-growth areas of our business - including product development, AI, data, automation, new partnerships, skills development, targeted recruitment and carefully managed international expansion.

We have a sense of urgency around these activities and have already mobilised teams, particularly in early-stage opportunities in Cyber AI and Agentic AI.

Supporting our customers

The combination of our mixed business performance and a significant restructuring could have diverted focus from the critical work of supporting our customers. However, our teams continued commitment and professionalism ensured that they continued to deliver successfully. This is reflected in our Net Promoter Score increasing from 58 to 70 - a rating classified as 'excellent'.

During the year, we continued to support our existing customers - who account for 82% of our work - while also acquiring new ones. Total customer numbers increased from 930 to 1,094. We view this as an encouraging indicator of future opportunity, underpinned by our strong track record of building long-term, trusted relationships that often span multiple programmes of work with our customers.

Our customers continue to actively experiment with AI, and we supported this through 88 separate engagements over the year - averaging nearly two per week. Our largest AI projects have been in the UK public sector, where we are the fifth-largest AI supplier, and we are focused on replicating that success across our healthcare and commercial client base.

Many of our customers are global organisations, and they continue to navigate an economic landscape influenced by US tariffs and international responses, which contribute to ongoing uncertainty. We expect this to remain a recurring theme throughout 2025.

As their partners, our role is to support them as they respond to these changing circumstances. For many, this will involve maintaining investment in critical transformation programmes; for others, it may mean reducing technology expenditure in response to shifting business priorities.

Changes for our customers will require us to be agile in how we manage our own business. As a result, we have strengthened our internal processes to ensure we can act quickly and effectively when needed.

Workday Products

Our standout performance came from Workday Products, with revenue increasing by 24% to £71.3 million, as we made strong progress towards our initial ARR target of £100 million by the end of 2026. We reached £72.6 million in ARR at the end of March 2025.

We continued to invest in our product portfolio. In addition to advancing our existing products, we remain on track to launch our fifth product at the end of 2025, designed to help organisations understand and address pay equality issues, with particular focus on the EU Pay Directive which will be adopted by EU member states in 2026. During the year, our research & development investment increased by 24% to £16.8 million, all of which was expensed in the period.

We also deepened our relationship with Workday through our Built on Workday agreement - a new strategic partnership announced in July 2024. This agreement incentivises Workday's global sales teams to

strategic partnership announced in July 2024. This agreement involves Workday's global sales teams to introduce and co-sell Kainos-developed products. The multi-year agreement represents an annual investment of £7.8 million, with £5.2 million recognised during FY25 following its activation in July 2024.

We believe this agreement will enhance our access to Workday's base of more than 11,000 customers, reduce sales cycle times, and improve win rates. As we continue to mobilise the partnership, we are confident it will be a significant contributor toward our long-term target of achieving £200 million in ARR by the end of 2030.

Digital Services

Our Digital Services division recorded a reduction in revenue of 7% to £197.2 million.

The largest reduction occurred in the public sector, reflecting the hiatus caused by the UK General Election. This was accompanied by reductions in project-related expenditure among our commercial sector clients. In contrast, we recorded strong growth among our healthcare clients, primarily consisting of departments, agencies and arm's-length bodies within the NHS.

Over the last months, the UK Government has published a series of papers - most notably the 'State of Digital Government Review' - which highlight the importance of digital transformation in driving public sector and public service reform. Against this positive backdrop, we look forward to the publication of the Comprehensive Spending Review, expected in spring 2025, which will provide clarity on spending limits across all departments and allow our customers to plan their digital transformation projects.

We continue to make excellent progress in expanding our Digital Services activity in North America, primarily in Canada. Revenues from our engagements in the region have grown to £8.9 million - an increase of 71%. While still a modest share of our overall Digital Services revenue, the pace of progress is highly encouraging.

Workday Services

We also experienced challenges in our Workday Services division, as softer market conditions and increased competition affected our revenues, which declined by 12% (8% on a like-for-like basis) to £98.7 million.

Most of our Workday Services customers operate in the commercial sector and typically have a global footprint. As such, they are highly responsive to changes in the economic environment and have actively managed their technology investments in response. As a result, both the number and value of contracts have been lower than in previous years.

In addition, the number of accredited Workday partners increased from approximately 60 to over 100 during the year. This has led to more aggressive pricing from some competitors as they seek to establish a presence in the market.

While we expect some easing of these headwinds in the year ahead, we believe our destiny remains in our own hands - drawing on our deep Workday experience, strong delivery reputation, and innovation capability to differentiate ourselves in this more competitive landscape.

Being a responsible business

We remain a carbon neutral organisation and, while we made further progress during the year, we have not yet reached our goal of achieving carbon net zero. Our carbon reduction programme continues to deliver results, with a further 15% reduction in Scope 1, 2 and full Scope 3 emissions compared to last year. Since the start of the programme in 2020, we have more than halved our carbon intensity - from 7.3 to 3.3 tonnes of CO₂e per employee.

The tech industry continues to face a diversity challenge, with only 29% of UK tech roles held by women. At Kainos, we are encouraged by our further progress, with women now representing 36% of our workforce (2024: 35%). But real change starts earlier, with just 3% of young women who currently consider tech as their preferred career, which is why we are proud that 1,462 young women, out of over 3,000 participants, took part in our outreach programmes this year.

Board changes

At our AGM in September 2024, Tom Burnet and Andy Malpass completed their terms as Non-Executive Directors on the Kainos Board, having most recently served as Chair and Senior Independent Director, respectively. We extend our sincere thanks to Tom and Andy for their significant contributions during their time on the Board.

At the same meeting, Rosaleen Blair was appointed Chair of the Board, and James Kidd was appointed Senior Independent Director.

In December 2024, Russell Sloan stepped down as CEO of Kainos. I would like to place on record my thanks - and that of the entire Kainos team - for Russell's leadership as CEO and his outstanding contribution over a 25-year career with the Company.

Following the completion of Russell's term as CEO, I was appointed to succeed him in the role.

An improving outlook, but caution remains

The broader economic environment remains uncertain, with volatility in global trading arrangements providing an unwelcome backdrop to our plans for the year ahead.

Despite this, we remain positive.

The UK Government continues to prioritise digital transformation and AI as a way of improving public services and reducing delivery costs. The election-related hiatus is now receding, and the upcoming Comprehensive Spending Review is expected to provide greater clarity for departments around future spending plans.

We are confident in our ability to improve our performance in the Workday consulting marketplace, drawing on our significant product experience, strong delivery reputation and innovation capability to differentiate ourselves in a more competitive landscape. With renewed international expansion - most notably in Australia and New Zealand - and increasing demand for Workday-adjacent services, we see growth opportunities ahead in this market.

The established trajectory of our Workday Products division, underpinned by the strength of our Built on Workday partnership, means we are on track to achieve £100 million in ARR by the end of 2026. We look forward to launching our fifth product later this year, designed to help customers address their enhanced pay transparency requirements.

