



Interim Report

for the six months
ended 30 June 2023

FDM Group (Holdings) plc

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Highlights

Revenue (£m)

£179.9m

+18%

2022: £152.8m

Profit before tax (£m)

£29.8m

+34%

2022: £22.2m

Basic earnings per share

19.7 pence

+26%

2022: 15.6 pence

Cash flows generated from operations (£m)

£24.3m

+45%

2022: £16.8m

Cash conversion² (%)

83%

+11%

2022: 75%

Share-based payment (credit)/ expense

-£3.8m

n/a

2022: £2.8m

Interim dividend per share

17.0 pence

0%

2022: 17.0 pence

Adjusted operating profit¹ (£m)

£25.5m

+2%

2022: £25.1m

Adjusted profit before tax¹ (£m)

£26.0m

+4%

2022: £25.0m

Adjusted basic earnings per share¹

16.8 pence

-5%

2022: 17.6 pence

Cash position at period end

£38.1m

-5%

2022: £40.0m

Adjusted cash conversion²

95%

+42%

2022: 67%

Effective income tax rate

27.5%

+19%

2022: 23.2%

Highlights continued

Revenue increased by 18% to £179.9 million (2022: £152.8 million) and profit before tax increased by 34% to £29.8 million (2022: £22.2 million).

After a good start to the year, market conditions weakened through the second quarter. Global macro-economic and geo-political uncertainty continues to disrupt the buying patterns of some clients.

Our flexible and scalable business model has allowed us to adjust recruitment, training and unallocated resource to better align the supply of Consultants with current demand.

Consultants assigned to clients at week 26³ were 2% lower than the corresponding period at 4,602 (30 June 2022: 4,703), (31 December 2022: 4,905).

UK Consultants assigned to clients at week 26³ were 1,743 (2022: 2,045); North America Consultants assigned to clients at week 26³ were 1,563 (30 June 2022: 1,405); EMEA Consultants assigned to clients at week 26³ were 359 (30 June 2022: 295); and APAC Consultants assigned to clients at week 26³ were 937 (30 June 2022: 958).

Consultant utilisation rate⁴ for the six months to 30 June 2023 was 93.4% (2022: 97.6%).

Training completions in the first half were 911 (2022: 1,584), reflecting changing market demand and the adjustments made as a result.

- 1 The adjusted operating profit and adjusted profit before tax are calculated before Performance Share Plan credit (including social security costs) of £3.8 million (2022: expense of £2.8 million). The adjusted basic earnings per share is calculated before the impact of Performance Share Plan expense (including social security costs and associated deferred tax).
- 2 Cash conversion is calculated by dividing cash flows generated from operations by operating profit. The adjusted cash conversion is calculated by dividing cash flow generated from operations by adjusted operating profit.
- 3 Week 26 in 2023 commenced on 26 June 2023 (2022: week 26 commenced on 27 June 2022).
- 4 Utilisation rate is calculated as the ratio of the cost of utilised Consultants to the total Consultant payroll cost. Prior to a first client assignment, in-training employees are classed as 'Trainees'.

We secured 26 new clients globally (2022: 30), 18 of which were outside the financial services sector.

Profit before tax and earnings per share have increased by more than adjusted profit before tax and adjusted earnings per share, due to the share-based payment credit in the period, which resulted from a change in the adjusted earnings per share vesting performance assumptions with the outstanding awards now anticipated to vest at a lower quantum.

The effective income tax rate applied in 2023 was 27.5% (2022: 23.2%) primarily reflecting the impact of an increase in the UK corporation tax rate from 19% to 25% effective 1 April 2023.

We maintained a robust balance sheet, with £38.1 million cash at 30 June 2023 (2022: £40.0 million) and no debt.

Cash conversion was 83% during the first six months of 2023 (2022: 75%), adjusted cash conversion² was 95% (2022: 67%).

On 25 July 2023, the Board declared an interim dividend of 17.0 pence per ordinary share (2022: 17.0 pence), which will be payable on 13 October 2023 to shareholders on the register on 22 September 2023.

Statement from CEO

We delivered a resilient performance in the first half against a backdrop of uncertain market conditions, with some clients delaying and deferring decisions around budget commitment and Consultant placements. Our scalable and flexible business model has allowed us to take the appropriate measures to adjust recruitment, training and our unallocated resource to align more closely with the varying demand for our Consultants.

There remain structural and systemic skills-shortages in all the geographies in which we operate. While mindful of near-term pressures, levels of client engagement remain encouraging and we will ensure we are well placed to assist our clients in overcoming these shortages when market conditions improve.

We are focussed on delivering against our objectives, both short and medium term. We remain optimistic that there will be an improvement in client confidence as the second half progresses, and the Board anticipates that the Group's financial performance for the year as a whole will be broadly in line with its expectations.



Rod Flavell
Chief Executive Officer

We are FDM[★]

FDM Group (Holdings) plc (“the Company” or “FDM”) and its subsidiaries (together “the Group” or “FDM”) form a global professional services provider with a focus on IT. Our mission is to bring people and technology together, creating and inspiring exciting careers that shape our digital future.

The Group’s principal business activities involve recruiting, training and deploying its own permanent IT and business Consultants to clients, either on site or remotely. FDM specialises in a range of technical and business disciplines including Development, Testing, IT Service Management, Project Management Office, Data Engineering, Cloud Computing, Risk, Regulation and Compliance, Business Analysis, Business Intelligence, Cybersecurity, AI, Machine Learning and Robotic Process Automation.

The FDM Careers Programme bridges the gap for graduates, ex-Forces, returners to work and apprentices, providing the training and experience required to make a success of launching or relaunching their careers. We have dedicated training centres or sales operations, or combinations of the two located in London, Leeds, Glasgow, Limerick, New York NY, Charlotte NC, Austin TX, Tampa FL, Toronto, Montreal, Frankfurt, Kraków, Singapore, Hong Kong, Shanghai, Sydney and Melbourne. We also operate in Luxembourg, the Netherlands, Switzerland, Austria, Spain, South Africa, and New Zealand.

