



Interim Results

6 months ended 30 September 2016

28/11/2016

First half highlights

H1 2017 results 'in line' with market expectations

Increased revenue, increased profitability, investment in sales and marketing, doubling of investment in R&D

- R&D investment of £2.2m in H1 2017, expensed to P&L

Improved balance in overall revenue mix

- Commercial fastest growing sector representing 28% (Healthcare, 18%; government, 54%)
- SaaS, Licence, Maintenance and related services now account for 23% of Group revenue

Continue to build an exceptionally talented team

- 967 people now working in Kainos, attrition at 6.4%, well below industry norms

Simplified our segmental reporting to reflect the growth drivers in our business

REVENUE

£40.6m

GROWTH OF 9%

PROFIT ⁽¹⁾

£7.0m

GROWTH OF 3%

⁽¹⁾ Adjusted to remove the effect of share-based payments and exceptional items

Group Summary

Kainos is a high growth, high-margin company providing digital services and digital platforms

- Digital Services – building and configuring online platforms for government and commercial customers
- Digital Platforms – specialised platforms in the mobile healthcare and automated testing arenas

Financial Metrics

- Strong, organic revenue growth
- Good visibility: £68m contracted backlog
- Strong, sustainable adjusted PBT margin: 17% (H1 2016: 18%)
- Cashflow conversion: 72%⁽¹⁾ (H1 2016: 49%)⁽¹⁾

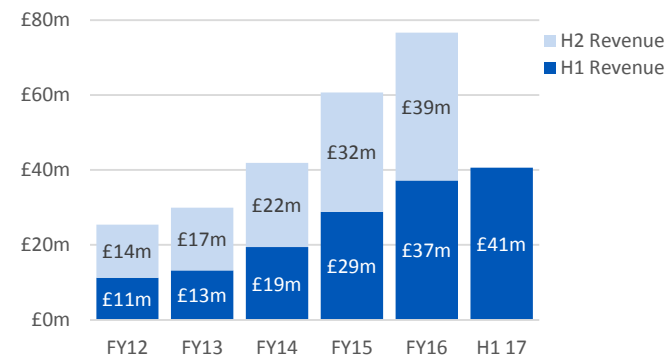
Earnings

- Adjusted diluted EPS⁽²⁾ : 4.8p per share (H1 2016: 4.8p)
- Dividend declared: 1.9p per share (H1 2016: 1.8p)
- Payment date: 30/12/2016
- Ex Dividend date: 08/12/2016

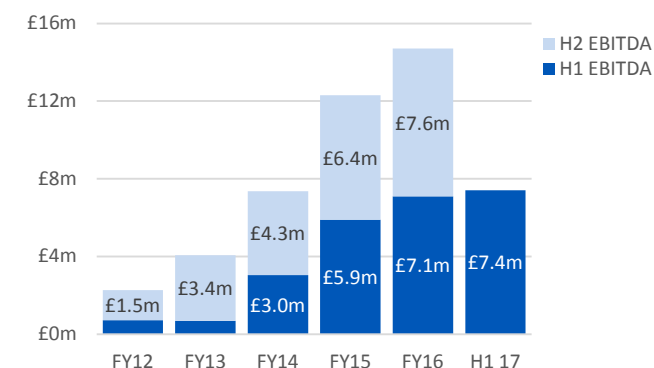
(1) Cashflow from Operations (CFO) before exceptional items divided by adjusted EBTIDA

(2) Adjusted to remove the effect of share-based payments and exceptional items

REVENUE

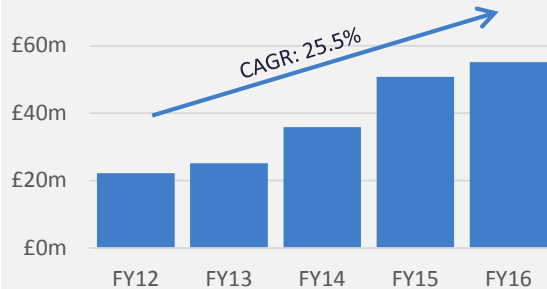


EBITDA



Group Overview

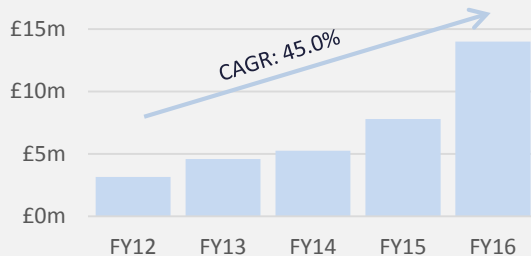
digital services



Services

- Online digital platforms for commercial and government clients
- Workday SaaS HR platform for enterprise customers