The potential for long-term growth across our market segments is clear, and we are excited by the

the potential for long-term growth across our market segments is clear, and we are excited by the opportunities that lie ahead. As we move forward, we must first navigate the short-term uncertainty created by the global economic backdrop - but we do so from a position of strength, supported by a healthy pipeline, a significant contracted backlog, and a strong balance sheet.

Thank-you

I would like to express my appreciation to our customers and colleagues for their ongoing support.

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

Thank-you.

Brendan Mooney

Chief Executive Officer

Our Strategy

Our ambition is to be a global, independent company operating towards the disruptive end of technology, that will thrive today and for generations. As part of this ambition, we believe that we can achieve long-term growth in revenue, adjusted pre-tax profit and cash flow. We therefore focus on dynamic, higher-growth markets where the talents of our people shine brightest.

In building for the long-term, we:

- expect our international presence to continue to grow;
- prefer to grow organically and only acquire businesses in exceptional circumstances, such as when we need to obtain unique skills; and
- aim to have a well-balanced business, which is not overly reliant on any one customer, market, region or sector.

People

People are the fundamental component of our strategy. Our long-term success depends on their talent, skill and motivation, and we aspire to provide them with rewarding and fulfilling careers. We recruit high-calibre people from school, college and industry, invest in developing their skills and careers, and strive to be a great employer.

Progress in FY25	Priorities for FY26
<ul style="list-style-type: none"> • Employed 2,865 colleagues at the year-end (2024: 2,995), including 103 early careers colleagues. • Invested over 13,000 days (2024: over 12,000 days) of technical and skills development in our people. • As a result of our lower trading performance, we reduced our workforce by 190 people across functions and locations, to better match our capacity to current customer demand. 	<ul style="list-style-type: none"> • Maintain high standards when recruiting new applicants. • Ongoing investment in skills and career development of all colleagues in Kainos.
<ul style="list-style-type: none"> • Continued to be ranked in the '50 Best Places to Work in the UK' by Glassdoor, increasing our ranking from 32nd to 14th. • Continued to achieve high levels of employee engagement (75%) (2024: 78%), and high ratings for diversity and inclusion (D&I) (82%) (2024: 83%) and wellbeing (74%) (2024: 77%). 	<ul style="list-style-type: none"> • Maintain our high levels of employee retention (achieve over 85%). • Maintain or improve our scores for employee engagement, D&I and wellbeing.
<ul style="list-style-type: none"> • Involved over 3,000 young people and those from under-represented groups in our outreach programmes (2024: over 2,200 young people). 	<ul style="list-style-type: none"> • Continue to inspire and educate young people and those from under-represented groups for potential careers in IT.

Customers

Consistently delivering for our customers helps us to build long-lasting, mutually beneficial relationships that will see us thrive as a business. We therefore focus on providing exemplary customer service, which underpins our repeat revenues.

Progress in FY25	Priorities for FY26
<ul style="list-style-type: none"> • Invested in our customer relationship management system, IT service management to support service levels and self-service, and provided ongoing training. 	<ul style="list-style-type: none"> • Maintain high levels of customer satisfaction, including through continued investment in training and developing our people.
<ul style="list-style-type: none"> • Customer satisfaction level as measured by NPS was 70 (2024: 58), which is regarded as 'excellent'. 	<ul style="list-style-type: none"> • Actively monitor client satisfaction through regular surveys and using NPS as the industry-standard metric. Ensure that we maintain high levels of customer satisfaction.

Markets

Workday Products

Our focus is to:

- increase the number of Workday customers who use our software;
- ensure high levels of customer satisfaction driving strong NRR;
- invest in our existing products and develop additional products within the Workday ecosystem; and
- continue to work with Workday to increase the scope and impact of our Built on Workday partnership.

Progress in FY25	Priorities for FY26
<ul style="list-style-type: none">• Revenues increased by 24% to £71.3 million (2024: £57.3 million).• Customer numbers increased to over 550 (2024: 450+) with 198 customers now using more than one of our products.	<ul style="list-style-type: none">• Increase the total number of customers using our software.• Increase the adoption of multiple products by each customer.
<ul style="list-style-type: none">• Maintained a high level of NRR, driven by segment NPS of 93% (2024: 97%).	<ul style="list-style-type: none">• Maintain our high levels of customer satisfaction.
<ul style="list-style-type: none">• Overall investment, spanning product development and sales & marketing, increased by 24% to £32.3 million (2024: £26.0 million).• Agreed an enhanced strategic partnership with Workday, to promote our products through its sales teams.• Progressed the development of our fifth product which will help organisations understand and address pay equality issues, which we expect to launch towards the end of 2025.	<ul style="list-style-type: none">• Ensure that customer adoption and revenues reflect the strong increase in investment.• Continue to work with Workday to increase product sales through our new Built on Workday partnership.• Develop and launch one new Workday product.• Consider the development of products for other platforms or extend our existing products to other platforms.

Digital Services

Our focus is to:

- grow within the public and healthcare sectors, by engaging in ambitious transformation projects across UK Government and the NHS;
- repeat our digital transformation success in the UK commercial sector; and
- expand internationally, focused initially on Canada where we already have an established Delivery team, have built business development expertise and have an existing Workday Services and Products client base.

Progress in FY25	Priorities for FY26
<ul style="list-style-type: none">• Public sector revenues decreased by 9% to £125.5 million (2024: £138.2 million).• Healthcare revenues increased by 14% to £50.6 million (2024: £44.2 million).	<ul style="list-style-type: none">• Grow our business in both sectors, supporting existing clients and projects, and adding new long-term clients.
<ul style="list-style-type: none">• Commercial sector revenues reduced by 32% to £21.0 million (2024: £30.8 million).	<ul style="list-style-type: none">• Focus on winning smaller engagements, where we can demonstrate our capabilities and start to build a valuable long-term customer relationship.
<ul style="list-style-type: none">• Continued to build our team in Canada to support growth in this market, contributing to a 71% increase in revenue to £8.9 million (2024: £5.2 million).	<ul style="list-style-type: none">• Continue to build reputation and references in our target international markets.• Continue to build in-region delivery capability, in line with success.

Workday Services

Our focus is to:

- grow in our established markets, as Workday continues to expand within these markets;
- gain market share, by 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.

Progress in FY25	Progress in FY25
<ul style="list-style-type: none">• Workday Services revenues decreased by 12% to £98.7 million (2024: £112.0 million).	<ul style="list-style-type: none">• Support existing clients and projects, and add new long-term clients in line with capacity.
<ul style="list-style-type: none">• Appointed by approximately 40 customers where earlier phases of the project were undertaken by a different partner.	<ul style="list-style-type: none">• Continue to excel in customer service.
<ul style="list-style-type: none">• International revenues fell by 13% to £74.4 million (2024: £85.6 million).	<ul style="list-style-type: none">• Continue to expand international revenues.• Increase footprint within Australia and New Zealand.

