



Full Year Results

12 months ended 31st March 2020

Brendan Mooney (CEO) and Richard McCann (CFO)

26 May 2020

Highlights.

A strong performance in-line with market expectations.

A strong performance in-line with market expectations.

- Revenue, profit and sales orders all showing progress.

Revenue diversification continues.

- International revenues up 72% to £39.9m.
- Commercial revenues up 58% to £63.1m.

Digital Services – solid growth delivered in uncertain macro environment.

- Significant ongoing engagements in UK government's digital transformation programme, with solid progress in Healthcare and Commercial Sectors.

Workday Practice – high growth and international expansion continues.

- Workday Services and Smart both recorded exceptional growth.
- Adaptive Insight practice enhanced by acquisitions in UK, USA and Germany.

Continuing to build an exceptionally talented team.

- 1,715 people now working at Kainos, across 15 offices.



£178.8m
REVENUE UP 18% ⁽¹⁾



£25.5m
ADJUSTED PRE-TAX
PROFIT UP 9% ⁽²⁾



£40.8m
CASH DOWN 4% ⁽³⁾



£243.6m
SALES ORDERS UP 42%

⁽¹⁾ Organic revenue growth was 17.5%

⁽²⁾ Adjusted to remove the effect of share-based payments and related costs.

⁽³⁾ After £7.4 million purchase of site for the development of future Belfast office and £4.6 million partial cash consideration for completed acquisitions.

Covid-19 Response.

Ensuring the wellbeing of our colleagues and supporting our customers.

Invoked response plan on 5 March, placing our people in the safest environment.

- Implemented home working for 1,700 people in seamless fashion.
- No disruption of service to customers, with positive ongoing engagement.

Near-term demand solid, but too early to accurately assess impact on customers.

- Stable demand from existing customers, new client acquisition slowed.
- Expect government and healthcare sectors to be more robust during crisis.
- Anticipate short-term weakness in new project spend in Workday segment.

Implemented cost reductions as part of our Covid-19 response.

- Placing staff on furlough, deferring salary increases, curtailing bonus schemes.
- Six-month salary/fee reductions at Board and Executive levels, from 20%-100%.
- Prudent to manage costs, without limiting our longer-term growth prospects.

Benefit from strong cash balance (£40.8m), but dividend impacted.

- The Board has decided not to declare a final dividend for FY20 and to take the opportunity to review the dividend position later in the year, when the impact of the Coronavirus pandemic becomes clearer.



Thank you for your hard work delivering the new isolation note service. This has been a big priority from No 10, the Chancellor, the SoS for Work and Pensions and our own SoS for Health.

I know a lot of hours have been put into this over a short space of time, and wanted you to know we really appreciate it, as will many GPs whose jobs will be made easier as they deal with the unprecedented pressure on the system.

The work you are doing is making a difference.

Chris Fleming, NHS Digital
NHS App Programme Director

Covid-19 Response.

Supporting the NHS and the UK Public Sector as it fights the pandemic.

ISOLATION NOTE



Isolation notes provide employees with the evidence for their employer to self-isolate for 7 days without the need to visit their GP, helping to reduce the spread of the virus.

We were able to deploy the new service in less than two weeks.

The service went live on 20 March and has issued over 1.3 million isolation notes.

[\(more details\)](#)

HOME TESTING



National scale service allowing people to book an appointment at a testing centre or request a home test.

Kainos asked to join the project on 17 April.

Service launched to key workers in just one week, to over 65's and NHS 111 Referrals in two weeks and to all UK residents in four weeks.

The service is currently sending c.20,000 home test kits per day.

[\(more details\)](#)

WELSH GOVERNMENT



Llywodraeth Cymru
Welsh Government

The Welsh Government announced a £1.1bn economic support package on 30 March.

Kainos built the service for grants to Micro and SME businesses.

Kainos started the project on 3 April, the citizen-facing app was live on 16 April followed by back office processing on 22 April.

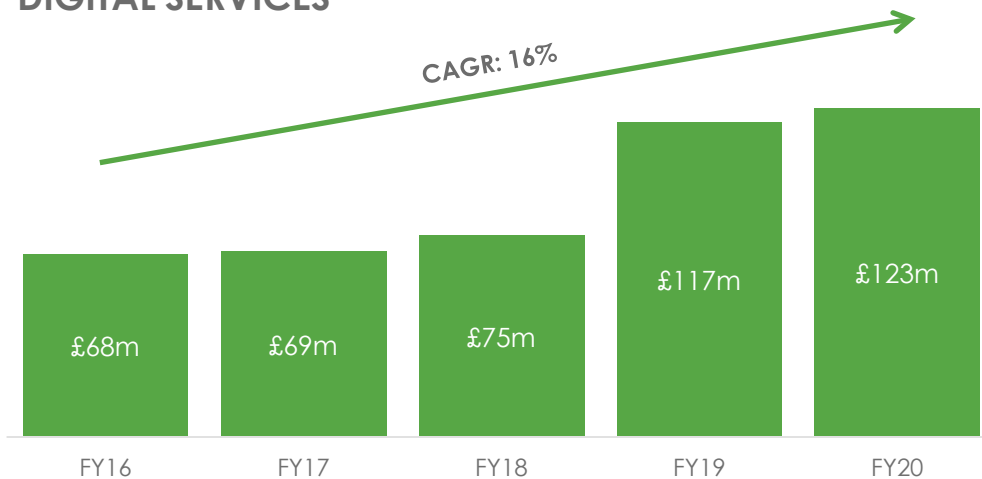
In the first 3 days there were 6,674 applications totalling £152 million.

[\(more details\)](#)

Group Overview.