digital platforms⁽¹⁾



Platforms

- Evolve EMR: Digitised patient records
- Evolve IC: Integrated care platform for NHS and international clients
- Smart: Automated Testing platform for Workday

people

Highly selective entry-level and experienced recruitment

customers

Global commercial, government and healthcare organisations

⁽¹⁾ Excludes 3rd party revenues (including 3rd party) for the same time periods these are: £3.6m, £4.8m, £6.1m, £10.0m, £21.5m, representing CAGR of 56.7%

People

We continue to build an exceptionally talented and engaged workforce

- Number of people employed increased by 23% to 967
- Increased activity and investment in development and well being
 - Engagement remains high, attrition well below industry norms at 6.4% (H1 2016: 10.9%)
- Where they live
 - Northern Ireland 528 (+94 people)
 - Great Britain 153 (+5 people)
 - Poland 248 (+74 people)
 - Rest of World 38 (+6 people)
- What they work on
 - Digital Services: 559 (+66 people)
 - Digital Platforms: 239 (+57 people)

STAFF NUMBERS

967

GROWTH OF 23%

APPLICANTS

4,494

1,534 INTERVIEWS

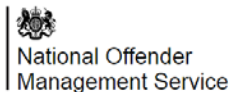


Customers

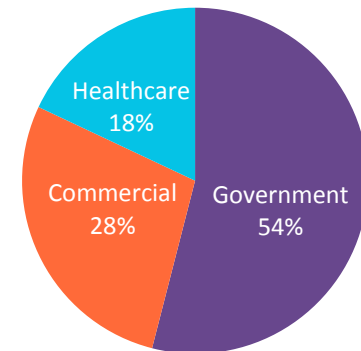
Recurring customer relationships driving revenue growth in government and commercial sectors

- Commercial is now the fastest growing segment, with revenue increasing by 36% to £11.1m (H1 2016: £8.1m)
- 93% of revenue derived from existing customers (H1 2016: 68%), which has also slightly elevated customer concentration with Top 10 customers accounting for 54% revenue (H1 2016: 51%)
- Best-in-class customer service, with 96% of customers rating the overall Kainos performance as good, very good or excellent

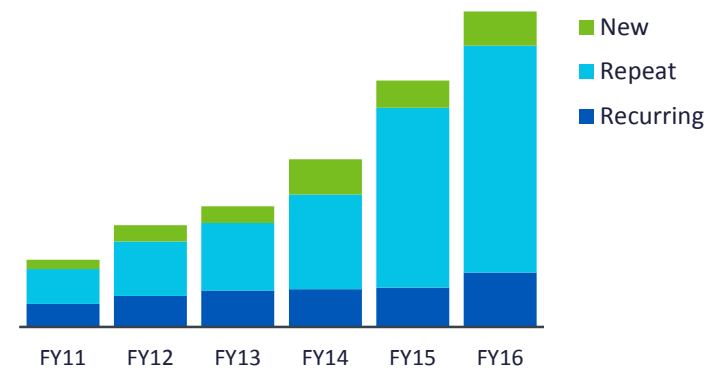
New Clients



H1 SECTORAL REVENUE







REVENUE TYPE





Digital Services

Digital Services Market Summary

	Digital Transformation	Workday Implementation
Market	UK Central and Regional Govt; Commercial sectors	UK and International; Commercial sectors
Sales Model	Direct	Primarily Direct
Market Size (est)	FY16: £470m, 25% growth pa	FY16: £95m, 30% growth pa
Competitors	valtech_  ThoughtWorks®	  
Commercials	Primarily T&M	Primarily T&M



Cabinet Office

On average, the cost per transaction for a digital service across government is less than 20p – compared to over £3 by telephone, and almost £9 for a face to face transaction and over £12 by post.



