



Computacenter plc 2025 Full Year Results

Computacenter plc ('Computacenter' or the 'Group'), a leading independent technology and services provider, today announces audited results for the year ended 31 December 2025.

Financial highlights	2025	2024	Change	Change in constant currency ¹
Technology Sourcing gross invoiced income (£m)	11,297.5	8,278.1	36.5%	37.8%
Services revenue (£m)	1,690.8	1,638.4	3.2%	2.9%
Gross invoiced income ¹ (£m)	12,988.3	9,916.5	31.0%	32.0%
Technology Sourcing revenue (£m)	7,503.1	5,326.4	40.9%	42.7%
Services revenue (£m)	1,690.8	1,638.4	3.2%	2.9%
Revenue (£m)	9,193.9	6,964.8	32.0%	33.2%
Gross profit (£m)	1,144.1	1,035.0	10.5%	11.0%
Gross margin (%)	12.4%	14.9%	-242bps	
Adjusted ¹ operating profit (£m)	274.7	246.7	11.3%	11.3%
Adjusted ¹ profit before tax (£m)	272.0	254.0	7.1%	7.0%
Adjusted ¹ diluted earnings per share (p)	175.1	159.9	9.5%	
Dividend per share (p)	74.6	70.7	5.5%	
Net cash inflow from operating activities (£m)	293.6	417.1	(29.6%)	
Adjusted ¹ net funds (£m)	606.0	482.2	25.7%	
Statutory measures	2025	2024	Change	
Operating profit (£m)	241.2	237.9	1.4%	
Profit before tax (£m)	238.5	244.6	(2.5%)	
Diluted earnings per share (p)	145.5	152.9	(4.8%)	
Net funds (£m)	426.2	352.7	20.8%	

¹Alternative performance measures (APMs) and other terms are used throughout this announcement. These are defined in full in the Appendix to this announcement.

Mike Norris, Chief Executive Officer, commented:

"Computacenter delivered a strong performance in 2025, with a double-digit increase in major customers and growth in both Technology Sourcing and Services.

"North America had an outstanding year with both enterprise and hyperscale customers, leading to profits nearly doubling and now accounting for nearly 40% of the Group. The UK was back to growth, and Germany's better second half performance was supported by a recovery in the public sector towards the end of the year. We have plans in place to improve our performance in France after a disappointing year.

"Cash generation was strong once again, providing us with the capacity to continue to invest in leading systems and to pursue targeted acquisitions. We were pleased to complete the acquisition of AgreeYa at the start of 2026, growing our professional services capability and broadening our offer to North American customers.

"We are well-placed for further strategic and financial progress in 2026, entering the year with a record number of major customers, a strong product order backlog, which has increased across all our geographies, and a clear focus on helping our customers realise the transformative benefits of IT."

Financial highlights

- Excellent Group gross invoiced income and revenue performance with growth in both Technology Sourcing and Services
- Gross margin decline reflects targeted growth in high-volume Technology Sourcing activity in North America



- Gross profit increased by 11.0% and adjusted operating profit by 11.3% in constant currency, driven by excellent growth in North America, solid growth in the UK, a robust performance in Germany, partly offset by a weak performance in France, as well as increased Group-wide investment to secure future growth
- Improved momentum across the year with record H2 adjusted operating profit, up 14.6% in constant currency
- Strong balance sheet position with adjusted net funds of £606.0m

Strategic and operational highlights

- Continued to deliver our strategic priorities of growing our target market customers, scaling our activities and empowering our people
- Strong progress in growing the number of customers generating over £1m of gross profit p.a., with a net 27 added across the Group since 31 December 2024 with major customers now totalling 215 (FY 2024: 188)
- Another record performance in North America driven by growth in enterprise and hyperscale customers, as we continued to take market share, with operating profits nearly doubling year on year; North America accounted for 39% of adjusted operating profit (before central costs) (FY 2024: 24%)
- UK returned to growth, while Germany delivered a stronger second half performance as public sector activity increased towards the end of the year, to achieve a result similar to 2024. France performed poorly, partly reflecting reduced hardware volume in the public sector
- Strong Professional Services revenue growth of 8.8% in constant currency, with UK and North America growing strongly and Germany stable
- Modest decline in Managed Services revenue with an improved pipeline of opportunities
- Product order backlog at 31 December 2025 of £7.1bn, up 200.3% year on year in constant currency, driven by continued strong Technology Sourcing order intake in North America and the UK

Capital allocation

- £46.2m of Group-wide investments (FY 2024: £36.8m) to improve our capabilities, enhance productivity and secure future growth
- Acquisition of Agreeya for US\$120m, completed at start of 2026, growing our professional services capability in North America and India
- Final dividend increased by 7.6% bringing total dividend growth of 5.5% to 74.6p, in line with our dividend policy
- Over £1bn of capital distributed to shareholders since 2013

Outlook

- We exited 2025 in a strong position with a record committed product order backlog of £7.1bn with growth in all geographies
- Looking to 2026, while we remain mindful of the uncertain macroeconomic and political environment, as well as the hardware component shortages currently affecting the IT industry, we are confident in our ability to navigate these challenges. Therefore, we expect to make further strategic and financial progress on an organic basis, enhanced by the acquisition of AgreeYa.

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About Computacenter

Computacenter is a leading independent technology and services provider, trusted by large corporate and public sector organisations. We are a responsible business that believes in sustainable long-term value creation. We help our customers to Source, Transform and Manage their technology infrastructure to deliver digital transformation, enabling people and their business. Computacenter plc is a public company quoted on the London Stock Exchange (CCC.L) and a member of the FTSE 250. Computacenter employs over 21,000 people worldwide.

DISCLAIMER – FORWARD LOOKING STATEMENTS

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'plans', 'projects', 'should' or 'will', or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, amongst other things, results of operations, prospects, growth, strategies and expectations of its respective businesses.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations and the development of the markets and the industry in which they operate or are likely to operate and their respective operations may differ materially from those described in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the results of operations and the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, those risks in the risk factor section of the Computacenter plc 2024 Annual Report and Accounts, as well as general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations or advancements in research and development.

Forward-looking statements speak only as of the date of this announcement and may, and often do, differ materially from actual results. Any forward-looking statements in this announcement reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy. Neither Computacenter plc nor any of its subsidiaries undertakes any obligation to update the forward-looking statements to reflect actual results or any change in events, conditions or assumptions or other factors unless otherwise required by applicable law or regulation.



Chief Executive Officer's review

Strong 2025 performance

Computacenter delivered a strong performance in 2025, as we executed well on our strategic priorities of growing our target market customers, scaling our activities and empowering our people. Our 20,000 colleagues worldwide drive our success through their commitment to our customers and I thank them all for their contribution.

The combination of our leading Technology Sourcing and Services capability and our geographic diversity contributed to our success in 2025. We are pleased to have delivered growth and taken market share, amidst considerable macroeconomic and political uncertainties across our regions that has led to fluctuating IT demand. We were delighted to end 2025 with a record number of major customers, setting us up well for the year ahead.

The Group increased revenue by one third, driven largely by an outstanding performance in North America Technology Sourcing. This converted into 11.0% growth in gross profit and 11.3% growth in adjusted operating profit in constant currency, even while increasing the level of investment in Group-wide initiatives.

Cash generation exceeded our expectations and our balance sheet remains extremely strong, ending the year with £606.0m of adjusted net funds. Since 2013, Computacenter has distributed over £1bn in capital to shareholders via dividends and special returns, while continuing to invest organically for the long term and creating value through targeted acquisitions, which have increased our geographic diversity and long-term growth opportunity. At the start of 2026 we were pleased to complete the acquisition of AgreeYa, a focused professional services business, for US\$120m, and we welcome our new colleagues in North America and India to the Group.

Delivering on the North America growth opportunity and returning to growth in the UK

In North America, we delivered another record year with operating profit nearly doubling. This was achieved through a combination of buoyant hyperscale customer demand as well as growth with enterprise customers across a variety of sectors. Since our first acquisition in late 2018, North America has grown to become a material profit contributor, accounting for 39% of Group operating profit (before central costs) during the year, up from 24% in 2024. We remain excited about both the scale of the market opportunity in North America and our ability to grow ahead of the market.

While North America was the standout performer of the year, we are also pleased to see the UK return to growth after a more challenging period. We are now starting to see the benefits of a more targeted approach and greater proximity to customers, leading to both improved financial performance and a growing number of major customers.

Germany resilient in the face of subdued public sector

Political change in Germany and France led to a subdued public sector, which is an important driver for our business in both geographies. Germany recovered strongly in the second half, following a softer first half performance, with public sector activity returning towards the end of the year following budget approval, leading to a similar result to 2024 for the year. The strength and depth of our public sector relationships mean we are well positioned ahead of the expected increase in government investment over the coming years.

Our performance was disappointing in France, where the market was weak. We need a sharper and more focused approach. Increasing the volume of business with the private sector, to bring greater balance to our customer portfolio, while at the same time reducing legacy costs associated with the acquisition of BT Services, are key priorities for 2026 and beyond. We expect market conditions to remain challenging for France in 2026.

Strong growth in major customers

We were pleased to see customer satisfaction scores across the Group improve further, reflecting our ongoing commitment to listening, learning and improving through structured engagement. We ended



the year with 215 major customers on a trailing 12-month basis, a net gain of 27 from last year, marking our highest growth in five years and with an increase recorded across all regions. Growing the number of major customers in our target market of large corporate and public sector customers ensures greater resilience and underpins our long-term growth. We see significant growth opportunities in this target market across all of our geographies.

Technology Sourcing – buoyant demand for AI-related infrastructure and applications

Technology Sourcing revenue growth of 42.7% in constant currency was largely fuelled by North America, where we have grown networking and data center volumes with both enterprise and hyperscale customers.

The AI landscape continues to evolve quickly, and organisations in all sectors face the same challenge of how best to realise AI's potential, in line with their business imperatives. We are uniquely positioned to enable AI advantage from end-to-end. Our services span the whole infrastructure estate and the entire technology lifecycle, from advisory and solution design to implementation, optimisation and support.

As is evident from the growth we have delivered in both North America and the UK, technology customers are investing more than ever in AI-centric infrastructure. We deliver a high-quality service for customers investing in data centers, based on our expertise in high-performance computing, networking, low-latency storage, data center infrastructure and software components.

Typically, large organisations run hybrid IT structures that combine cloud and on-premises infrastructure. In 2025 we have seen some customers moving part of their workloads back from public cloud to on-premises environments, as they look to secure predictability of supply, manage costs, and address increasing demand for data sovereignty, control, and compliance. We are extremely well-suited to help them design, deploy and integrate their evolving IT estates.

In Europe, we achieved growth in all technology areas, with notably strong performances in data center and workplace, supported by the end of free Windows 10 support in October 2025.

Services growth driven by Professional Services

Total Services revenue grew by 2.9% in constant currency, driven by 8.8% growth in Professional Services and a modest decline in Managed Services. We managed our Services gross margin effectively during the year, which increased by 14 basis points.

Professional Services growth was particularly strong in the UK, increasing by 27.6%, while Germany, our largest source of revenue and growth in recent years, was stable due to lower public sector activity. We made a commitment from the start of 2024 to grow and enhance Professional Services by having a broader and more scalable portfolio across all countries, based on a common operating framework and a stronger sales approach. We are seeing the benefits of this initiative, with Germany well positioned for a public sector recovery, the UK growing strongly, and another strong performance in North America, leveraging our expertise in hyperscale data center deployment. The acquisition of AgreeYa broadens our professional services capability for customers in North America and increases our annual Professional Service revenue in North America to over \$350m. Professional Services has been a strong driver of growth for Services in recent years, and we see it as an important future source of profitable growth for the Group.

Our Managed Services portfolio performed largely as expected. Group revenue declined by 2.4% in constant currency, with increases in Germany, Western Europe and North America offset by a decline in the UK, partly reflecting our decision to exit non-core data center hosting contracts. Following investment in sales development, we have grown our Managed Services pipeline substantially. We won significant contracts during the year in the defence, retail and professional services sectors, and continue to focus on converting the pipeline and improving our win rate to underpin growth further out, while further improving our efficiency by leveraging our systems investments. Of the two underperforming contracts we noted in 2024, following remedial action one is now profitable, while we remain focused on improving the performance of the other.



Continued investment in Group-wide systems

We continue at pace with the rollout of our Group-wide investments to upgrade our systems, improve our capabilities and deliver efficiency benefits. This investment increased operating costs by £9.4m year on year to £46.2m (2024: £36.8m).

We have made good progress moving our Service Desks onto a common platform, migrating from our legacy service management tool to a new platform and building new functionality within it for our modern workplace solutions. We are upgrading all our Integration Centers across the world to a new standard. This includes the latest warehouse management software, a Group standard for configuration, new scanning functionality and a more sophisticated capability for courier integration. We have finished the rollout of our CRM system and have largely completed the implementation of a new configuration and pricing tool. In North America, we completed the migration of our final tranche of customers onto our Group-wide ERP system, this year bringing all historical acquisitions on board. We are now in the design phase as we prepare to upgrade our current ERP system to a new cloud-based version. At the same time, we continue to invest significantly in our cybersecurity framework.

In 2026 we expect an increase in Group capital expenditure to approximately £85m, driven by a new automated Integration Center in Atlanta which we plan to open in 2027, and a significant increase in ERP design work ahead of Group-wide implementation.

Outlook – record order backlog, expecting further progress in 2026

Order intake during the second half has remained strong, especially in North America, and we exited 2025 in a strong position with a record committed product order backlog of £7.1bn, with growth in all geographies.

Looking to 2026, while we remain mindful of the uncertain macroeconomic and political environment, as well as the hardware component shortages currently affecting the IT industry, we are confident in our ability to navigate these challenges. Therefore, we expect to make further strategic and financial progress on an organic basis, enhanced by the acquisition of AgreeYa.

Looking further ahead, we are excited by the pace of innovation and growth in demand for technology. With our strength in Technology Sourcing, Professional Services and Managed Services, our market-leading international coverage and our focus on retaining and maximising customer relationships over the long term, we believe that we are well placed to deliver profitable growth and sustained cash generation.

Technical guidance for 2026:

- Central costs (including Group-wide investments) expected to be £60–65m
- Adjusted effective tax rate expected to be 29.5%–31.5%
- Capex expected to be c.£85m with the increase reflecting a new Integration Center in Atlanta and ERP design phase
- Dividend cover of 2–2.5x adjusted diluted EPS

Our strategic focus

Focus on target market customers: We focus only on a target market of the largest corporate and public sector organisations in each of our sales countries. These target market customers require us to offer significant flexibility to meet their specific needs, while also being competitive in each part of our portfolio. We invest in sales and customer engagement teams to build long-term relationships which earn customer loyalty. We work hard to get to know our customers, understand their needs and put them at the heart of everything we do.

Build Service Line scale and competitive advantage: We want to be the logical choice for our target market customers in the activities on which we focus. Our Service Lines of Technology Sourcing, Professional Services and Managed Services are focused on building and leveraging capabilities to meet customer needs efficiently and consistently, and to build economic advantage.



Empower our people: We work hard to understand the needs of our customers and empower our customer-facing people to make responsible decisions that help us meet the needs of our customers faster. This is an essential part of our culture and helps to differentiate us from our competition, ensuring that we are focused on the needs of our target market customers and that our investments deliver an effective return. We empower our customer-facing people, while ensuring that all decisions are taken within a clear governance framework, supported by strong customer profitability reporting and clear remuneration plans.

We measure our strategic progress as follows:

Customer relationships: retain and maximise the relationships with our large corporate and public sector customers over the long term

In 2025, we finished with 215 customers generating over £1m of gross profit, a net increase of 27 from the previous year. Furthermore, the growth was spread across all of our geographies, with a mix of existing and new customers and all resulting from organic growth. This broader base of major customers generated gross profit growth of 11.0% in 2025 in constant currency.

Services growth: delivering additional value to customers through Services

In 2025, we grew Services revenue by 2.9% in constant currency, in a market where several services competitors have seen revenue declines. Group Professional Services revenue grew strongly by 8.8% in constant currency, with particularly good growth in the UK and North America. After many years of strong performance, Germany was stable, reflecting lower levels of public sector activity. We have organised our Professional Services resources into a single Group Service Line, to provide the necessary focus and to leverage our success in Germany across the Group, and we are seeing the benefits of a more consistent approach. We believe there is a large market opportunity across our Professional Services portfolio and that we can grow Professional Services across the Group significantly. Group Managed Services revenue declined by 2.4% in constant currency, with growth in Germany, Western Europe and North America, offset by a 6.2% decline in the UK. We renewed a number of large contracts during the year and have a substantial pipeline of opportunities.

Operating efficiency: increase the adjusted operating profit we retain as a proportion of our gross profit

Operating efficiency is an important driver of value for the Group. We use gross profit conversion as the best overall productivity measure for our business across all our activities. It measures how much of our gross profit we convert into adjusted operating profit and helps show how effectively we use our scale to improve operational leverage.

Gross profit conversion increased slightly to 24.0% in 2025 from 23.9% in 2024, driven by an 11.0% increase in gross profit and an 11.3% increase in adjusted operating profit, all in constant currency. The slight increase in gross profit conversion was primarily driven by our excellent performance in North America, partly offset by the weak performance in France and increased Group-wide investments. We believe this investment is essential to underpin our long-term competitiveness and we expect it to continue at a similar level in 2026. We believe our ambition of achieving gross profit conversion of over 30% in the medium term can be delivered through a combination of revenue growth and realising scale benefits from our Group Operating Model.