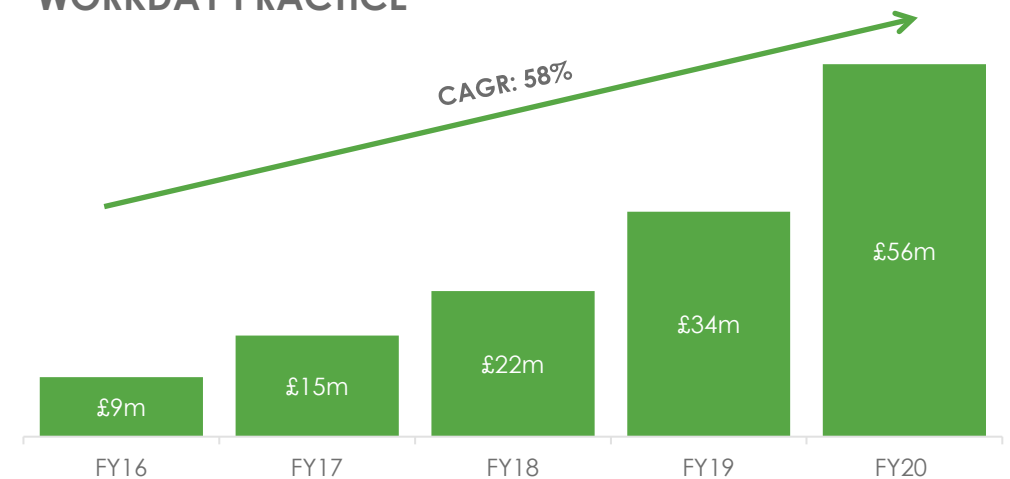
Long-term, strong revenue growth trends in both Digital Services and Workday Practice.

DIGITAL SERVICES



- The full lifecycle development and support of customised Digital Services for public sector, healthcare and commercial customers.
- Our transformative solutions encompass a range of services from experience design to AI and Cloud to deliver truly intelligent solutions that are secure, accessible and cost-effective.

WORKDAY PRACTICE



- We are one of Workday's most respected partners.
- As a full-service partner, we are experienced in complex deployment and integrations, and the leader in Workday test automation.
- We're trusted by our customers to launch, test, expand and safeguard their Workday systems.

Financial Summary.

An established track record of high growth, high margin performance.

A strong performance, representing the tenth consecutive year of revenue and adjusted pre-tax profit growth.

Five-year (2016-2020) revenue CAGR of 24%.

R&D activity, investment of £3.9m expensed (2019: £4.3m).

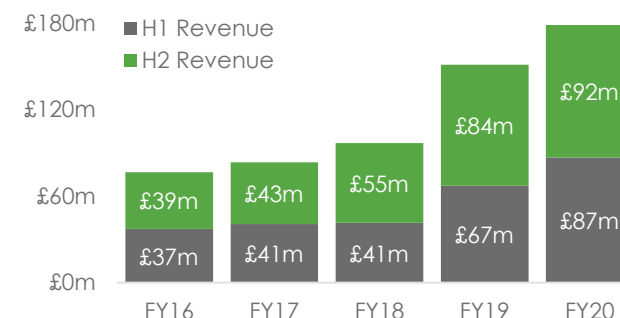
Key Financial Metrics.

- Good revenue visibility: backlog up 47% to £180.0m (2019: £122.2m).
- Strong, sustainable adjusted pre-tax profit⁽¹⁾ margin: 14% (2019: 15%).
- Cash balance down 4% to £40.8m (2019: £42.5m), after £7.4 million purchase of office site, cash consideration for completed acquisitions.

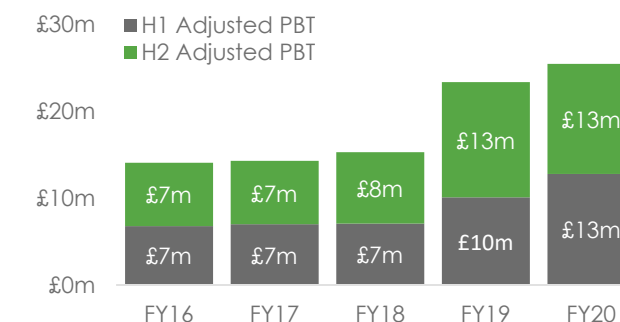
Earnings - Dividend.

- Adjusted diluted EPS: increased by 8% to 16.6p per share (2019: 15.4p).
- Interim dividend paid 3.5p per share, no final dividend declared.
- FY20 total dividend 3.5p per share (2019: 9.3p).

REVENUE



ADJUSTED PRE-TAX PROFIT⁽¹⁾



⁽¹⁾ Adjusted to remove the effect of share-based payments and acquisition-related costs.

Our People.

We continue to build an exceptionally talented and engaged workforce.

Building a talented team is key to our long-term success.

We continue to attract strong interest in key recruitment markets, with a 17% increase in headcount.

- 579 people joined, 92 from education, 487 from industry.

Employee engagement is positive and remains a key priority.

- Retention has increased to 90% (2019: 85%).
- Confirmed at #86 in Sunday Times Best Companies, Top 100 survey.

Increased international expansion reflected in recruitment.

- UK & Ireland: 1,258 (+124 people).
- Poland: 279 (+3 people).
- Central Europe: 72 (+37 people).
- North America: 106 (+81 people).



1,715
PEOPLE, UP 17%



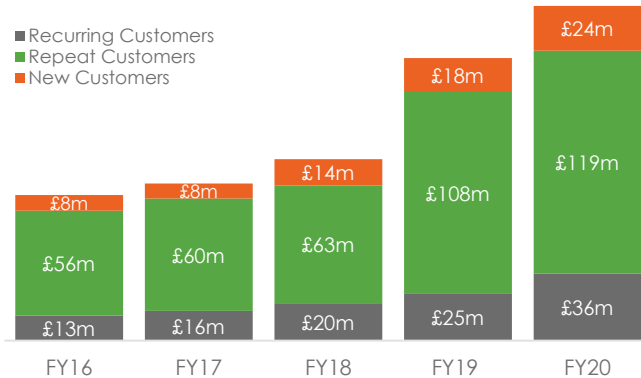
23,273
JOB APPLICANTS



Our Customers.

Delivering value to our clients drives long-term relationships.

REVENUE BY CUSTOMER TYPE



Existing customers underpin growth, at 87% of revenue.

- Recurring revenue up 42% to £35.7m (2019: £25.1m).
- Repeat revenue up 10% to £119.1m (2019: £108.2m).

Best-in-class customer service drives high levels of ongoing revenue.