Digital Services Performance

Strong demand across customer base, improved operating margins and increased backlog

- Commercial sector delivering strong growth, up 26% to £9.2m (H1 2016: £7.3m)
- Government sector showing continued growth, with revenues up 9% to £22.1m (H1 2016: £20.3m)
- Sales up 8% to £28.3m (H1 2016: £26.3m)
- Contracted backlog increased by 14% to £33.7m (H1 2016: £29.6m)

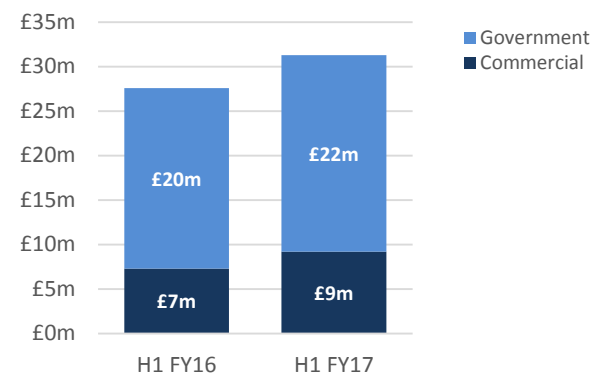
Kainos position in Workday ecosystem in EMEA strengthened following consolidation of two competitors (DayNine, Appirio)

REVENUE

£31.2m

GROWTH OF 13%

REVENUE TRENDS



Workday Case Study: easyJet



Vicent Libsig, IT Systems & Services Manager, easyJet

“With Kainos we found a partner who delivered a very well designed, simple and efficient solution to a complex business problem. The solution provides us with the flexibility to support the continued growth of the EasyJet business by enabling effective and efficient business change.”

EasyJet background:



UK's fourth largest airline



778 routes



139 airports



32 countries

Crew Variable Pay: Outcomes

- Migrated the entire HR service to the cloud
- Reduced the risk of failure by migrating from existing unsupported payroll legacy systems
- Used Amazon's auto-scaling function to scale up and down for peak travel periods

Increased payroll accuracy to
99.5%



UDG Healthcare plc



Digital Services Case Study: DVSA MOT



GDS Review, May 2016

“As reviewers, we conclude that this is one of the best agile projects we have seen in flight in government to-date, and can be seen as an exemplar of the benefits of working collaboratively in an agile way.”



22,834
garages



80,000
users



42 million
MOTs per year

£1bn+
worth of
transactions



Home Office



Driver & Vehicle
Standards
Agency



Foreign &
Commonwealth
Office



Ministry
of Justice



Driver & Vehicle
Licensing
Agency



Department
for Transport



Department
for Work &
Pensions



Cabinet Office



Department
for Environment
Food & Rural Affairs



Digital Platforms

Digital Platforms Overview

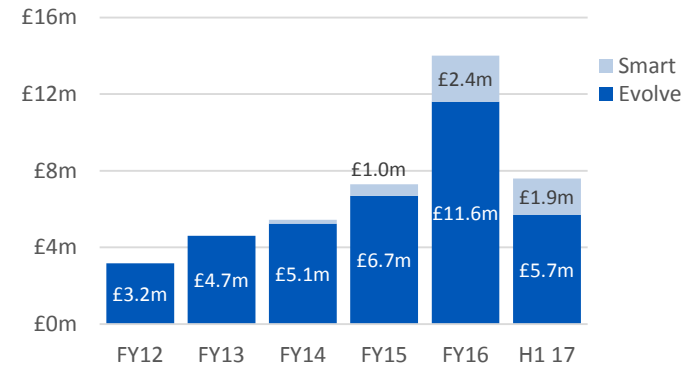
Platform revenues increased by 12% to £7.5m, now 19% of total Group revenue⁽¹⁾ (H1 2016: £6.7m)