Trading reviews by geography

United Kingdom

Results	2025 £m	2024 £m	Change
Technology Sourcing gross invoiced income	2,332.8	1,758.6	32.7%
Services revenue	478.3	452.8	5.6%
Total gross invoiced income	2,811.1	2,211.4	27.1%
Technology Sourcing revenue	940.9	705.3	33.4%
Services revenue	478.3	452.8	5.6%
Professional Services revenue	201.9	158.2	27.6%
Managed Services revenue	276.4	294.6	(6.2%)
Total revenue	1,419.2	1,158.1	22.5%
Gross profit	264.0	230.8	14.4%
Adjusted administrative expenses	(221.7)	(190.1)	16.6%
Adjusted operating profit	42.3	40.7	3.9%

The UK delivered an improved result in a market that remains relatively subdued. Total gross invoiced income increased by 27.1%, driven by strong growth in Technology Sourcing and solid growth in Services revenue. Total revenue increased by 22.5%, reflecting faster growth in hardware, including AI-related infrastructure. Gross profit increased strongly by 14.4% with gross margin on a revenue basis decreasing by 133 basis points, reflecting change in product mix. Administrative expenses increased by 16.6%, largely driven by higher commissions and ongoing investment in training, resulting in adjusted operating profit increasing by 3.9%. Adjusted operating profit in the second half decreased by 8.4%, largely reflecting a more challenging second half comparison, an additional provision for an underperforming managed services contract, as well as the fulfilment of some orders moving into 2026.

We are seeing the benefits of a more-focused approach on our target market of large corporate and public sector organisations, with our greater proximity to customers delivering growth in Technology Sourcing and Professional Services, and an encouraging Managed Services pipeline. We increased the number of major customers by nine year on year to 63.

We were also pleased to deliver more high-performance AI-related infrastructure projects. We continue to win business based on our ability to deliver complex logistics and deployment solutions at pace, and we are excited by the pipeline of near-term opportunities in this area. To support our growth with hyperscale customers we are investing in high-performance cooling infrastructure at our Hatfield Integration Center, to support efficient pre-staging, configuration and testing. The new facilities are expected to be completed by mid-2026.

Technology Sourcing

Technology Sourcing gross invoiced income increased strongly by 32.7% reflecting a higher mix of AI data center product, with gross margin decreasing by 199 basis points as a result. During the period we completed large data center projects in Norway and Iceland for leading European AI infrastructure companies. Demand for workplace hardware also improved during the year ahead of the end of free support for Windows 10 in October 2025. The committed product order backlog at 31 December 2025 was £1,389.0m, representing a 225.5% increase since 31 December 2024 (£426.7m), driven by large data center contract wins in the second half of the year.

Services

Services revenue increased by 5.6%, driven by accelerated growth, in Professional Services, up 27.6%, partly offset by a 6.2% decline in Managed Services. Gross margin increased by 7 basis points.



Professional Services delivered another excellent performance, driven by good demand in workplace, cyber, cloud & applications, including significant transformation projects with a large public sector customer. The pipeline for Professional Services remains healthy.

In Managed Services, our decision to exit a small number of non-core data center hosting contracts added to a modest underlying decline in revenue. A large public sector contract that was secured at the end of 2023 successfully went live during 2025. While the transition period was longer than originally expected, we have won additional Professional Services and Technology Sourcing business from the customer. We were also pleased to win new contracts in defence, retail and professional services. The underperforming contract, highlighted last year, continued to have a negative impact, and we continue to focus on improving performance. Our pipeline has grown significantly, with our Device Lifecycle Management proposition continuing to generate strong interest with existing and new customers.

Germany

Results	2025 £m	2024 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	2,216.6	1,909.4	16.1%	14.1%
Services revenue	765.2	752.1	1.7%	0.6%
Total gross invoiced income	2,981.8	2,661.5	12.0%	10.3%
Technology Sourcing revenue	1,344.1	1,234.6	8.9%	7.0%
Services revenue	765.2	752.1	1.7%	0.6%
Professional Services revenue	412.5	407.5	1.2%	-
Managed Services revenue	352.7	344.6	2.4%	1.2%
Total revenue	2,109.3	1,986.7	6.2%	4.6%
Gross profit	389.5	366.2	6.4%	4.8%
Adjusted administrative expenses	(232.2)	(209.3)	10.9%	9.7%
Adjusted operating profit	157.3	156.9	0.3%	(1.8%)

Germany's full-year performance was robust, with a stronger second half compensating for a softer first half. As anticipated, public sector volumes were subdued in the first half following political changes in late 2024 but recovered strongly towards the end of 2025. Total gross invoiced income increased by 10.3% in constant currency, driven by growth in Technology Sourcing and slight growth in Services revenue. Gross profit increased by 4.8% in constant currency, with gross margin on a revenue basis increasing slightly by 3 basis points, reflecting an increase in Technology Sourcing, broadly offset by a decrease in Services margin. Administrative expenses increased by 9.7% in constant currency, largely reflecting higher staff costs, resulting in a modest decline in adjusted operating profit of 1.8% in constant currency. Adjusted operating profit in the second half increased by 7.5% in constant currency and 12.1% on a reported basis.

In the context of a challenging economic backdrop and temporarily weaker public sector activity, we have taken market share. The breadth and depth of our portfolio and capabilities combined with the strength of our relationships with both public and corporate sector customers mean we are well placed to take advantage of the expected increase in spending on infrastructure, including digital infrastructure, over the coming years. We increased the number of major customers by one year on year to 67, accompanied by an improvement in customer satisfaction scores.

Technology Sourcing

Technology Sourcing gross invoiced income increased by 14.1% in constant currency, with software growing faster than hardware. Following the federal budget approval in September, we saw increased



demand for IT infrastructure and service procurement through our framework agreements with federal authorities, resulting in a strong year-end performance.

We delivered growth across all technology areas during the year, with particularly strong growth in data center and cloud & applications. Technology Sourcing gross margin increased by 28 basis points.

We continue to see a trend towards bundling procurements in bigger framework contracts, especially for global requirements of large international customers and infrastructure demand from our major public sector clients. For example, we were awarded a significant multi-year workplace project with a large technology business, as well as several new multi-year public sector frameworks.

The committed product order backlog at 31 December 2025 was £360.3m, a 31.8% increase in constant currency since 31 December 2024 (£273.4m).

Services

Services revenue increased 0.6% in constant currency, with Professional Services unchanged and Managed Services 1.2% ahead. Services gross margin decreased by 32 basis points.

Professional Services performance was solid, considering the importance of the public sector and the lower levels of activity experienced during the year that led to lower utilisation of our consultants and engineers. We continued to see demand for project support and skills from our corporate customers, especially in networking and security, data center consolidation and cloud management, as well as for expanding modern workplace infrastructures. In addition, we are increasingly seeing a need for comprehensive advice on the use of AI in general and AI-related infrastructure.

Managed Services revenue growth improved slightly, with the portfolio of contracts performing as anticipated. The underperforming contract highlighted last year, was stabilised following remedial action, making a positive contribution in the second half. Towards the end of the year, we commenced a significant contract to provide IT services and logistics within the defence sector and looking further ahead, we have a strong pipeline, particularly in workplace, networking and security, where we are very well positioned.

Western Europe

Results	2025 £m	2024 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	1,055.3	971.7	8.6%	7.1%
Services revenue	228.5	228.6	-	(1.3%)
Total gross invoiced income	1,283.8	1,200.3	7.0%	5.5%
Technology Sourcing revenue	550.7	590.7	(6.8%)	(8.0%)
Services revenue	228.5	228.6	-	(1.3%)
Professional Services revenue	57.7	62.2	(7.2%)	(8.3%)
Managed Services revenue	170.8	166.4	2.6%	1.2%
Total revenue	779.2	819.3	(4.9%)	(6.2%)
Gross profit	102.7	118.5	(13.3%)	(14.8%)
Adjusted administrative expenses	(110.5)	(104.8)	5.4%	3.9%
Adjusted operating profit	(7.8)	13.7	nm	nm

Western Europe consists of France, Belgium, the Netherlands and Switzerland. Western Europe delivered a disappointing performance, mainly driven by a weak result in France. Total gross invoiced income increased by 5.5% in constant currency, with growth in Technology Sourcing accompanied by a



slight decline in Services revenue. Total revenue decreased by 6.2%, reflecting lower demand for hardware and a higher mix of software. Gross profit decreased by 14.8% in constant currency, with gross margin on a revenue basis down 128 basis points. Technology Sourcing gross margin decreased by 161 basis points, with Services gross margin down 17 basis points. Administrative expenses increased by 3.9% in constant currency, resulting in an adjusted operating loss of £7.8m. Across Western Europe the number of major customers increased by four year on year to 26.

France was significantly weaker, reflecting softer than expected public sector activity following political change and a difficult economic backdrop, resulting in poor demand for hardware. Gross invoiced income increased, driven by growth in Technology Sourcing offsetting a decline in Services revenue. Technology Sourcing growth was driven by an increase in sales of lower-margin workplace software, following awards of public sector software frameworks. Technology Sourcing revenue declined reflecting lower hardware sales. Managed Services and Professional Services revenue were softer, with a stable margin performance. Encouragingly, customer satisfaction continues to increase and we grew the number of major customers during the year. Our key priorities for 2026 and beyond are to increase the volume of business with the corporate sector, to bring greater balance to our customer portfolio, while reducing legacy costs associated with the acquisition of BT Services. We expect market conditions to remain challenging for France in 2026.

Since the beginning of 2025, Belgium and the Netherlands have been operating as a single structure, fully integrated into the Computacenter operating model. We see clear benefits from creating a larger entity to engage with our vendor partners more effectively and to provide customers with better access to Computacenter's Group capabilities.

Belgium's performance was below the prior year against a strong comparative, largely reflecting a change in vendor terms. Technology Sourcing grew strongly, reflecting a better second half driven by projects across workplace, network, and data centers. Services also grew, driven by strong growth in Managed Services underpinned by a global customer in the financial settlement services industry that was onboarded in 2024, as well a recent win of a multinational materials and composites company. We remain optimistic about public sector opportunities following multi-year technology framework wins last year and a number of tenders to which we have responded during the year.

The Netherlands delivered a stable performance against the prior year, driven by a much stronger performance in Technology Sourcing during the second half, mainly through public frameworks. We were pleased to secure a five-year Technology Sourcing framework contract renewal with a large international energy company. We have invested in sales capability to target both public sector and enterprise opportunities. While the market remains competitive, we are optimistic that the new operating structure and investment in sales will lead to improved performance.

Switzerland delivered an improved result, driven by a stronger performance in Managed Services as volumes continue to increase for our key contracts, outweighing a softer performance in Technology Sourcing. Following the recent integration with our German operations, we are focused on acquiring target customers headquartered in Switzerland and deepening relationships with vendor partners.

The combined committed product order backlog at 31 December 2025 was £331.9m, an 117.3% increase in constant currency since 31 December 2024 (£152.7m), mainly driven by France and the Netherlands.



North America

Results	2025 £m	2024 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	5,677.6	3,632.8	56.3%	62.0%
Services revenue	207.3	180.8	14.7%	18.6%
Total gross invoiced income	5,884.9	3,813.6	54.3%	60.0%
Technology Sourcing revenue	4,652.7	2,790.6	66.7%	72.8%
Services revenue	207.3	180.8	14.7%	18.6%
Professional Services revenue	175.1	150.4	16.4%	20.4%
Managed Services revenue	32.2	30.4	5.9%	9.5%
Total revenue	4,860.0	2,971.4	63.6%	69.5%
Gross profit	356.6	280.7	27.0%	31.7%
Adjusted administrative expenses	(227.0)	(208.4)	8.9%	12.5%
Adjusted operating profit	129.6	72.3	79.3%	87.8%

North America had an outstanding year, delivering another record performance, with growth across all Service Lines. Gross invoiced income increased by 60.0% in constant currency, driven by excellent growth in Technology Sourcing. Gross profit increased by 31.7% in constant currency, with gross margin on a revenue basis decreasing by 211 basis points, reflecting a higher proportion of hyperscale and AI volume during the period. Administrative expenses increased by 12.5% in constant currency, largely reflecting higher variable compensation, resulting in adjusted operating profit increasing by 87.8% in constant currency. Adjusted operating profit in the second half increased by 83.0% in constant currency and 74.2% on a reported basis, against a stronger comparative than the first half.

Pleasingly our growth and market share gains were driven by a combination of customer AI infrastructure investments as well as more traditional enterprise and state government projects. We increased the number of major customers by 13 to 59 year on year. We continue to add targeted sales capacity externally and invest in long-term success through our sales training programme, which has recently welcomed a third annual class. These investments help us capitalise on the significant market opportunity we see for both the short and long term. We completed the migration of our final tranche of customers onto our Group-wide ERP system this year, bringing all historical acquisitions on board.

We are excited by the acquisition of AgreeYa Solutions, which completed in January 2026. AgreeYa is a technology solutions partner, headquartered in Folsom, CA, that has been providing professional services to enterprise customers across the United States for over 26 years. It serves large customers in a range of markets including telecommunications, financial services, professional services and state/local government. The company has over 600 people in the United States and over 800 in India (including contract staff). AgreeYa reported consolidated revenue (all professional services) in 2025 of approximately \$120m with adjusted EBITDA of approximately \$14m. The addition of AgreeYa to Compucenter North America is expected to increase Compucenter's annualised North American Professional Services revenue to over \$350m.

Technology Sourcing

Technology Sourcing gross invoiced income increased by 62.0% in constant currency and gross margin decreased by 231 basis points, due to the increased mix of hyperscale customer volume during the period. Alongside significant AI infrastructure volume for hyperscale customers, we also grew our volumes with the majority of our top existing customers across a variety of sectors including healthcare, financial services, retail, business services and state government, supported by our new logo programme.



Our ability to design, procure, integrate and deploy IT infrastructure at scale and at speed means we are extremely well placed to meet the needs of hyperscale and enterprise customers. Selling more to existing customers, acquiring new customers and developing sales capacity remain a focus.

We continue to invest in the business, including a new Integration Center in Atlanta to support our growth. The facility will leverage the latest robotics technology and has automation built into the core design and is expected to open in mid-2027.

The committed product order backlog at 31 December 2025 was £5,042.3m, a 231.9% increase in constant currency since 31 December 2024 (£1,519.2m). We are particularly pleased by the growth in the backlog, even after high levels of project completions during the year, reflecting ongoing demand and strong sales execution.

Services

Services revenue increased by 18.6% in constant currency, reflecting a 20.4% increase in Professional Services and a 9.5% increase in Managed Services. Services gross margin increased by 593 basis points, driven by strong growth in data center deployment. We continue to focus on leveraging Group-wide tools, expertise and systems to deliver long-term Services growth and look forward to leveraging the new Professional Services capabilities that the recently acquired AgreeYa brings to North America.

Professional Services revenue grew strongly, reflecting higher workloads in the technology, retail and financial services. Our backlog continues to benefit from a very large data center project for a hyperscale customer, where we are helping to build the world's largest AI cluster. Leveraging our unique value proposition and scale, we continue to target additional customers building AI data centers. We are also seeing good Professional Services demand from our enterprise customers. As the AgreeYa services capabilities are integrated, we expect to selectively drive additional services into our enterprise customers. The AgreeYa services are a natural extension to Computacenter North America's historic strength in infrastructure-related offerings.

Managed Services revenue grew well following new customer wins last year. Wins during the year include a leading video gaming company on the West Coast and a financial services company on the East Coast.

Chief Financial Officer's review

In 2025, the Group delivered a strong result driven by a record second half performance. We achieved a 32.0% increase in gross invoiced income in constant currency, driven by 37.8% growth in Technology Sourcing. Significant momentum in North America from both enterprise and hyperscale customers, combined with an improved performance in the UK and a robust result in Germany, as public sector recovered in the second half, outweighed a weak performance in France. As a result adjusted operating profit increased by 11.3% to £274.7m (2024: £246.7m), with adjusted diluted earnings per share increased by 9.5% to 175.1p (2024: 159.9p).

Cash flow generation was again exceptionally strong and we ended the year with adjusted net funds of £606.0m. This reflects disciplined working capital management, strong collections and some early customer payments. Our balance sheet strength and continued cash generation provide us with the financial platform to deliver on all of our strategic priorities.

Gross invoiced income and revenue

Total gross invoiced income increased by 31.0% and by 32.0% in constant currency, while total revenue increased by 32.0% and by 33.2% in constant currency, largely driven by strong growth in Technology Sourcing in North America.

Group Technology Sourcing gross invoiced income increased by 37.8% in constant currency, while driven by an excellent performance in North America which grew by 62.0% in constant currency. Group Services revenue increased by 2.9% in constant currency.



Professional Services revenue grew by 8.8% in constant currency and accounted for 50% of total Services revenue. The UK delivered another year of strong growth, increasing by 27.6%, with North America growing by 20.4%. Germany, our largest source of Professional Services revenue, was stable in constant currency, reflecting more subdued public sector activity, especially in the first half of the year. Managed Services revenue declined by 2.4% in constant currency and accounted for 50% of total Services revenue. Slight growth in Germany, Western Europe and good growth in North America was outweighed by a 6.2% decline in the UK.

Gross profit

Gross profit increased by 10.5% and by 11.0% in constant currency, following the increase in gross invoiced income that outweighed a decline in gross margin. Group gross margin on a revenue basis decreased by 242 basis points to 12.4%, reflecting a 257 basis points decrease in Technology Sourcing, mainly due to the growth in high-volume, lower-margin Technology Sourcing business in North America, and a 14 basis points increase in Services.

Operating profit

Operating profit increased by 1.4% to £241.2m (2024: £237.9m). Administrative expenses increased by 10.1% to £879.5m (2024: £798.9m). During the year we incurred an impairment loss of £20.2m related to the underperformance of our business in France, as detailed below. This charge is not reflected in our adjusted results.

Adjusted operating profit increased by 11.3% to £274.7m (2024: £246.7m), and by the same amount in constant currency. The impact of foreign exchange movements on translating foreign currency results into sterling was neutral in the full year, with the £2.4m adverse impact in the first half reversing in the second half of the year.