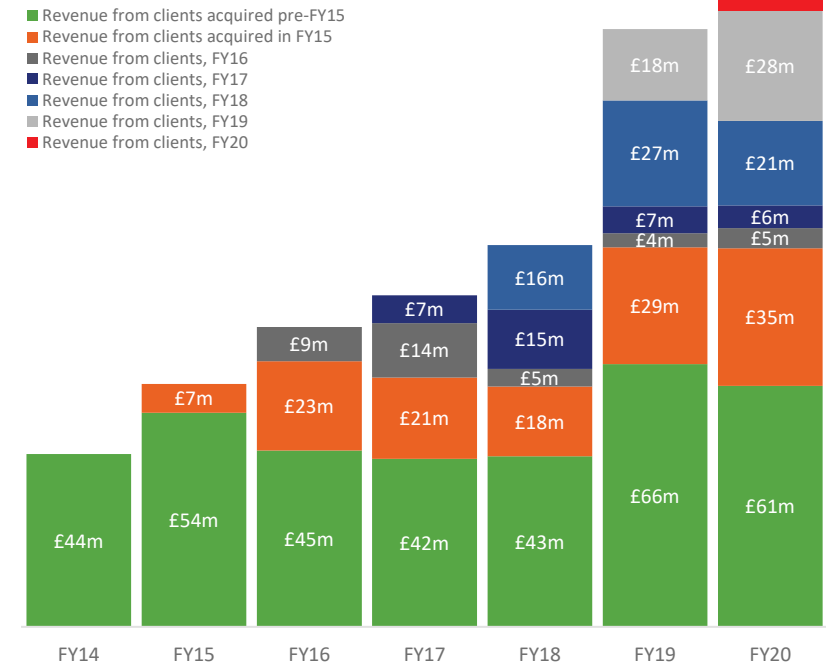
- 97% of customers rate the overall Kainos service as 'good' or better (2019: 91%).
- Existing client revenue up 16% to £154.8m, (2019: £133.3m).

New client acquisition drives multi-year revenue streams.

- Total customers at 465 with 100+ new customers signed in FY20.
- FY20 revenue 'churn' 1.4%.

CUSTOMER RETENTION

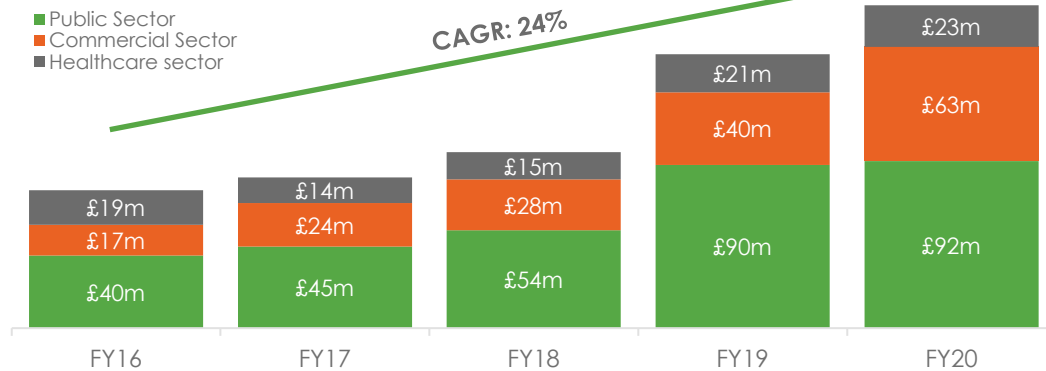
New client acquisition drives multi-year revenue streams.



Revenue Progression.

We have made excellent progress in building balance into our revenue streams.

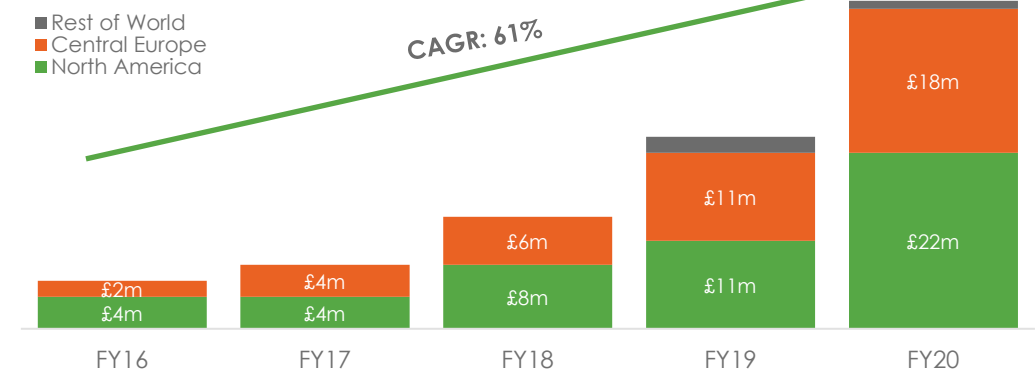
GROUP REVENUES BY SECTOR



Our ambition has been to grow all sectors, but also build a more balanced revenue base.

- Commercial customer revenue has increased 58% to £63.1m (2019: £40.0m) and now represents 35% of total revenue.

GROUP INTERNATIONAL REVENUES ⁽¹⁾



Our ambition has been to grow locally, nationally and internationally.

- International revenue has expanded 72% to £39.9m (2019: £23.2m) and now accounts for 22% of Group revenue.

⁽¹⁾ Our internal reporting combines UK & Ireland as a single territory. In 2020, revenues of £5.0m were from customers based in the Republic of Ireland,

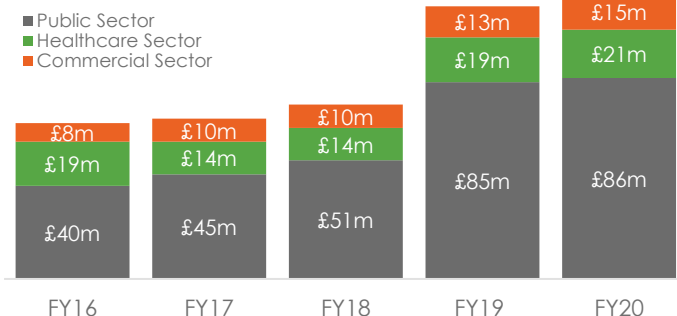
Digital Services



Digital Services Overview.

Solid revenue growth, exceptional sales execution building a strong backlog.

SECTOR REVENUE



Growth achieved across all sectors.

- Growth in Commercial (15%), outpacing Public Sector (2%).
- Healthcare revenues, including Evolve, increased by 7%.