- Complements Digital Services, providing long-term revenue visibility, with backlog at £28.1m⁽²⁾
- Enhanced visibility of revenue and investment levels
- All investment expensed: £2.2m (H1 2016: £1.1m)

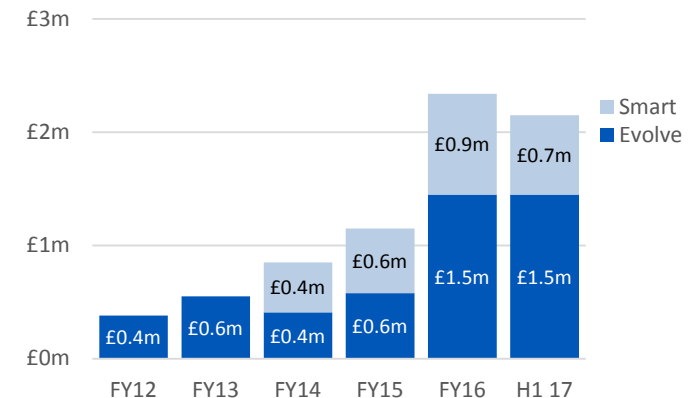
Products at varying stages of maturity: different investment profiles, development paths and markets

- **Evolve Electronic Medical Record (EMR)**
The leading EMR platform, selected by 33 NHS Trusts (104 hospitals, 28 million patients, 1 billion images)
- **Evolve Integrated Care (IC)**
SaaS platform for integrating disparate healthcare systems (UK and global clients)
- **Smart for Workday**
SaaS platform for automatically verifying Workday configurations (64 global customers)

REVENUE TREND⁽¹⁾







INVESTMENT TREND



(1) These figures exclude 3rd party revenues, which amount to £1.9m, all attributable to Evolve EMR

(2) Excludes 3rd party (inclusive of 3rd party is £34.3m)

Digital Platforms Market Summary

	Evolve Electronic Medical Record	Evolve Integrated Care	Smart for Workday
Market	NHS	NHS & International	International
Sales Model	Primarily Direct	Direct / Partners	Primarily Direct
Market Size (est)	To FY22: £230m	To FY22: £395m	FY16: £150m, 30%
Competitors	 FORTRUS  CIVICA	 ORION <small>HEALTH</small>  InterSystems <small>Health Business Government</small>	Manual testing, either in-house or outsourced
Licence Model	Perpetual (on premise)	Subscription (SaaS)	Subscription (SaaS)
Maturity	Mature	Development	Near-breakeven
Backlog	£18.7m	£3.3m	£6.0m

Digital Platforms: Evolve EMR

Stable revenues and margins in constrained NHS market

- Sales performance reflects overall market constraint
 - Sales at £2.5m (H1 2016: £7.3m), however H1 2016 performance enhanced by a single contract, worth in excess of £6.0m
- Contracted backlog decreased by 25%
 - Backlog at £18.7m (H1 2016: £24.8m)⁽²⁾
- Department of Health has reiterated commitment to paperless NHS by 2020, although new funding unlikely to increase procurement activity in H2 2017
- Kainos is well positioned for return of funding as Evolve EMR maintains leadership position in the NHS (won 79% of all public procurement in the past 3 years, 15 of 19 procurements)

⁽¹⁾ These figures exclude 3rd party revenues

Revenue inclusive of 3rd party is £7.5m (H1 2016: £8.8m); decrease of 15%

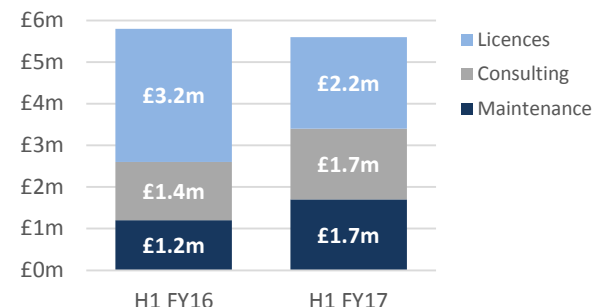
⁽²⁾ Contracted backlog inclusive of 3rd party is £25.0m (FY 2015: £34.2m); reduction of 27%