Adjusted administrative expenses increased by 10.3% to £869.4m (2024: £788.3m) and by 10.8% in constant currency, reflecting higher variable compensation payments, rises in employee-related costs and increased Group-wide investment. During the year, we increased our spend on Group-wide investments by 25.5% to £46.2m (2024: £36.8m), as detailed below.

Our normal operational review cycle highlighted a small number of underperforming contracts for which provisions have been made, impacting our Services margins. Our customer contract provisions have therefore increased from £5.0m at 31 December 2024 to £14.8m at 31 December 2025. While it is disappointing when contracts do not meet our financial expectations, the rest of our portfolio is performing as anticipated, and with operational remediation ongoing, we consider the provisions made to be sufficient to cover any future losses through to the end of life of these contracts.

Group operating efficiency, expressed as adjusted operating profit as a percentage of gross profit, increased slightly, in constant currency, to 24.0% (2024: 23.9%).



	2025 £m	2024 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	11,297.5	8,278.1	36.5%	37.8%
Services revenue	1,690.8	1,638.4	3.2%	2.9%
Total gross invoiced income	12,988.3	9,916.5	31.0%	32.0%
Technology Sourcing revenue	7,503.1	5,326.4	40.9%	42.7%
Services revenue	1,690.8	1,638.4	3.2%	2.9%
Professional Services revenue	847.2	778.3	8.9%	8.8%
Managed Services revenue	843.6	860.1	(1.9%)	(2.4%)
Total revenue	9,193.9	6,964.8	32.0%	33.2%
Gross profit	1,144.1	1,035.0	10.5%	11.0%
Adjusted administrative expenses	(869.4)	(788.3)	10.3%	10.8%
Adjusted operating profit	274.7	246.7	11.3%	11.3%
Net adjusted finance income/(costs)	(2.7)	7.3		
Adjusted profit before tax	272.0	254.0	7.1%	7.0%
Adjusted diluted earnings per share (p)	175.1	159.9	9.5%	
Gross profit	1,144.1	1,035.0	10.5%	
Administrative expenses	(879.5)	(798.9)	10.1%	
Loss on impairment	(20.2)	–		
(Costs)/gain related to acquisitions	(3.2)	1.8		
Operating profit	241.2	237.9	1.4%	
Net finance income/(costs)	(2.7)	6.7		
Profit before tax	238.5	244.6	(2.5%)	
Diluted earnings per share (p)	145.5	152.9	(4.8%)	

Central corporate costs

Central corporate costs primarily include the costs of the Board, related public company costs, Group Executive members not aligned to a specific geographic trading entity, and the cost of centrally-funded strategic initiatives that benefit the whole Group. Accordingly, these expenses are disclosed separately as central corporate costs, within the Segmental note. These costs are borne within the Computacenter (UK) Limited legal entity and have been removed for Segmental reporting and performance analysis but form part of the overall Group adjusted administrative expenses. Total central corporate costs increased by 21.4% to £61.8m (2024: £50.9m).

Within this:

- Board expenses, related public company costs, and costs associated with Group Executive members not aligned to a specific geographic trading entity, increased to £13.4m (2024: £13.1m);
- Share-based payment charges associated with Group Executive members as identified above, including the Group Executive Directors, increased to £2.2m in 2025 (2024: £1.0m); and
- Group-wide investments, as we continue to upgrade our systems, toolsets and cyber resilience totalled £46.2m, up 25.5% over 2024 (£36.8m).



Net finance cost

Net finance cost in the year amounted to £2.7m (2024: income of £6.7m). The reduction since 2024 was largely expected following the share buyback completed in the second half of 2024. Included within the net finance cost was £9.3m of interest charged on lease liabilities recognised under IFRS 16 (2024: £5.8m). On an adjusted basis, net finance cost was £2.7m (2024: income of £7.3m).

Reconciliation to adjusted measures for 2025

	Reported full-year results £m	Adjustments			Adjusted full-year results £m
		Principal element on agency contracts £m	Amortisation of acquired intangibles £m	Exceptionals and others £m	
Revenue	9,193.9	3,794.4	–	–	12,988.3
Cost of sales	(8,049.8)	(3,794.4)	–	–	(11,844.2)
Gross profit	1,144.1	–	–	–	1,144.1
Administrative expenses	(879.5)	–	10.1	–	(869.4)
Loss on impairment	(20.2)	–	–	20.2	–
Costs related to acquisition	(3.2)	–	–	3.2	–
Operating profit	241.2	–	10.1	23.4	274.7
Finance income	12.4	–	–	–	12.4
Finance costs	(15.1)	–	–	–	(15.1)
Profit before tax	238.5	–	10.1	23.4	272.0
Income tax expense	(81.4)	–	(1.6)	(0.7)	(83.7)
Profit for the year	157.1	–	8.5	22.7	188.3

Reconciliation to adjusted measures for 2024

	Reported full-year results £m	Adjustments			Adjusted full-year results £m
		Principal element on agency contracts £m	Amortisation of acquired intangibles £m	Exceptionals and others £m	
Revenue	6,964.8	2,951.7	–	–	9,916.5
Cost of sales	(5,929.8)	(2,951.7)	–	–	(8,881.5)
Gross profit	1,035.0	–	–	–	1,035.0
Administrative expenses	(798.9)	–	10.6	–	(788.3)
Gain related to acquisition	1.8	–	–	(1.8)	–
Operating profit	237.9	–	10.6	(1.8)	246.7
Finance income	14.5	–	–	–	14.5
Finance costs	(7.8)	–	–	0.6	(7.2)
Profit before tax	244.6	–	10.6	(1.2)	254.0
Income tax expense	(72.7)	–	(1.6)	–	(74.3)
Profit for the year	171.9	–	9.0	(1.2)	179.7



Exceptional and other adjusting items

The net loss from exceptional and other adjusting items in the year was £31.2m (2024: loss of £7.8m). Excluding the £2.3m gain from the tax items noted below (2024: gain of £1.6m), the profit before tax impact was a net loss of £33.5m (2024: loss of £9.4m).

In the second half of 2025, the Group undertook an impairment review of its carrying values following a sustained period of underperformance within our French operations amid a broader softening of demand. Consequently, we have recognised a non-cash impairment charge of £8.3m relating to non-current assets within our French subsidiary, alongside an £11.9m impairment of goodwill associated with our Western Europe segment, which is the level at which the impairment of goodwill is assessed. These adjustments follow a comprehensive revision of our medium-term financial forecasts within our French business, reflecting more cautious growth assumptions and adjusted margin expectations, in light of the current trading environment. These charges are non-cash in nature and do not affect the Group's underlying liquidity or debt covenants.

During 2025, costs of £3.2m were recognised associated with an acquisition pursued by the Group, that ultimately did not proceed. These include legal fees, advisory fees and other related costs, which have been expensed in the Consolidated Income Statement.

Both of the above items are non-operational in nature and are not expected to regularly recur and have therefore been classified as exceptional items, which is consistent with our treatment of similar costs in prior periods. As such they impact our operating profit but are excluded from our adjusted operating profit.

In 2024, the Group completed the final contingent consideration payments for the purchase of Business IT Source Holdings, Inc (BITS). This led to a gain of £2.2m in 2024 relating to a release of contingent consideration, net of £0.4m of costs incurred as per the share purchase agreement. As these items were related to the acquisition, and were of a non-operational and one-off nature, the gain was classified as an exceptional item. A further £0.6m relating to the unwinding of the discount on the contingent consideration was removed from the adjusted net finance expense for 2024 and classified as exceptional interest costs.

In calculating our adjusted results, we have continued to exclude the amortisation of acquired intangible assets as an 'other adjusting item'. This charge distorts the understanding of our Group and Segmental operating results, as it is non-cash, does not relate to operational performance and is significantly affected by the timing and size of our acquisitions.

The amortisation of acquired intangible assets was £10.1m (2024: £10.6m), primarily relating to the amortisation of the intangibles acquired as part of previous North American acquisitions.

Profit before tax

The Group's profit before tax for the year decreased by 2.5% to £238.5m (2024: £244.6m). Adjusted profit before tax increased by 7.1% to £272.0m (2024: £254.0m) and grew by 7.0% in constant currency. The difference between profit before tax and adjusted profit before tax relates to the Group's net costs of £33.5m (2024: £9.4m) from exceptional and other adjusting items, as described above.

Taxation

The tax charge was £81.4m (2024: £72.7m) on profit before tax of £238.5m (2024: £244.6m). This represented a tax rate of 34.1% (2024: 29.7%).

The Group recorded a tax credit of £1.6m in 2025 related to the amortisation of acquired intangibles (2024: £1.6m). As we recognise the associated amortisation charge outside of our adjusted profitability (see exceptional and other adjusting items above), we also report the tax benefit on the amortisation outside of our adjusted tax charge. The impairment of our French business did not result in any accompanying credit to the tax charge and increased the effective tax rate (ETR) by 260 basis points.



The adjusted tax charge for the year was £83.7m (2024: £74.3m) on an adjusted profit before tax for the year of £272.0m (2024: £254.0m). The ETR was therefore 30.8% (2024: 29.3%), on an adjusted basis.

The increase in the adjusted ETR for 2025 has been driven by the impact of the performance in France, as no tax credit can be recognised in respect of the new losses and a deferred tax asset previously recognised as a result of historic losses has been reversed. The impact of the performance in France has in part been offset by an improved ETR in the United States, which is the result of a more favourable state-to-federal tax mix.

We expect the full-year ETR in 2026 to be in range of 29.5% to 31.5%, which is the same as was expected for 2025.

The Audit & Risk Committee and the Board reviewed and approved the Group Tax Policy during the year, with no material changes from the prior year. We make every effort to pay all the tax attributable to profits earned in each jurisdiction where we operate. We do not artificially inflate or reduce profits in one jurisdiction to provide a beneficial tax result in another and maintain approved transfer pricing policies and programmes, to meet local compliance requirements. Virtually all of the tax charge in 2025 was incurred in either the United Kingdom, Germany, France or United States tax jurisdictions, as it was in 2024.

There are no material tax risks across the Group. Computacenter will recognise provisions and accruals in respect of tax where there is a degree of estimation and uncertainty, including where it relates to transfer pricing, such that a balance cannot fully be determined until accepted by the relevant tax authorities.

For 2025, the Group Transfer Pricing Policy implemented in 2013 resulted in a licence fee of £54.6m (2024: £39.4m), charged by Computacenter UK to Computacenter Germany, Computacenter Belgium and, for the first time, Computacenter USA. No charge was made this year to Computacenter France, due to the performance of the French business. The licence fee is equivalent to 1.2% of revenue for the European entities and 0.3% of revenue for Computacenter USA and reflects the value of the best practice and know-how that is owned by Computacenter UK and used by the Group. It is consistent with the requirements of the Organisation for Economic Co-operation and Development (OECD) base erosion and profit shifting guidance. The licence fee is recorded outside the Segmental results found in note 4 to the summary financial information within this announcement, which analyses Segmental results down to adjusted operating profit.

The table below reconciles the tax charge to the adjusted tax charge for the years ended 31 December 2025 and 31 December 2024.

	2025 £m	2024 £m
Tax charge	81.4	72.7
Items to exclude from adjusted tax:		
Tax on exceptional items	0.7	–
Tax credit on amortisation of acquired intangibles	1.6	1.6
Adjusted tax charge	83.7	74.3
Effective tax rate	34.1%	29.7%
Adjusted effective tax rate	30.8%	29.3%

Profit for the year

The profit for the year decreased by 8.6% to £157.1m (2024: £171.9m). The adjusted profit for the year increased by 4.8% to £188.3m (2024: £179.7m) and by 4.6% in constant currency.



Earnings per share

Diluted EPS decreased by 4.8% to 145.5p per share (2024: 152.9p per share). Adjusted diluted EPS increased by 9.5% to 175.1p per share (2024: 159.9p per share).

	2025	2024
Basic weighted average number of shares (excluding own shares held) (m)	104.9	110.6
Effect of dilution:		
Share options	0.7	1.1
Diluted weighted average number of shares	105.6	111.7
Profit for the year attributable to equity holders of the Parent (£m)	153.7	170.8
Basic earnings per share (p)	146.5	154.4
Diluted earnings per share (p)	145.5	152.9
Adjusted profit for the year attributable to equity holders of the Parent (£m)	184.9	178.6
Adjusted basic earnings per share (p)	176.3	161.5
Adjusted diluted earnings per share (p)	175.1	159.9

Dividends

The Board recognises the importance of dividends to shareholders and the Group has a long track record of paying dividends and other special cash returns. The Group has already returned nearly £1.3bn since flotation through a combination of dividends and share buybacks, with no additional investment required from shareholders over that time.

We are committed to managing the cash position for shareholders. Our approach to capital management is to ensure that the Group has a robust capital base and maintains a strong credit rating, whilst aiming to maximise shareholder value. The Group is highly cash generative, enabling organic and inorganic investment in recent years to be funded from cash reserves.

Dividends are paid from the standalone balance sheet of the Parent Company. As at 31 December 2025, the distributable reserves were £27.6m (31 December 2024: £319.8m). These reserves were impacted during the year by the £121.1m impairment of the Parent Company's investment in its French subsidiary and the reclassification of £99.3m of the share-based payment reserve as non-distributable. Following the completion of the first phase of a Group subsidiary reorganisation programme, the Parent Company received a dividend of £260.8m on 27 February 2026. Parent Company interim accounts for the 14 months to 28 February 2026 were delivered to Companies House on 9 March 2026, showing distributable reserves at 28 February 2026 of £274.0m.

The Board has consistently applied the Company's dividend policy, which states that the interim dividend will be approximately one third of the previous year's total dividend and that the total dividend paid will result in a dividend cover of two to 2.5 times, based on adjusted diluted EPS.

The Board is therefore pleased to propose a final dividend for 2025 of 51.0p per share (2024: 47.4p per share). Together with the interim dividend, this brings the total ordinary dividend for 2025 to 74.6p per share, representing a 5.5% increase on the 2024 total dividend per share of 70.7p.



Subject to the approval of shareholders at our Annual General Meeting on 19 May 2026, the proposed dividend will be paid on Friday 3 July 2026. The dividend record date is set as Friday 5 June 2026 and the shares will be marked ex-dividend on Thursday 4 June 2026.

Cash flow

The Group delivered a net cash inflow from operating activities of £293.6m (2024: £417.1m). In the first half of 2025, we saw operating cash outflows as our working capital returned closer to our historical norms. Typically, the Group sees modest-to-neutral operating cash inflows in the first half of the year with substantial net operating cash inflows in the second half of the year.

During 2025, net operating cash inflows from working capital, including inventories, trade and other receivables, and trade and other payables, were £1.2m (2024: £154.6m).

The Group had £482.8m of inventory as at 31 December 2025, an increase of 57.2% on the balance as at 31 December 2024 of £307.2m. This increase is due primarily to the timing of large projects in North America and the overall increase in the Technology Sourcing business. During the year, in order to respond to a North American customer's request, we quickly established a customer dedicated logistics facility to assemble and ship high-value data center equipment to that customer's nearby facilities. We were pleased with our ability to generate such a capability at short notice. At 31 December 2025, this temporary facility held £137.7m of inventory, 28.5% of all Group inventory by value. We expect that the levels of inventory will continue to remain well-managed, with highs and lows remaining within historical operational norms during 2026.

The year-end adjusted net funds position benefited from strong collections and net early customer payments at a similar level to the prior year.

After interest, tax and gross capital expenditure cash flows, our free cash inflow was £206.9m in the year (2024: £348.6m).

Capital expenditure in the year was £36.0m (2024: £31.5m) primarily representing investments in IT equipment and software tools, to enable us to deliver improved service to our customers.

The Group's Employee Benefit Trust (EBT) made market purchases of the Company's ordinary shares of £21.9m (2024: £23.1m) to satisfy maturing PSP awards and Sharesave schemes and to re-provision the EBT in advance of future maturities. During the year, the Company received savings from employees of £12.1m to purchase options within the Sharesave schemes (2024: £6.0m).



	31 December 2025 £m	31 December 2024 £m
Adjusted operating profit	274.7	246.7
Adjusting items	(33.5)	(8.8)
Operating profit	241.2	237.9
Other non-cash items and adjustments	75.5	46.0
Change in working capital	1.2	154.6
Change in pensions and provisions	10.0	(1.3)
Depreciation of right-of-use assets	45.1	41.0
Cash generated from operations	373.0	478.2
Acquisition-related costs	(3.2)	–
Income taxes paid	(76.2)	(61.1)
Net cash flow from operating activities	293.6	417.1
Net interest received	2.0	10.4
Interest and payments related to lease liabilities	(52.7)	(47.4)
Gross capital expenditure	(36.0)	(31.5)
Free cash flow	206.9	348.6
Dividends paid	(74.6)	(78.9)
Share buyback including expenses	–	(200.2)
Purchase of own shares net of proceeds	(9.8)	(17.1)
Acquisitions	(1.7)	(18.7)
Disposal of assets	0.1	0.3
Net cash flow	120.9	34.0
Net debt borrowing/(repayment)	14.9	(4.5)
Increase in cash and cash equivalents	135.8	29.5
Effect of exchange rates on cash and cash equivalents	3.1	(11.1)
Cash and cash equivalents at the beginning of the year	489.6	471.2
Cash and cash equivalents at the year end	628.5	489.6



Opening net funds	352.7	343.6
Increase in cash and cash equivalents including impact of exchange rates	138.9	18.4
Movements in borrowings	(15.1)	4.8
Movements in lease liabilities	(50.3)	(14.1)
Closing net funds	426.2	352.7

Opening adjusted net funds	482.2	459.0
Increase in cash and cash equivalents including impact of exchange rates	138.9	18.4
Movements in borrowings	(15.1)	4.8
Closing adjusted net funds	606.0	482.2

We increased loans during the year by a net £15.1m (2024: £4.8m reduction) which was due to a new customer financing facility in North America made to an existing customer that replaced a previous facility. This was partially offset by the regular repayments towards the loan related to the construction of our German headquarters in Kerpen.