Solid performance in face of uncertain UK political landscape.

- Revenue up 4% to £122.5m (2019: £117.3m).
- Very strong sales performance, sales orders up 38% to £169.3m (2019: £122.7m).
- Very strong backlog growth, up 48% to £123.5m (2019: £83.6m).



DIVISION REVENUE

£122.5m
UP 4%

SALES ORDERS

£169.3m
UP 38%

BACKLOG

£123.5m
UP 48%



Digital Services Sectors.

Stable demand from UK Public Sector and continued progress in Commercial Sector.

Public Sector revenue increased 2% to £86.4m (2019: £84.6m).

- Good performance with the backdrop dominated by the leadership contest, the general election and the uncertainty generated by the Brexit debate.
- Significant extensions at DfT (Street Manager), DIT (Lite Exports), FCO (Consular Systems), HMCTS (Testing), Land Reg (Digital & Data), WRA (Taxation Support).
- New projects with Companies House (Digital Partner), DVSA (Future Theory Test Service), HMRC (Transaction Monitoring platform, ONS (Matching Service).

Strong progress in Commercial Sector, up 15% to £15.3m (2019: £13.3m).

- Stable demand from existing clients, with new projects underway at Intelligent Growth Solutions (IGS), Canada Life and Inspired Thinking Group (ITG).

Partnership with NHS driving Healthcare revenues up 7% to £20.8m (2019: £19.4m).

- Working closely with NHS Digital to help deliver several urgent requirements to support the NHS COVID-19 response.
- Awarded competitive renewal of the NHS App programme.
- Secured key project to deliver the National Integration Adaptor programme.

MARKET SIZE

£1,431m

UK PUBLIC SECTOR FY20 SPEND

COMPETITIVE LANDSCAPE



COMMERCIAL DYNAMICS

- Direct sales model.
- Primarily time and materials.

Digital Services Customers.

We have established a clear reputation for delivering value, at scale and at pace.



Customer Stories.

Significant projects for leading Commercial and Public Sector organisations.

INTELLIGENT GROWTH SOLUTIONS



Founded in 2013.



Headquartered in Edinburgh.



KPMG's Best British Tech Pioneer finalist.

- Cloud-based interactive lighting solution for buildings.
- Delivering significant power reductions and enhanced controls while reducing installation and maintenance costs.
- Azure-first IoT solution.

COMPANIES HOUSE



Companies
House



Approximately 1,000 staff.



2.2bn company searches per year.



4 year digital transformation programme under way.

- Engaged to lead across delivery of digital services.
- In 4 months Kainos delivered an appeals service for late filing penalties.
- 3 additional Kainos teams will deliver services arising from the Register reform.

Workday Practice

Our Workday Opportunity.

The opportunity is growing locally, internationally and at pace.

THE OPPORTUNITY

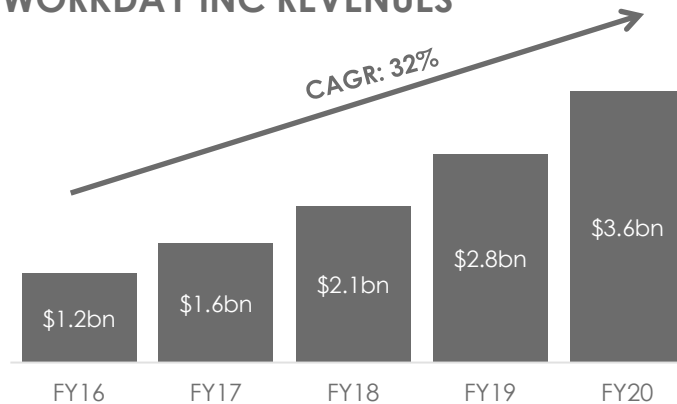
Workday is an innovative cloud-based finance, HR and planning software platform.

Kainos first engaged with Workday in 2010 and is one of Workday's most experienced consulting partners.

Kainos provides a broad range of consulting services to companies deploying Workday.

Kainos Smart, our proprietary software platform, enables Workday customers to verify their Workday configuration.

WORKDAY INC REVENUES



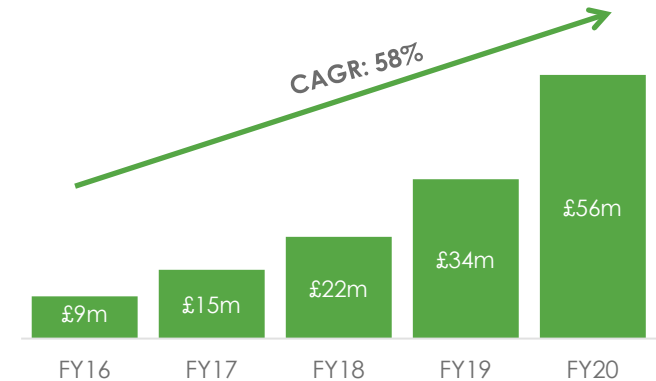
Workday global 2020 revenues \$3.6bn, growing at 29%.

Global Workday consulting market is ~\$1.6bn, with similar growth trajectory.

Workday have 32 partners.

- 9 Global; 23 Specialist.

KAINOS REVENUES



Our revenue sources:

- Initial Implementation.
- Phase X Implementation.
- Application Managed Service.
- Smart Subscriptions.

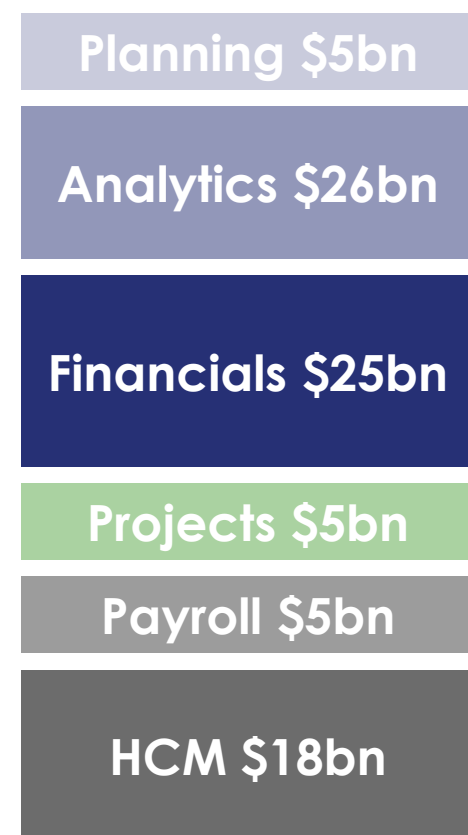
International expansion, module adoption and product extension offer further growth opportunities.