REVENUE ⁽¹⁾

£5.6m

REDUCTION OF 5%

REVENUE TRENDS ⁽¹⁾



Digital Platforms: Evolve Integrated Care

Flagship contracts (\$4.7m) signed with global customers in advance of SaaS platform availability

- Contracts signed with Cirdan (UK), In Touch Health (USA) and Hygeia (USA), all private healthcare organisations
- Contract backlog established: £3.3m (H1 2016: £nil)
- InTouch Health beta now live (Nov 2016), with further upside potential identified in ITH client ecosystem (1,400 US hospitals, with 300 added annually)
- Apple relationship enhanced by South East Coast Ambulance contract, and increased marketing activity in US

REVENUE

£0.1m

LAUNCHED Q4 2016



Digital Platforms: Smart for Workday

Expanding roster of blue-chip international clients, increasing deal size, and strong sales pipeline

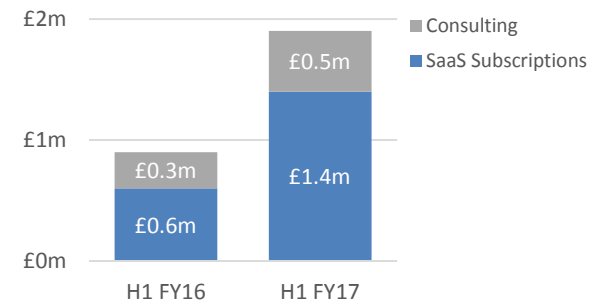
- Annual Contract Value (ACV) increased to £0.5m (H1 2016: £0.4m)
- Contracted backlog up 85% to £6.0m (H1 2016: £3.3m) from a customer base of 64 corporate clients (H1 2016: 36)
- Average annual subscription increased by 51% to £67k (H1 2016: £44k)
- Strengthening pipeline in H2, driven by marketing campaigns aligned with Workday conference season

REVENUE

£1.9m

GROWTH OF 114%

REVENUE TRENDS



Smart for Workday Case Study: Magellan Health

Magellan Health Background:



7,000
employees



\$4.5-billion-dollar company
headquartered out of
Scottsdale, Arizona



Operating across
49 states

Operational and cost savings

60%
reduction

The number of people involved with testing during a Workday update window reduced from 52 to 21 people

50%
reduction

The duration of the test event reduced from 8 weeks to 4 weeks

\$397,320
cost savings per
year

Magellan
HEALTHSM

AstraZeneca 

 **Expedia**[®]

 **Howard**
County

 **CUSHMAN &**
WAKEFIELD

NETFLIX

GLENCORE

 **THE UNIVERSITY OF**
CHICAGO

THALES

 **maxim**
integrated[™]

PRIMARK[®]

 **zynga**

Evolve EMR Case Study: South East Coast Ambulance Service NHS Foundation Trust



Mark Chivers, Head of IT South East Coast Ambulance Service

“What impressed us about Kainos was their detailed understanding of our market and the specific needs of the ambulance service. We could clearly see the results of their research in the Evolve platform.”

Trust Background:



Over 2,500 front line crew working across 110 sites



1 million emergency calls per year



Emergency dispatch centres in Kent, Surrey and Sussex



Covers 3,600 square miles along some of England's busiest motorway stretches

- First NHS Ambulance Trust to deploy iPad for patient records
- Evolve ensures high quality data is recorded and sent to the hospital almost instantaneously, providing A&E with accurate records when the patient is handed over

33 NHS Customer Trusts across the UK including:

South East Coast Ambulance Service 
NHS Trust

Chelsea and Westminster Hospital 
NHS Foundation Trust

Great Ormond Street Hospital for Children 
NHS Foundation Trust

Royal National Orthopaedic Hospital 
NHS Trust

Bradford Teaching Hospitals 
NHS Foundation Trust



Financial Performance

Financials: Income Statement

COMMENTARY

- **Revenue:**
 - Digital Services growth: 13%
 - Digital Platform growth ex 3rd party: 12%
 - Top 10 customer concentration: 54% (H1 2016: 51%)
- **Gross margin:**
 - Digital Services margin improved by 2%
 - Digital Services utilisation: 71% (H1 2016: 75%)
 - Digital Platform margin improved 8% due to revenue mix
- **Operating expenses:**
 - Grew 22%, mainly due to R&D growth
 - R&D expensed to P&L: £2.2m (H1 2016: £1.1m)
 - Impact on Adjusted PBT of expensing R&D approximately £1.0m compared to capitalisation
- **Underlying tax rate: 19%**