<ul style="list-style-type: none"> Expanded into Australia and New Zealand markets, delivering first projects. 	<ul style="list-style-type: none"> increase footprint within Australia and New Zealand. Further expansion in APAC and evaluate expansion into LATAM market.
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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. We also look to develop new opportunities for the other areas of Kainos and 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.

Progress in FY25	Priorities for FY26
<ul style="list-style-type: none"> In total, 23 ideas were evaluated, with 13 moving to the next stage of development (2024: 46 ideas evaluated and eight moved to next stage). 	<ul style="list-style-type: none"> Maintain idea generation and evaluation activity levels. Develop current next-stage ideas, seeking to create at least one viable business opportunity.

Operational Review

Our overall performance

Revenue declined by 4% to £367.2 million in FY25 (2024: £382.4 million), with strong growth in Workday Products and the Digital Services healthcare sector more than offset by lower revenues in other parts of Digital Services and in Workday Services. This reflects the impact of the UK General Election in the public sector along with the subdued economic environment encouraging customers to defer project-based expenditure.

Adjusted pre-tax profit was down by 15% (-14% ccj) to £65.6 million (2024: £77.2 million) generating an 18% margin (2024: 20%). The margin reflected our continued disciplined management of our costs and the growth in the higher-margin Workday Products business, offset by lower contributions from the services businesses and the impact of the additional investment we announced in July 2024 to support our enhanced partnership with Workday (see below).

Bookings in the year were 10% lower at £382.4 million (2024: £424.5 million). Our contracted backlog increased by 3% to £368.2 million (2024: £357.1 million).

As previously guided, we have continued to invest to support the growth in our software products. Research & development investment rose by 24% to £16.8 million (2024: £13.5 million) and our product-related sales & marketing investment (including £5.2 million of Built on Workday partnership costs) was £15.5 million, up 24% (2024: £12.5 million). The total investment in our software products was £32.3 million (2024: £26.0 million), an increase of 24%.

We remain highly cash generative and delivered another robust cash performance, with cash conversion in the year of 112% (2024: 98%). At 31 March 2025 we had a cash balance (including treasury deposits) of £133.7 million (2024: £126.0 million), after completing £22.6 million of a £30.0 million share buyback programme.

Workday Products performance

Workday Products had another strong year, with growth across all our products. Revenue increased by 24% (26% organic, 26% ccj) to £71.3 million (2024: £57.3 million).

In total, more than 550 customers (2024: over 450) now use our products, with about 200 taking multiple products. We are continuing to improve our sales execution and refining our customer value proposition for our Smart Suite products (Smart Test, Smart Audit and Smart Shield), emphasising the cost savings they can deliver as well as their control and compliance benefits. EDM, which we released in October 2023, was our most successful product launch.

Annual recurring revenue at the year-end was £72.6 million (2024: £60.5 million), up 20% (23% ccj). Our strong momentum and enhanced strategic partnership with Workday (see below) make us confident of achieving our ARR target of £100 million by the end of 2026 and our new target for 2030 of £200 million. Our backlog at the year-end increased 17% to £148.7 million (2024: £127.5 million).

Accelerating our growth through enhanced Workday partnership

In July 2024, we announced an enhanced partnership with Workday, which incentivises Workday's sales teams across North America, Europe and Asia Pacific to introduce and co-sell our products. This unique partnership gives us an increased profile within Workday and supports its Built on Workday program. Built on Workday uses the Workday Extend technology (see Workday Services below) to enable partners to create apps and distribute them to Workday's 11,000+ customers via the Workday Marketplace.

The multi-year agreement covers our Smart Audit, Smart Test and EDM products, as well as future products that we will develop utilising Built on Workday. To support the strategic partnership, we will incur the following additional costs:

- payments to Workday of approximately £7.8 million per year (£5.2 million incurred in FY25);
- investment to expand our own global sales capability, to support Workday's sales organisation; and
- investment to continue to develop Smart Test, Smart Audit and EDM, to utilise the full power of Built on Workday.

While the mobilisation of the new partnership has taken slightly longer than we expected, we started to see the first sales come through towards the end of the financial year. We continue to expect revenue to build from FY26 and Workday has shown significant commitment to making the partnership successful.

The partnership is the first of its kind and we expect that Workday will sign further agreements with other product providers. This will help to grow the market as a whole and further increase the attractions of Workday to customers, since they will be able to extend its functionality to solve their specific business issues through third-party products.

Product development

We continue to develop new Workday products and expect to launch our fifth in late 2025. This product will help organisations understand and address pay equality issues, with particular focus on the EU Pay Directive which will be adopted by EU member states in 2026.

Digital Services performance

Our Digital Services division builds highly cost-effective solutions that make public-facing services more accessible and easier to use for citizens, patients and customers.

Overall, Digital Services' revenue was 7% lower at £197.2 million (2024: £213.1 million). Bookings declined by 11% to £202.0 million (2024: £228.1 million), while the contracted backlog rose 2% to £160.1 million (2024: £156.6 million).

Public sector

Revenue from public sector customers was 9% lower at £125.5 million (2024: £138.2 million), with the sector accounting for 64% of divisional revenue (2024: 65%). The first half of the year was affected by the UK General Election, which caused a hiatus in contract awards and delays in mobilising projects. Since the Election, the new government has spent time determining its spending priorities and the role digital transformation will play, and we expect longer-term investment plans to be announced as part of the multi-year spending review in Spring 2025.

Despite the difficult year, prospects in the public sector remain positive. In January 2025, the government published its 'State of Digital Government Review'. This showed that public services are still significantly under-digitised and that full digitisation could realise savings and productivity benefits of £45 billion a year, for example through process simplification, using AI to automate tasks and the adoption of low-cost digital channels. According to the review, this makes digitisation the most powerful lever available to drive public sector and service reform. While the government needs to overcome sizeable challenges to deliver all these benefits, we are encouraged by the direction of travel.

During the year, we continued to support our long-standing customers including the Ministry of Justice, the Department for Environment, Food & Rural Affairs, the Driver and Vehicle Standards Agency, HM Passport Office, the Department for Transport and the Ministry of Defence. We also began working with new customers, including Network Rail, the Crown Prosecution Service, Ofwat and University of Cambridge, as well as a new framework win with Queen's University Belfast.

Healthcare sector

Our customers in this sector are mainly UK public health bodies. The business had a good year, in part because NHS England began awarding larger programmes of work to tender, after previous delays caused by its merger with NHS Digital. Revenue from the sector was £50.6 million (2024: £44.2 million), representing growth of 14% and accounting for 26% of Digital Services' revenue in the year (2024: 21%).