FDM is a strong advocate of diversity, equity and inclusion in the workplace and the strength of our brand arises from the talent within.

Forward-looking statements

This Interim Report contains statements which constitute “forward-looking statements”. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable at the time they are made, it can give no assurance that these expectations will prove to be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. Subject to any requirement under the Disclosure Guidance and Transparency Rules or other applicable legislation, regulation or rules, the Group does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither shareholders nor prospective shareholders should place undue reliance on forward-looking statements, which speak only as of the date of this Interim Report.

Awards

Awards received during the period included:

- West Yorkshire Apprenticeship Awards: Diversity & Inclusion Programme Winner 2023
- British Ex-Forces in Business Awards 2023: Military Values in Business Award
- Scottish Ex-Forces in Business Awards 2023: Role Model of the Year; and Team Leader of the Year
- RippleMatch's Campus Forward Award 2023 (USA)
- Prosple Top 100 Graduate Employer (Australia)
- Grad Connection's Top 100 (Australia)
- 100 Great British Employers of Veterans
- VETS Indexes 4 Star employer (USA)





Interim Management Review

Overview

Against a backdrop of challenging market conditions, revenue for the six-month period ending 30 June 2023 was 18% higher (16% higher on a constant currency basis) at £179.9 million (2022: £152.8 million) and we delivered adjusted profit before tax for the first half of £26.0 million, up 4% on the equivalent period in 2022.

As reported at the Annual General Meeting in May, ongoing global macro-economic and geopolitical uncertainty, including the well-reported issues in the banking and finance sector, resulted in softer trading across our operating territories from the end of quarter one onward. While none of the Group's clients was directly affected by the issues that affected a small number of banking institutions, and we continue to anticipate that confidence in this sector will improve as the second half progresses, the Group saw a delay in some client decisions around Consultant placements. The number of Consultants placed with clients at week 26 was 4,602, 2% lower against the first half of 2022 and 6% lower since the 2022-year end.

Benefiting from FDM's scalable and flexible business model the Group took appropriate measures during the period to adjust recruitment, training and our unallocated resource to ensure better alignment of supply with the current demand for our Consultants. We delivered 911 training completions in the first half of the year (2022: 1,584), and are looking, both by territory and skill set, to carry the appropriate level of resource while remaining able to meet increased demand when market conditions improve.

We maintain our focus on cash management and cash collection, ending the six-month period with £38.1 million of cash and no debt (30 June 2022: £40.0 million of cash and no debt).

Strategy

FDM's strategy remains to deliver customer-led, sustainable, profitable growth on a consistent basis through our established business model.

(i) **Attract, train and develop high-calibre Consultants**

The flexibility of our business model allowed us to better align recruitment and training during the second quarter to changing client demand. We therefore delivered a reduced 911 training completions in the first half of the year (2022: 1,584).

In all our markets there remain structural skills shortages which we are well placed to assist our clients in overcoming. The strength of our University Partner relationships and our Ex-Forces and Returners Programmes will enable us to increase recruitment and training when market conditions and client demand improve. We continued to generate a strong number of applications across all our operating locations with applicants seeking the benefits of FDM's market-leading, flexible training. We have an excellent pipeline of assessed candidates in all of our territories, looking to join our Academies as and when we see an uptick in market demand.

(ii) **Invest in leading-edge training capabilities**

Our hybrid training model continues to offer high quality and flexible training that is attractive to our candidates. While we adjusted our training schedules during the period in response to client demand, our trainers were utilised providing training and re-skilling to our undeployed Consultants.

We are focussed on optimising both the appeal of our training programmes to candidates and of our Consultants to clients. Through our partnership with TechSkills, we have now achieved Tech Industry Gold standard accreditation for ten programmes with, in the first half, the Ex-Forces Advanced Course and the Returners (Business) Programme each accredited as Tech Industry Gold for delivery. Accreditation provides to candidates and clients external validation of FDM's programme content, delivery, approach and assessment.

Interim Management Review continued

(iii) Grow and diversify our client base

We secured 26 new clients in the period (2022: 30), of which 14 were in the UK, 5 in North America, 4 in EMEA and 3 in APAC. Of these new clients, 18 were secured from outside the financial services sector. We continue to deliver the highest level of service to our clients and work closely with them to meet their requirements.

(iv) Expand and consolidate our geographic presence

The expansion and consolidation of our geographic presence remains a key growth driver for the Group and, while the global macro-economic conditions have impacted trading across all our regions, Consultant headcount grew in North America and EMEA compared to 2022. We have a strong and experienced management team focussed on delivering sustainable growth across all our regions.

An overview of the financial performance and development in each of our markets is set out on pages 12 and 13.



Our Markets

UK

Revenue for the six-month period to 30 June 2023 increased by 1% to £69.7 million (2022: £68.8 million). Consultants deployed at week 26 were 1,743, a decrease of 15% from 2,045 at week 26 2022. Adjusted operating profit decreased by 21% to £12.2 million (2022: £15.5 million).

Revenue increased in the period while headcount decreased reflecting the phasing of the timing of the onboarding of our Consultants. The decrease in adjusted operating profit is a result of our maintaining a higher than typical number of undeployed Consultants and we incurred a full six-month impact of the increased Consultant salary packages which were introduced during the first half last year.

Uncertainty in the market impacted demand for new Consultants and we adjusted our training schedules accordingly, training 259 Consultants (2022: 526). New client activity continued and we gained 14 new clients in the period (2022: 21).