INCOME STATEMENT

£m	FY 2016	H1 2016	H1 2017	CHANGE
Digital Services	55.1	27.6	31.2	13%
Digital Platforms	21.5	9.7	9.4	(3%)
Revenue	76.6	37.2	40.6	9%
Digital Services	25.4	12.7	14.9	17%
Digital Platforms	11.7	5.6	6.2	11%
Gross profit	31.7	18.3	21.1	15%
Operating expenses	(22.4)	(11.2)	(13.7)	22%
EBITDA	14.7	7.1	7.4	4%
Depreciation	(0.7)	(0.3)	(0.4)	
Adjusted Profit before tax	14.1	6.8	7.0	3%
<i>Adjusted PBT margin</i>	18%	18%	17%	
Exceptional items & share based payments	0.2	(1.6)	(0.6)	
Profit before tax	14.3	5.2	6.4	23%
Taxation	(1.8)	(1.2)	(1.2)	
Profit after tax	12.4	4.0	5.2	30%

Financials: Balance Sheet and Cash Flow

COMMENTARY

• Balance Sheet:

- Limited fixed assets; IT, office equipment
- Underlying trade debtors/WIP total 75 days (FY 2016: 62 days)
- Working capital similar by division
- Significant cash reserves (£20.9m) and debt free

• Cashflow:

- Cash conversion 72%⁽¹⁾ (H1 2016: 49% ⁽¹⁾)
 - Impact of bonus payment timing: 12%
 - Working capital growing in line with revenue
- Capex growing with business
- Tax refund due to R&D claims
- Dividend of 1.9p (£2.3m) proposed (H1 2016: 1.8p)
- Dividend cover 1.75 times

BALANCE SHEET

As at 30 September (£m)	H1 2016	H1 2017
Fixed assets and investments	2.0	2.2
Debtors and WIP	18.3	20.4
Other assets	2.6	2.3
Cash	9.7	20.9
Total assets	32.6	46.7
Liabilities	(13.9)	(15.0)
Shareholders' funds	18.7	31.7

CASH FLOW

£m	H1 2016	FY 2016	H1 2017
EBITDA ⁽²⁾	7.1	14.1	7.4
Net cashflow from operating activities ⁽³⁾	3.5	11.3	5.3
Cash conversion	49%	77%	72%
Taxation	(1.3)	(2.5)	1.1
Capital expenditure	(0.6)	(1.0)	(0.6)
Dividends	(11.2)	(13.3)	-
Financing ⁽³⁾	3.8	4.0	-
Exceptional items	(1.4)	(1.3)	-
Investing activities	-	1.1	-
Net cash inflow/(outflow)	(7.1)	(1.7)	5.9

¹ Cashflow from Operations (CFFO) before exceptional items divided by adjusted EBITDA

² EBITDA adjusted for share based payments and exceptional items

³ Adjusted for taxation, director loan repayment pre IPO and exceptional items

A man with glasses and a dark t-shirt is standing in profile, looking at a wall covered in numerous yellow sticky notes. He is holding one of the notes in his right hand. The entire image has a blue tint. The text "Looking ahead" is overlaid in white, bold, sans-serif font.

Looking ahead

Looking ahead

Increased revenue, increased profitability, increased sales investment, increased R&D investment

- Delivering results in line with market expectations

Digital Services: expansion into adjacent areas while building on existing customer relationships

- Digital services into Germany and Switzerland
- Cross-sell across Workday and Smart existing clients

Digital Platforms: combining sales execution and delivery of lighthouse contracts

- Smart: executing against strong pipeline
- Evolve IC: delivering to InTouch Health and Cirdan
- Evolve EMR: aligning sales activity with NHS funding

Continue improvement in overall revenue mix

Continue to grow the talent pool within Kainos

H1 REVENUE

£40.6m

H1 PROFIT⁽¹⁾

£7.0m

H1 SALES ORDERS

£32.6m

CONTRACTED BACKLOG

£68.0m

(1) Adjusted to remove the effect of exceptional items and share-based payments..