The Group continued to manage its cash and working capital positions appropriately, using standard mechanisms, to ensure that cash levels remained within expectations throughout the year. From time-to-time, some customers request credit terms longer than our typical period of 30–60 days. In certain instances, we will arrange for the sale of the receivables on a true sale basis to a finance institution. We would typically receive funds on 45-day terms from the finance institution, which will then recover payment from the customer on terms agreed with them. The cost of such an arrangement is borne by the customer, either directly or indirectly, enabling us to receive the full amount of payment in line with our standard terms.

The benefit to the cash and cash equivalents position of such arrangements as at 31 December 2025 was £50.4m (31 December 2024: £44.6m).

During 2025, we engaged in a limited invoice financing programme of trade receivables across the Group. The arrangements are on a non-recourse basis and are intended to manage working capital demands of specific customer projects or engagements. As at the year end, the amount outstanding was £38.8m (2024: £2.5m).

Cash and cash equivalents and net funds

Cash and cash equivalents as at 31 December 2025 were £628.5m, compared to £489.6m at 31 December 2024. Net funds as at 31 December 2025 were £426.2m (31 December 2024: £352.7m).

Adjusted net funds as at 31 December 2025 were £606.0m (31 December 2024: £482.2m). Adjusted net funds is a non-GAAP measure and excludes lease liabilities of £179.8m as at 31 December 2025 (31 December 2024: £129.5m). This provides an alternative view of the Group's overall liquidity position, excluding the effect of the lease liabilities required to be capitalised under the IFRS 16 accounting standard.

Net funds as at 31 December 2025 and 31 December 2024 were as follows:



	31 December 2025 £m	31 December 2024 £m
Cash and short-term deposits	628.5	489.6
Bank overdraft	–	–
Cash and cash equivalents	628.5	489.6
Bank loans – customer-specific facility	(19.0)	(2.1)
Bank loans – Kerpen building facility	(3.5)	(5.3)
Total bank loans	(22.5)	(7.4)
Adjusted net funds (excluding lease liabilities)	606.0	482.2
Lease liabilities	(179.8)	(129.5)
Net funds	426.2	352.7

This Strategic Report was approved by the Board on 11 March 2026 and was signed on its behalf by:

MJ Norris
Chief Executive Officer

KA Mortimer
Chief Financial Officer



Consolidated Income Statement

For the year ended 31 December 2025

	Note	2025 £m	2024 £m
Revenue	4,5	9,193.9	6,964.8
Cost of sales	4	(8,049.8)	(5,929.8)
Gross profit	4	1,144.1	1,035.0
Administrative expenses		(879.5)	(798.9)
Loss on impairment	6,9	(20.2)	–
(Costs)/gain related to acquisitions	6	(3.2)	1.8
Operating profit		241.2	237.9
Finance income		12.4	14.5
Finance costs		(15.1)	(7.8)
Profit before tax		238.5	244.6
Income tax expense	7	(81.4)	(72.7)
Profit for the year		157.1	171.9
Attributable to:			
Equity holders of the Parent		153.7	170.8
Non-controlling interests		3.4	1.1
Profit for the year		157.1	171.9
Earnings per share:			
– basic	8	146.5	154.4p
– diluted	8	145.5	152.9p

All of the activities of the Group relate to continuing operations.



Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	2025 £m	2024 £m
Profit for the year		157.1	171.9
Items that may be reclassified to the Consolidated Income Statement:			
Loss arising on cash flow hedge		(2.7)	(0.2)
Income tax effect	7d	0.7	(0.1)
		(2.0)	(0.3)
Exchange differences on translation of foreign operations		(1.1)	(17.2)
		(3.1)	(17.5)
Items that will not be reclassified to the Consolidated Income Statement:			
Remeasurement of retirement benefit obligation		3.9	4.5
Other comprehensive expense for the year, net of tax		0.8	(13.0)
Total comprehensive income for the year		157.9	158.9
Attributable to:			
Equity holders of the Parent		154.5	157.8
Non-controlling interests		3.4	1.1
Total comprehensive income for the year		157.9	158.9



Consolidated Balance Sheet

As at 31 December 2025

	Note	2025 £m	2024 £m
Non-current assets			
Property, plant and equipment		86.0	90.7
Right-of-use assets		165.9	119.0
Intangible assets		285.0	317.5
Investment in associate		0.1	0.1
Deferred income tax assets	7d	5.3	6.3
Trade and other receivables		53.1	32.7
Prepayments	5	6.8	7.7
		602.2	574.0
Current assets			
Inventories		482.8	307.2
Trade and other receivables		1,926.6	1,656.8
Income tax receivable		24.9	20.4
Prepayments	5	181.4	172.3
Accrued income	5	212.3	137.5
Derivative financial instruments		5.2	8.2
Cash and short-term deposits	11	628.5	489.6
		3,461.7	2,792.0
Total assets		4,063.9	3,366.0
Current liabilities			
Trade and other payables		2,479.2	2,054.3
Deferred income	5	392.8	285.7
Borrowings		5.7	4.1
Lease liabilities		43.9	36.3
Derivative financial instruments		9.0	3.4
Income tax payable		24.2	21.0
Provisions	10	4.9	4.9
		2,959.7	2,409.7
Non-current liabilities			
Borrowings		16.8	3.3
Lease liabilities		135.9	93.2



	Note	2025 £m	2024 £m
Retirement benefit obligation		20.7	22.3
Provisions	10	16.8	7.8
Deferred income tax liabilities	7d	16.1	10.7
		206.3	137.3
Total liabilities		3,166.0	2,547.0
Net assets		897.9	819.0
Capital and reserves			
Issued share capital		8.9	8.9
Share premium		4.0	4.0
Capital redemption reserve		0.4	0.4
Own shares held		(245.7)	(246.5)
Translation and hedging reserve		6.7	9.7
Retained earnings		1,123.6	1,033.7
Shareholders' equity		897.9	810.2
Non-controlling interests		–	8.8
Total equity		897.9	819.0

Approved by the Board on 11 March 2026.

MJ Norris
Chief Executive Officer

KA Mortimer
Chief Financial Officer



Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to equity holders of the Parent						Shareholders' equity £m	Non-controlling interests £m	Total equity £m
	Issued share capital £m	Share premium £m	Capital redemption reserve £m	Own shares held £m	Translation and hedging reserves £m	Retained earnings £m			
At 1 January 2025	8.9	4.0	0.4	(246.5)	9.7	1,033.7	810.2	8.8	819.0
Profit for the year	–	–	–	–	–	153.7	153.7	3.4	157.1
Other comprehensive (expense)/income	–	–	–	–	(3.1)	3.9	0.8	–	0.8
Total comprehensive (expense)/income	–	–	–	–	(3.1)	157.6	154.5	3.4	157.9
Transactions with owners:									
– Cost of share-based payments	–	–	–	–	–	9.0	9.0	–	9.0
– Tax on share-based payments	–	–	–	–	–	1.1	1.1	–	1.1
– Exercise of options	–	–	–	22.7	–	(10.6)	12.1	–	12.1
– Purchase of own shares	–	–	–	(21.9)	–	–	(21.9)	–	(21.9)
– Purchase of non-controlling interest	–	–	–	–	0.1	7.4	7.5	(12.2)	(4.7)
– Equity dividends	–	–	–	–	–	(74.6)	(74.6)	–	(74.6)
Total	–	–	–	0.8	0.1	(67.7)	(66.8)	(12.2)	(79.0)
At 31 December 2025	8.9	4.0	0.4	(245.7)	6.7	1,123.6	897.9	–	897.9

	Attributable to equity holders of the Parent						Shareholders' equity £m	Non-controlling interests £m	Total equity £m
	Issued share capital £m	Share premium £m	Capital redemption reserve £m	Own shares held £m	Translation and hedging reserves £m	Retained earnings £m			
At 1 January 2024	9.3	4.0	–	(140.4)	27.2	1,041.6	941.7	7.7	949.4
Profit for the year	–	–	–	–	–	170.8	170.8	1.1	171.9
Other comprehensive (expense)/income	–	–	–	–	(17.5)	4.5	(13.0)	–	(13.0)
Total comprehensive (expense)/income	–	–	–	–	(17.5)	175.3	157.8	1.1	158.9
Reclassification	–	–	–	8.5	–	(8.5)	–	–	–
Transactions with owners:									
– Cost of share-based payments	–	–	–	–	–	7.1	7.1	–	7.1
– Tax on share-based payments	–	–	–	–	–	(0.2)	(0.2)	–	(0.2)



Attributable to equity holders of the Parent

	Issued share capital £m	Share premium £m	Capital redemption reserve £m	Own shares held £m	Translation and hedging reserves £m	Retained earnings £m	Shareholders' equity £m	Non-controlling interests £m	Total equity £m
– Share buyback programme	–	–	–	(198.7)	–	–	(198.7)	–	(198.7)
– Expenses relating to share buyback programme	–	–	–	–	–	(1.5)	(1.5)	–	(1.5)
– Cancellation of shares	(0.4)	–	0.4	84.2	–	(84.2)	–	–	–
– Exercise of options	–	–	–	23.0	–	(17.0)	6.0	–	6.0
– Purchase of own shares	–	–	–	(23.1)	–	–	(23.1)	–	(23.1)
– Equity dividends	–	–	–	–	–	(78.9)	(78.9)	–	(78.9)
Total	(0.4)	–	0.4	(114.6)	–	(174.7)	(289.3)	–	(289.3)
At 31 December 2024	8.9	4.0	0.4	(246.5)	9.7	1,033.7	810.2	8.8	819.0



Consolidated Cash Flow Statement

For the year ended 31 December 2025

	Note	2025 £m	2024 £m
Operating activities			
Profit before tax		238.5	244.6
Net finance costs/(income)		2.7	(6.7)
Depreciation of property, plant and equipment		22.4	21.5
Depreciation of right-of-use assets		45.1	41.0
Loss on impairment	9	20.2	–
Amortisation of intangible assets		20.1	18.8
Costs/(gain) related to acquisitions	6	3.2	(1.8)
Share-based payments		9.0	7.1
Loss on disposal of property, plant and equipment		0.7	0.3
Loss on disposal of intangible assets		0.2	–
Movements in inventories		(185.6)	(92.8)
Movements in trade and other receivables (including contract assets)		(365.2)	(225.7)
Movements in trade and other payables (including contract liabilities)		552.0	473.1
Movements in provisions and retirement benefit obligation		10.0	(1.3)
Other adjustments		(0.3)	0.1
Cash generated from operations		373.0	478.2
Acquisition-related costs	6	(3.2)	–
Income taxes paid		(76.2)	(61.1)
Net cash flow from operating activities		293.6	417.1
Investing activities			
Interest received		7.8	11.7
Contingent consideration		–	(18.7)
Purchases of property, plant and equipment		(21.8)	(19.0)
Purchases of intangible assets		(14.2)	(12.5)
Proceeds from disposal of property, plant and equipment		0.1	0.3
Net cash flow from investing activities		(28.1)	(38.2)



	Note	2025 £m	2024 £m
Financing activities			
Interest paid		(5.8)	(1.3)
Interest paid on lease liabilities		(9.3)	(5.8)
Purchase of non-controlling interest		(1.7)	–
Dividends paid to equity shareholders of the Parent		(74.6)	(78.9)
Share buyback programme		–	(198.7)
Expenses relating to share buyback programme		–	(1.5)
Proceeds from exercise of share options		12.1	6.0
Purchase of own shares		(21.9)	(23.1)
Drawdown of borrowings		41.8	40.0
Repayment of borrowings		(26.9)	(44.5)
Payment of capital element of lease liabilities		(43.4)	(41.6)
Net cash flow from financing activities		(129.7)	(349.4)
Increase in cash and cash equivalents			
		135.8	29.5
Effect of exchange rates on cash and cash equivalents		3.1	(11.1)
Cash and cash equivalents at the beginning of the year	11	489.6	471.2
Cash and cash equivalents at the year end	11	628.5	489.6

1 General information

Computacenter plc is a limited company incorporated and domiciled in England, whose shares are publicly traded. Its registered address is Hatfield Business Park, Hatfield Avenue, Hatfield, AL10 9TW.

2 Summary of material accounting policies

The accounting policies adopted are consistent with those of the previous financial year, as applied in the 2024 Annual Report and Accounts.

New or revised standards or interpretations

Some accounting pronouncements which have become effective from 1 January 2025 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

IFRS 18 'Presentation and Disclosure in Financial Statements' will replace IAS 1 'Presentation of Financial Statements', effective for annual periods beginning on or after 1 January 2027. The Group is currently assessing the impact on its consolidated financial statements, particularly with respect to the structure of the Consolidated Income Statement, the additional disclosures required for management-defined performance measures and the aggregation/disaggregation of information within notes to the Group's consolidated financial statements.

From a high-level preliminary assessment performed, adoption of IFRS 18 is unlikely to have a material effect on net profit. However, the grouping of income and expense items into new categories will



change how operating profit is reported within the Consolidated Income Statement. The Group intends to adopt IFRS 18 from its effective date of 1 January 2027.

Other new standards, interpretations or amendments not yet effective have not been early adopted and have not been disclosed, as they are not expected to have a material effect on the Group's consolidated financial statements. The Group anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

2.1 Basis of preparation

The summary financial information set out above does not constitute the Group's Statutory Consolidated Financial Statements for the years ended 31 December 2025 or 2024. The summary financial information set out above is derived from the Statutory Consolidated Financial Statements for the Group for the year ended 31 December 2024, prepared in accordance with adopted IFRS, which 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 report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of any emphasis without qualifying their opinion and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

This preliminary announcement does not constitute the Group's full financial statements for 2025 within the meaning of Section 434 of the Companies Act 2006.

The Group's consolidated financial statements are prepared on the historical cost basis, as modified by certain financial instruments including derivatives, which are measured at fair value.

The Group's consolidated financial statements are presented in pound sterling (£) and all values are rounded to the nearest hundred thousand, except when otherwise indicated.

In determining whether it is appropriate to prepare the financial statements on a going concern basis, the Group prepares a three-year Plan (the Plan) annually by aggregating top-down expectations of business performance across the Group in the second and third year of the Plan with a detailed 12-month, bottom-up budget for the first year, which was approved by the Board. The Plan is subject to rigorous downside sensitivity analysis which involves flexing a number of the main assumptions underlying the forecasts within the Plan. The forecast cash flows from the Plan are aggregated with the current position, to provide a total three-year cash position against which the impact of potential risks and uncertainties can be assessed. In the absence of significant external debt, the analysis also considers access to available committed and uncommitted finance facilities, the ability to raise new finance in most foreseeable market conditions and the ability to restrict dividend payments.

The Directors have identified a period of not less than 12 months through to 11 March 2027, as the appropriate period for the going concern assessment and have based their assessment on the relevant forecasts from the Plan for that period. No events or conditions beyond the assessment period that may cast significant doubt on the Group's ability to continue as a going concern have been identified.

The potential impact of the principal risks and uncertainties is then applied to the Plan. This assessment includes only those risks and uncertainties that, individually or in plausible combination, would threaten the Group's business model, future performance, solvency or liquidity over the assessment period and which are considered to be severe but reasonable scenarios. It also takes into account an assessment of how the risks are managed and the effectiveness of any mitigating actions.

For the current period, the combined effect of the potential occurrence of several of the most impactful risks and uncertainties in the downside sensitivity scenario relates to a modelled, but not predicted, continuing market downturn scenario, with slower-than-predicted recovery estimates, beginning in 2026. This scenario simulates a continued impact for some of our customers from a reduction in customer demand due to the current economic crisis, and ongoing impact on the Group's revenues from this instability in the global macroeconomic environment.



The supporting models of the Plan are subject to rigorous downside sensitivity analysis that involves flexing a number of the main assumptions underlying the forecasts within the Plan. The modelling resulted in a significant downturn in Group revenues and margins, leading to a substantial loss-making position over the assessment period.

This analysis results in a large risk-impact adjustment to the cash flows over the assessment period, which is then compared to the cash position generated by the Plan, throughout the assessment period, to model whether the business will be able to continue in operation. Included within this sensitivity scenario is the modelled lack of access to our committed facility.

Under the sensitivity scenario, the business demonstrates modelled solvency and liquidity over the assessment period.

Our cash and borrowing capacity provides sufficient funds to meet the foreseeable needs of the Parent and Group. At 31 December 2025, the Group had cash and short-term deposits of £628.5m and bank debt, primarily related to the recently built headquarters in Germany and operations in North America, of £22.5m. The Group also has an unsecured multi-currency revolving loan facility of £200.0m with an initial term of five years, which has been extended to seven years by exercising two one-year extension options. The revised expiry of the facility is 8 December 2029.

The Group has a resilient balance sheet position, with net assets of £897.9m as at 31 December 2025. The Group made a profit after tax of £157.1m, and delivered net cash flows from operating activities of £293.6m, for the year ended 31 December 2025.

As the analysis continues to show a strong forecast cash position, even under the severe economic conditions modelled in the sensitivity scenarios, the Directors continue to consider that the Parent and Group are well placed to manage business and financial risks in the current economic environment. Based on this assessment, the Directors confirm that they have a reasonable expectation that the Parent and Group will be able to continue in operation and meet their liabilities as they fall due over the period of not less than 12 months from the date of signing the consolidated financial statements and therefore have prepared the consolidated financial statements on a going concern basis.

2.2 Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using existing Generally Accepted Accounting Practice (GAAP) in each country of operation. Adjustments are made on consolidation for differences that may exist between the respective local GAAPs and IFRS.