During FY25, our customers included NHS England, the Department for Health and Social Care, the UK Health Security Agency and the NHS Business Services Authority. In March 2025, the government announced its intention to abolish NHS England and take the health service in England back into direct government control. This is expected to take place over a two-year period and is likely to result in some disruption to the market during that time. The State of Digital Government Review highlighted the significant need for digitisation in the NHS, with many Trusts having substantial levels of legacy technology and poor system reliability, which means digitisation will be a necessity as part of health service reform.

Commercial sector

There is significant long-term potential for us in the UK commercial sector, where IT expenditure is more than three times higher than the public sector. However, demand from the commercial sector remained low in FY25, reflecting the uncertain economic environment. Our commercial sector revenue was therefore 32% lower at £21.0 million (2024: £30.8 million), representing 11% of divisional revenue (2024: 14%).

We continue to deliver digital services for our established customers, including Irish Life Assurance plc, Bank of Ireland, EasyJet and WPP, and we are helping new customers including NFU Mutual, Just Group and Rolls Royce.

Looking forward, our intention is to be more agile and focus on securing smaller pieces of work with commercial customers, so we can demonstrate our credentials through successful delivery and build valuable long-term relationships with them. We have had considerable success with this approach in other sectors and believe it will better align with the market, with customers looking to implement projects in phases rather than procuring a major multi-phase project at the outset.

International

We see good prospects internationally and our strategy is to target countries where we already have a presence and customer contacts through our Workday Services division.

We continue to gain momentum in Canada, where the government is investing to provide better digital services. We have built a local team to support our growth, reflecting our strategy to scale our in-region delivery capability in line with our success. Our customers in North America include the Province of Nova Scotia and the government of Ontario in the public sector, and WPP in the commercial sector.

International revenue for the division was £11.7 million (2024: £12.3 million), representing 6% of total Digital Services revenue (2024: 6%).

Workday Services performance

We are Workday's leading partner in Europe and a Phase 1 Prime partner in the US, which is Workday's biggest market. At the end of the year, we had 809 accredited Workday consultants (2024: 798), ranking us eighth globally.

Workday Services revenue was 12% lower (-10% ccy) at £98.7 million (2024: £112.0 million). In the prior financial year, we stopped providing procurement consulting services previously offered by Blackline Group, which we acquired in 2022. Adjusting FY24 revenue to exclude these services, revenue in FY25 was 8% lower on a like-for-like basis.

Our performance in the year partly reflects an increased number of Workday partners, with Workday adding new partners who often specialise in particular sectors such as professional services. We have seen more aggressive pricing by some competitors, as they look to establish themselves in the market. The number and value of contracts in the market has also been lower than in previous years, with much of Workday, Inc.'s growth coming from existing customers, who are taking additional modules that do not need the same level of consulting support to implement.

Sales bookings decreased by 27% to £84.6 million (2024: £116.5 million) while our contracted backlog was £59.3 million (2024: £73.0 million).

Regionally, 51% of divisional revenue came from North American customers (2024: 49%) and 49% from European customers (2024: 50%). We are building a team in Australia to support growth in Asia Pacific and won our first contracts in Australia and New Zealand in the second half of the year. We are also looking at other opportunities for geographical expansion.

We continue to add non-Workday services that create value for our Workday customers and broaden our revenue streams. For example, the partnership with Pulsora we announced in FY25 will enable customers to extract data from their Workday systems and use it to fulfil ESG reporting requirements.

Workday Extend

Workday Extend is Workday's Platform-as-a-Service offering. It allows organisations to build specialised functionality on the Workday platform, to further enhance customers' Workday deployment. Engaging with clients on Workday Extend projects gives us insight into common challenges that they experience and creates the potential to build further products that can be part of the Built on Workday program. To date, we have helped more than 80 organisations to build Workday Extend applications. We also built our own EDM product on Workday Extend.

We believe that we have the largest independent group of Extend skills globally. We continue to upskill colleagues through our Extend Academy, enabling them to carry out consulting projects for customers and to work on product development for our Workday Products division.

Our customers

Consistently delivering for our customers is at the heart of our business. It creates strong relationships, which in turn generate high levels of repeat business, while our reputation for delivery also helps us to win new work.

We continued to perform strongly during the period, as reflected by:

- our NPS of 70 (2024: 58), maintaining our record of consistently high customer satisfaction, with a score above 50 viewed as 'excellent';
- existing customers generating 82% of our revenue (2024: 90%), as they continue to trust us to deliver for them; and
- further new customer wins, giving us 1,094 active customers at the year-end (2024: 930).

Our business is well diversified across our sectors, with revenue coming from:

- commercial customers: 52% (2024: 52%);
- public sector customers: 34% (2024: 36%); and
- healthcare customers: 14% (2024: 12%).

Regionally, UK & Ireland accounts for 59% of our business (2024: 61%), North America for 31% (2024: 28%), Central Europe for 9% (2024: 11%), and the rest of the world representing 1% (2024: <1%). Total international revenue was unchanged at £149.9 million (2024: £149.8 million).

Artificial intelligence

Our vision for AI is to guide and deliver responsible AI adoption and to solve real-world problems. To date we have delivered more than 200 AI & Data projects for public sector, healthcare and commercial customers, providing end-to-end services ranging from strategy development to full-scale AI deployment and data optimisation.

During the year, we won over 80 AI & Data contracts across all markets, with clients including NHS England, the UK Health Security Agency, Homes England, the Ministry of Defence, WPP, the National Highways Agency, Hodge Bank, Mizuho Bank, Danske Bank, Irish Life and Control Risks. We also secured a major AI consultancy engagement with the Crown Prosecution Service. Example projects include providing AI solutions for the United Nations International Organization for Migration, to support migration as a result of climate change and to combat fraudulent passports being used to cross borders.

We now have more than 250 AI professionals across the organisation, accelerating innovation and delivery for our customers. We launched a Microsoft AI Centre of Excellence to accelerate customer adoption of AI, building on our Microsoft AI Partner of the Year recognition and deep sector expertise. Examples include AI-assisted document fraud for Government, AI-assisted inspections and Compliance for Food Safety and Public Health agencies and AI-driven equity research for investment firms.

Our position as an AI leader is demonstrated through a series of significant initiatives and achievements. We hosted and curated AI Con - the leading AI conference - for the sixth year, welcoming over 400 attendees and featuring the first live AI-powered panellist. Our thought leadership on AI regulation was recognised in the UK Department for Science, Innovation and Technology's Portfolio of AI Assurance Techniques. We were also awarded the National AI Award for Government & Public Sector for our work with HM Land Registry, where we developed a machine learning solution that automatically compares documents in different formats and identifies discrepancies.