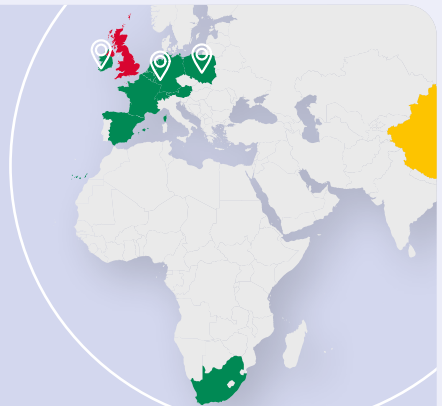
1,743

Consultants deployed at week 26

EMEA (Europe, Middle East and Africa, excluding UK)

Revenue for the six-month period to 30 June 2023 increased by 31% to £12.2 million (2022: £9.3 million). Consultants deployed at week 26 were 359, an increase of 22% from 295 at week 26 2022. Adjusted operating profit increased by 8% to £1.3 million (2022: £1.2 million).

Headcount growth was driven by a strong performance in Ireland which grew headcount from 14 in June 2022 to 79 in June 2023. To support the increase in headcount in EMEA we trained 143 Consultants (2022: 73). We gained 4 new clients in the period (2022: 2).



359

Consultants deployed at week 26

- UK
- North America
- EMEA
- APAC

North America

Revenue for the six-month period to 30 June 2023 increased by 41% to £70.6 million (2022: £50.2 million), benefitting from the strong headcount growth during 2022. Consultants deployed at week 26 were 1,563, an increase of 11% from 1,405 at week 26 2022, which is lower than the percentage increase in revenue due to the phasing of headcount. Adjusted operating profit increased by 59% to £10.5 million (2022: £6.6 million) which is more than the percentage increase in revenue due to lower paid training costs arising in 2023 compared to 2022.

As in the UK, uncertainty in the market impacted demand for new Consultants and we have adjusted our training schedules accordingly, training 299 Consultants compared to 646 in the first half of 2022. During the period we gained 5 new clients (2022: 3).



1,563

Consultants deployed at week 26

APAC (Asia Pacific)

Revenue for the six-month period to 30 June 2023 increased by 12% to £27.4 million (2022: £24.5 million). Consultants deployed at week 26 were 937, a decrease of 2% from 958 at week 26 2022. Adjusted operating profit decreased by 17% to £1.5 million (2022: £1.8 million) as a result of our maintaining a higher than typical number of undeployed Consultants.

Revenue increased in the period but headcount decreased, reflecting the phasing of headcount. During the period we trained 210 Consultants (2022: 339) and gained 3 new clients (2022: 4).



937

Consultants deployed at week 26

Financial Review

Summary income statement

	Six months to 30 June 2023	Six months to 30 June 2022	% change
Revenue	£179.9m	£152.8m	+18%
Operating profit	£29.3m	£22.3m	+31%
Adjusted operating profit ¹	£25.5m	£25.1m	+2%
Profit before tax	£29.8m	£22.2m	+34%
Adjusted profit before tax ¹	£26.0m	£25.0m	+4%
Basic EPS	19.7p	15.6p	+26%
Adjusted basic EPS ¹	16.8p	17.6p	-5%

Overview

Despite trading conditions being softer in the first half, notably in the second quarter, revenue was 18% higher at £179.9 million (2022: £152.8 million) (16% higher on a constant currency basis²), and adjusted operating profit¹ increased by 2% to £25.5 million (2022: £25.1 million). Adjusted basic EPS¹ reduced by 5% to 16.8 pence (2022: 17.6 pence), due, in part, to the higher rate of income tax.

Consultants assigned to clients at week 26 2023 totalled 4,602, a decrease of 2% from 4,703 at week 26 2022 and a decrease of 6% from 4,905 at week 52 2022. Revenue increased in the period but headcount decreased reflecting the phasing of headcount. At week 26 our Ex-Forces Programme accounted for 201 Consultants deployed worldwide (week 26 2022: 210; week 52 2022: 211). Our Returners Programme had 239 deployed at week 26 2023 (week 26 2022: 198; week 52 2022: 220). The Consultant utilisation rate decreased to 93.4% (2022: 97.6%).

¹ The adjusted operating profit, adjusted Group operating margin and adjusted profit before tax are calculated before Performance Share Plan expenses (including social security costs). The adjusted basic earnings per share is calculated before the impact of Performance Share Plan expenses (including social security costs and associated deferred tax).

An analysis of revenue and Consultant headcount by region is set out in the table below:

	Six months to 30 June 2023 Revenue £m	Six months to 30 June 2022 Revenue £m	Year to 31 December 2022 Revenue £m	2023 Consultants assigned to clients at week 26 ²	2022 Consultants assigned to clients at week 26 ²	2022 Consultants assigned to clients at week 52 ²
UK	69.7	68.8	139.6	1,743	2,045	1,958
North America	70.6	50.2	116.9	1,563	1,405	1,618
EMEA	12.2	9.3	19.7	359	295	318
APAC	27.4	24.5	53.8	937	958	1,011
	179.9	152.8	330.0	4,602	4,703	4,905

Adjusted Group operating margin¹ has decreased to 14.2% (2022: 16.5%), with overheads increasing to £54.3 million (2022: £51.3 million). While the Group actively managed training and recruitment costs during the period, we held higher than typical numbers of undeployed Consultants and saw the full six-month impact of increased Consultant salary packages introduced during the first half last year.

Adjusting items

The Group presents adjusted results, in addition to the statutory results, as the Directors consider that they provide a useful indication of underlying trading performance and cash generation. The adjusted results are stated before share-based payment credit/ expense including associated taxes and social security costs. A credit of £3.8 million was recognised in the six months to

30 June 2023 relating to the share-based payment including social security costs (2022: expense of £2.8 million). This credit has arisen as a result of a change in the adjusted earnings per share performance vesting assumptions with the outstanding awards now anticipated to vest at a lower quantum. Details of the share-based payment are set out in note 13 to the Condensed Consolidated Interim Financial Statements.

Net finance income/ (costs)

Interest on cash balances of £0.7 million (2022: £0.1 million) was recognised as finance income in the period. Finance costs include lease liability interest of £0.2 million (2022: £0.2 million). The Group continues to have no debt.