All intra-Group balances, transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which the Group no longer retains control. Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that is not held by the Group and is presented separately from Parent shareholders' equity in the Consolidated Balance Sheet.

2.2.1 Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Consolidated Balance Sheet date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities are taken to the Consolidated Income Statement, except foreign



currency differences arising from the translation of qualifying cash flow hedges, which are recognised in the Consolidated Statement of Comprehensive Income, to the extent that the hedges are effective.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction.

The functional currencies of the main overseas subsidiaries are euro (€) and US dollar (\$). The Group's presentation currency is pound sterling (£). As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the Consolidated Balance Sheet date and their income statements are translated at the average exchange rates for the year. Exchange differences arising on the retranslation are recognised in the Consolidated Statement of Comprehensive Income. On disposal of a foreign entity, the deferred cumulative amount recognised in the Consolidated Statement of Comprehensive Income relating to that particular foreign operation is recognised in the Consolidated Income Statement.

2.3 Revenue

Revenue is recognised when the Group's performance obligations are fulfilled, to the extent of the amount which is expected to be received from customers as consideration for the transfer of goods and services to the customer.

In multi-element contracts with customers where more than one good (Technology Sourcing) or service (Professional Services and Managed Services) is provided to the customer, analysis is performed to determine whether the separate promises are distinct performance obligations within the context of the contract. To the extent that this is the case, the transaction price is allocated between the distinct performance obligations based upon relative standalone selling prices. The revenue is then assessed for recognition purposes based upon the nature of the activity and the terms and conditions of the associated customer contract relating to that specific distinct performance obligation.

The following specific recognition criteria must also be met before revenue is recognised:

2.3.1 Technology Sourcing

The Group supplies hardware, software and resold third-party services (together as 'goods') to customers that are sourced from and delivered by a number of suppliers.

Technology Sourcing revenue is recognised when the Group's performance obligations are fulfilled at a point in time when control of the goods has been transferred to the customer. Typically, customers obtain control of the goods when they are delivered to and have been accepted at their premises, depending on individual customer arrangements. Invoices are routinely generated at despatch from our Integration Centers or, in the case of direct delivery by supplier, upon receipt at customer locations. At each reporting date, a process is undertaken to ensure revenue is not recognised for goods that have not been received by customers at that reporting date. Payment for the goods is generally received on, or before, industry-standard payment terms, ordinarily 30–60 days. Refer to note 3.2.1 for 'bill and hold' transactions.

Revenue is recorded at the price specified in sales invoices which is based on the customer contracts, net of any agreed discounts and rebates, and exclusive of value added tax on goods or services supplied to customers during the year.

In limited instances, the Group provides early-payment discounts or rebates to its customers, which create variability in the transaction price. In determining the variable consideration to be recognised, these discounts and rebates are estimated based on the terms of contractually agreed arrangements and the amount of consideration to which the Group will be entitled in exchange for supplying the goods or services. The level of estimation involved in assessing the variable consideration is minimal, given the arrangements are generally prospective in nature and therefore deductions from revenue and trade receivables are appropriately accounted for at the point revenue is recognised.



Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Technology Sourcing principal versus agent recognition

Management assesses the classification of certain revenue contracts for Technology Sourcing revenue recognition on either an agent or principal basis. Because the identification of the principal in a contract is not always clear, Management makes a determination by evaluating the nature of our promise to our customer as to whether it is a performance obligation to pass control of the specified goods or services ourselves, in which case we are the principal, or to arrange for those goods or services to be provided by the other party, where we are the agent. We determine whether we are a principal or an agent for each specified good or service promised to the customer, by evaluating the nature of our promise to the customer and if we control each specified good or service before it is delivered to the customer. We perform this evaluation by assessing the fact pattern of the arrangement against a non-exhaustive list of indicators that a performance obligation could involve an agency relationship:

- the vendor retains primary responsibility for fulfilling the sale;
- we take no inventory risk before or after the goods have been ordered, during shipping or on return;
- we do not have discretion to establish pricing for the vendor's goods, limiting the benefit we can receive from the sale of those goods; and
- our consideration is in the form of a commission, which is usually predetermined.

In certain arrangements, the Group facilitates the sale of software licences to customers under multi-year contracts. The underlying licensing agreement is between the customer and the software vendor, who is responsible for issuing licence keys, enabling access to the software, and maintaining its functionality throughout the term. The Group's role is to arrange the transaction, including confirming customer requirements, placing the relevant purchase orders with the vendor, and invoicing the customer.

Having considered the nature of these arrangements, Management has concluded that the Group acts as an agent, because it does not control the software before it is transferred to the customer and the vendor retains primary responsibility for fulfilling the licence commitment. In such cases, revenue is recognised on a net basis, representing the margin that the Group retains after paying the vendor.

For multi-year arrangements where customers are invoiced annually, the Group may complete its arranging activity at the outset of the contract term. However, the margin to which the Group is entitled for renewal years is dependent upon customer confirmation of licence quantities and vendor pricing, both of which are typically determined at each anniversary date. These features give rise to a variable consideration. In accordance with IFRS 15, the Group recognises revenue relating to renewal years only when it is highly probable that a significant reversal will not occur. As a result, revenue for the first year of the contract is recognised when the Group has fulfilled its arranging obligation and the related consideration is known. Revenue for subsequent years is recognised when licence quantities and vendor pricing are confirmed, and the variable consideration constraint has been lifted.

2.3.2 Professional Services

The Group provides skilled professionals to customers either operating within a project framework or on a 'resource on demand' basis.

For contracts operating within a project framework, revenue is recognised based on the transaction price, with reference to the costs incurred as a proportion of the total estimated costs (percentage of completion basis) of the contract. If the total estimated costs and revenues of a project framework contract cannot be reliably estimated, revenue is recognised only to the extent that costs have been incurred and where the Group has an enforceable right to payment as work is being performed. A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen (see note 2.16 for further detail).



For contracts which are 'resource on demand', where highly skilled employees work for a customer on projects and engagements managed by the customer, revenue is billed on a timesheet basis. The Group elects to use the practical expedient in IFRS 15.B16, as we have a right to consideration from our 'resource on demand' Professional Services customers in an amount that corresponds directly with the value to our customer of the Group's performance completed to date. The practical expedient applied permits the Group to recognise these 'resource on demand' Professional Services revenues in the amount to which the entity has a right to invoice. 'Resource on demand' Professional Services revenue is therefore recognised throughout the term of the contract, as services are delivered, with amounts recognised based on monthly invoiced amounts, as this corresponds to the service delivered to the customer and the satisfaction of the Group's performance obligations.

Under either basis, Professional Services revenue is recognised over time. The majority of the Group's Professional Services revenue is constituted by 'resource on demand' arrangements, is recognised in this manner and represents the primary area of growth in this business line. The overall balance of risks to recognition for this business is therefore decreased compared to the scenario where the majority of Professional Services revenue is recognised on a percentage of completion basis. This is due to the monthly timesheet nature of the billing, which is agreed regularly with the customer as the service is delivered.

Payment for the Services, which are invoiced monthly, is generally on industry standard payment terms.

2.3.3 Managed Services

The Group sells maintenance, support and management of customers' IT infrastructures and operations.

The specific performance obligations and invoicing conditions in our Managed Services contracts are typically related to the number of calls, interventions or users that we manage and therefore the customer simultaneously receives and consumes the benefits of the services as they are performed. The Group elects to use the practical expedient in IFRS 15.B16, as we have a right to consideration from our Managed Services customers in an amount that corresponds directly with the value to our customer of the Group's performance completed to date. The practical expedient applied permits the Group to recognise Managed Services revenue in the amount to which the entity has a right to invoice. Managed Services revenue is therefore recognised throughout the term of the contract, as services are delivered, with amounts recognised based on monthly invoiced amounts, as this corresponds to the service delivered to the customer and the satisfaction of the Group's performance obligations.

Invoice payment is generally on industry standard payment terms.

On occasion, the Group may have a limited number of Managed Services contracts where revenue is recognised on a percentage of completion basis, which is determined by reference to the costs incurred as a proportion of the total estimated costs of the contract. If the total costs and revenues of a contract cannot be reliably estimated, revenue is recognised only to the extent that costs have been incurred and where the Group has an enforceable right to payment as work is being performed. A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen (see note 2.16 for further detail).

2.3.4 Contract assets and liabilities

A contract asset is recognised when the Group has a right to consideration for goods or services which have been transferred to the customer but have not been billed, therefore excluding receivable balances. Contract assets typically relate to longer-term Professional and Managed Services contracts where work has been performed but has not been invoiced to the customer, and are included within accrued income on the Consolidated Balance Sheet.

A contract liability is recognised when a customer pays the Group, or the Group has a right to consideration that is unconditional, before the transfer of the goods or services to which it relates. Contract liabilities typically relate to longer-term Professional and Managed Services contracts where consideration has been received under agreed billing timelines for which work has yet to be performed, and are included within deferred income on the Consolidated Balance Sheet.



Costs of obtaining and fulfilling revenue contracts

The Group operates in a highly competitive environment and is frequently involved in contract bids with multiple competitors, with the outcome usually unknown until the contract is awarded and signed.

When accounting for costs associated with obtaining and fulfilling customer contracts, the Group first considers whether these costs fit within a specific IFRS standard or policy. Any costs associated with obtaining or fulfilling revenue contracts which do not fall into the scope of other IFRS standards or policies are considered under IFRS 15. All such costs are expensed as incurred, other than the two types of costs noted below:

1. Win fees – The Group pays ‘win fees’ to certain employees as bonuses for successfully obtaining customer contracts. As these are incremental costs of obtaining a customer contract, they are deferred along with any associated payroll tax expense to the extent they are expected to be recovered. These balances are presented within prepayments in the Consolidated Balance Sheet. The win fee balance that will be realised after more than 12 months is disclosed as non-current.
2. Fulfilment costs – The Group often incurs costs upfront relating to the initial set-up phase of an outsourcing contract, which the Group refers to as ‘Entry Into Service’. These costs do not relate to a distinct performance obligation in the contract, but rather are accounted for as fulfilment costs under IFRS 15 as they are directly related to the future performance on the contract. They are therefore capitalised to the extent that they are expected to be recovered. These balances are presented within prepayments in the Consolidated Balance Sheet.

Both types of assets resulting from capitalised win fees and Entry Into Service costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates, over the contract term. The amortisation charges on win fees and Entry Into Service costs are recognised in the Consolidated Income Statement within administrative expenses and cost of sales, respectively.

Any bid costs incurred by the Group’s Central Bid Management Engines are not capitalised or charged to the contract, but instead directly charged to administrative expenses as they are incurred. These costs associated with bids are not separately identifiable nor can they be measured reliably, as the Group’s internal bid teams work across multiple bids at any one time.

2.3.5 Finance income

Income is recognised as interest accrues.

2.4 Exceptional items

The Group presents items of income and expense as exceptional items when the nature and expected infrequency of the events giving rise to them mean they merit separate presentation. This allows shareholders to understand the elements of financial performance in the year, facilitating comparison with prior years and assessment of trends in financial performance.

2.5 Adjusted measures

The Group uses a number of non-GAAP financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures, also referred to as adjusted measures, provide additional useful information on the underlying trends, performance and position of the Group. The adjusted measures are also used to enhance the comparability of information between reporting periods, by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Group’s performance.

Consequently, adjusted measures are used by the Directors and Management for performance analysis, planning, reporting and incentive-setting purposes. Adjusted measures have remained consistent with the prior year. However, as with all non-GAAP alternative performance measures, these adjusted measures present some natural limitations in their usage to understand the Group’s performance. These limitations include the lack of comparability with non-GAAP and GAAP measures used by other companies and the fact that the results may, from time-to-time, contain the benefit of acquisitions made but exclude the significant costs associated with that acquisition or the amortisation of acquired



intangibles. It is therefore not a complete record of the Group's financial performance as compared to its GAAP results. The exclusion of other adjusting items may result in adjusted earnings being materially higher or lower than reported earnings. In particular, when significant acquisition related charges are excluded, adjusted earnings will be higher than reported GAAP-compliant earnings.

These adjusted measures comprise: gross invoiced income, adjusted administrative expenses, adjusted operating profit or loss, adjusted profit or loss before tax, adjusted tax, adjusted profit or loss for the year, adjusted earnings per share, and adjusted diluted earnings per share. They are, as appropriate, each stated before: exceptional and other adjusting items including gain or loss on acquisitions, expenses related to material acquisitions, amortisation of acquired intangibles, utilisation of deferred tax assets (where initial recognition was as an exceptional item or a fair value adjustment on acquisition), and the related tax effect of these exceptional and other adjusting items, as Management does not consider these items when reviewing the underlying performance of the Segment or the Group as a whole.

Gross invoiced income is based on the value of invoices raised to customers, net of the impact of credit notes and excluding VAT and other sales taxes. This reflects the cash movements from revenue, to assist Management and the users of this announcement in understanding revenue growth on a 'Principal' basis and to assist in their assessment of working capital movements in the Consolidated Balance Sheet and Consolidated Cash Flow Statement.

This measure allows an alternative view of growth in adjusted gross profit, based on the product mix differences and the accounting treatment thereon. Gross invoiced income includes all items recognised on an agency basis within revenue, on a gross income billed to customers basis, as adjusted for deferred and accrued revenue.

A reconciliation to adjusted measures is provided in the Chief Financial Officer's review, which details the impact of exceptional and other adjusting items when comparing to the non-GAAP financial measures, in addition to those reported in accordance with IFRS. Further detail is also provided within note 4, Segment information.

2.6 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. Where an asset does not have independent cash flows, the recoverable amount is assessed for the cash-generating unit (CGU) to which it belongs. Assets are grouped together at the lowest level which generates cash inflows that are largely independent of the cash inflows from other assets or CGUs.

The recoverable amount is the higher of the fair value less costs to sell and the value-in-use of the asset or CGU. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the Consolidated Income Statement.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where applicable, fair value less costs to sell is estimated using the income approach, which applies discounted cash flow techniques based on the best available information and, where possible, observable market data. This involves forecasting the future cash flows that a market participant would expect to derive from the asset or CGU, applying an appropriate discount rate, and making assumptions regarding terminal values, growth rates and disposal proceeds. Costs to sell comprise estimated incremental costs directly attributable to the disposal of an asset or CGU.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If



such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. As the Group has no assets carried at revalued amounts, such reversal is recognised in the Consolidated Income Statement.

2.7 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- freehold buildings: 25–50 years
- short leasehold improvements: shorter of seven years and period to expiry of lease
- fixtures and fittings:
- head office: 5–15 years
- other: shorter of seven years or period to expiry of lease
- office machinery and computer hardware: 2–15 years
- motor vehicles: three years

Freehold land is not depreciated. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Consolidated Income Statement in the year the item is derecognised.

2.8 Leases

2.8.1 Group as lessee

Recognition of a lease

The contracts are assessed by the Group, to determine whether a contract is, or contains, a lease. In general, arrangements are a lease when all of the following apply:

- it conveys the right to control the use of an identified asset for a certain period, in exchange for consideration;
- the Group obtains substantially all economic benefits from the use of the asset; and
- the Group can direct the use of the identified asset.
- The Group elects to separate the non-lease components.

Measurement of a right-of-use asset and lease liability

Right-of-use asset

The Group measures the right-of-use asset at cost, which includes the following:

- the initial amount of the lease liability, adjusted for any lease payments made at or before the lease commencement date;
- any lease incentives received; and
- any initial direct costs incurred by the Group, as well as an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease contract. Cost for dismantling, removing or restoring the site on which it is located and/or the underlying asset is only recognised when the Group incurs an obligation to do so.

The right-of-use asset is depreciated over the lease term, using the straight-line method.

Lease liability



The lease liability is initially measured at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement comprise fixed payments, variable lease payments that depend on an index or a rate, amounts to be paid under a residual value guarantee and lease payments in an optional renewal period, if the Group is reasonably certain to exercise an extension option, as well as penalties for early termination of a lease, if the Group is reasonably certain to terminate early. If there is a purchase option present, this will be included if the Group is reasonably certain to exercise the option.

Leases of low-value assets and short term

Leases of low-value assets (< £5,000) and short-term leases with a term of 12 months or less are not required to be recognised on the Consolidated Balance Sheet and payments made in relation to these leases are recognised on a straight-line basis in the Consolidated Income Statement.

2.8.2 Group as a lessor

The Group has entered into lease agreements as a lessor on certain items of IT equipment and software. Leases for which the Group is a lessor are classified as either operating or finance leases. The Group assesses whether it transfers substantially all the risks and rewards of ownership. Those leases that do not transfer substantially all the risks and rewards are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration of the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease, as applicable.

In cases where the Group acts as an intermediate lessor, it accounts for its interests in both the head-lease and the sub-lease.

2.9 Intangible assets

2.9.1 Software and software licences

Software and software licences include computer software that is not integral to a related item of hardware. These assets are stated at cost less accumulated amortisation and any impairment in value. Amortisation is calculated on a straight-line basis over the estimated useful life of the asset. Currently software is amortised over four years. The carrying values of software and software licences are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

2.9.2 Software under development

Costs that are incurred and that can be specifically attributed to the development phase of management information systems for internal use are capitalised only if the expenditure can be measured reliably, the management information system is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the system.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Directly attributable costs that are capitalised typically include professional fees and cost of material/services consumed.

Capitalised development costs are recorded as intangible assets and amortised over their useful life from the point at which the management information system is ready for use.

Costs associated with maintaining in-use software programs are recognised as an expense as incurred.



2.9.3 Other intangible assets

Intangible assets acquired as part of a business combination are carried initially at fair value. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any impairment in value. Intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful lives, with charges included in administrative expenses as follows:

- existing customer relationships: 10–15 years
- tools and technology: seven years
- order backlog: within three months

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Expected useful lives are reviewed on a yearly basis.