Our alliance strategy continues to strengthen. As a Microsoft Data & AI Solution Partner, we have achieved three AI Advanced Specialisations and are an established member of the Global Partner Advisory Council. We are a Premier Tier AWS Partner (top 1% globally), hold the AWS Machine Learning specialist competency and have developed AWS-approved Generative AI solutions, which are soon to be available on the AWS Marketplace. Additionally, we are one of only 15 global early AI adopters for Workday, with three products already available on the Workday AI Marketplace, all of which have attained the 'Responsible AI' designation from Workday.

Finally, we are driving our own efficiency through AI. In addition to our internal projects, including a Gen AI employee assistant, a pre-sales content assistant and 'Juno' - our AI workshop facilitator - over half of our development projects are using AI to accelerate delivery as we help more customers adopt these emerging technologies.

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.

Our research & development expenditure for the year amounted to £16.8 million (2024: £13.5 million), an

increase of 24%, all of which was fully expensed.

Assessing the technologies of the future

Our R&D team's horizon scanning and strategic foresight help us to uncover the upcoming trends and technologies to explore and exploit, both within the business and with our customers. Examples include next-generation AI, which explores topics such as Small Language Models, Agentic AI and Federated Learning; sustainable computing, which investigates topics such as green software, responsible computing and sustainable AI; and emerging technology, which includes research into quantum computing, distributed trust and spatial computing.

Smart Product Suite

We are making sustained investment in our Smart Suite, where we are leveraging cutting-edge AI alongside Workday's Extend technology to drive operational efficiencies for our customers. Our Smart Test platform now incorporates AI to automate test scoping and creation, which allows for broader, deeper and more efficient test coverage within Workday environments.

AI is also embedded in Smart Audit, where it increases the ability to swiftly detect anomalous Workday configurations. This helps customers identify potential vulnerabilities, allowing for more thorough and accelerated automation of IT security and audit controls.

Employee Document Management for Workday

We are continuously enhancing EDM's capabilities to increase its value for Workday customers across an expanding number of specific regional compliance standards. We are utilising AI across multiple aspects of document management, including automated document generation, intelligent document filing and regulatory compliance tracking.

Launching new products for Workday

Alongside improvements to our current product portfolio, a key focus of our R&D efforts is to identify and develop new products that streamline manual processes within HR and Finance. As part of our Built on Workday partnership, we are collaborating closely with Workday to align these developments with its product roadmap. Our target is to introduce at least one new product every year, each catering to distinct market needs. As noted above, we expect to launch a product to support customers with pay transparency during FY26.

Our Innovation Services Team

Our Innovation Services Team utilises our innovation framework to support customers and colleagues in the effective evaluation of solution feasibility, when assessing an idea that solves an internal or customer-centric idea.

One of the framework's key elements is Spark & Scale, our programme to incubate great ideas brought forward by our people. We are currently investing in 14 ideas, ranging from using generative AI in the Policing and Justice sector, to Low Code tools to drive business efficiencies.

Financial Review

FY25 was a period of challenging trading environments for our services businesses - Digital Services and Workday Services but also continued strong growth in our Workday Products division.

In aggregate, revenue for the period decreased by 4% (-3% ccy) to £367.2 million (2024: £382.4 million). Within this, we recorded continued strong growth in Workday Products, with revenue in the period increased to £71.3 million (2024: £57.3 million), representing growth of 24% (26% ccy) (2024: 28%). This growth was more than offset by the tough trading environment for our two services divisions. Digital Services revenue reduced by 7% to £197.2 million (2024: £213.1 million), due to lower demand across the public and commercial sectors. Workday Services revenue reduced by 12% (-10% ccy) to £98.7 million (2024: £112.0 million), in part due to a more competitive market. In the prior financial year, we stopped providing procurement consulting services previously offered by Blackline Group, which we acquired in 2022. Adjusting FY24 revenue to exclude these services, Workday Services revenue in the current period was 8% lower on a like-for-like basis. The Group 'Operational Review' provides more information on our revenue performance.

Our overall gross margin decreased to 47.9% (2024: 49.0%). Digital Services' gross margin decreased to 36.4% (2024: 38.4%) driven by lower utilisation. Workday Services gross margin decreased by 3% to 51.7% (2024: 54.7%) mainly driven by rate pressure. Workday Products gross margin decreased to 74.4% (2024: 77.1%) impacted by lower margins in our Employee Document Management product, launched in FY24.

Operating expenses

Operating expenses (excluding restructuring costs) decreased by 2% to £125.6 million (2024: £128.4 million) reflecting disciplined cost management.

Restructuring costs of £8.4 million (2024: £Nil) were incurred during the period. These costs relate to redundancy and severance costs incurred in the delivery of cost reduction measures in the period. £3.0 million of the £8.4 million restructuring costs have been paid in FY25 and the remainder recorded as a liability in the statement of financial position. £19.0 million of cost savings are estimated to arise from the cost reduction measures which are expected to be reinvested or offset in the areas outlined in the 'Financial highlights' section.

As noted in our Workday Products review, we entered into an enhanced strategic partnership agreement with Workday, Inc. in July 2024. Under the terms of this agreement, annual fees of approximately £7.8 million are payable. A total charge of £5.2 million (2024: £Nil) was recognised in the period since July 2024.

We continue to invest in product development, with expenditure increasing to £16.8 million (2024: £13.5 million), all of which was expensed during the period. We recognised £5.1 million of Research & Development Expenditure Credit (RDEC) income during the period (2024: £5.2 million).

Alternative performance measures

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

We believe our adjusted measures are better indicators of trading performance, assist comparison between periods and provide useful information for users of the financial statements. The nature and

type of items adjusted are also similar to comparable companies.

Specifically we exclude the following items:

Costs directly attributable to acquisitions. This includes amortisation of acquired intangible assets, deferred consideration including compensation for post-combination services and acquisition-related expenses such as legal and professional costs incurred mainly in the period of acquisition. These costs are unique to each acquisition and can vary significantly between periods depending on the timing and size of acquisitions, the nature of intangible assets acquired and the structure of consideration. We do not therefore consider these costs are reflective of underlying operations.

Share-based payment costs. Although share-based payment compensation is an important aspect of the compensation of our employees, we believe it is useful to exclude the share-based payments expense to better understand the performance of our core business and to facilitate comparison of our results to those of peer companies. Our arrangements consist of both equity-settled and cash-settled schemes and the expense incurred will be influenced by factors including the market value of our shares, forfeiture rates and volatility, which are generally beyond our control and may not correlate to the operation of the business.

Significant and non-recurring items. In the prior period we excluded gains relating to the sale of property, plant and equipment and fair value movements in investment property. In the current period we have excluded restructuring costs incurred. We consider adjusting these costs provides more meaningful period-to-period comparisons.

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'.