- The constant-currency basis is calculated by translating current period and prior period reported amounts into comparable amounts using the 2023 average exchange rate for each currency. The presentation of the constant-currency basis provides a better understanding of the Group's trading performance by removing the impact on revenue of movements in foreign exchange.
- Week 26 in 2023 commenced on 26 June 2023 (2022: week 26 commenced on 27 June 2022 and week 52 commenced on 19 December 2022).

Financial Review continued

Taxation

The Group's total tax charge for the half year was £8.2 million, equivalent to an effective tax rate of 27.5%, on profit before tax of £29.8 million (2022: effective rate of 23.2% based on a tax charge of £5.2 million and a profit before tax of £22.2 million). The effective rate is higher than the underlying UK tax rate of 25% (19% until 1 April 2023) primarily due to Group profits earned in higher tax jurisdictions and the impact of items considered to be non-deductible for tax purposes.

Earnings per share

Basic earnings per share increased in the period to 19.7 pence (2022: 15.6 pence), while adjusted basic earnings per share was 16.8 pence (2022: 17.6 pence). Diluted earnings per share was 19.7 pence (2022: 15.3 pence).

Dividend

The Group continues with its dividend policy of retaining sufficient capital to fund ongoing operating requirements and maintaining an appropriate level of free cash, dividend cover and sufficient funds to invest in the Group's longer-term growth. On 25 July 2023, the Directors declared an interim dividend of 17.0 pence per ordinary share (2022: 17.0 pence) which will be payable on 13 October 2023 to shareholders on the register on 22 September 2023.

Cash flow and Statement of Financial Position

The Group's cash balance decreased to £38.1 million as at 30 June 2023 (2022: £40.0 million).

Dividends paid in the half year totalled £20.8 million (2022: £19.6 million). Net capital expenditure was £0.6 million (2022: £0.5 million) and tax paid was £7.1 million (2022: £7.7 million).

Cash conversion for the period was 83% (2022: 75%) and adjusted cash conversion was 95% (2022: 67%). Cash conversion was lower in the prior period reflecting increased levels of activity and revenue during the second quarter of 2022 which was included in the receivables balance as at 30 June 2022.

Days sales outstanding at the period end were in line with Group targets, as they were in the prior period.

Related party transactions

Details of related party transactions are included in note 15 of the Condensed Interim Financial Statements.

Principal risks facing the business

The Group faces a number of risks and uncertainties which could have a material impact upon its long-term performance. The principal risks and uncertainties faced by the Group are set out in the Annual Report and Accounts for the year ended 31 December 2022 on pages 24 to 30.

Economic uncertainty

A combination of factors continues to contribute to an uncertain macro-economic environment, including geopolitical stress, high inflation, elevated interest rates, and particularly the recent well-publicised turbulence in the global banking and finance sector. There remains a risk of recession in some territories over the next twelve months. This uncertainty remains the Group's principal risk.

Although none of the Group's clients has been directly affected by the difficulties which have impacted some banking institutions in the US and elsewhere, the Board recognises that these uncertain conditions may affect the spending decisions of some clients, causing them to delay the commencement of projects. This, in turn, can slow down the rate at which the Group's Consultants are onboarded, making it more challenging for FDM to balance the supply and demand of resource (which is one of the Group's other principal risks).

While certain scenarios are outside the Group's control, we believe that FDM's business model is flexible, and the agile resource represented by our Consultants can be attractive to clients during times of economic, political and social uncertainty. The Board will continue to review the measures which it has in place to identify and react to changes in macro-economic conditions, and takes appropriate measures to adjust recruitment and training to ensure continued alignment of supply with the current demand for Consultants. These mitigations, together with FDM's strong cash and financial position, give the Board confidence that FDM can continue to respond appropriately to ameliorate the effect of any adverse economic conditions which may arise.

Cyber security

The UK government and the UK's National Cyber Security Centre continue to warn that the cyber security threat to the UK's infrastructure and UK companies remains heightened as a result of overseas government-sponsored cyber activity. This risk remains an area of high focus for the Board, and we continue to strengthen our cyber security and information safeguarding capabilities.

Financial Review continued

Climate change and other Environmental, Social and Governance (“ESG”) risks

The Board considers that the risk of the direct physical effects of climate change impairing the Group’s ability to continue its business activities is relatively low. The Group’s operating model is agile and adaptable, and the measures put in place over the past years in response to the COVID-19 pandemic and the challenges of remote working and training give the Board confidence that the Group is able to recruit, train and deploy Consultants efficiently from any of our locations. Following a recent detailed assessment of risks arising from climate change, the Board considers that, as a service business, FDM’s overall net risk (after considering the mitigations and controls in place) from the direct impact of climate change is low.

We are committed to reducing our carbon footprint in all areas and building carbon efficiencies into our ways of working. We have set targets (validated in 2022 by SBTi) to:



- reduce our absolute Scope 1 and 2 greenhouse emissions by 50% by 2030 from a 2020 base year; and
- reduce Scope 3 greenhouse emissions by 62% per full time employee within the same timeframe.

We are aware that our clients in some sectors could be adversely affected by future climate change and there is a risk that this affects our own business indirectly as clients’ spending decisions are constrained by such challenges. We look to mitigate this risk by diversifying the sectors and geographies in which we operate. We believe that there is opportunity for the Group as we train and deploy Consultants with the skills to help our clients find and apply the optimal technical and business solutions to the challenges which climate change brings. For example, some of our clients in the energy sector are deploying Consultants on projects to help them move towards sourcing energy from renewable sources. We aim to be transparent in our climate reporting and other non-financial disclosures, which will position FDM well to attract clients who are increasingly selective in their sustainability requirements.

The ESG credentials of global businesses like FDM are increasingly under scrutiny from investors, customers and employees, and businesses that do not stand up to that scrutiny are at risk of losing their share of the market. FDM is a leader in the field of corporate social responsibility and good governance; our competitive edge lies in the fact that diversity, inclusion and social mobility are the DNA of our business model. Further information about our work in this area is on pages 33 to 55 of our Annual Report and Accounts for the year ended 31 December 2022.

The Board

There have been no changes to the composition of the Board or its Committees during the period.