2.9.4 Goodwill

Business combinations are accounted for under IFRS 3 Business Combinations using the acquisition method. Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the Consolidated Balance Sheet as goodwill and is not amortised. Any goodwill arising on the acquisition of equity-accounted entities is included within the cost of those entities.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to the related CGU monitored by Management, usually at business Segment level.

CGUs to which goodwill has been allocated are tested for impairment at least annually. Where the recoverable amount of the CGU is less than its carrying amount, including goodwill, an impairment loss is recognised in the Consolidated Income Statement. The impairment loss reduces first the carrying amount of allocated goodwill and any remaining amount is charged to other assets within the CGU based on their recoverable amounts. Excluding goodwill, other assets within the CGU are subsequently reassessed for any indicators of impairment reversal.

All other individual assets or CGUs are tested for impairment as described in note 2.6.

2.10 Inventories

Inventories held for specific non-cancellable customer orders or projects are carried at the lower of cost and net realisable value, after making allowance for any obsolete or slow-moving items. Cost is determined using the specific identification of cost method.

Items held in inventory that are not specifically identified for a particular customer order or project are carried at the lower of weighted average cost and net realisable value, net of any allowance for obsolete or slow-moving items. Costs include those incurred in bringing each product to its present location and condition, on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.11 Financial assets

Financial assets, other than trade receivables, are recognised at their fair value, which initially equates to the sum of the consideration given and the directly attributable transaction costs. Subsequently, the financial assets are measured at either amortised cost or fair value, depending on their classification



under IFRS 9. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

2.11.1 Trade receivables

Trade receivables, which generally have 30- to 60-day credit terms, are initially recognised and carried at their original invoice amount less an allowance for any uncollectable amounts. The business model for trade receivables is that they are held for the collection of contractual cash flows, therefore they are subsequently measured at amortised cost. The trade receivables are derecognised on receipt of cash from the customer.

Trade receivables sold to a third party, including factoring, are derecognised when the criteria for derecognition under IFRS 9 are met. This involves evaluating the specific terms of the transaction to determine if the Group has substantially transferred associated risks and rewards, has relinquished control of, and has no material continuing involvement with the receivables. Upon derecognition, the difference between the carrying amount and the consideration received (net of transaction costs) is recognised in the Consolidated Income Statement as follows:

- within cost of sales, where the Group sells receivables as an integral part of delivering goods or services; or
- within administrative expenses, where the Group sells receivables for its cash flow management and this is not directly tied to revenue generation.

If derecognition criteria are not met or only partially met, the Group continues to recognise the trade receivables or the portion relating to its retained interest or residual involvement. A financial liability is recognised for the consideration received from the factoring party, measured initially at fair value and subsequently at amortised cost.

Given the short lives of the trade receivables, there are generally no material fair value movements between initial recognition and the derecognition of the receivable.

The Group assesses for doubtful debts (impairment) using the expected credit losses model, as required by IFRS 9. For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. Material or high-risk balances are reviewed and provided for individually, based on a number of factors including:

- the financial strength of the customer;
- the level of default that the Group has suffered in the past;
- the age of the receivable outstanding; and
- the Group's trading experience with that customer.

2.11.2 Cash and cash equivalents

Cash and short-term deposits in the Consolidated Balance Sheet comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less.

For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts which form an integral part of the Group's cash management.

2.12 Financial liabilities

Financial liabilities are initially recognised at their fair value and, in the case of borrowings (including credit facility), net of directly attributable transaction costs.

The subsequent measurement of financial liabilities is at amortised cost, unless otherwise described.



2.13 Derecognition of financial assets and liabilities

2.13.1 Financial assets

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

2.13.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

2.14 Derivative financial instruments and hedge accounting

The Group uses foreign currency forward contracts to hedge its foreign currency risks associated with foreign currency fluctuations.

Forward contracts are initially recognised at fair value on the date that the contract is entered into and are subsequently remeasured at fair value at each reporting date. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Forward contracts are recorded as assets when the fair value is positive and as liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of both the hedging instrument and the hedged item or transaction and then the economic relationship between the two, including whether the hedging instrument is expected to offset changes in cash flow of the hedged item.

For the purposes of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction, or the foreign currency risk in an unrecognised firm commitment. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows. The Group designates the full change in the fair value of the forward contract (including forward points) as the hedging instrument.

Cash flow hedges that meet the criteria for hedge accounting are accounted for as follows: the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Consolidated Income Statement within administrative expenses.

Amounts recognised within the Consolidated Statement of Comprehensive Income are transferred to the Consolidated Income Statement, within administrative expenses, when the hedged transaction affects the Consolidated Income Statement, such as when the hedged financial expense is recognised.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the Consolidated Income Statement within administrative expenses. If the hedging instrument matures or is sold, terminated or exercised without replacement or rollover, any cumulative gain or loss previously recognised within the Consolidated Statement of Comprehensive Income remains within the Consolidated Statement of Comprehensive Income until the forecast transaction or firm commitment affects the Consolidated Income Statement.

Any other gains or losses arising from changes in fair value on forward contracts are taken directly to administrative expenses in the Consolidated Income Statement.



2.15 Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.16 Provisions (excluding restructuring provision)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and; a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Customer contract provisions

Management continually monitors the financial performance of contracts. Where there are indicators that a contract could result in a negative margin, the future financial performance of that contract will be reviewed in detail. If, after further financial analysis, the full financial consequence of the contract can be reliably estimated, and it is determined that the contract is potentially loss-making, then the best estimate of the losses expected to be incurred until the end of the contract will be provided for.

In establishing if future costs are forecast to exceed the future revenue, Management will take into account the anticipated inflationary impact on the cost base, offset by any rights to increase pricing under Cost of Living Adjustment (COLA) clauses that have been incorporated in the customer contract.

The Group applies IAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets' in its assessment of whether contracts are considered onerous and in subsequently estimating the provision. The Group's approach is to apply the full cost approach, which considers total estimated costs (i.e. directly attributable variable costs and fixed allocated costs) in the assessment of whether the contract is onerous or not and in the measurement of the provision.

A provision for onerous contracts is made as soon as a loss is foreseen and is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.17 Pensions and other post-employment benefits

The Group operates a defined contribution pension scheme available to all UK employees and similar schemes are operating in other jurisdictions, including North America and Germany. Contributions are recognised as an expense in the Consolidated Income Statement as they become payable in accordance with the rules of the scheme. There are no material pension schemes within the Group's overseas operations.

Under French employment law, the Group has an obligation to make a one-off payment to French employees upon retirement from the Group at the mandatory age, the Indemnités de Fin de Carrière (IFC).



Typically, the retirement benefit is based on length of service of the employee and his or her salary at retirement. The amount is set via a legal minimum, but the retirement premiums can be improved by the collective agreement or employment contract in some cases. For Computacenter's French employees, the payment is based on accrued service and ranges from one month of salary after five years of service to 9.4 months of salary after 47 years of service.

If the employee leaves voluntarily at any point before retirement, all liability is extinguished, and any accrued service is not transferred to any new employment.

Management continues to account for this obligation according to IAS 19 (revised).

2.18 Taxation

2.18.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

2.18.2 Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the summary financial information within this announcement, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary difference
- can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

Income tax is charged or credited directly to the Consolidated Statement of Comprehensive Income if it relates to items that are credited or charged to the Consolidated Statement of Comprehensive Income. Otherwise, income tax is recognised in the Consolidated Income Statement.

2.19 Share-based payment transactions

Employees (including Executive Directors) of the Group can receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the awards at the date at which they are granted. The fair value is determined by utilising an appropriate valuation model. In valuing equity-settled transactions, no account is taken of any performance conditions, as none of the conditions set are market related.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).



The cumulative expense recognised for equity-settled transactions at each reporting date, until the vesting date, reflects the extent to which the vesting period has expired and the Directors' best estimate of the number of equity instruments that will ultimately vest. The Consolidated Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. As the schemes do not include any market-related performance conditions, no expense is recognised for awards that do not ultimately vest. Movements in the estimated employer's National Insurance liability related to the awards, carried on the Consolidated Balance Sheet, are recognised in the Consolidated Income Statement.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 8).

The Group has an Employee Benefit Trust (EBT) for the granting of non-transferable options to executive Directors and Management. Shares in the Group held by the EBT are treated as investment in own shares and are recorded at cost as a deduction from equity.

2.20 Own shares held

Computacenter plc shares held by the Group are classified in shareholders' equity as 'own shares held' and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to reserves. No gain or loss is recognised in the Consolidated Income Statement on the purchase, sale, issue or cancellation of equity shares. These shares are held in the EBT. Computacenter being the sponsoring entity has control over the EBT under IFRS 10, as Computacenter makes the decisions on how the EBT operates per the following criteria:

- Computacenter has power over the relevant activities of the EBT;
- Computacenter has exposure, or rights, to variable returns from its involvement with the EBT; and
- Computacenter has the ability to use its power over the EBT to affect the amount of the EBT returns.

As the IFRS 10 criteria are satisfied and the parent company (Computacenter plc) has control, the EBT is treated as an extension of the parent company and thus the assets and liabilities of the EBT are included on the Company's Balance Sheet and therefore reported within the Group's Consolidated Balance Sheet. The shares held by the EBT are presented as a deduction from equity within the Consolidated Statement of Changes in Equity, in the 'own shares held' column.

3 Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires Management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

Due to the inherent uncertainty in making these critical judgements and estimates, actual outcomes could be different.

During the year, Management reassessed the critical accounting estimates and judgements for the Group. This process included reviewing the last reporting period's disclosures, the key judgements required on the implementation of forthcoming standards and the current period's challenging accounting issues. Where Management deemed there is a change for an area of accounting to be considered a critical estimate or judgement, an explanation for this decision is provided in note 3.3 below.

3.1 Critical estimates

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future years affected. The areas involving risk that could result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:



3.1.1 Customer contract provisions

Provisions against long-term customer contracts are inherently uncertain, as the estimated revenues and costs associated with these contracts are based on a number of key assumptions and estimates.

There is a small number of material contracts where Management made estimates in relation to future revenues and costs, as well as when risks will be mitigated or extinguished. The Group has considered the nature of these estimates and concluded that, on the basis of available information, it is reasonably possible that outcomes within the next financial year may differ from the assumptions applied as at 31 December 2025. The potential uncertainties and range of outcomes relating to contract provisions is further discussed in note 10.

3.2 Critical judgements

Judgements made by Management in the process of applying the Group's accounting policies, which have the most significant effect on the amounts recognised in the Group's consolidated financial statements, are as follows.

3.2.1 Bill and hold

The Group generates some of its revenue through its bill and hold arrangements with its customers. These arise when the customer is invoiced but the product is not shipped to the customer until a later date, in accordance with the customer's request in a written agreement. In order to determine the appropriate timing of revenue recognition, it is assessed whether control has transferred to the customer.

A bill and hold arrangement is only put in place when a customer lacks the physical space to store the product or the product previously ordered is not yet needed in accordance with the customer's schedule and the customer wants to guarantee supply of the product. In order to determine whether an arrangement is bill and hold and control has been transferred to the customer, a customer request must have been approved and all of the below criteria must have been met:

- a) the reason for the bill and hold arrangement must be substantive (for example, the customer has requested the arrangement);
- b) the product must be identified separately as belonging to the customer;
- c) the product currently must be ready for physical transfer to the customer; and
- d) the Group cannot have the ability to use the product or to direct it to another customer.

Judgement is required to determine if all of the criteria (a) to (d) have been met to recognise a bill and hold sale. This is determined by segregation and readiness of inventory and the review and approval of all customer requests, in order to assess whether the accounting policy had been correctly applied to recognise a bill and hold sale.

A total of £423.4m of product sold was held by the Group for bill and hold transactions where the Group retained the physical custody of the inventory as at 31 December 2025 (31 December 2024: £435.5m).

3.3 Change in critical estimates and critical judgements

Due to the nature of key estimates used for provisions against a limited number of material customer contracts at the reporting date, and the related inherent uncertainty around outcomes within the next financial year, customer contract provisions has been included as a critical estimate.

The critical judgements reported in the Group's 2024 Annual Report and Accounts are unchanged.

4 Segment information

The Segment information is reported to the Board and the Chief Executive Officer. The Chief Executive Officer is the Group's Chief Operating Decision Maker (CODM). The Group's operating Segments are the same as its reporting Segments and these remain unchanged from those reported at 31 December 2024.



The Segmental reporting structure is the basis on which internal reports are provided to the Chief Executive Officer, as the CODM, for assessing performance and determining the allocation of resources within the Group, in accordance with IFRS 8.25. Segmental performance is measured based on external revenues, gross profit, adjusted operating profit and adjusted profit before tax.

Central Corporate Costs continue to be disclosed as a separate column within the Segmental note. These costs are borne within the Computacenter (UK) Limited legal entity and have been removed for Segmental reporting and performance analysis, but form part of the overall Group administrative expenses.

Segmental performance for the years ended 31 December 2025 and 31 December 2024 was as follows:

Year ended 31 December 2025

	UK £m	Germany £m	Western Europe £m	North America* £m	International £m	Central Corporate Costs £m	Total £m
Revenue							
Technology Sourcing revenue							
Gross invoiced income	2,332.8	2,216.6	1,055.3	5,677.6	15.2	–	11,297.5
Adjustment to gross invoiced income for income recognised as agent	(1,391.9)	(872.5)	(504.6)	(1,024.9)	(0.5)	–	(3,794.4)
Total Technology Sourcing revenue	940.9	1,344.1	550.7	4,652.7	14.7	–	7,503.1
Services revenue							
Professional Services	201.9	412.5	57.7	175.1	–	–	847.2
Managed Services	276.4	352.7	170.8	32.2	11.5	–	843.6
Total Services revenue	478.3	765.2	228.5	207.3	11.5	–	1,690.8
Total revenue	1,419.2	2,109.3	779.2	4,860.0	26.2	–	9,193.9
Results							
Cost of sales	(1,155.2)	(1,719.8)	(676.5)	(4,503.4)	5.1	–	(8,049.8)
Gross profit	264.0	389.5	102.7	356.6	31.3	–	1,144.1
Adjusted administrative expenses	(221.7)	(232.2)	(110.5)	(227.0)	(16.2)	(61.8)	(869.4)
Adjusted operating profit/(loss)	42.3	157.3	(7.8)	129.6	15.1	(61.8)	274.7
Adjusted net interest	(8.6)	6.3	(0.2)	1.9	(2.1)	–	(2.7)
Adjusted profit/(loss) before tax	33.7	163.6	(8.0)	131.5	13.0	(61.8)	272.0
Exceptional items:							
– loss on impairment							(20.2)
– costs related to acquisitions							(3.2)
Total exceptional items							(23.4)
Amortisation of acquired intangibles							(10.1)
Profit before tax							238.5

* North America Segment total revenue of £4,860.0m includes £4,788.7m of revenue for the US.



The reconciliation of adjusted operating profit to operating profit as disclosed in the Consolidated Income Statement is as follows:

Year ended 31 December 2025

	Total £m
Adjusted operating profit	274.7
Amortisation of acquired intangibles	(10.1)
Exceptional items	(23.4)
Operating profit	241.2

Year ended 31 December 2025

	UK £m	Germany £m	Western Europe £m	North America* £m	International £m	Central Corporate Costs £m	Total £m
Other Segment information							
Property, plant and equipment	28.7	38.8	3.3	9.2	6.0	–	86.0
Right-of-use assets	26.5	56.4	22.2	37.4	23.4	–	165.9
Intangible assets	73.3	16.9	0.9	192.1	1.8	–	285.0
Capital expenditure:							
Property, plant and equipment	5.9	5.9	2.0	5.5	2.5	–	21.8
Right-of-use assets	21.3	26.4	9.3	29.6	12.3	–	98.9
Software	13.2	0.1	0.4	0.2	0.3	–	14.2
Costs of inventories recognised as an expense	831.6	1,104.1	475.5	4,252.9	7.1	–	6,671.2
Staff costs	378.8	513.2	188.3	286.0	89.3	–	1,455.6
Depreciation of property, plant and equipment	6.3	7.7	2.4	3.5	2.5	–	22.4
Depreciation of right-of-use assets	7.4	18.6	7.0	6.6	5.5	–	45.1
Amortisation of software	8.0	0.4	0.3	1.0	0.3	–	10.0
Share-based payments recognised in equity	3.7	2.3	0.1	0.7	–	2.2	9.0

* North America Segment intangible assets of £192.1m includes £189.5m of intangible assets for the US.

Year ended 31 December 2024

	UK £m	Germany £m	Western Europe £m	North America* £m	International £m	Central Corporate Costs £m	Total £m
Revenue							
Technology Sourcing revenue							
Gross invoiced income	1,758.6	1,909.4	971.7	3,632.8	5.6	–	8,278.1



Adjustment to gross invoiced income for income recognised as agent	(1,053.3)	(674.8)	(381.0)	(842.2)	(0.4)	–	(2,951.7)
Total Technology Sourcing revenue	705.3	1,234.6	590.7	2,790.6	5.2	–	5,326.4
Services revenue							
Professional Services	158.2	407.5	62.2	150.4	–	–	778.3
Managed Services	294.6	344.6	166.4	30.4	24.1	–	860.1
Total Services revenue	452.8	752.1	228.6	180.8	24.1	–	1,638.4
Total revenue	1,158.1	1,986.7	819.3	2,971.4	29.3	–	6,964.8

Results

Cost of sales	(927.3)	(1,620.5)	(700.8)	(2,690.7)	9.5	–	(5,929.8)
Gross profit	230.8	366.2	118.5	280.7	38.8	–	1,035.0
Adjusted administrative expenses	(190.1)	(209.3)	(104.8)	(208.4)	(24.8)	(50.9)	(788.3)
Adjusted operating profit/(loss)	40.7	156.9	13.7	72.3	14.0	(50.9)	246.7
Adjusted net interest	(0.7)	7.4	–	1.5	(0.9)	–	7.3
Adjusted profit/(loss) before tax	40.0	164.3	13.7	73.8	13.1	(50.9)	254.0

Exceptional items:

– unwinding of discount relating to acquisition of a subsidiary							(0.6)
– gain related to acquisitions							1.8

Total exceptional items							1.2
Amortisation of acquired intangibles							(10.6)
Profit before tax							244.6

* North America Segment total revenue of £2,971.4m includes £2,901.7m of revenue for the US.