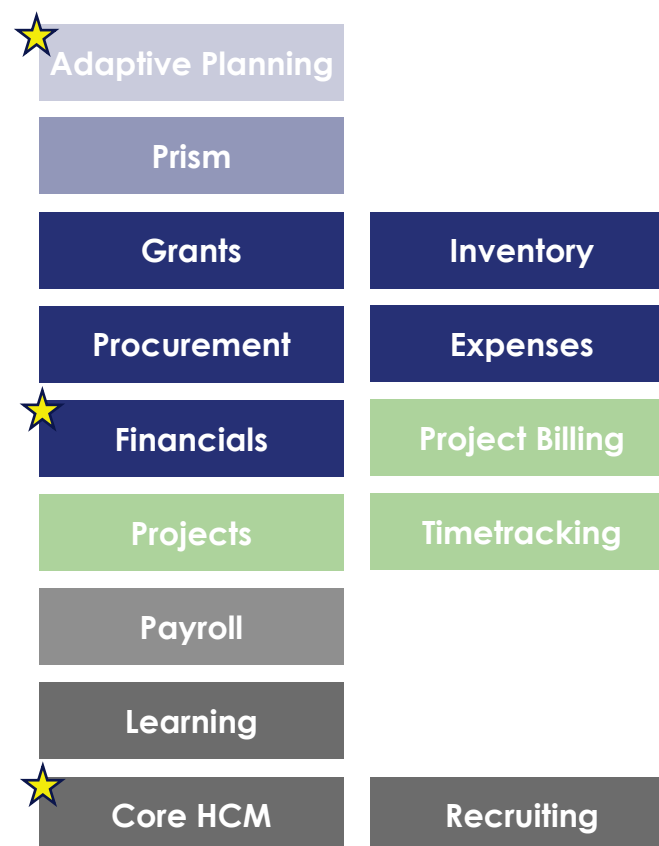
Workday at-a-glance.

Workday continues to execute strongly, extending its reach and product set.

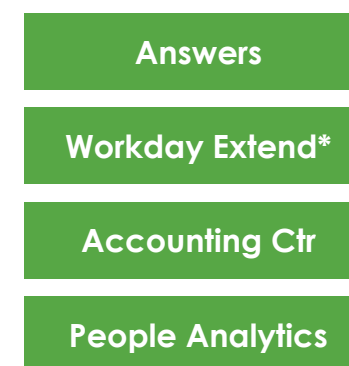
**\$88BN TOTAL ADDRESSABLE
MARKET, 8.7% CAGR**



**CURRENT WORKDAY
MODULES**



**NEW PRODUCTS
ANNOUNCED Q3**



**ONGOING
MOMENTUM**

**Workday continues to
gain market share in
key segments.**

45% Fortune 500 on
Workday HCM.

17% Global 2000 on
Workday HCM.

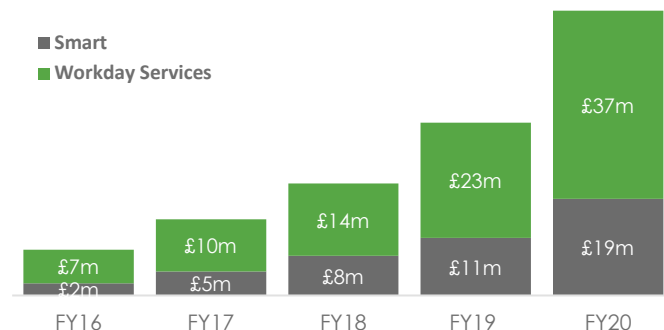
3,000+ total customers,
with **725+** on Financials.
2,200+ in US, with **600+**
rest of world.

81% revenues from
HCM, **19%** Financials.

Workday Practice Overview.

Exceptional revenue, sales and backlog growth mark another remarkable year.

SEGMENT REVENUE



Very strong revenue growth in both segments.

- Workday Services expanded 64% to £37.2m (2019: £22.7m).
- Smart growth of 69% to £19.1m (2019: £11.3m).

Exceptional sales performance has created a very strong backlog.

Workday Services

- Sales increased 52% to £43.9m (2019: £28.8m).
- Backlog increased 36% to £21.5m (2019: £15.8m)

Smart

- Sales growth of 50% to £30.4m (2019: £20.2m).
- Backlog increased 54% to £35.0m (2019: £22.8m)



DIVISION REVENUE

£56.3m

UP 66%

SALES ORDERS

£74.3m

UP 52%

BACKLOG

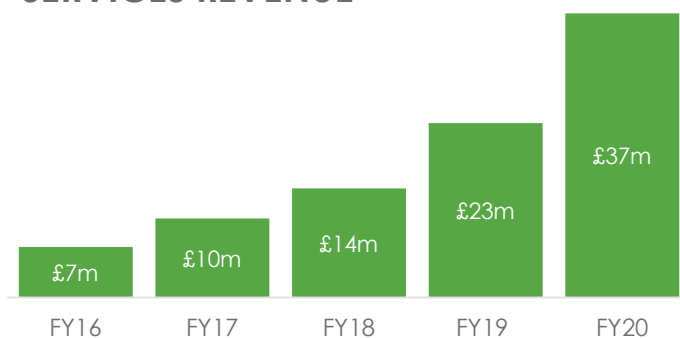
£56.5m

UP 46%

Workday Services.

We are one of the most experienced participants in the Workday partner ecosystem.

SERVICES REVENUE



Strong revenue performance, up 64% to £37.2m (2019: £22.7m).

- Established markets performing strongly.
- Secured key projects in Canada and France; increased activity in US post-deployment market.

Continue to develop our people: 380 accredited consultants (2019: 251).

- Now have a local presence in Sweden, Austria, Finland, Switzerland and Romania.

Increased annuity-style revenues, up 92% to £17.0m (2019: £8.8m).

- Our Post Deployment Service supports customers already live on Workday.