As announced on 28 June 2023, Rowena Murray will be joining the Board as a Non-Executive Director of the Company with effect from 1 August 2023. On appointment, Rowena will become a member of the Audit Committee and the Remuneration Committee.

Rowena began her career in Sydney as a corporate lawyer at a leading Australian law firm. She moved to the UK in 2004 and joined Investec Bank plc ("Investec"). As a director in Investec's Investment Banking division, Rowena provided strategic advice to public and private companies and led corporate transactions across a variety of sectors, including business services and technology, before moving to Tenzing Private Equity, an investor in high-growth UK and European SMEs, in 2017. Rowena is highly regarded as a result of her experience in investment banking and corporate broking and the Board looks forward to benefitting from the insight and experience which Rowena will bring.

Summary and outlook

We delivered a resilient performance in the first half against a backdrop of uncertain market conditions with some clients delaying and deferring decisions around budget commitment and Consultant placements. Our scalable and flexible business model has allowed us to take the appropriate measures to adjust recruitment, training and our unallocated resource to align more closely with the varying demand for our Consultants.

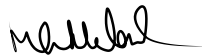
There remain structural and systemic skills-shortages in all the geographies in which we operate. While mindful of near-term pressures, levels of client engagement remain encouraging and we will ensure we are well placed to assist our clients in overcoming these shortages when market conditions improve.

We are focussed on delivering against our objectives, both short- and medium-term. We remain optimistic that there will be an improvement in client confidence as the second half progresses, and the Board anticipates that the Group's financial performance for the year as a whole will be broadly in line with its expectations.

By order of the Board



Rod Flavell
Chief Executive Officer



Mike McLaren
Chief Financial Officer

25 July 2023



Condensed Consolidated Income Statement

for the six months ended 30 June 2023

	Note	Six months to 30 June 2023 (Unaudited) £000	Six months to 30 June 2022 (Unaudited) £000	Year ended 31 December 2022 (Audited) £000
Revenue		179,888	152,805	329,972
Cost of sales		(96,278)	(79,148)	(174,353)
Gross profit		83,610	73,657	155,619
Administrative expenses		(54,307)	(51,320)	(109,772)
Operating profit		29,303	22,337	45,847
Finance income		709	148	418
Finance costs		(243)	(287)	(604)
Net finance income/ (costs)		466	(139)	(186)
Profit before income tax		29,769	22,198	45,661
Taxation	7	(8,187)	(5,150)	(10,753)
Profit for the period		21,582	17,048	34,908
Earnings per ordinary share		pence	pence	pence
Basic	9	19.7	15.6	32.0
Diluted	9	19.7	15.3	31.8

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2023

	Six months to 30 June 2023 (Unaudited) £000	Six months to 30 June 2022 (Unaudited) £000	Year ended 31 December 2022 (Audited) £000
Profit for the period	21,582	17,048	34,908
Other comprehensive (expense)/ income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on retranslation of foreign operations (net of tax)	(1,203)	1,478	2,148
Total other comprehensive (expense)/ income	(1,203)	1,478	2,148
Total comprehensive income for the period	20,379	18,526	37,056

Condensed Consolidated Statement of Financial Position

as at 30 June 2023

	Note	30 June 2023 (Unaudited) £000	30 June 2022 (Unaudited) £000	31 December 2022 (Audited) £000
Non-current assets				
Right-of-use assets		7,897	10,107	10,073
Property, plant and equipment		3,399	3,944	3,666
Intangible assets		19,552	19,629	19,729
Deferred income tax assets		951	2,437	2,316
		31,799	36,117	35,784
Current assets				
Trade and other receivables	10	53,339	50,306	48,923
Cash and cash equivalents	11	38,074	39,978	45,523
		91,413	90,284	94,446
Total assets		123,212	126,401	130,230
Current liabilities				
Trade and other payables	12	31,535	32,048	32,962
Lease liabilities		3,504	5,114	4,643
Current income tax liabilities		2,467	1,422	1,172
		37,506	38,584	38,777
Non-current liabilities				
Lease liabilities		6,412	8,306	8,250
Total liabilities		43,918	46,890	47,027
Net assets		79,294	79,511	83,203
Equity attributable to owners of the parent				
Share capital		1,095	1,092	1,092
Share premium		9,705	9,705	9,705
Capital redemption reserve		52	52	52
Own shares reserve		(1,366)	(1,859)	(1,494)
Translation reserve		1,188	1,721	2,391
Other reserves		5,564	9,170	12,576
Retained earnings		63,056	59,630	58,881
Total equity		79,294	79,511	83,203

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2023

	Note	Six months to 30 June 2023 (Unaudited) £000	Six months to 30 June 2022 (Unaudited) £000	Year ended 31 December 2022 (Audited) £000
Cash flows from operating activities				
Profit before income tax for the period		29,769	22,198	45,661
<i>Adjustments for:</i>				
Depreciation and amortisation		2,952	3,372	6,423
Loss on disposal of non-current assets		19	6	130
Finance income		(709)	(148)	(418)
Finance costs		243	287	604
Share-based payment (credit)/ expense (including associated social security costs)		(3,701)	2,805	6,727
Increase in trade and other receivables		(4,792)	(12,837)	(11,334)
Increase in trade and other payables		567	1,142	1,872
Cash flows generated from operations		24,348	16,825	49,665
Interest received		709	148	418
Income tax paid		(7,127)	(7,723)	(13,665)
Net cash flow from operating activities		17,930	9,250	36,418
Cash flows from investing activities				
Acquisition of property, plant and equipment		(581)	(542)	(1,204)
Net cash used in investing activities		(581)	(542)	(1,204)
Cash flows from financing activities				
Proceeds from issue of ordinary shares		3	–	–
Proceeds from sale of own shares		16	20	24
Proceeds from sale of shares from EBT		254	264	484
Payment for shares bought back		(500)	–	–
Principal elements of lease payments		(2,844)	(2,739)	(5,470)
Interest elements of lease payments		(222)	(232)	(472)
Finance costs paid		(20)	(55)	(132)
Dividends paid	8	(20,794)	(19,620)	(38,153)
Net cash used in financing activities		(24,107)	(22,362)	(43,719)
Exchange (losses)/ gains on cash and cash equivalents		(691)	512	908
Net decrease in cash and cash equivalents		(7,449)	(13,142)	(7,597)
Cash and cash equivalents at beginning of period		45,523	53,120	53,120
Cash and cash equivalents at end of period	11	38,074	39,978	45,523