The reconciliation of adjusted operating profit to operating profit as disclosed in the Consolidated Income Statement is as follows:

Year ended 31 December 2024

	Total £m
Adjusted operating profit	246.7
Amortisation of acquired intangibles	(10.6)
Exceptional items	1.8
Operating profit	237.9

Year ended 31 December 2024

	UK £m	Germany £m	Western Europe £m	North America* £m	International £m	Central Corporate Costs £m	Total £m
Other Segment information							
Property, plant and equipment	29.7	38.8	8.3	7.7	6.2	–	90.7



Right-of-use assets	12.6	47.6	21.0	15.5	22.3	–	119.0
Intangible assets	68.4	16.3	13.4	217.7	1.7	–	317.5
Capital expenditure:							
Property, plant and equipment	4.3	7.2	2.9	1.5	3.1	–	19.0
Right-of-use assets	9.4	24.7	9.3	1.9	16.2	–	61.5
Software	11.1	0.3	0.5	0.3	0.3	–	12.5
Costs of inventories recognised as an expense							
	604.8	1,032.9	504.0	2,444.9	6.3	–	4,592.9
Staff costs	356.8	482.8	187.0	264.9	83.6	–	1,375.1
Depreciation of property, plant and equipment	6.4	7.0	2.2	3.7	2.2	–	21.5
Depreciation of right-of-use assets	5.5	19.0	6.4	5.4	4.7	–	41.0
Amortisation of software	6.0	0.3	0.3	1.3	0.3	–	8.2
Share-based payments recognised in equity							
	3.6	1.8	0.1	0.5	0.1	1.0	7.1

* North America Segment intangible assets of £217.7m includes £215.0m of intangible assets for the US.

Charges for the amortisation of acquired intangibles (where initial recognition was an exceptional item or a fair value adjustment on acquisition) are excluded from the calculation of adjusted operating profit. This is because these charges are based on judgements about their value and economic life, are the result of the application of acquisition accounting rather than core operations, and whilst revenue recognised in the Consolidated Income Statement does benefit from the underlying asset that has been acquired, the amortisation costs bear no relation to the Group's underlying ongoing operational performance. In addition, amortisation of acquired intangibles is not included in the analysis of Segment performance used by the CODM.

Information about major customers

Included in revenues arising from the North American Segment are revenues of approximately £2,731.2m (2024: £1,095.5m) which arose from sales to the Group's largest customer.

5 Revenue

Revenue recognised in the Consolidated Income Statement is analysed as follows:

	2025 £m	2024 £m
Revenue by type		
Technology Sourcing revenue		
Gross invoiced income	11,297.5	8,278.1
Adjustment to gross invoiced income for income recognised as agent	(3,794.4)	(2,951.7)
Total Technology Sourcing revenue*	7,503.1	5,326.4
Services revenue		



Professional Services	847.2	778.3
Managed Services	843.6	860.1
Total Services revenue	1,690.8	1,638.4
Total revenue	9,193.9	6,964.8

* Included within the amount of Technology Sourcing revenue shown above is £61.0m (2024: £70.0m) recognised under IFRS 16. All other Technology Sourcing revenue is recognised at a point in time under IFRS 15 as described in our accounting policy (note 2.3.1).

Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

	31 December 2025 £m	31 December 2024 £m
Trade receivables	1,861.3	1,620.2
Contract assets, which are included in prepayments*	31.4	29.2
Contract assets, which are included in accrued income	212.3	137.5
Contract liabilities, which are included in deferred income	392.8	285.7

* During the year, the Group reviewed its contract assets within prepayments. Following this exercise, the Group has rectified certain inconsistencies in presentation by foreign subsidiaries. As a result, the comparative amounts have increased by £19.4m. The relevant balance sheet line item remains unaffected.

The prepayments balance within the Consolidated Balance Sheet, totalling £188.2m, comprises £31.4m in contract assets and £156.8m in other prepayments, including £66.4m for software licences and £54.3m for subcontractor balances. Other prepayments have been classified as current assets in accordance with the Group's operating cycle and classification described below.

The Group has implemented an expected credit loss impairment model with respect to contract assets which are included in accrued income, using the simplified approach. These contract assets have been grouped on the basis of their shared-risk characteristics and a provision matrix has been developed and applied to these balances to generate the loss allowance. The majority of these contract asset balances are with blue chip customers and the incidence of credit loss is low. There has therefore been no material adjustment to the loss allowance under IFRS 9. Specific provisions are made against material or high-risk balances based on trading experience or where doubt exists about the counterparty's ability to pay. The expected credit losses on contract assets which are within accrued income are considered to be immaterial.

Significant changes in contract assets and liabilities

Contract assets are balances due from customers under long-term contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the Group's right to consideration for the services transferred to date. Amounts are generally reclassified to trade and other receivables when these have been certified or invoiced to a customer. Refer to note 2.11.1 for credit terms of trade receivables.

The increase in trade receivables is mainly in the Germany and North America segments and is driven by the timing of large deals.

Win fees, deferred contract costs and fulfilment costs are included in the prepayments balance above. The Consolidated Income Statement impact of the win fees was a recognition of a net loss in 2025 of



£0.9m, with a corresponding credit to income tax of £0.2m for the year. The Consolidated Income Statement impact of fulfilment costs was a recognition of a net gain in 2025 of £2.0m, with a corresponding tax charge of £0.8m for the year.

As at 31 December 2025, the win fee balance was £11.1m and the fulfilment costs balance was £4.4m. No impairment loss was recorded for win fees, deferred contract costs or fulfilment costs during the year.

Revenue recognised in the reporting period from movement in accrued income balances was £70.7m, with a credit to foreign exchange of £4.1m. No impairment loss was recorded for accrued income during the year.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was £190.4m.

Remaining performance obligations (work in hand)

Contracts which had remaining performance obligations as at 31 December 2025 and 31 December 2024 are set out in the table below. The table below discloses the aggregate transaction price relating to those remaining performance obligations, excluding both (a) amounts relating to contracts for which revenue is recognised as invoiced and (b) amounts relating to contracts where the expected duration of the ongoing performance obligation is one year or less.

Managed Services	Less than one year £m	One to two years £m	Two to three years £m	Three to four years £m	Four years and beyond £m	Total £m
As at 31 December 2025	734.0	478.0	333.0	153.0	125.0	1,823.0
As at 31 December 2024	750.0	554.0	351.0	215.0	224.0	2,094.0

The duration of most contracts is between one and five years. However some contracts will vary from these typical lengths. Revenue is typically earned over these varying timeframes.

Operating cycle and classification

In determining the classification of current assets and liabilities, the Group considers its normal operating cycle, defined as the period over which assets are acquired, transformed, and ultimately realised as cash, or liabilities are settled.

The Group operates across distinct business activities with different operating cycles. The normal operating cycle is defined by the contractual terms underlying each type of trading activity. All working capital items, including prepayments and deferred income related to these activities, are classified as current based on the expected realisation or settlement within the relevant contractual cycle. The Group's approach ensures that the balance sheet presentation reflects the timing of cash flows specific to each type of business activity.

Technology Sourcing

The normal operating cycle is aligned to the contractual terms of the arrangement, where the core activity of the resale of IT hardware, software and related services typically operates on a short working capital cycle of less than 12 months. Where the sale of IT equipment is structured as a lease to customers, balances due over 12 months will be considered as non-current as these are outside the normal operating cycle for the sale of IT equipment. For the purchase and resale of multi-year agreements for software and resold services, the normal operating cycle is aligned to the contractual terms of the arrangement. Typically, these agreements involve prepayments and deferred income that are realised over multiple years, where the cash has already been settled.

Professional Services



The normal operating cycle is aligned to the contractual terms of the arrangement, where the Group provides skilled professionals to customers either operating within a project framework or on a 'resource on demand' basis, on a short working capital cycle of less than 12 months.

Managed Services

Service contracts for IT infrastructure and support are typically structured from three- to five-year periods. The normal operating cycle is aligned to the contractual terms of the arrangement.

6 Exceptional items

	2025 £m	2024 £m
Operating profit		
Loss on impairment (note 9.1)	(20.2)	–
(Costs)/gain related to acquisitions	(3.2)	1.8
Exceptional operating (loss)/profit	(23.4)	1.8
Interest cost relating to acquisition of a subsidiary	–	(0.6)
(Loss)/profit on exceptional items before tax	(23.4)	1.2
Tax relating to exceptional items	0.7	(0.6)
(Loss)/profit on exceptional items after tax	(22.7)	0.6

Included within 2025 are the following exceptional items:

- As disclosed in note 9.1, the Group has recognised a loss on impairment of £8.3m relating to non-current assets within the French CGU, alongside an £11.9m impairment of goodwill associated with the Western Europe segment. The total impairment loss of £20.2m was driven by a sustained period of underperformance within the Group's French operations, reflecting more cautious growth assumptions and adjusted margin expectations in light of the current trading environment. These charges are non-cash in nature and do not affect the Group's underlying liquidity or debt covenants.
- £3.2m of costs associated with an unrealised acquisition pursued by the Group during the period. These costs include legal fees, advisory fees and other related costs which have been expensed in the Consolidated Income Statement. The acquisition-related costs are not related to operational activity within the Group and not expected to regularly recur, and have therefore been classified as an exceptional item, which is consistent with our prior-year treatment of similar costs.

Included within 2024 were the following exceptional items:

- £2.2m relating to a release of contingent consideration in relation to the Business IT Source Holdings, Inc (BITS) acquisition, net of £0.4m of costs incurred as per the share purchase agreement. As these related to the acquisition and not operational activity within BITS and are of a one-off nature, they were classified as an exceptional item.
- £0.6m relating to the unwinding of the discount on the contingent payment for the purchase of BITS was classified as exceptional interest cost, consistent with our prior-year treatment.



7 Income tax

a) Tax on profit from ordinary activities

	2025 £m	2024 £m
Current income tax		
On profits for the year:		
– UK corporation tax	4.6	3.4
– Foreign tax	73.9	68.9
Tax on exceptional items	(0.7)	–
Adjustments in respect of prior years	(1.4)	(1.6)
Total current income tax expense	76.4	70.7
Deferred income tax		
– origination and reversal of temporary differences	3.2	0.7
– change in tax rates	–	0.7
– adjustments in respect of prior years	1.8	0.6
Total deferred income tax expense	5.0	2.0
Tax charge in the Consolidated Income Statement	81.4	72.7

b) Reconciliation of the total tax charge

	2025 £m	2024 £m
Profit before income tax	238.5	244.6
At the UK standard rate of corporation tax of 25% (2024: 25%)	59.6	61.2
Expenses not deductible for tax purposes	9.4	4.6
Non-deductible share-based payment charge net of related tax relief	(0.4)	0.4
Adjustments in respect of prior years	0.4	(1.0)
Effect of tax rate differences in foreign jurisdictions	5.8	6.4
Change in tax rate	–	0.7
Other differences	–	(0.1)
Overseas tax not based on earnings	2.5	1.5
Unrecognised deferred tax assets	2.4	–
Current year losses for which no deferred tax asset can be recognised	3.5	0.9



Previously unrecognised tax losses used to reduce current tax expense	(0.2)	(1.0)
Tax effect of income not taxable in determining taxable profit	(1.6)	(0.9)
At effective income tax rate of 34.1% (2024: 29.7%)	81.4	72.7

Taxation for subsidiaries operating in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions, these being a blended rate of 32% in Germany (2024: 32%) and a blended (Federal/State) rate of 25% in the US (2024: 28%), which mainly drive the 'Effect of tax rate differences in foreign jurisdictions' above.

c) Tax losses

Deferred income tax assets of £2.2m (2024: £5.3m) have been recognised in respect of losses carried forward, primarily in the US. Deferred income tax assets of £2.0m at 31 December 2024, in relation to the French business, have been fully reversed during the year as the recoverability of the related tax benefit is not considered probable based on current forecasts of future taxable profits.

In considering the probable utilisation of the carried forward tax losses, and therefore the likely recoverability of these assets, the Group makes an assessment based upon a reasonably foreseeable timeframe, being typically up to three years, taking into account the future expected profit profile and business model of each relevant company or country. The reasonably foreseeable timeframe is derived based on the confidence the Group has in the performance of these companies or countries and therefore the reliability of forecasts over the timeframe in which the asset would be recovered.

As at 31 December 2025, there were unused tax losses across the Group of £296.3m (2024: £271.4m) for which no deferred income tax asset has been recognised. Of these losses, £267.2m (2024: £242.8m) arise in France, £5.7m (2024: £3.6m) arise in the Netherlands, and corporate income tax losses of £23.4m (2024: £25.0m) arise in Germany. No deferred tax has been recognised on these losses due to the potential uncertainty around whether future taxable profits would be available against which these tax losses can be utilised. Unused tax losses in France and Germany can be carried forward indefinitely. In the Netherlands, losses of £0.6m and £1.8m will expire in 2026 and 2027 respectively, while the remaining £3.3m can be carried forward indefinitely.

Following the merger of CC France SAS and Computacenter NS (CCNS), a request has been made to the French tax authorities to preserve the historic tax losses of CCNS (£173.0m) and a decision is pending. A significant proportion of the losses arising in Germany have been generated in statutory entities that no longer have significant levels of trade.

In addition, there were unutilised capital tax losses as at 31 December 2025 of £7.4m (2024: £7.4m) but no deferred tax asset has been recognised as it is not considered probable that these losses will be utilised in the foreseeable future.

d) Deferred income tax

Deferred income tax as at 31 December 2025 and 31 December 2024 relates to the following:

	Consolidated Balance Sheet		Consolidated Income Statement		Consolidated Statement of Comprehensive Income	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Deferred income tax assets/(liabilities)						
Property, plant and equipment	(0.1)	(5.2)	0.5	(2.1)	–	–
Right-of-use assets	(39.0)	(28.6)	(9.2)	(16.6)	–	–
Intangible assets	(24.0)	(18.7)	(2.2)	1.6	–	–



Inventories	3.1	2.7	0.8	0.2	–	–
Derivative financial instruments	0.8	0.1	–	–	0.7	(0.1)
Lease liabilities	41.8	30.9	9.6	17.4	–	–
Share-based payments	4.8	5.2	–	(2.4)	–	–
Tax losses carried forward	2.2	5.3	(3.0)	1.7	–	–
Other temporary differences	(0.4)	3.9	(1.5)	(1.8)	–	–
Deferred income tax (expense)/benefit			(5.0)	(2.0)	0.7	(0.1)
Net deferred income tax liabilities	(10.8)	(4.4)				

Disclosed on the Consolidated Balance Sheet

Deferred income tax assets	5.3	6.3
Deferred income tax liabilities	(16.1)	(10.7)
Net deferred income tax liabilities	(10.8)	(4.4)

Deferred tax is not recognised in respect of the Group's investments in subsidiaries where Computacenter is able to control the timing of remittance, or other realisation, of unremitted earnings and where remittance or realisation is not probable in the foreseeable future.

The Group has other temporary differences, primarily in France, of £31.9m (2024: £24.1m), for which no deferred tax asset has been recognised. These temporary differences mainly relate to the retirement benefit obligation which is of a long-term nature. The amount that would be recognised over our reasonably foreseeable timeframe of up to three years would therefore be immaterial.

e) Factors affecting current and future tax charge

The main rate of UK corporation tax was 25% (2024: 25%), effective from 1 April 2023 and substantively enacted on 24 May 2021. The deferred income tax in the Group's consolidated financial statements reflects this.

The Group is within the scope of the Organisation for Economic Cooperation and Development (OECD) Pillar Two model rules.

In the UK, where Computacenter plc is incorporated, legislation has been enacted to implement the OECD's Income Inclusion Rule (IIR), Domestic Top-up Tax (DTT) and Undertaxed Profits Rule (UTPR). Under the legislation, the Group is liable to pay a top-up tax for the difference between the Pillar Two Global anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate.

The Group has estimated that the effective tax rates exceed 15% in all material jurisdictions in which it operates. For non-material jurisdictions where the weighted average effective tax rate was lower than 15% for the year ended 31 December 2025, the Group's assessment indicates that any adjustments required under the legislation are not material. Therefore, the Group does not expect to experience a material impact on its overall effective tax rate or on the income tax expense reported in the Consolidated Income Statement as a result of the OECD Pillar Two model rules.

The Group continues to apply the amendments to IAS 12 which allow for temporary mandatory relief from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.



f) Uncertain tax positions

The Group operates in numerous jurisdictions and has ongoing tax audits and open tax matters with certain tax authorities, which mainly relate to interpretation of how relevant tax legislation applies to the Group's transfer pricing arrangements. The matters under discussion can be complex and often take several years to resolve. The Group records a provision against uncertain tax positions based on Management's estimate of either the most likely amount or the expected value amount, depending on which method is expected to better reflect the resolution of the uncertainty.

The potential exposure of the Group to an unfavourable outcome in any uncertain tax matter is not expected to result in material additional tax expense or liabilities and therefore the amounts, where already recognised, are not material and are considered appropriate for the current status of the matters under review.

8 Earnings per share

Earnings per share amounts are calculated by dividing profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (excluding own shares held).

To calculate diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential shares. Share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year are considered to be dilutive potential shares.