Further consolidation in ecosystem.

- Accenture acquired Sierra-Cedar (275 consultants)
- Collaborative Solutions to be acquired by Cognizant in Q2 (1,000 consultants).

ADDRESSABLE MARKET

£385m

SERVICES MARKET

COMPETITIVE LANDSCAPE

	(NORDICS)
	(UK, EUROPE, US)
	(UK, EUROPE, US)
	(UK, EUROPE, US)

COMMERCIAL DYNAMICS

- Direct sales model.
- Primarily time and materials.

Workday Services.

Global customers trust us to launch, test, expand and safeguard their Workday systems.



Customer Stories.

Implementing Workday for local and international clients.

AUTISM PLUS



450 employees.



Leading Yorkshire charity.



£12.8m in revenue.

- Workday Services project, deployment for HCM and Financials.
- Implemented in 22 weeks, ahead of the start of the new financial year.

INTERAC



Canada's leading payment services provider.



350 employees.



15.2m active users per month.

- First Workday Phase 1 Launch deployment in Canada.
- Successfully re-planned approach of delivery to remote working.
- Implementation across 27 weeks for HCM and payroll.

Adaptive Insights.

Successful integration of Adaptive Insights acquisitions.

Adaptive Insights provides business planning software to assist in Financial Planning and Analysis to over 4,700 customers globally.

Adaptive Insights was acquired by Workday Inc in June 2018 for \$1.6bn.

- Adaptive Insights Business Cloud will replace Workday Planning.
- The software can be sold as part of the Workday Suite, or as a single, standalone subscription.

We have acquired three specialist Adaptive Insight consulting organisations⁽¹⁾.

- In November 2019 we acquired **Formulate** (UK) and **Implexa** (Germany), and in March 2020 completed the acquisition of **IntuitiveTEK** (USA).
- We have created one of the largest Adaptive Insights practices globally.

Successfully integrating all businesses with Kainos.

- Retained all staff, recruited 7 people to bring total headcount to 66.
- Early wins for Workday Suite deployments, alongside ongoing standalone projects.

IntuitiveTEK announced as Global Solution Provider of the Year and Formulate as EMEA Solution Provider of the Year.

⁽¹⁾ Initial consideration of £6.6m (cash £4.6m during FY20, shares £1.6m), deferred consideration of £5.7m (cash £3.2m, shares £2.5m), further details contained in the **Financial Performance** section of this report;



WORKFORCE: 16 PEOPLE
HQ: WORCESTERSHIRE, UK
FOUNDED: 2016



WORKFORCE: 5 PEOPLE
HQ: HAMBURG, GERMANY
FOUNDED: 2014



WORKFORCE: 38 PEOPLE
HQ: COLORADO, USA
FOUNDED: 2010

Customer Stories.

Kainos' successful Adaptive Insights implementation.

KAINOS GROUP PLC



1,700 staff.



Leading provider of digital solutions to public, commercial and healthcare clients.



UK HQ, staff in 15 countries.

- Fully integrated with Workday HCM and Finance resulting in seamless data extraction.
- Ability to maintain multiple forecast scenarios.

PROJECT DETAILS

Implementation in 7 weeks.

- Replaced 20+ budgeting and forecasting spreadsheets.
- Profiles utilisation and revenue of all staff/contractors.

Initial Benefits.

- Simplify monthly operational and board reporting.
- Includes non-financial data - utilisation, rates, customers, churn.

Future Benefits.

- Sophisticated scenarios and rolling forecasts.
- Integration with CRM.
- Bi-weekly revenue forecasts.

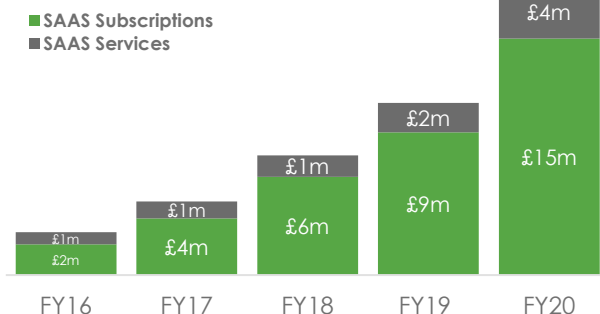
Covid-19: Re-budget of business in less than a week.

- Multiple re-budgets to date.
- Trend reporting of actual vs 'CV-19 plan' to track cost savings.

Smart for Workday.

Smart is the only automated testing platform designed specifically for Workday.

SEGMENT REVENUE



Strong revenue performance, up 69% to £19.1m (2019: £11.3m).

Strong client acquisition with 50+ new clients signed.

- Total clients now 206 (2019: 154).
- Over 70% of clients now migrated to our service option.

Performance underlines strength of product and market opportunity.

- Sales Orders: up 50% to £30.4m (2019: £20.2m).
- Annual Recurring Revenue (ARR) up 77% to £19.4m (2019: £11.0m).

Kainos Smart has four modules.

- HCM, Security, Financials and Payroll.

Kainos Audit due to launch Q3.

- Positive reaction in market testing.

Workday Extend, formerly WCP.

- Kainos is part of Workday's early adopter programme for Workday's Platform as a Service (PaaS) offering, launched on 23 May.

MARKET SIZE

£338m

SERVICES MARKET

COMPETITIVE LANDSCAPE



WORKSOFT®

COMMERCIAL DYNAMICS

- Direct sales model.
- Subscription (SaaS).
- Related project services.

Smart for Workday

Over 200 global customers use Smart to reduce their manual testing by 90%.



Customer Stories

Customers across the world use Smart to reduce their manual testing by 90%.

Match Group



1,400 employees.



Leader in dating products.
Tinder - the highest grossing app globally.



Presence in 190 countries.

- Global rollout of Workday Financials and Time Tracking.
- 3-year deal for Smart Financials and Security.
- Successfully re-planned approach of delivery to remote working.

Humana Inc.



46,000 employees.



\$64.9bn in revenues.



Headquartered in Louisville, Ky.

- Deployed HCM, Security, Payroll and Integrations.
- Numerous HCM consultancy sessions held as Kainos identified configurations that required amendment.