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2023 (Audited)	1,092	9,705	52	(1,494)	2,391	12,576	58,881	83,203
Profit for the period	-	-	-	-	-	-	21,582	21,582
Other comprehensive expense for the period	-	-	-	-	(1,203)	-	-	(1,203)
Total comprehensive income for the period	-	-	-	-	(1,203)	-	21,582	20,379
Share-based payments (note 13)	-	-	-	-	-	(3,091)	-	(3,091)
Share-based payments awards	-	-	-	-	-	(3,921)	3,921	-
Own shares sold (note 14)	-	-	-	128	-	-	(360)	(232)
Recharge of net settled share options	-	-	-	-	-	-	(174)	(174)
Dividends (note 8)	-	-	-	-	-	-	(20,794)	(20,794)
New shares issued	3	-	-	-	-	-	-	3
Total transactions with owners, recognised directly in equity	3	-	-	128	-	(7,012)	(17,407)	(24,288)
Balance at 30 June 2023 (Unaudited)	1,095	9,705	52	(1,366)	1,188	5,564	63,056	79,294

Condensed Consolidated Statement of Changes in Equity continued

for the six months ended 30 June 2022

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2022 (Audited)	1,092	9,705	52	(2,355)	243	7,186	62,207	78,130
Profit for the period	-	-	-	-	-	-	17,048	17,048
Other comprehensive income for the period	-	-	-	-	1,478	-	-	1,478
Total comprehensive income for the period	-	-	-	-	1,478	-	17,048	18,526
Share-based payments (note 13)	-	-	-	-	-	2,354	-	2,354
Share-based payments awards	-	-	-	-	-	(370)	370	-
Own shares sold (note 14)	-	-	-	496	-	-	(213)	283
Recharge of net settled share options	-	-	-	-	-	-	(162)	(162)
Dividends (note 8)	-	-	-	-	-	-	(19,620)	(19,620)
Total transactions with owners, recognised directly in equity	-	-	-	496	-	1,984	(19,625)	(17,145)
Balance at 30 June 2022 (Unaudited)	1,092	9,705	52	(1,859)	1,721	9,170	59,630	79,511

Condensed Consolidated Statement of Changes in Equity continued

for the year ended 31 December 2022

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2022 (Audited)	1,092	9,705	52	(2,355)	243	7,186	62,207	78,130
Profit for the year	-	-	-	-	-	-	34,908	34,908
Other comprehensive income for the year	-	-	-	-	2,148	-	-	2,148
Total comprehensive income for the year	-	-	-	-	2,148	-	34,908	37,056
Share-based payments (note 13)	-	-	-	-	-	5,844	-	5,844
Share-based payments awards	-	-	-	-	-	(454)	454	-
Own shares sold (note 14)	-	-	-	861	-	-	(353)	508
Recharge of net settled share options	-	-	-	-	-	-	(182)	(182)
Dividends (note 8)	-	-	-	-	-	-	(38,153)	(38,153)
Total transactions with owners, recognised directly in equity	-	-	-	861	-	5,390	(38,234)	(31,983)
Balance at 31 December 2022 (Audited)	1,092	9,705	52	(1,494)	2,391	12,576	58,881	83,203

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

The Group is an international professional services provider focussing principally on IT, specialising in the recruitment, training and deployment of its own permanent IT and business Consultants.

The Company is a public limited company incorporated and domiciled in the UK and registered as a public limited company in England and Wales with a Premium Listing on the London Stock Exchange. The Company's registered office is 3rd Floor, Cottons Centre, Cottons Lane, London SE1 2QG and its registered number is 07078823.

These Condensed Interim Financial Statements were approved for issue by the Board of Directors of the Group on 25 July 2023. They have not been audited, but have been subject to an independent review by PricewaterhouseCoopers LLP, whose independent report is included on pages 38 to 40.

These Condensed Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Annual Report and Accounts for the year ended 31 December 2022 was approved by the Board of Directors of the Group on 14 March 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2 Basis of preparation

This Condensed Consolidated Interim Financial Report for the half-year reporting period ended 30 June 2023 has been prepared in accordance with the UK-adopted International Accounting Standard 34, "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax, which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

The following amendments to accounting standards, that became applicable for annual reporting periods commencing on or after 1 January 2023, have been considered and did not have a material impact on the Group:

- (a) IFRS 17, 'Insurance contracts'
- (b) Deferred Tax related to Assets and Liabilities arising from a Single transaction - Amendments to IAS 12
- (c) Definition of Accounting Estimates - (Amendments to IAS 8)
- (d) Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)

On 23 May 2023, the IASB issued narrow-scope amendments to IAS 12. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by enacted or substantively enacted tax law that implements the OECD's Pillar two model rules. This amendment was endorsed by the UK Endorsement Board on 19 July 2023.

Going concern basis

The Group's continued and forecast global growth, positive operating cash flow and liquidity position, together with its distinctive business model and training facilities, have enabled it to manage its business risks. The Group's forecasts and projections show that it will continue to operate with adequate cash resources and within the current working capital facilities.

Having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

3 Significant accounting policies

These Condensed Interim Financial Statements have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the financial statements for the year ended 31 December 2022.

4 Significant accounting estimate

The preparation of the Group's Condensed Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

The estimates and assumptions applied in the Condensed Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's Annual Report for the year ended 31 December 2022, with the exception of changes in estimates that are required in determining the provision for income taxes, which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

No individual judgements have been made that have a significant impact on the financial statements.