	2025	2024
	£m	£m
Profit attributable to equity holders of the Parent	153.7	170.8
	2025	2024
	m	m
Basic weighted average number of shares (excluding own shares held)	104.9	110.6
Effect of dilution:		
Share options	0.7	1.1
Diluted weighted average number of shares	105.6	111.7
	2025	2024
	p	p
Basic earnings per share	146.5	154.4
Diluted earnings per share	145.5	152.9

9 Impairment testing of goodwill, other intangible assets and other non-current assets

Movements in goodwill

	UK £m	Western Europe £m	Germany £m	US £m	Canada £m	Emerge £m	Total £m
1 January 2024	38.3	12.0	16.5	100.6	5.2	2.0	174.6
Foreign currency adjustment	–	(0.7)	(0.7)	1.3	0.1	(0.1)	(0.1)
31 December 2024	38.3	11.3	15.8	101.9	5.3	1.9	174.5



Impairment loss (note 9.1)	–	(11.9)	–	–	–	–	(11.9)
Foreign currency adjustment	–	0.6	0.8	(6.9)	(0.3)	(0.1)	(5.9)
31 December 2025	38.3	–	16.6	95.0	5.0	1.8	156.7
Market growth rate	2.0%	1.7%	1.2%	1.8%	1.8%	2.2%	
Discount rate (pre tax)	12.0%	9.9%	12.3%	14.5%	13.6%	9.9%	
Discount rate (post tax)	9.7%	8.2%	7.8%	10.5%	10.4%	7.7%	

Goodwill acquired through business combinations has been allocated to the following CGUs or operating segments*:

- UK
- Western Europe*
- Germany
- US
- Canada
- Emerge

These represent the lowest level within the Group at which goodwill is monitored for internal Management purposes.

Key assumptions used in value-in-use calculations

The recoverable amounts of all CGUs, except Western Europe (note 9.1), have been determined based on a value-in-use (VIU) calculation. For the VIU calculations, cash flow projections are based on financial budgets approved by Management covering a three-year period and on long-term market growth rates of between 1.2% and 2.2% (2024: between 1.7% and 2.2%) thereafter.

Key assumptions used in the value-in-use calculation for all CGUs for 31 December 2025 and 31 December 2024 were:

- budgeted revenue, which is based on long-run market growth forecasts and taking into account forecast inflation;
- budgeted gross margins, which are based on average gross margins achieved in the year immediately before the budgeted year, adjusted for expected long-run market pricing trends and taking into account forecast inflation; and
- the discount rate applied to cash flow projections, which ranges from 7.7% to 10.5% (2024: 7.9% to 10.1%) and represents the Group's post-tax measure estimating the weighted-average cost of capital, based on the rate of government bonds in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect the increased risk of investing in equities generally. The cash flows are also calculated on a post-tax basis to ensure like-for-like modelling with the post-tax discount rate.

Other than Western Europe, each CGU generates value substantially in excess of the carrying value of goodwill attributed to it. Management therefore believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Foreseeable costs for achieving planned reductions in Scope 1 and 2 greenhouse gas emissions have been included as assumptions within the forecast models used to assess impairment. These include the cost of transition to green energy and the purchase of carbon offset credits within our baseline financial forecasts. The costs of longer term planned reductions in Scope 3 emissions have also been considered when making these assessments, although specific costs are not usually as available for direct input into the forecast models. Reductions in Scope 3 emissions will be achievable primarily through the



greenhouse gas reduction programmes of our key vendors, where the vast majority of the emissions in the value chain occur.

Other acquired intangible assets

Other acquired intangible assets consist of customer relationships. The expected useful lives are disclosed in note 2.

Other non-current assets

When there is an indication of impairment within a CGU, the carrying values of the non-current assets are compared to their recoverable amount, as described in note 2.6.

9.1 Western Europe

The Western Europe operating segment (Western Europe) represents a single group of CGUs consisting of the French, Dutch, Belgian and Swiss CGUs. The Board monitors only the performance of the combined Western Europe segment, leading to the conclusion that this is the appropriate level at which goodwill should be tested for impairment.

The recoverable amount for Western Europe has been determined based on the fair value less costs to dispose (FVLCD). This yields a higher recoverable amount than the value-in-use (VIU) calculation used in the prior year, but still generates an overall forecasted cash outflow.

During the year, the trading performance of the French CGU was weaker than previously expected, and future forecasts were revised downwards. Therefore, an impairment assessment was performed on the standalone CGU, with the recoverable amount determined using FVLCD. The weaker trading performance led to less favourable assumptions in respect of future profitability and working capital compared to those used in the prior year. This had a negative impact on the recoverable amount of the CGU which is lower than its carrying value, leading to an impairment loss of £8.3m (2024: nil). No goodwill was allocated to the CGU. The impairment was therefore applied to other assets based on their standalone recoverable amounts, as follows:

	Carrying amount before impairment £m	Impairment loss £m	Carrying amount after impairment £m
Property, plant and equipment	5.0	5.0	–
Right-of-use assets	14.8	2.0	12.8
Software	0.1	0.1	–
Acquired customer relationships	1.2	1.2	–
Total	21.1	8.3	12.8

Right-of-use assets were not written down to nil because they were measured at the recoverable amounts of the standalone leases, based on comparable market rentals.

No impairment indicators were identified in respect of the remaining individual CGUs included in Western Europe. However, the impairment of the French CGU resulted in an additional impairment loss of £11.9m recognised against the goodwill allocated to Western Europe. No impairment was required to be allocated to other assets within the segment.

The total impairment loss for Western Europe and the French CGU of £20.2m (2024: nil) has been recognised within the Consolidated Income Statement as an exceptional item (note 6).

For the purposes of impairment assessment, FVLCD is categorised as a Level 3 fair value measurement under IFRS 13.



Key assumptions used in the impairment assessment

The terminal growth rate and discount rates used in the FVLCD calculations for the French CGU and for Western Europe are consistent with those shown under Western Europe in the movements in goodwill table within this note.

10 Provisions

	Customer contract provisions £m	Property provisions £m	Other provisions £m	Total provisions £m
At 1 January 2024	1.5	5.9	1.7	9.1
Amount unused reversed	(1.2)	–	(0.3)	(1.5)
Arising during the year	4.9	0.2	0.7	5.8
Utilisation	(0.2)	–	(0.4)	(0.6)
Exchange adjustment	(0.1)	–	–	(0.1)
At 31 December 2024	4.9	6.1	1.7	12.7
Amount unused reversed	–	(0.7)	–	(0.7)
Arising during the year	14.8	–	0.1	14.9
Utilisation	(5.0)	–	(0.3)	(5.3)
Exchange adjustment	0.1	(0.1)	0.1	0.1
At 31 December 2025	14.8	5.3	1.6	21.7
Current at 31 December 2025	4.3	0.5	0.1	4.9
Non-current at 31 December 2025	10.5	4.8	1.5	16.8
	14.8	5.3	1.6	21.7
Current at 31 December 2024	3.8	1.0	0.1	4.9
Non-current at 31 December 2024	1.1	5.1	1.6	7.8
	4.9	6.1	1.7	12.7

Customer contract provisions

The Group has long-term customer contracts that fall into different accounting periods and a provision is made against contracts where total costs are expected to exceed total revenue. This requires making estimates for future revenues and costs on a contract, as well as when risks will be mitigated or extinguished, which are inherently imprecise.

At the reporting date, Management made estimates in relation to provisions against a limited number of material customer contracts. The Group continues to work closely and collaboratively with its customers to deliver effectively on its contracts and commitments.

As disclosed in note 2.16, the Group records a provision for onerous contracts using the full cost approach under IAS 37. However, final outcomes remain subject to the potential future impact of a number of uncertainties including lower than expected volumes, operational challenges to satisfactorily fulfil orders and reduction in previous mitigation assessments.



A reasonably possible variation in the estimated impact of these uncertainties could result in a range of outcomes from a potential upside of £9.2m to a downside of £14.0m.

Property provisions

Assumptions used to calculate the property provisions are typically based on 100% of the present value of any contractual dilapidation expense estimated to arise at the end of the current lease. The costs are all dilapidation expenses which have not been included as part of the lease liability under IFRS16.

Other provisions

Other provisions are mainly legal claims.

11 Analysis of changes in net funds

	At 1 January 2025 £m	Cash flows in year £m	Non-cash flow £m	Exchange differences £m	At 31 December 2025 £m
Cash and short-term deposits	489.6	135.8	–	3.1	628.5
Cash and cash equivalents	489.6	135.8	–	3.1	628.5
Bank loans and credit facility	(7.4)	(15.0)	–	(0.1)	(22.5)
Adjusted net funds (excluding lease liabilities)	482.2	120.8	–	3.0	606.0
Lease liabilities	(129.5)	52.7	(101.3)	(1.7)	(179.8)
Net funds	352.7	173.5	(101.3)	1.3	426.2

	At 1 January 2024 £m	Cash flows in year £m	Non-cash flow £m	Exchange differences £m	At 31 December 2024 £m
Cash and short-term deposits	471.2	29.5	–	(11.1)	489.6
Cash and cash equivalents	471.2	29.5	–	(11.1)	489.6
Bank loans and credit facility	(12.2)	4.5	–	0.3	(7.4)
Adjusted net funds (excluding lease liabilities)	459.0	34.0	–	(10.8)	482.2
Lease liabilities	(115.4)	47.4	(64.9)	3.4	(129.5)
Net funds	343.6	81.4	(64.9)	(7.4)	352.7

12 Related-party transactions

The Group's related parties include its associates, key management and others as described below.

Relatives of a Director of the Company are employed by a subsidiary of the Company under normal terms and conditions and with remuneration commensurate with the role. Total remuneration for 2025 was £0.3m (2024: £0.3m).

The unpaid balance of £13,000 owed by a Director as at 31 December 2024 was fully repaid.

Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related-party receivables. On an annual basis, the Group makes an assessment for expected credit losses relating to any amounts owed by related parties. This



assessment is undertaken through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel (including Directors)

The Board of Directors is identified as the Group's key management personnel. A summary of the compensation of key management personnel is provided below:

	2025 £m	2024 £m
Short-term employee benefits	2.8	2.2
Social security costs	0.7	0.7
Share-based payments	–	–
Pension costs	–	0.1
Total compensation paid to key management personnel	3.5	3.0

13 Events after the reporting period

On 5 January 2026, the Group acquired 100% of the voting shares of AgreeYa Solutions Inc., a professional services business focused on the US enterprise market, and the assets of the associated business, AgreeYa India, for an enterprise value of up to \$120m.

The financial effects of this transaction were not recognised as of 31 December 2025, since control transferred after the year end. The operating results and assets and liabilities of the acquired entities will be consolidated from 1 January 2026, the effective date of the transaction.

The transaction has been funded from existing cash resources.

AgreeYa is a technology solutions partner, headquartered in Folsom, California, that has been providing professional services to enterprise customers across the United States for over 26 years. It serves large customers in a range of markets including telecommunications, financial services, professional services and state/local government. The company has over 600 people in the United States and over 700 in India (including contract staff), where the main base is Noida, near Delhi. AgreeYa is expected to report consolidated revenue (all professional services) in 2025 of approximately \$120m with adjusted EBITDA of approximately \$14m.

AgreeYa enhances Computacenter's existing capabilities in the areas of cloud, data, automation and AI; digital engineering (app modernisation, development and testing); modern workplace; and IT staffing (expert services). The addition of AgreeYa to Computacenter North America is expected to increase Computacenter's annualised North American Professional Services revenue to over \$350m. Additionally, the capabilities of AgreeYa's team in India will further enrich Computacenter's European business through the transfer of specialised skills and innovation.

The purchase consideration comprises cash of \$110m, subject to adjustments as defined in the share purchase agreement (SPA). In addition, an earnout payment of up to a further \$10m is payable by the Group based on the 2025 performance of the acquired business, in accordance with the terms, and subject to the conditions, set forth in the SPA.

Given the limited period of ownership prior to the issuance of the summary financial information within this announcement, the Group has not yet completed the acquisition accounting required to meet the disclosure requirements set out in IFRS 3. The Group will include the relevant disclosures within the 2026 Annual Report and Accounts.



Appendix

Alternative performance measures

Alternative performance measures are used by the Group to understand and manage performance. These are not defined under International Financial Reporting Standards (IFRS) or UK-adopted International Accounting Standards (UK-IFRS) and are not intended to be a substitute for any IFRS or UK-IFRS measures of performance. They have been included as Management considers them to be important measures, alongside the comparable Generally Accepted Accounting Practice (GAAP) financial measures, in assessing underlying performance. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures. The table below sets out the basis of calculation of the alternative performance measures and the rationale for their use.

Measure	Description	Rationale
Adjusted net funds and net funds	<p>Adjusted net funds or adjusted net debt includes cash and cash equivalents, other short- or long-term borrowings and current asset investments. This measure excludes all lease liabilities recognised under IFRS 16.</p> <p>Net funds is adjusted net funds including all lease liabilities recognised under IFRS 16.</p>	<p>The Group excludes lease liabilities from its non-GAAP adjusted net funds measure, to allow an alternative view of the Group's overall liquidity position.</p> <p>A table reconciling this measure, including the impact of lease liabilities, is provided within note 11 to the summary financial information within this announcement.</p>
Adjusted expense and profit measures	<p>Adjusted administrative expense, adjusted operating profit or loss, adjusted net interest, adjusted profit or loss before tax, adjusted tax, adjusted profit or loss, adjusted earnings per share and adjusted diluted earnings per share are, as appropriate, each stated before:</p> <ul style="list-style-type: none"> • exceptional and other adjusting items, including gains or losses on business acquisitions and disposals, amortisation of acquired intangibles, utilisation of deferred tax assets (where initial recognition was as an exceptional item or a fair value adjustment on acquisition), and the related tax effect of these exceptional and other adjusting items. • Recurring items include purchase price adjustments, including amortisation of acquired intangible assets and adjustments made to reduce deferred income arising on acquisitions and acquisition-related items. Recurring items are adjusted each period, irrespective of materiality, to ensure consistent treatment. • Non-recurring items are those that Management judge to be one-off or non-operational, such as gains and losses on the disposal of assets, impairment charges and reversals, and restructuring related costs. 	<p>Adjusted measures exclude items which in Management's judgement need to be disclosed separately by virtue of their size, nature or frequency, to aid understanding of the performance for the year or comparability between periods.</p> <p>Adjusted measures allow Management and investors to compare performance without the recurring or non-recurring items.</p> <p>Management does not consider these items when reviewing the underlying performance of a Segment or the Group as a whole. A reconciliation to adjusted measures is provided within the Chief Financial Officer's review, which details the impact of exceptional and other adjusted items when compared to the non-GAAP financial measures, in addition to those reported in accordance with IFRS. Further detail is provided within note 4 to the summary financial information within this announcement.</p>
Constant currency	<p>We evaluate the long-term performance and trends within our strategic KPIs on a constant-currency basis. The performance of the Group and its overseas Segments are</p>	<p>We believe providing constant currency information gives valuable supplemental detail regarding our results of operations,</p>



Measure	Description	Rationale
	<p>also shown, where indicated, in constant currency. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates.</p>	<p>consistent with how we evaluate our performance.</p>
Free cash flow	<p>Free cash flow is net cash flow from operating activities minus net interest received, interest and payments related to lease liabilities and gross capital expenditure.</p>	<p>Free cash flow measures the cash generated by operating activities during the period that is available to repay debt, undertake acquisitions or distribute to shareholders.</p>
Gross invoiced income and IFRS revenue	<p>Gross invoiced income is based on the value of invoices raised to customers, net of the impact of credit notes and excluding VAT and other sales taxes. Gross invoiced income includes all items recognised on an 'agency' basis within revenue, on a gross income billed to customers basis, as adjusted for deferred and accrued revenue. A reconciliation of revenue to gross invoiced income is provided within note 4 to the summary financial information within this announcement.</p> <p>IFRS revenue refers to revenue recognised in accordance with International Financial Reporting Standards, including IFRS 15 and IFRS 16.</p>	<p>Gross invoiced income reflects the cash movements to assist Management and the users of the summary financial information within this announcement in understanding revenue growth on a 'principal' basis and to assist in their assessment of working capital movements in the Consolidated Balance Sheet and Consolidated Cash Flow Statement. This measure allows an alternative view of growth in adjusted gross profit, based on the product mix differences and the accounting treatment thereon.</p>
Organic revenue and profit measures	<p>In addition to the adjustments made for adjusted measures, organic measures:</p> <ul style="list-style-type: none"> • exclude the contribution from discontinued operations, disposals and assets held for sale of standalone businesses in the current and prior period; • exclude the contribution from acquired businesses until the year after the first full year following acquisition; and • adjust the comparative period to exclude prior-period acquired businesses if they were acquired part way through the prior period. <p>Acquisitions and disposals where the revenue and contribution impact would be immaterial are not adjusted.</p>	<p>Organic measures allow Management and investors to understand the like-for-like revenue and current-period margin performance of the underlying business.</p> <p>There have been no material acquisitions since 1 January 2024. Therefore, the result for the year did not have any benefit within revenue or adjusted profit before tax.</p> <p>In future, the results of any acquisitions would be excluded where narrative discussion refers to 'organic' growth.</p>
Product order backlog	<p>The total value of committed outstanding purchase orders placed with our technology vendors against non-cancellable sales orders received from our customers for delivery within 12 months, on a gross invoiced income basis.</p>	<p>The Technology Sourcing backlog, alongside the Managed Services contract base and the Professional Services forward order book, gives us visibility of future revenues in these areas.</p>



Measure	Description	Rationale
Return on capital employed (ROCE)	ROCE is calculated as adjusted operating profit, divided by capital employed, which is the closing total net assets excluding adjusted net funds.	This is an indicator of the current period financial return on the capital invested in the Group.