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 by 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

	2025 (£000s)	2024 (£000s)
Profit before tax	48,640	64,772
Share-based payment expense and related costs	5,930	5,952
Amortisation of acquired intangible assets	836	4,190
Increase in fair value of investment property and gain on sale of property	-	(2,154)
Restructuring costs	8,411	-
Compensation for post-combination services	877	3,800
Acquisition-related expenses	948	626
Adjusted profit before tax	65,642	77,186

	2025 (£000s)	2024 (£000s)
Profit after tax	35,560	48,715
<i>After tax impact of:</i>		
Share-based payments expense and related costs	4,335	4,464
Amortisation of acquired intangible assets	645	3,147
Increase in fair value of investment property and gain on sale of property	-	(1,894)
Restructuring costs	6,194	-
Compensation for post-combination services	877	3,746
Acquisition-related expenses	693	582
Adjusted profit after tax	48,304	58,760

Adjusted EBITDA

	2025 (£000s)	2024 (£000s)
Adjusted profit before tax	65,642	77,186
Depreciation of property, plant and equipment	3,381	2,886
Depreciation of right-of-use assets	1,277	1,152
Finance expense	333	334
Finance income	(6,440)	(4,336)
Adjusted EBITDA	64,193	77,222

Adjusted pre-tax profit decreased by 15% to £65.6 million (2024: £77.2 million). Profit before tax decreased by 25% to £48.6 million (2024: £64.8 million).

Corporation tax charge

The effective tax rate for the year was 27% (2024: 25%), which is higher than the UK corporation tax rate, primarily due to the impact of higher tax rates in the United States.

We envisage our future effective tax rates to be broadly in line with this rate.

The year-end tax liability has reduced to £2.5 million (2024: £7.1 million) due to an increase in advance payments made during the year.

Financial position

We continue to have a strong financial position with £133.7 million of cash and treasury deposits (2024: £126.0 million), no debt and net assets of £138.0 million (2024: £156.8 million).

The combined underlying net trade receivables and accrued income balance decreased by 21% to £54.2 million (2024: £68.6 million), reflecting the decrease in revenue in Digital Services and Workday Services and strong cash collection. Trade payables and accruals have increased to £54.3 million (2024: £50.1 million) due mainly to timing of receipt of some larger supplier invoices at year-end.

As previously disclosed, we agreed to sell part of the site which was purchased in FY20 for the development of the Group's future headquarters in Belfast. We concluded the sale during the year, receiving proceeds of £6.2 million. The fair value of this investment property prior to disposal was £6.2 million. As a result, no gain or loss relating to the disposal of this property has been recognised in the period.

Cash flow and cash conversion

Cash conversion, which is cash generated by operating activities as a percentage of adjusted EBITDA, was very strong at 112% (2024: 98%). Adjusting for the impact of restructuring costs not paid at 31 March 2025, cash conversion would be 103%.

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 24 October 2025 to shareholders on the register on 3 October 2025, with an ex-dividend date of 2 October 2025. This will make the total dividend for the year 28.4p (2024: 27.3p) which will represent a distribution of 73% of adjusted profit after taxation (2024: 58%).

Capital allocation policy

Kainos has a strong unlevered balance sheet and continues to generate significant operating cash flow. The Board's main priorities when it comes to our cash are to enhance the growth of the business, both organically and through acquisition, and to reward shareholders through growth in earnings alongside our progressive dividend policy, while retaining a robust capital base.

Where there is surplus cash over and above that needed to fund organic and inorganic growth, the Board will consider additional one-off returns of capital to shareholders. We launched a £30.0 million share buyback programme on 8 November 2025, to be executed over a period of six months. The programme completed on 9 May 2025 with a total of 3,993,382 shares having been bought back for consideration of £30.0 million. Any shares purchased as part of this programme are subsequently cancelled.

After applying the Board's capital allocation framework, we are announcing our intention to launch a further share buyback programme of £30 million to be executed over the next six months (see separate announcement).

The Board will continue to keep its capital allocation policy and further distributions to shareholders under review, with consideration of other potential uses of capital that may drive value for shareholders over the medium-term.

Consolidated income statement for the year ended 31 March 2025

Continuing operations	Note	2025 (£000s)	2024 (£000s)
Revenue	2	367,246	382,393
Cost of sales	2	(191,337)	(195,079)
Gross profit	2	175,909	187,314
Operating expenses			
Restructuring costs		(8,411)	-
Other operating expenses		(125,643)	(128,411)
Total operating expenses		(134,054)	(128,411)
Impairment gain/(loss) (including amounts recovered) on trade receivables and accrued income		678	(287)
Gain on disposal of property, plant and equipment		-	1,114
Increase in fair value of investment property		-	1,040

increase in fair value of investment property		-	1,040
Operating profit	3	42,533	60,770
Finance income		6,440	4,336
Finance expense		(333)	(334)
Profit before tax		48,640	64,772
Income tax expense	5	(13,080)	(16,057)
Profit for the year		35,560	48,715

Consolidated statement of comprehensive income for the year ended 31 March 2025

	2025 (£000s)	2024 (£000s)
Profit for the year	35,560	48,715
Items that may be reclassified subsequently to profit or loss:		
Foreign operations - foreign currency translation differences	(1,595)	(1,065)
Total comprehensive income for the year	33,965	47,650

Earnings per share

Basic	7	28.4p	39.0p
Diluted	7	28.2p	38.6p

Consolidated statement of financial position as at 31 March 2025

	Note	2025 (£000s)	2024 (£000s)
Non-current assets			
Goodwill		37,313	38,203
Other intangible assets		4,239	5,208
Investment property		-	6,200
Property, plant and equipment		12,145	12,285
Right-of-use assets		4,718	5,216
Investments in equity instruments		1,299	1,299
Deferred tax asset		4,911	5,147
		64,625	73,558
Current assets			
Trade and other receivables	8	38,520	41,832
Prepayments	8	7,553	4,268
Accrued income	8	22,673	33,225
Cash and cash equivalents		128,288	121,558
Treasury deposits		5,399	4,403
		202,433	205,286
Total assets		267,058	278,844
Current liabilities			
Trade payables and accruals	9	(54,269)	(50,062)
Deferred income	9	(46,358)	(44,954)
Current tax liabilities	9	(2,526)	(7,069)
Other tax and social security	9	(11,452)	(10,135)
Lease liabilities		(1,246)	(1,015)
Provisions	10	(5,388)	-
		(121,239)	(113,235)
Non-current liabilities			
Provisions	10	(1,546)	(1,542)
Deferred tax liability		(1,976)	(2,371)
Lease liabilities		(4,312)	(4,883)
		(7,834)	(8,796)
Total liabilities		(129,073)	(122,031)
Net assets		137,985	156,813
Equity			
Share capital		618	629
Share premium account		9,481	9,419
		3,5623	
Other reserves		3,562	3,548
Share-based payment reserve		36,907	31,228
Shares held to be cancelled		(1,431)	-
Translation reserve		(1,630)	(35)
Retained earnings		90,478	112,024

Total equity**137,985****156,813**

These financial statements were approved by the Board of Directors and authorised for issue on 16 May 2025. They were signed on its behalf by:

Richard McCann

Director

16 May 2025

Consolidated statement of changes in equity for the year ended 31 March 2025

	Share capital (£000s)	Shares held to be cancelled ^[6] (£000s)	Share premium (£000s)	Other reserves (£000s)	Share-based payment reserve (£000s)	Translation reserve (£000s)	Retained earnings (£000s)	Total equity (£000s)
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	(35)	112,024	156,813
Profit for the year	-	-	-	-	-	-	35,560	35,560
Other comprehensive income	-	-	-	-	-	(1,595)	-	(1,595)
Total comprehensive income for the year	-	-	-	-	-	(1,595)	35,560	33,965
Equity-settled share-based payment	-	-	-	-	5,679	-	-	5,679
Current tax for equity-settled share-based payments	-	-	-	-	-	-	21	21
Deferred tax for equity-settled share-based payments	-	-	-	-	-	-	(25)	(25)
Issue of share capital - share options exercised	3	-	62	-	-	-	-	65
Share buyback programme	-	(22,785)	-	-	-	-	-	(22,785)
Shares cancelled	(14)	21,354	-	14	-	-	(21,354)	-
Dividends	-	-	-	-	-	-	(35,748)	(35,748)
Balance at 31 March 2025	618	(1,431)	9,481	3,562	36,907^[7]	(1,630)	90,478	137,985

Consolidated statement of cash flows for the year ended 31 March 2025

	Note	2025 (£000s)	2024 (£000s)
Cash flows from operating activities			
Profit for the year		35,560	48,715
Adjustments for:			
Finance income		(6,440)	(4,336)
Finance expense		333	334
Tax expense	5	13,080	16,057
Share-based payment expense		5,930	5,952
Depreciation of property, plant and equipment		3,381	2,886
Depreciation of right-of-use assets		1,277	1,152
Amortisation of intangible assets		836	4,190
Gain on disposal of property, plant and equipment		-	(1,114)

Gain on disposal of property, plant and equipment			1,040
Increase in fair value of investment property	-		(1,040)
Post-acquisition remuneration settled by shares	-		1,501
Increase in provisions	5,392		170
Operating cash flows before movements in working capital	59,349		74,467
Decrease in trade and other receivables	10,912		2,337
Increase/(decrease) in trade and other payables	1,513		(1,336)
Cash generated from operating activities	71,774		75,468
Income taxes paid	(12,967)		(6,454)
Net cash from operating activities	58,807		69,014
Cash flows from investing activities			
Interest received	6,027		4,336
Purchases of property, plant and equipment	(3,369)		(5,662)
Proceeds from sale of property, plant and equipment	-		1,484
Proceeds from sale of investment property	6,200		-
Amounts placed on treasury deposit	(996)		(4,403)
Acquisition of subsidiaries net of cash acquired	-		(22,908)
Net cash from/(used) in investing activities	7,862		(27,153)
Cash flows from financing activities			
Dividends paid	6	(35,748)	(30,422)
Share buyback programme		(22,552)	-
Interest paid		(333)	(334)
Repayment of lease liabilities		(1,121)	(466)
Proceeds on issue of shares		65	2,858
Net cash used in financing activities		(59,689)	(28,364)
Net increase in cash and cash equivalents		6,980	13,497
Cash and cash equivalents at beginning of year		121,558	108,302
Effect of exchange rate fluctuations on cash held		(250)	(241)
Cash and cash equivalents at end of year		128,288	121,558

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 2025 or 31 March 2024 but is derived from those accounts. Statutory accounts for the year ended 31 March 2024 have been delivered to the registrar of companies, and those for 2025 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 16 May 2025.

2. Segment reporting

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

2025				
12 months to 31 March	Digital Services	Workday Services	Workday Products	Consolidated
	(£000s)	(£000s)	(£000s)	(£000s)
Revenue	197,173	98,725	71,348	367,246
Cost of sales	(125,438)	(47,647)	(18,252)	(191,337)
Gross profit	71,735	51,078	53,096	175,909
Direct expenses ^[8]	(21,546)	(33,491)	(33,615)	(88,652)
Contribution	50,189	17,587	19,481	87,257

Depreciation of property, plant and equipment	(3,381)
Central overheads ⁽⁸⁾	(24,341)
Net finance income	6,107
Adjusted pre-tax profit	65,642
Share-based payments expense and related costs	(5,930)
Amortisation of acquired intangible assets	(836)
Compensation for post-combination remuneration	(877)
Acquisition-related expenses	(948)
Restructuring costs	(8,411)
Profit before tax	48,640

2024

12 months to 31 March

	Digital Workday Services Services	Workday Products	Consolidated
	(£000s)	(£000s)	(£000s)
Revenue	213,097	112,044	382,393
Cost of sales	(131,280)	(50,717)	(195,079)
Gross profit	81,817	61,327	187,314
Direct expenses ⁽⁸⁾	(20,778)	(35,889)	(84,947)
Contribution	61,039	25,438	102,367
Central overheads ⁽⁸⁾			(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
Profit before tax			64,772

The Group's revenue from external customers by primary geographic region is detailed below:

	2025 (£000s)	2024 (£000s)
United Kingdom & Ireland	217,374	232,557
Americas	114,392	106,990
Central Europe	33,710	41,433
Rest of world	1,770	1,413
	367,246	382,393

Disaggregation of revenue by type

	Digital Services 2025 (£000s)	Workday Services 2025 (£000s)	Workday Products 2025 (£000s)	Total 2025 (£000s)
Type of revenue				
Services	188,451	95,047	4,061	287,559
Subscriptions	-	-	67,287	67,287
Third party and other	8,722	3,678	-	12,400
	197,173	98,725	71,348	367,246

	Digital Services 2024 (£000s)	Workday Services 2024 (£000s)	Workday Products 2024 (£000s)	Total 2024 (£000s)
Type of revenue				

Revenue by type

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

Disaggregation of revenue by sector

	2025 (£000s)	2024 (£000s)
Digital Services		
Public	125,502	138,168
Commercial	21,030	30,749
Healthcare	50,641	44,180
	197,173	213,097
Workday Services		
Public	35	89
Commercial	98,575	111,949
Healthcare	115	6
	98,725	112,044
Workday Products		
Public	-	-
Commercial	71,267	57,170
Healthcare	81	82
	71,348	57,252
Group		
Public	125,537	138,257
Commercial	190,872	199,868
Healthcare	50,837	44,268
Total	367,246	382,393

3. Profit for the year

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

	2025 (£000s)	2024 (£000s)
Total staff costs	259,119	261,430
Government grants	(793)	(2,070)
Research and development expensed as incurred	16,818	13,493
Research and Development Expenditure Credit	(5,073)	(5,161)
Depreciation of property, plant and equipment	3,381	2,886
Depreciation of right-of-use assets	1,277	1,152
Gain on disposal of property, plant and equipment	-	(1,173)
Net foreign exchange loss	461	553
Amortisation of acquired intangibles	836	4,190