The following is considered to be the Group's significant estimate:

Share-based payment credit or expense

A share-based payment charge is recognised in respect of share awards based on the Directors' best estimate of the number of shares that will vest based on the performance conditions of the awards, which comprise adjusted earnings per share growth and the number of employees that will leave before vesting. The charge is calculated based on the fair value on the grant date using the Black-Scholes model and is expensed over the vesting period.

Notes to the Condensed Consolidated Interim Financial Statements continued

5 Seasonality

The Group is not significantly impacted by seasonality trends. A lower number of working days in the first half of the year is approximately offset by increased annual leave in the second half of the year, our lowest number of billable days occurs in December each year.

6 Segmental reporting

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Executive Directors are the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating segments'.

At 30 June 2023, the Board of Directors consider that the Group is organised into four core geographical operating segments:

- (1) UK;
- (2) North America;
- (3) Europe, Middle East and Africa, excluding UK ("EMEA"); and
- (4) Asia Pacific ("APAC").

Each geographical segment is engaged in providing services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

All segment revenue, profit before income tax, assets and liabilities are attributable to the Group's sole revenue-generating stream, being a global professional services provider with a focus on IT.

Segmental reporting for the six months ended 30 June 2023 (Unaudited)

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	69,714	70,583	12,241	27,350	179,888
Depreciation and amortisation	1,186	745	182	839	2,952
Segment operating profit	14,600	11,354	1,491	1,858	29,303
Finance income ¹	696	127	3	4	830
Finance costs ¹	(41)	(35)	(22)	(266)	(364)
Profit before income tax	15,255	11,446	1,472	1,596	29,769
Total assets	66,299	25,562	11,775	19,576	123,212
Total liabilities	(9,442)	(9,188)	(4,448)	(20,840)	(43,918)

¹ Finance income and finance costs include intercompany interest of £121,000 (June 2022: £127,000; December 2022: £256,000) which is eliminated upon consolidation.

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
30 June 2023	22,611	961	970	6,306	30,848

Segmental reporting for the six months ended 30 June 2022 (Unaudited)

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	68,787	50,246	9,297	24,475	152,805
Depreciation and amortisation	1,413	927	137	895	3,372
Segment operating profit	13,413	6,108	1,155	1,661	22,337
Finance income ¹	197	75	1	2	275
Finance costs ¹	(89)	(20)	(54)	(251)	(414)
Profit before income tax	13,521	6,163	1,102	1,412	22,198
Total assets	72,488	23,103	11,994	18,816	126,401
Total liabilities	(10,346)	(9,584)	(5,161)	(21,799)	(46,890)

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
30 June 2022	23,925	1,806	1,118	6,831	33,680

Segmental reporting for the year ended 31 December 2022 (Audited)

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	139,560	116,937	19,665	53,810	329,972
Depreciation and amortisation	2,599	1,698	291	1,835	6,423
Segment operating profit	25,856	14,111	2,039	3,841	45,847
Finance income ¹	515	152	2	5	674
Finance costs ¹	(196)	(59)	(86)	(519)	(860)
Profit before income tax	26,175	14,204	1,955	3,327	45,661
Total assets	69,706	26,915	11,983	21,626	130,230
Total liabilities	(8,602)	(9,775)	(4,906)	(23,744)	(47,027)

Notes to the Condensed Consolidated Interim Financial Statements continued

6 Segmental reporting continued

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
31 December 2022	23,124	1,654	1,112	7,578	33,468

7 Taxation

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2023 is 27.5% (the estimated tax rate for the six months ended 30 June 2022 was 23.2%).

The Group is within the scope of the OECD Pillar two model rules. Pillar two legislation was recently substantively enacted in some of the territories in which the Group operates and will come into effect in these territories from 1 January 2024. At the interim reporting date, none of the Pillar two legislation is effective and so the Group has no related current tax exposure. IAS 12 recent amendments (UK endorsed on 19 July 2023) clarify that Pillar two related balances are not within the scope of IAS12 for deferred tax purposes and provide an exception on this basis. The Group has commenced its Pillar two impact analysis but is, as yet, not in a position to provide quantified analysis of the potential future impact.

8 Dividends

2023

An interim dividend of 17.0 pence per ordinary share was declared by the Directors on 25 July 2023 and will be paid on 13 October 2023 to holders of record on 22 September 2023, the total amount payable will be £18,608,000.

A final dividend of 19.0 pence per share in respect of the year to 31 December 2022 was approved by shareholders at the AGM on 16 May 2023 and paid on 30 June 2023 to shareholders of record on 9 June 2023, the total amount paid was £20,794,000.

2022

An interim dividend of 17.0 pence per ordinary share was declared by the Directors on 27 July 2022 and was paid on 30 September 2022 to holders of record on 26 August 2022, the amount paid was £18,533,000.

In respect of the year to 31 December 2021, a final dividend of 18.0 pence per share was paid on 10 June 2022, to shareholders of record on 20 May 2022, the total amount paid was £19,620,000.

9 Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares in issue during the period.

		Six months to 30 June 2023 (Unaudited)	Six months to 30 June 2022 (Unaudited)	Year ended 31 December 2022 (Audited)
Profit for the period	£000	21,582	17,048	34,908
Average number of ordinary shares in issue (thousands)	Number	109,317	109,192	109,192
Basic earnings per share	Pence	19.7	15.6	32.0

Adjusted basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company, excluding Performance Share Plan expense (including social security costs and associated deferred tax), by the weighted average number of ordinary shares in issue during the period.

		Six months to 30 June 2023 (Unaudited)	Six months to 30 June 2022 (Unaudited)	Year ended 31 December 2022 (Audited)
Profit for the period (basic earnings)	£000	21,582	17,048	34,908
Share-based payment (credit)/ expense (including social security costs) (see note 13)	£000	(3,796)	2,810	6,356
Tax effect of share-based payment credit/ (expense)	£000	616	(599)	(522)
Adjusted profit for the period	£000	18,402	19,259	40,742
Average number of ordinary shares in issue (thousands)	Number	109,317	109,192	109,192
Adjusted basic earnings per share	Pence	16.8	17.6	37.3

Notes to the Condensed Consolidated Interim Financial Statements continued

9 Earnings per ordinary share continued

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one type of dilutive potential ordinary shares in the form of employee share plan awards; the number of shares in issue has been adjusted to include the number of shares that would have been issued assuming the exercise of the share options.