Financial Performance



Income Statement

Digital Services:

- Mixed revenue growth depending on sector.
 - Public: 2% (impacted by Brexit).
 - Commercial: 15%.
 - Healthcare: 7%.
- Gross Margin decreased by 2%.
 - Utilisation fell significantly to 74% (2019: 81%).

Workday Practice:

- Very strong revenue growth in both services and Smart.
 - Smart revenue growth: 69%.
 - Workday Services organic revenue growth: 59%.
 - Adaptive Insights additional 3% growth.
- Gross margin increased by 3%.
 - Utilisation increased slightly to 66% (2019: 65%).
 - Smart gross margins increased to 74% (2019: 72%).

Operating expenses:

- Digital Services increase 13%.
 - Premises/recruitment costs moved from central overheads 9%.
- Workday Practice increased 71%.
 - New hires, geographic expansion, Smart R&D, Smart sales, recruitment costs, bad debt provision.
- Central overheads increase 7%.
 - Support for geographic expansion.

Tax Rate 20% (2019: 20%).

INCOME STATEMENT

£m	2019	2020	Change
Digital Services	117.3	122.5	4%
Workday Practice	34.0	56.3	66%
Revenue	151.3	178.8	18%
Digital Services	49.0	48.9	0%
Workday Practice	20.1	35.0	74%
Gross profit	69.1	84.0	22%
Operating expenses	(45.9)	(56.9)	(24%)
Impairment loss on trade receivables	(0.1)	(1.8)	
Adjusted pre-tax profit	23.3	25.5	9%
Adjusted pre-tax profit margin	15%	14%	
Share based payments & acquisition costs	(2.2)	(2.4)	
Profit before tax	21.1	23.2	10%
Taxation	(4.2)	(4.6)	
Profit after tax	16.9	18.6	10%

Balance Sheet and Cashflow

Balance Sheet:

- Fixed assets and investments
 - IT, office equipment, investments etc. £3.4m (2019: £4.0m).
 - IFRS16 leases capitalised £4.5m (2019: N/A).
 - Land for office £7.4m (2019: N/A).
- Goodwill & intangible £7.2m (2019: N/A)
- Underlying trade receivables/WIP total 65 days (2019: 64 days).
- Increase in trade creditors and accruals £23.6m (2019: £21.4m).
- Significant cash reserves £40.8m.
 - Debt free.

Cashflow:

- Cash conversion 97%⁽¹⁾ (2019: 100% ⁽¹⁾).
 - Increase in WIP/debtors (20% of EBITDA) offset by deferred income (10% of EBITDA).
- Future HQ property funding requirements being paused.
- Interim dividend paid 3.5p. No final dividend declared.(2019: 9.3p).

BALANCE SHEET

As at 31 March (£m)	2019	2020
Fixed assets and investments	4.0	15.3
Goodwill and Intangible assets	-	7.2
Receivables and WIP	40.6	46.2
Other assets	4.0	3.9
Cash	42.5	40.8
Total assets	91.1	113.4
Liabilities	(42.9)	(54.3)
Shareholders' funds	48.2	59.2

CASHFLOW

£m	2019	2020
EBITDA²	24.4	28.4
Cash generated by operations	24.4	27.6
Cash Conversion	100%	97%
Taxation	(1.9)	(3.3)
Capital expenditure	(2.0)	(8.2)
Acquisitions of subsidiaries	-	(4.5)
Interest	0.1	0.3
Dividends	(8.9)	(12.1)
Payment of lease liabilities	-	(1.7)
Proceeds from issue of shares	1.9	0.3
Net cash (outflow)/inflow	13.5	(1.7)

¹ Cashflow from Operations (CFFO) divided by adjusted EBITDA

² EBITDA adjusted for share-based payments and acquisition related expenses

Segmental Reporting Change

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

2020 12 Months to 31 March	Digital Services £'000s	Workday Practice £'000s	Consolidated £'000s
Revenue	122,500	56,278	178,778
Cost of Sales	(73,580)	(21,237)	(94,817)
Gross Profit	48,920	35,041	83,961
Direct Expenses	(15,158)	(23,053)	(38,211)
Contribution	33,762	11,988	45,750
Central overheads			(20,234)
Adjusted pre-tax profit			25,516

2019 12 Months to 31 March	Digital Services £'000s	Workday Practice £'000s	Consolidated £'000s
Revenue	117,299	33,995	151,294
Cost of Sales	(68,299)	(13,890)	(82,189)
Gross Profit	49,000	20,105	69,105
Direct Expenses	(13,378)	(13,486)	(26,864)
Contribution	35,622	6,619	42,241
Central overheads			(18,920)
Adjusted pre-tax profit			23,321

Rationale for proposed change:

- Better balance 69%/31% compared to 84%/16%.
- Increasingly selling services and Smart together.
- Future Workday related products e.g. Adaptive Insights and Workday Cloud Platform are product and services.

Acquisition Accounting.

Successful integration of Adaptive Insights acquisitions.

Two acquisitions completed during FY20.

- Formulate (UK) in November 2019 and IntuitiveTEK (USA) in March 2020.
- Initial consideration - £6.6m (cash £4.6m during FY20, shares £1.6m).
- Deferred consideration (to be expensed) - £5.7m (cash £3.2m, shares £2.5m).

Accounting treatment.

- Goodwill (£3.2m) – no impairment during the year.
- Customer relationship intangible (£4.0m) – 10 year amortisation.

Implexa transaction.

- Not technically an acquisition under IFRS 3 – expensed to P&L.