4. Staff numbers

The average number of employees during the year was:

	2025 Number	2024 Number
Technical	2,410	2,354
Administration	310	331
Sales	233	258
	2,953	2,943

5. Tax expense

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

	2025 (£000s)	2024 (£000s)
Current tax expense:		
Current year (UK)	9,909	12,201
Current year (overseas)	4,070	6,456
Adjustments in respect of prior years	(635)	(444)
	13,344	18,213
Deferred tax		
Origination and reversal of temporary differences	(1,277)	(1,439)
Adjustments in respect of prior years	1,013	(717)
	(264)	(2,156)
Total tax expense	13,080	16,057

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:

	2025 (£000s)	2024 (£000s)
Current tax		
Permanent element of share-based payment deduction	21	514
Deferred tax		
Deferred tax on share-based payments	(25)	(968)
Total tax recognised directly in equity	(4)	(454)

UK corporation tax has been calculated at 25% (2024: 25%) of the estimated taxable profit for the year, reflecting the statutory rate in effect at the balance sheet date.

Taxation in other jurisdictions is determined based on the applicable rates prevailing in those respective regions.

The effective tax rate for the year is 27%, which is higher than the UK corporation tax rate, primarily due to the impact of higher tax rates in the United States.

We envisage our future effective tax rates to be broadly in line with this rate.

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

	2025 (£000s)	2024 (£000s)
Profit before tax on continuing operations	48,640	64,772
Tax at the UK corporation tax rate of 25% (2024: 25%)	12,160	16,193
Expenses not deductible for tax purposes	662	1,333
Tax exempt income	(357)	(428)
Effect of tax rates in foreign jurisdictions	237	120
Adjustments to tax charge in respect of prior years	378	(1,161)
Tax expense for the year	13,080	16,057
Effective tax rate	27%	25%

6. Dividend

	2025 (£000s)	2024 (£000s)
Amounts recognised as distributions to equity holders in the period:		
Interim dividend for 2025 of 9.3p per share	11,721	-
Final dividend for 2024 of 19.1p per share	24,027	-
Interim dividend for 2024 of 8.2p per share	-	10,287
Final dividend for 2023 of 16.1p per share	-	20,135
	35,748	30,422

The Board has proposed a final dividend in respect of the year ended 31 March 2025 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 19.1 per share (£23.6 million in total) and payable on 24 October 2025 to all shareholders on the Register of Members on 3 October 2025, and with an ex-dividend date of 2 October 2025.

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.

	2025 (£000s)	2024 (£000s)
Profit attributable to ordinary shareholders	35,560	48,715
	Thousands	Thousands
Issued ordinary shares at 1 April	125,788	124,628
Effect of shares held in trust	(882)	(790)
Effect of share options vested and exercised	418	711
Effect of shares issued related to a business combination	58	113
Effect of shares issued related to free share awards	122	109
Effect of share buyback programme	(468)	-
Weighted average number of ordinary shares at 31 March	125,036	124,771
Basic earnings per share	28.4p	39.0p

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.

	2025 (£000s)	2024 (£000s)
Profit attributable to ordinary shareholders	35,560	48,715
	Thousands	Thousands
Weighted average number of ordinary shares (basic)	125,036	124,771
Effect of share options in issue	228	626
Effect of shares held in trust	882	790
Effect of potential shares to be issued related to a business combination	-	138
Weighted average number of ordinary shares (diluted) at 31 March	126,146	126,325
Diluted earnings per share	28.2p	38.6p

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 2025 1,344,201 options (2024: 181,451) 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.

	2025 (£000s)	2024 (£000s)
Adjusted profit for the year	48,304	58,760
	Thousands	Thousands
Weighted average number of ordinary shares for the purposes of basic earnings per share	125,036	124,771
Weighted average number of ordinary shares for the purposes of diluted earnings per share	126,146	126,325
Adjusted basic earnings per share	38.6p	47.1p
Adjusted diluted earnings per share	38.3p	46.5p

8. Trade and other receivables

	2025 (£000s)	2024 (£000s)
Trade receivables	31,481	35,368
Other receivables	7,039	6,464
	38,520	41,832
Prepayments	7,553	4,268
Accrued income	22,673	33,225
	68,746	79,325

9. Trade and other payables

	2025 (£000s)	2024 (£000s)
Trade payables and accruals	54,269	50,062
Deferred income	46,358	44,954
Current tax liabilities	2,526	7,069
Other tax and social security	11,452	10,135
	114,605	112,220

10. Provisions

Other provisions are analysed as follows:

	2025 (£000s)	2024 (£000s)
Restructuring provision	5,388	-
Property-related provision	1,546	1,542
	6,934	1,542

	2025 (£000s)	2024 (£000s)
Current	5,388	-
Non-current	1,546	1,542

	6,934	1,542	
	Restructuring related	Property related	Total
	(£000s)	(£000s)	(£000s)
At 1 April 2024	-	1,542	1,542
Additional provision in the year	8,411	4	8,415
Utilisation of provision	(3,023)	-	(3,023)
At 31 March 2025	5,388	1,546	6,934

Restructuring

The restructuring provision comprises redundancy and severance costs incurred in the delivery of cost reduction measures. Total restructuring costs incurred in FY25 were £8.4 million, of which £3.0 million was settled in the year. The provision is expected to be fully utilised in FY26.

11. Subsequent events

The Company bought back, for cancellation, 1,054,544 ordinary shares at a cost of £7.4 million between 1 April 2025 and 9 May 2025.

Furthermore, on 19 May 2025, the Board of Directors approved the commencement of a £30 million share buyback programme to be executed over a period of six months. The sole purpose of the programme is to reduce the Company's share capital, and any shares purchased for this purpose will be cancelled.

There have been no other material events subsequent to year end that would require adjustment or disclosure in these financial statements.

[1] The Financial Review section reconciles adjusted and statutory profit measures. See also the definition of terms section for more information on adjusted measures and other key terms and metrics used in this report.

[2] Includes £5.4 million (2024: £4.4 million) of treasury deposits which do not meet the definition of cash and cash equivalents.

[3] Excluding the impact of restructuring costs, cash conversion is 103%.

[4] See the definition of terms for more information on how Net Promoter Score is calculated.

[5] We refined the definition of an active customer during the period (see the definition of terms) and customer numbers at the period end are therefore not directly comparable to prior periods.

[6] Shares purchased as part of the share buyback programme due to be cancelled.

[7] £25.4 million relates to exercised or lapsed options or fully vested free share awards and is considered distributable.

[8] Direct expenses plus central overheads (including depreciation) plus balances below adjusted profit equals the sum of operating expenses plus impairment gain/(loss) and reversals on trade receivables and accrued income. Direct expenses are expenses that are directly attributable to each division.

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