		Six months to 30 June 2023 (Unaudited)	Six months to 30 June 2022 (Unaudited)	Year ended 31 December 2022 (Audited)
Profit for the period (basic earnings)	£000	21,582	17,048	34,908
Average number of ordinary shares in issue (thousands)	Number	109,317	109,192	109,192
Adjustment for employee share plan awards (thousands)	Number	371	2,083	594
Diluted number of ordinary shares in issue (thousands)	Number	109,688	111,275	109,786
Diluted earnings per share	Pence	19.7	15.3	31.8

10 Trade and other receivables

Due to their short-term nature, the Directors consider that the carrying amount of trade receivables approximates to their fair value. The standard credit terms are 30 days.

	30 June 2023 (Unaudited) £000	30 June 2022 (Unaudited) £000	31 December 2022 (Audited) £000
Trade receivables	37,975	37,206	34,892
Prepayments and accrued income	9,393	8,452	9,389
Tax receivables	5,048	3,283	3,450
Other receivables	923	1,365	1,192
	53,339	50,306	48,923

Included within prepayments and accrued income is £3,742,000 of accrued income (June 2022: £4,756,000; December 2022: £3,862,000).

11 Cash and cash equivalents

	30 June 2023 (Unaudited) £000	30 June 2022 (Unaudited) £000	31 December 2022 (Audited) £000
Cash at bank and in hand	38,074	39,978	45,523

12 Trade and other payables

	30 June 2023 (Unaudited) £000	30 June 2022 (Unaudited) £000	31 December 2022 (Audited) £000
Trade payables	2,088	1,369	2,184
Other payables	1,908	1,198	1,856
Other taxes and social security	9,679	8,699	9,309
Accruals	17,860	20,782	19,613
	31,535	32,048	32,962

Included within accruals are volume rebates of £2,890,000 (June 2022: £2,660,000; December 2022: £3,183,000) and payroll accruals of £4,409,000 (June 2022: £4,836,000; December 2022: £4,734,000). No significant judgements were made in the estimation of the volume rebate accrual. Any volume rebates, where the rebate period is non-coterminous with the financial period, are accrued based on forecast revenue for the remainder of the rebate period. No individual client rebates were material in value in 2023 or 2022.

13 Share-based payments

During the six-month period ended 30 June 2023, the Group recognised a share-based payment credit of £3,261,000 (2022: expense of £2,797,000) and associated social security credit of £535,000 (2022: expense of £13,000). The share-based payment credit in 2023 is a result of a change in the adjusted earnings per share performance vesting assumptions with the outstanding awards now anticipated to vest at a lower quantum. The social security costs for the 2022 period were reduced due to movements in the Company's share price.

14 Investment in own shares

During 2018 the FDM Group Employee Benefit Trust was established to purchase shares sold by option holders upon exercise of options under the FDM Performance Share Plan. The Group accounts for its own shares held by the Trustee of the FDM Group Employee Benefit Trust as a deduction from shareholders' funds. During the period own shares held were used to satisfy the requirements of the Group's share plans.

Notes to the Condensed Consolidated Interim Financial Statements continued

15 Related party transactions

Eight family members of Directors are employed by the Group, each at market rate on an arm's length basis. The total remuneration relating to these staff in aggregate was £166,000, comprising salary and bonus of £496,000 and share-based payment credit of £330,000 (2022: seven individuals, aggregate remuneration of £744,000, comprising salary and bonus of £550,000 and share-based payment expense of £194,000).

16 Key management personnel

The key management personnel comprise the Directors of the Group. The compensation of key management is set out below:

	Six months to 30 June 2023 (Unaudited) £000	Six months to 30 June 2022 (Unaudited) £000	Year ended 31 December 2022 (Audited) £000
Short-term employee benefits	1,199	1,827	3,612
Post-employment benefits	27	46	72
Share-based payments (credit)/ expense	(859)	468	977
	367	2,341	4,661

17 Financial instruments

There are no material differences between the fair value of the financial assets and liabilities included within the following categories in the Condensed Consolidated Statement of Financial Position and their carrying value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Statement of Directors' Responsibilities

The Directors confirm that these Condensed Interim Financial Statements have been prepared in accordance with UK adopted International Accounting Standard 34 "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

Directors who held office during the period:

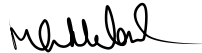
Rod Flavell	Chief Executive Officer
Sheila Flavell	Chief Operating Officer
Mike McLaren	Chief Financial Officer
Andy Brown	Chief Commercial Officer
David Lister	Non-Executive Chairman
Alan Kinnear	Non-Executive Director
Jacqueline de Rojas	Non-Executive Director
Michelle Senecal de Fonseca	Non-Executive Director
Peter Whiting	Non-Executive Director

The Executive Directors of FDM were listed in the Annual Report and Accounts of the Company for the year ended 31 December 2022 and remained the same in the six months to 30 June 2023.

By order of the Board



Rod Flavell
Chief Executive Officer



Mike McLaren
Chief Financial Officer

25 July 2023

Independent review report to FDM Group (Holdings) plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed FDM Group (Holdings) plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Report of FDM Group (Holdings) plc for the 6 month period ended 30 June 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2023;
- the Condensed Consolidated Income Statement for the period then ended;
- the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report of FDM Group (Holdings) plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Independent review report to FDM Group (Holdings) plc continued

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

London

25 July 2023

Notes

UK

USA

Canada

Germany

Switzerland

Austria

Ireland

The Netherlands

Poland

Luxembourg

South Africa

Hong Kong

Singapore

China

Australia

New Zealand

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