WORKFORCE: 16 PEOPLE
HQ: WORCESTERSHIRE, UK
FOUNDED: 2016



WORKFORCE: 5 PEOPLE
HQ: HAMBURG, GERMANY
FOUNDED: 2014



WORKFORCE: 38 PEOPLE
HQ: COLORADO, USA
FOUNDED: 2010

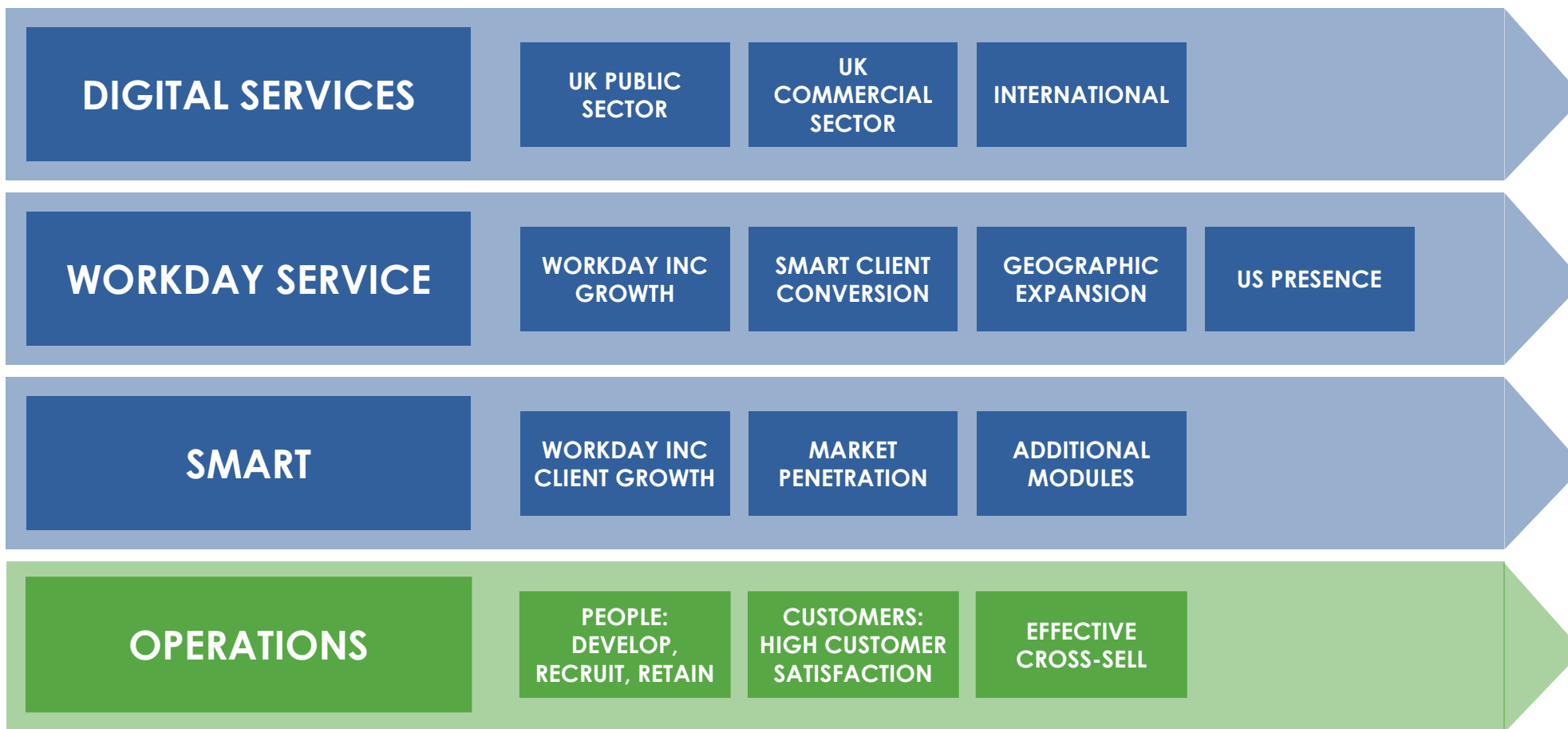
Looking Ahead





Growth Drivers

With positive end markets, our next phase of growth is all about execution.



Appendix

Full reconciliation between the previous and current segmental reporting

Divisional Reporting Change

Impact of change on financial years

Previous Segmental

2020 12months to 31 March	Digital Transformation £'000s	Workday Implementation £'000s	Digital Services £'000s	Smart £'000s	Evolve £'000s	Digital Platforms £'000s	Consolidated £'000s
Revenue	112,238	37,213	149,451	19,065	10,262	29,327	178,778
Cost of Sales	(67,437)	(16,341)	(83,778)	(4,896)	(6,143)	(11,039)	(94,817)
Gross Profit	44,801	20,872	65,673	14,169	4,119	18,288	83,961
Direct expenses ³			(28,135)			(10,076)	(38,211)
Contribution			37,538			8,212	45,750
Central overheads							(20,234)
Adjusted pre-tax profit							25,516

2019 12months to 31 March	Digital Transformation £'000s	Workday Implementation £'000s	Digital Services £'000s	Smart £'000s	Evolve £'000s	Digital Platforms £'000s	Consolidated £'000s
Revenue	109,847	22,740	132,587	11,255	7,452	18,707	151,294
Cost of Sales	(63,215)	(10,746)	(73,961)	(3,144)	(5,084)	(8,228)	(82,189)
Gross Profit	46,632	11,994	58,626	8,111	2,368	10,479	69,105
Direct expenses ⁴			(16,926)			(9,938)	(26,864)
Contribution			41,700			541	42,241
Central overheads ¹⁴							(18,920)
Adjusted pre-tax profit							23,321

New Segmental

2020 12months to 31 March	Digital Transformation £'000s	Evolve £'000s	Digital Services £'000s	Workday Implementation £'000s	Smart £'000s	Workday Practice £'000s	Consolidated £'000s
Revenue	112,238	10,262	122,500	37,213	19,065	56,278	178,778
Cost of Sales	(67,437)	(6,143)	(73,580)	(16,341)	(4,896)	(21,237)	(94,817)
Gross Profit	44,801	4,119	48,920	20,872	14,169	35,041	83,961
Direct expenses ²			(15,158)			(23,053)	(38,211)
Contribution			33,762			11,988	45,750
Central overheads							(20,234)
Adjusted pre-tax profit							25,516

2019 12months to 31 March	Digital Transformation £'000s	Evolve £'000s	Digital Services £'000s	Workday Implementation £'000s	Smart £'000s	Workday Practice £'000s	Consolidated £'000s
Revenue	109,847	7,452	117,299	22,740	11,255	33,995	151,294
Cost of Sales	(63,215)	(5,084)	(68,299)	(10,746)	(3,144)	(13,890)	(82,189)
Gross Profit	46,632	2,368	49,000	11,994	8,111	20,105	69,105
Direct expenses			(13,378)			(13,486)	(26,864)
Contribution			35,622			6,619	42,241
Central overheads							(18,920)
Adjusted pre-tax profit							23,321

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