Appendix

Full reconciliation between the previous and
current segmental reporting

Divisional Reporting Change

A full reconciliation between the previous and current segmental reporting is provided below:

Impact of change on interim periods

<u>Previous Segmental</u>	<u>Digital</u>		<u>Workday</u>	<u>Workday</u>	<u>Work-</u>		<u>New Segmental</u>	<u>Digital</u>	<u>Workday</u>	<u>Services</u>		<u>Workday</u>	<u>Platform</u>	
6 months to	Services	Evolve	Smart	Services	Smart	Consolidated	6 months to	Services	Services	Total	Evolve	Smart	Total	Consolidated
30 September 2016	£'000	£'000	£'000	£'000	£'000	£'000	30 September 2016	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	26,333	7,477	1,907	4,883	6,790	40,600	Revenue	26,333	4,883	31,216	7,477	1,907	9,384	40,600
Cost of Sales	(14,290)	(2,746)	(455)	(2,029)	(2,484)	(19,520)	Cost of Sales	(14,290)	(2,029)	(16,319)	(2,746)	(455)	(3,201)	(19,520)
Gross Profit	12,043	4,731	1,452	2,854	4,306	21,080	Gross Profit			14,897			6,183	21,080
							Direct expenses			(3,184)			(5,303)	(8,487)
							Central expenses							(5,620)
Operating expenses excluding share-based payments						(14,107)	Operating expenses excluding share-based payments							(14,107)
Share based payment						(570)	Share based payment							(570)
Operating profit before exceptional items						6,403	Operating profit before exceptional items							6,403

	<u>Digital</u>		<u>Workday</u>	<u>Workday</u>	<u>Work-</u>			<u>Digital</u>	<u>Workday</u>	<u>Services</u>		<u>Workday</u>	<u>Platform</u>	
6 months to	Services	Evolve	Smart	Services	Smart	Consolidated	6 months to	Services	Services	Total	Evolve	Smart	Total	Consolidated
30 September 2015	£'000	£'000	£'000	£'000	£'000	£'000	30 September 2015	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	23,377	8,805	892	3,160	4,052	37,234	Revenue	24,377	3,160	27,537	8,805	892	9,697	37,234
Cost of sales	(13,282)	(3,697)	(358)	(1,561)	(1,919)	(18,898)	Cost of Sales	(13,282)	(1,561)	(14,843)	(3,697)	(358)	(4,055)	(18,898)
Gross profit	11,095	5,108	534	1,599	2,133	18,336	Gross Profit			12,694			5,642	18,336
							Direct expenses			(2,960)			(3,189)	(6,149)
							Central expenses							(5,407)
Operating expenses excluding share-based payments						(11,556)	Operating expenses excluding share-based payments							(11,556)
Share based payments						(194)	Share based payment							(194)
Operating profit						6,586	Operating profit							6,586

Divisional Reporting Change (cont.)

Impact of change on financial years

<u>Previous Segmental</u>	<u>Digital</u>		<u>Workday</u>	<u>Workday</u>	<u>Work-</u>	<u>Consolidated</u>
	<u>Services</u>	<u>Evolve</u>	<u>Smart</u>	<u>Services</u>	<u>Smart</u>	
2016	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	48,504	19,070	2,444	6,576	9,020	76,594
Cost of Sales	(26,631)	(8,950)	(830)	(3,074)	(3,904)	(39,485)
Gross Profit	21,873	10,120	1,614	3,502	5,116	37,109
Operating expenses excluding share-based payments						(23,574)
Share based payment						(524)
Operating expenses						(23,574)
Operating profit before exceptional items						13,535

	<u>Digital</u>		<u>Workday</u>	<u>Workday</u>	<u>Work-</u>	<u>Consolidated</u>
	<u>Services</u>	<u>Evolve</u>	<u>Smart</u>	<u>Services</u>	<u>Smart</u>	
2015	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	43,580	9,018	973	7,207	8,180	60,778
Cost of sales	(20,510)	(4,314)	(347)	(3,158)	(3,505)	(28,329)
Gross profit	23,070	4,704	626	4,049	4,675	32,449
Operating expenses						(20,646)
Operating profit						11,803

<u>New Segmental</u>	<u>Digital</u>		<u>Workday</u>	<u>Workday</u>		<u>Platform</u>	<u>Consolidated</u>
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Evolve</u>	<u>Smart</u>		
2016	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	48,504	6,576	55,080	19,070	2,444	21,514	76,594
Cost of Sales	(26,631)	(3,074)	(29,705)	(8,950)	(830)	(9,780)	(39,485)
Gross Profit			25,375			11,734	37,109
Direct expenses			(5,450)			(6,839)	(12,289)
Central expenses							(10,762)
Operating expenses excluding share-based payments							(23,050)
Share based payment							(524)
Operating expenses							(23,574)
Operating profit before exceptional items							13,535

	<u>Digital</u>		<u>Workday</u>	<u>Workday</u>		<u>Platform</u>	<u>Consolidated</u>
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Evolve</u>	<u>Smart</u>		
2015	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	43,580	7,207	50,787	9,018	973	9,991	60,778
Cost of Sales	(20,510)	(3,158)	(23,668)	(4,314)	(347)	(4,661)	(28,329)
Gross Profit			27,119			5,330	32,449
Direct expenses			(4,529)			(4,124)	(8,653)
Central expenses							(11,993)
Operating expenses							(20,646)
Operating profit							11,803

Divisional Reporting Change (cont.)

Impact of change on financial years

<u>Previous Segmental</u>	<u>Digital</u>		<u>Workday</u>	<u>Workday</u>	<u>Work-</u>	<u>Consolidated</u>
	<u>Services</u>	<u>Evolve</u>	<u>Smart</u>	<u>Services</u>	<u>Smart</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
2014						
Revenue	31,796	5,948	17	4,154	4,171	41,915
Cost of Sales	(15,507)	(2,486)	-	(2,453)	(2,453)	(20,446)
Gross Profit	16,289	13,426	17	1,701	1,718	21,469
Operating expenses						(14,440)
Operating profit						7,029

	<u>Digital</u>		<u>Workday</u>	<u>Workday</u>	<u>Work-</u>	<u>Consolidated</u>
	<u>Services</u>	<u>Evolve</u>	<u>Smart</u>	<u>Services</u>	<u>Smart</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
2013						
Revenue	23,406	4,846	-	1,681	1,681	29,933
Cost of sales	(12,659)	(1,430)	-	(816)	(816)	(14,905)
Gross profit	10,747	3,416	-	865	865	15,028
Operating expenses						(11,275)
Operating profit						3,753

<u>New Segmental</u>	<u>Digital</u>	<u>Workday</u>		<u>Workday</u>		<u>Platform</u>	<u>Consolidated</u>
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Evolve</u>	<u>Smart</u>		
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
2014							
Revenue	31,796	4,154	35,950	5,948	17	5,965	41,915
Cost of Sales	(15,507)	(2,453)	(17,960)	(2,486)	-	(2,486)	(20,446)
Gross Profit			17,990			11,734	21,469
Direct expenses			(3,811)			(6,839)	(5,533)
Central expenses							(8,906)
Operating expenses							(14,440)
Operating profit before exceptional items							7,029

	<u>Digital</u>	<u>Workday</u>		<u>Workday</u>		<u>Platform</u>	<u>Consolidated</u>
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Evolve</u>	<u>Smart</u>		
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
2013							
Revenue	23,406	1,681	25,087	4,846	-	4,846	29,933
Cost of Sales	(12,659)	(816)	(13,475)	(1,430)	-	(1,430)	(14,905)
Gross Profit			11,612			3,416	15,028
Direct expenses			(2,683)			(1,482)	(4,165)
Central expenses							(7,110)
Operating expenses							(11,275)
Operating profit							3,753

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